PESTECH

PESTECH INTERNATIONAL BERHAD
(Co. No. 201101019901 (948035-U))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIFTH QUARTER AND PERIOD ENDED 31 DECEMBER 2024

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31 Dec 2024 RM'000	Preceding year corresponding quarter 31 Dec 2023 RM'000	Current period 31 Dec 2024 RM'000	Preceding year corresponding period 31 Dec 2023 RM'000
Revenue	84,368	-	506,369	-
Operating expenses	(89,941)	-	(412,169)	-
Other operating income	198	-	1,973	-
Fair value gain/(loss) arising from contract modification	114	-	(14,211)	-
Reversal/(Impairment) of contract asset	1,609	-	(200,461)	-
Reversal of impairment of receivables	-	-	218	-
Other gains	25,876	-	6,581	-
Operating profit/(loss)	22,224	-	(111,700)	-
Share of (loss)/profit of equity-accounted associate	(6,010)	-	543	-
Profit/(Loss) before interest and tax	16,214	-	(111,157)	-
Finance income	8,239	-	32,226	-
Finance costs	(17,540)	-	(97,846)	-
Profit/(Loss) before tax	6,913	-	(176,777)	-
Tax expense	(260)	-	(6,224)	-
Profit/(Loss) for the period	6,653	-	(183,001)	-
Other comprehensive income/(loss):				
Items that will be reclassified subsequently to profit or loss				
- Exchange translation differences	10,303	-	(10,237)	-
- Fair value gain/(loss) on cash flow hedge	18	-	(2,095)	-
Total comprehensive income/(loss) for the period	16,974	-	(195,333)	-
Profit/(Loss) for the period attributable to:				
Owners of the Company	1,653	-	(191,332)	-
Perpetual SUKUK-holders	6,167	-	18,166	-
Non-controlling interests	(1,167)	-	(9,835)	-
	6,653	-	(183,001)	-

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIFTH QUARTER AND PERIOD ENDED 31 DECEMBER 2024 (CONT'D)

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31 Dec 2024 RM'000	Preceding year corresponding quarter 31 Dec 2023 RM'000	Current period 31 Dec 2024 RM'000	Preceding year corresponding period 31 Dec 2023 RM'000
Total comprehensive income/(loss) attributable to:				
Owners of the Company	7,546	-	(200,234)	-
Perpetual SUKUK-holders	6,167	-	18,166	-
Non-controlling interests	3,261	-	(13,265)	-
	16,974	-	(195,333)	-
EBITDA	19,199	-	(94,279)	-
Earnings/(Loss) per share attributable to owners of the Company:				
- Basic (Sen)	0.16	-	(18.71)	-
- Diluted (Sen)	0.16	-	(18.71)	-

The financial year end of the Group had been changed from 30 September to 31 March. As such, there is no comparative financial information available for the preceding year corresponding period.

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 period ended 30 September 2023.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	Unaudited as at 31 Dec 2024 RM'000	Audited as at 30 Sep 2023 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		178,724	213,973
Intangible assets		-	715
Investment in associates		1,441	898
Derivative financial assets		-	2,530
Contract assets	**A13**	647,539	804,792
Total non-current assets		827,704	1,022,908
Current assets			
Contract assets	**A13**	659,264	957,648
Inventories		87,384	29,052
Trade receivables	**A14**	167,278	182,693
Other receivables		55,412	142,960
Amount due from holding company		29,776	-
Amount due from associate		9,301	3,513
Tax recoverable		4,328	5,149
Cash and short-term deposits		212,335	157,366
		1,225,078	1,478,381
Asset held for sale	**A21**	6,972	-
Total current assets		1,232,050	1,478,381
Total assets		2,059,754	2,501,289
EQUITY AND LIABILITIES			
EQUITY			
Share capital		392,942	232,942
Treasury shares		(4,183)	(4,183)
Reserves		10,069	18,971
(Accumulated losses)/Retained earnings		(100,154)	91,178
		298,674	338,908
Perpetual SUKUK		82,000	100,000
Non-controlling interests		18,171	35,600
Total equity		398,845	474,508

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

	Note	Unaudited as at 31 Dec 2024 RM'000	Audited as at 30 Sep 2023 RM'000
EQUITY AND LIABILITIES (Cont'd)			
LIABILITIES			
Non-current liabilities			
Derivative financial liabilities		664	3,191
Lease liabilities	**A16**	8,661	10,414
Loans and borrowings	**A16**	558,304	650,012
Borrowing from a third party		34,730	-
Deferred tax liabilities		6,246	6,556
Trade payables		16,539	5,816
Other payables		53,258	-
Total non-current liabilities		678,402	675,989
Current liabilities			
Contract liabilities	**A13**	11,295	10,959
Trade payables		412,820	685,092
Other payables		138,410	181,633
Lease liabilities	**A16**	523	1,342
Loans and borrowings	**A16**	407,343	466,396
Borrowing from a third party		1,074	-
Derivative financial liabilities		-	1,722
Tax payable		4,642	3,648
		976,107	1,350,792
Liability held for sale	**A21**	6,400	-
Total current liabilities		982,507	1,350,792
Total liabilities		1,660,909	2,026,781
Total equity and liabilities		2,059,754	2,501,289
Net assets per share (Sen)		17.21	48.20
Net assets per share attributable to Owners of the Company (Sen)		12.89	34.42

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 period ended 30 September 2023.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIFTH QUARTER AND PERIOD ENDED 31 DECEMBER 2024

	← 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/ (Accumulated losses) RM'000	Total RM'000	Perpetual SUKUK RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 October 2023	232,942	(4,183)	1,239	42,335	8,534	(33,137)	91,178	338,908	100,000	35,600	474,508
(Loss)/Profit for the financial period	-	-	-	-	-	-	(191,332)	(191,332)	18,166	(9,835)	(183,001)
Other comprehensive loss for the financial period	-	-	(1,986)	(6,916)	-	-	-	(8,902)	-	(3,430)	(12,332)
Total comprehensive (loss)/income for the financial period	-	-	(1,986)	(6,916)	-	-	(191,332)	(200,234)	18,166	(13,265)	(195,333)
Transaction with owners:											
Distribution to Perpetual SUKUK-holders	-	-	-	-	-	-	-	-	(18,166)	-	(18,166)
Redemption of Perpetual SUKUK	-	-	-	-	-	-	-	-	(18,000)	-	(18,000)
Issuance of share capital pursuant to restricted issue	160,000	-	-	-	-	-	-	160,000	-	-	160,000
Capital reduction in a subsidiary	-	-	-	-	-	-	-	-	-	(4,164)	(4,164)
At 31 December 2024	392,942	(4,183)	(747)	35,419	8,534	(33,137)	(100,154)	298,674	82,000	18,171	398,845

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIFTH QUARTER AND PERIOD ENDED 31 DECEMBER 2024 (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 October 2022	-	-	-	-	-	-	-	-	-	-	-
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the financial period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	-	-	-	-	-	-	-	-
Transaction with owners:											
Dividend paid								-	-	-	-
Distribution to Perpetual SUKUK-holders	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2023	-	-	-	-	-	-	-	-	-	-	-

The financial year end of the Group had been changed from 30 September to 31 March. As such, there is no comparative financial information available for the preceding year corresponding period.

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 period ended 30 September 2023.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIFTH QUARTER AND PERIOD ENDED 31 DECEMBER 2024

	15-months ended	
	31 Dec 2024 RM'000	**31 Dec 2023 RM'000**
OPERATING ACTIVITIES		
Loss before tax	(176,777)	-
Adjustments for:		
Amortisation of unwinding discount of financial liability	2,173	-
Depreciation of property, plant and equipment	16,878	-
Fair value loss on derivative financial instruments	4,750	-
Gain on disposal of subsidiaries	(18,204)	-
Gain on disposal of associate	(1,045)	-
Gain on disposal of property, plant and equipment	(148)	-
Property, plant and equipment written off	534	-
Fair value loss arising from contract modification	14,211	-
Impairment of contract assets	200,461	-
Reversal of provision of trade creditor	(183,698)	-
Reversal of impairment of receivables	(218)	-
Loss on lease termination	1,447	-
Interest expense	95,673	-
Interest income	(1,017)	-
Finance income arising from contract assets	(28,368)	-
Share of gain of equity-accounted associate	(543)	-
Unwinding discount of financial liabilities	(2,841)	-
Unrealised loss on foreign exchange	7,843	-
Operating loss before working capital changes	(68,889)	-
Changes in working capital:		
Inventories	(59,758)	-
Receivables	69,746	-
Payables	22,402	-
Contract customers	201,348	-
Associate companies	(5,788)	-
Cash generated from operations	159,061	-
Interest received	1,017	-
Interest paid	(95,673)	-
Tax paid	(4,131)	-
Net cash from operating activities	60,274	-
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	305	-
Proceeds from disposal of subsidiaries	5,390	-
Purchase of property, plant and equipment	(877)	-
Net cash from investing activities	4,818	-

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIFTH QUARTER AND PERIOD ENDED 31 DECEMBER 2024 (CONT'D)

	15-months ended	
	31 Dec 2024 RM'000	**31 Dec 2023 RM'000**
FINANCING ACTIVITIES		
Distribution to Perpetual SUKUK-holders	(18,166)	-
Redemption of Perpetual SUKUK-holders	(18,000)	-
Withdrawal of fixed deposits and debt service reserve accounts with licensed institutions	50,553	-
Proceeds from issuance of share capital pursuant to restricted issue	144,000	-
Drawdown from borrowings	299,200	-
Repayment of borrowings	(399,812)	-
Net cash from financing activities	57,775	-
CASH AND CASH EQUIVALENTS		
Net changes	122,867	-
Cash and cash equivalents at beginning of the period	6,188	-
Effect of foreign exchange translation	(1,405)	-
Cash and cash equivalents at end of the period	127,650	-
Represented by:		
Cash and bank balances	203,639	-
Fixed deposits with licensed financial institutions	8,696	-
Bank overdrafts	(31,161)	-
	181,174	-
Less:		
- Fixed deposits pledged to financial institutions	(8,696)	-
- Debt service reserve accounts, included in cash and bank balances	(44,828)	-
	127,650	-

The financial year end of the Group had been changed from 30 September to 31 March. As such, there is no comparative financial information available for the preceding year corresponding period.

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 period ended 30 September 2023.

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 period ended 30 September 2023.

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 period ended 30 September 2023.

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 period ended 30 September 2023, except for the adoption of the following:

Effective for financial periods beginning on or after 1 January 2023

Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
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
Amendments to MFRS 112	Income Taxes – International Tax Reform: Pillar Two Model Rules

Effective for financial periods beginning on or after 1 January 2024

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

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

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

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:

<u>*Effective for financial periods beginning on or after 1 January 2025*</u>

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

<u>*Effective for financial periods beginning on or after 1 January 2026*</u>

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards – Annual Improvements to MFRS Accounting Standards – Volume 11
Amendments to MFRS 9 and MFRS 7	Financial Instruments – Amendments to the Classification and Measurement of Financial Instruments
Amendments to MFRS 9 and MFRS 7	Financial Instruments – Annual Improvements to MFRS Accounting Standards – Volume 11
Amendments to MFRS 9 and MFRS 7	Financial Instruments – Contracts Referencing Nature-dependent Electricity
Amendments to MFRS 10	Consolidated Financial Statements – Annual Improvements to MFRS Accounting Standards – Volume 11
Amendments to MFRS 107	Statement of Cash Flows – Annual Improvements to MFRS Accounting Standards – Volume 11

<u>*Effective for financial periods beginning on or after 1 January 2027*</u>

MFRS 18	Presentation and Dislosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures

<u>*Amendments to MFRSs effective date deferred indefinitely:*</u>

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 31 December 2024, except for the following:

i. On 18 December 2024, the Company completed the listing and quotation of 1,333,335,000 Restricted Shares on the Main Market of Bursa Securities Malaysia Berhad, at an issue price of RM0.12 per Restricted Share. As a result of this corporate exercise, the Company's share capital increased from RM232,941,897 to RM392,942,097. Refer Note B8 (i) for further information.

A4. Material changes in estimates

There were no changes in estimates of amounts reported in previous financial period that have had a material effect for the current financial quarter ended 31 December 2024.

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 December 2024, except for the item mentioned in Note A3 (i).

A6. Dividends paid

There were no dividends paid for the current financial quarter ended 31 December 2024.

A7. Changes in composition of the Group

There were no changes to the composition of the Group for the current financial quarter ended 31 December 2024.

A8. Valuation of property, plant and equipment

There were no valuation of property, plant and equipment for the current financial quarter ended 31 December 2024.

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 December 2024				
	Investment RM'000	**EPMCC RM'000**	**Product RM'000**	**Elimination RM'000**	**Total RM'000**
Revenue					
External customers	-	83,572	796	-	84,368
Inter-segment	3,816	12,668	-	(16,484)	-
Total revenue	3,816	96,240	796	(16,484)	84,368
Finance income	(5,749)	11,656	-	2,332	8,239
Finance costs	8,587	(23,861)	(464)	(1,802)	(17,540)
Net finance income/(expense)	2,838	(12,205)	(464)	530	(9,301)
Segment profit/(loss) before tax	5,412	3,120	(1,934)	315	6,913
Segment profit/(loss) after tax	5,334	2,938	(1,934)	315	6,653

	Results for the quarter ended 31 December 2023				
	Investment RM'000	**EPMCC RM'000**	**Product RM'000**	**Elimination RM'000**	**Total RM'000**
Revenue					
External customers	-	-	-	-	-
Inter-segment	-	-	-	-	-
Total revenue	-	-	-	-	-
Finance income	-	-	-	-	-
Finance costs	-	-	-	-	-
Net finance income/(expense)	-	-	-	-	-
Segment profit/(loss) before tax	-	-	-	-	-
Segment profit/(loss) after tax	-	-	-	-	-

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 December 2024				
	Investment RM’000	**EPMCC RM’000**	**Product RM’000**	**Elimination RM’000**	**Total RM’000**
Revenue					
External customers	-	501,803	4,566	-	506,369
Inter-segment	19,529	121,708	4,428	(145,665)	-
Total revenue	19,529	623,511	8,994	(145,665)	506,369
Finance income	46,201	58,911	-	(72,886)	32,226
Finance costs	(32,264)	(140,058)	(1,899)	76,375	(97,846)
Net finance income/ (expense)	13,937	(81,147)	(1,899)	3,489	(65,620)
Segment profit/(loss) before tax	10,792	(222,407)	(8,479)	43,317	(176,777)
Segment profit/(loss) after tax	5,516	(223,355)	(8,479)	43,317	(183,001)

	Results for the period ended 31 December 2023				
	Investment RM’000	**EPMCC RM’000**	**Product RM’000**	**Elimination RM’000**	**Total RM’000**
Revenue					
External customers	-	-	-	-	-
Inter-segment	-	-	-	-	-
Total revenue	-	-	-	-	-
Finance income	-	-	-	-	-
Finance costs	-	-	-	-	-
Net finance income/(expense)	-	-	-	-	-
Segment profit/(loss) before tax	-	-	-	-	-
Segment profit/(loss) after tax	-	-	-	-	-

A10. Tax expense

	Current year quarter 31 Dec 2024 RM'000	Preceding year corresponding quarter 31 Dec 2023 RM'000	Current period 31 Dec 2024 RM'000	Preceding year corresponding period 31 Dec 2023 RM'000
Tax expense	(260)	-	(6,224)	-

Tax is calculated at Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial period. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

Despite the Group incurring loss before tax in the current period, income tax expense was recognised based on chargeable income in accordance to the respective tax laws of the jurisdictions.

A11. Earnings/(Loss) per share

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

The calculation of basic earnings/(loss) per share for the financial quarter/period is based on the profit/(loss) 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 Dec 2024	Preceding year corresponding quarter 31 Dec 2023	Current period 31 Dec 2024	Preceding year corresponding period 31 Dec 2023
Profit/(Loss) attributable to owners of the Company (RM'000)	1,653	-	(191,332)	-
Weighted average number of ordinary shares outstanding ('000)	1,022,442	-	1,022,442	-
Basic earnings/(loss) per share (Sen)	**0.16**	**-**	**(18.71)**	**-**

A11.2. Diluted earnings per share

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

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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 period, the Group acquired property, plant and equipment amounting to RM877,322.

A13. Contract assets

	Unaudited as at 31 Dec 2024 RM'000	Audited as at 30 Sep 2023 RM'000
Contract assets		
Contract assets from customers on construction contracts	1,306,803	1,762,440
Presented as:		
Non-current	647,539	804,792
Current	659,264	957,648
	1,306,803	1,762,440
Contract liabilities		
Contract liabilities from customers on construction contracts	11,295	10,959

A14. Trade receivables

The trade receivables of the Group were as follows:

	Unaudited as at 31 Dec 2024 RM'000	Audited as at 30 Sep 2023 RM'000
Trade receivables, net of impairment	69,829	54,158
Retention sums on contracts, net of impairment	97,449	128,535
	167,278	182,693

A15. Cash and short-term deposits

The cash and short-term deposits of the Group were as follows:

	Unaudited as at 31 Dec 2024 RM'000	Audited as at 30 Sep 2023 RM'000
Cash and bank balances	203,639	99,638
Fixed deposits with licensed institutions	8,696	57,728
	212,335	157,366

A16. Borrowings and debts securities

Total borrowings of the Group were as follows:

	Unaudited as at 31 Dec 2024 RM'000	Audited as at 30 Sep 2023 RM'000
Non-current liabilities		
Secured:		
Term loans	519,367	650,012
Revolving credit	38,937	-
	558,304	650,012
Lease liabilities	8,661	10,414
	566,965	660,426
Current liabilities		
Secured:		
Term loans	126,023	127,416
Bank overdrafts	31,161	47,101
Bankers' acceptances	33,429	11,039
Trust receipts	91,990	100,798
Revolving credit	124,740	180,042
	407,343	466,396
Lease liabilities	523	1,342
	407,866	467,738
	974,831	1,128,164

A16. Borrowings and debts securities (Cont'd)

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

	Unaudited as at 31 Dec 2024 RM'000	Audited as at 30 Sep 2023 RM'000
Ringgit Malaysia	267,807	386,824
United States Dollar	707,024	741,340
	974,831	1,128,164

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:

On 21 January 2025, the Company is proposing to change its name from "PESTECH International Berhad" to "PESTEC International Berhad" ("Proposed Change of Name"). The proposed name "PESTEC International Berhad" was approved and reserved by the Companies Commission of Malaysia ("CCM") on 7 January 2025. The Proposed Change of Name is subject to the approval of the Company's shareholders at the forthcoming extraordinary general meeting ("EGM") on 27 February 2025. The Proposed Change of Name, if approved by the shareholders at the EGM, will take effect from the date of issuance of the Notice of Registration of New Name by the CCM to the Company.

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 Dec 2024 RM'000	Audited as at 30 Sep 2023 RM'000
Secured facilities outstanding as at:		
Lease liabilities of the Group	9,184	11,756
Loan and borrowings of subsidiaries	860,168	992,705

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

There were no capital commitments for the current financial quarter ended 31 December 2024.

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 Dec 2024 RM'000	Audited as at 30 Sep 2023 RM'000
Related parties by virtue of common directors and key senior management:		
Provision of services	5,900	-
Purchased of material and services rendered	846	3,292
Rental expense	516	363

A21. Asset and liability held for sale

On 6 August 2024, Fornix Sdn. Bhd. ("FNX"), a wholly-owned subsidiary of the Company, entered into a Sale and Purchase agreement ("SPA") with an external party for disposal of all the piece of freehold industrial land known as Lot No: D16 @ KIIP Kapar 2 in Mukim Jeram, Daerah Kuala Selangor, Negeri Selangor measuring approximately 12,025 square metre for a total consideration of RM8,412,000. The disposal process is still on going as of reporting date.

Pursuant to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, the related asset and liability directly associate to the asset had been reclassified as Asset Held For Sale.

The details are as follows:

	Unaudited as at 31 Dec 2024 RM'000
Reclassified as held for sale	
Asset	
Carrying amount of property, plant and equipment	6,972
Liability	
Carrying amount of term loan	6,400

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 Dec 2024 RM'000	Preceding year corresponding quarter 31 Dec 2023 RM'000	Changes RM'000	%
Revenue	84,368	-	-	-
Profit before tax	6,913	-	-	-
Profit after tax	6,653	-	-	-

The Group registered a revenue of RM84.4 million for the current quarter under review, which represents a diversified contribution across various divisions. The Substation division was the largest contributor, accounting for approximately RM59.1 million. The Rail division contributed approximately RM8.0 million. The Transmission Line division, approximately RM11.6 million and lastly, Others segments around RM5.7 million. The overall revenue of the Group for the quarter reflects the stage of completion of these various projects, with certain projects nearing completion while others are in their early or mid-stages. This dynamic mix of project stages has a direct impact on revenue recognition, which is recognized progressively based on the percentage of work completed.

Profit before tax for the Group stood at RM6.9 million for the quarter, while profit after tax was recorded at RM6.7 million. The Group's profitability was notably contributed by gross profit from project execution, which was recorded at an 8% margin, and unrealized foreign exchange gains of approximately RM22.1 million. The gross profit margin for the quarter under review met the Group's expectations. The unrealized foreign exchange gains were primarily driven by the strengthening of the US Dollar against the Malaysian Ringgit during the period. The strengthening of the US Dollar had a positive effect on foreign currency-denominated assets, resulting in significant unrealized gains.

The financial year end of the Group had been changed from 30 September to 31 March. As such, there is no comparative financial information available for the preceding year corresponding period.

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 Dec 2024 RM'000	Immediate preceding quarter 30 Sep 2024 RM'000	Changes RM'000	%
Revenue	84,368	121,349	(36,981)	-30%
Profit/(Loss) before tax	6,913	(46,887)	53,800	115%
Profit/(Loss) after tax	6,653	(48,096)	54,749	114%

The Group recorded a revenue of RM84.4 million for the current quarter under review, compared to RM121.3 million for the immediate preceding quarter, representing a decrease of approximately RM36.9 million or 30%. The revenue decline was primarily impacted by lower revenue in the Substation division, which decreased by RM38.7 million or 39.6%, and the Rail division, which decreased by RM1.9 million or 19.2%.

The Group's profit before tax for the quarter compared to immediate preceding quarter showed an improvement of RM53.8 million or 115% and the profit after tax show an improvement of RM54.7 million or 114%. The loss before tax of RM46.9 million and a loss after tax of RM48.1 million in the immediate preceding quarter were primarily due to a fair value loss on derivative financial instruments of RM6.6 million and unrealized foreign exchange losses of RM26.8 million, caused by the strengthening of the Malaysian Ringgit against the US Dollar during the period.

Excluding the unrealised foreign exchange gains and fair value gains/losses on derivative financial instruments in this quarter under review, the Group activities is showed a marginal loss before interest and tax of RM6.9 million. This loss was mainly due to the share of losses from an equity-accounted associate, amounting to RM6.0 million during the quarter under review. For comparison, the marginal loss before interest and tax in the immediate preceding quarter was RM0.6 million, recalculated on the same basis.

B2. Profit/(Loss) before tax

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

	Current year quarter 31 Dec 2024 RM'000	Preceding year corresponding quarter 31 Dec 2023 RM'000	Current period 31 Dec 2024 RM'000	Preceding year corresponding period 31 Dec 2023 RM'000
Amortisation of unwinding discount of financial liability	797	-	2,173	-
Depreciation of property, plant and equipment	2,985	-	16,878	-
Fair value (gain)/loss on derivative financial instruments	(1,046)	-	4,750	-
Gain on disposal of subsidiaries	(54)	-	(18,204)	-
(Loss)/Gain on disposal of associate	14	-	(1,045)	-
Gain on disposal of property, plant and equipment	-	-	(148)	-
(Reversal)/impairment of contract assets	(1,609)	-	200,461	-
Fair value (gain)/loss arising from contract modification	(114)	-	14,211	-
Reversal of provision of trade creditor	-	-	(183,698)	-
Reversal of impairment of receivables	-	-	(218)	-
(Gain)/loss on lease termination	(11)	-	1,447	-
Interest expense	16,743	-	95,673	-
Interest income	(157)	-	(1,017)	-
Finance income arising from contract assets	(5,241)	-	(28,368)	-
Property, plant and equipment written off	(3)	-	534	-
Unwinding discount of financial liability	(2,841)	-	(2,841)	-
Unrealised (gains)/loss on foreign exchange	(22,072)	-	7,843	-

B3. Prospects

The quarter under review marks a significant milestone for PESTECH International Berhad ("PIB") following the successful completion of the Proposed Restricted Issue by our new major shareholder, Dhaya Maju Infrastructure (Asia) Sdn. Bhd. ("DMIA"). The equity injection by DMIA, along with the finalization of the Proposed Debt Restructuring Scheme with lenders, has significantly strengthened the Group's financial stability.

As part of its growth strategy, PIB is actively exploring regional opportunities with a strong focus on electrical and rail infrastructure, further enhancing its market position. Domestically, Malaysia's energy transition is driving capital investments into grid upgrades, integration of distributed energy resources, and network reinforcement to support the rapid expansion of data centers over the next few years. PIB is strategically positioned to capitalize on the increasing demand for infrastructure development from the opportunities in the build up of data centers in Malaysia.

In the Malaysia energy sector, Tenaga Nasional Berhad ("TNB") is leading the transition towards renewable energy (RE), prioritizing grid enhancement to strengthen Malaysia's energy security through diversified supply sources and greater grid interconnectivity. By 2025, TNB aims to establish 8.3 GW of RE capacity, advancing its commitment to achieving net zero emissions. TNB has set clear sustainability targets, including a 35% reduction in emission intensity and cutting coal capacity by 50% by 2035. By then, TNB's energy portfolio will comprise 66% renewable energy, with coal reliance reduced to 10% (down from 45% in 2021) and non-coal thermal capacity increasing to 24%. TNB also aspires to achieve net zero emission in 2050 by accelerating investments in emerging green technologies, including green hydrogen, carbon capture and utilisation (CCU).
(Source : http://energy.bernama.com/news.php?id=2045262)

In alignment with this national transition, PIB is committed to fostering strategic growth in green technology, leveraging the opportunities presented by TNB's transformation into a sustainable energy leader. This ensures long-term value creation for stakeholders while reinforcing PIB's financial position in the renewable energy segment.

Beyond Malaysia, PIB continues to strengthen its presence in Cambodia, where it has been operating for nearly 15 years. The Government of Cambodia's ongoing energy expansion plan presents significant opportunities, with more than 1,000 km of new transmission lines required in the coming years. This positions PIB well to leverage its expertise and play a pivotal role in the region's energy infrastructure development.

Our outstanding major tender book currently stands at approximately RM1 billion, and we are excited about accessing the emerging market in sustainable electrical grid development, as well as the electrification of rail and urban rail systems. We remain optimistic about the industry's prospects and look forward to a year of recovery as we fulfil our current commitments.

B4. Profit forecast and profit guarantee

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

B5. Material litigation

There are no other material litigations affecting the Group, except for those disclosed below. The following provides the latest updates of the status of these cases and new material litigation that arose during the quarter.

(i) In the matter of the adjudication proceedings between PESTECH Technology Sdn. Bhd. ("PTE") and Lion Pacific Sdn Bhd ("LPSB") and in the matter of the High Court proceedings between LPSB and PTE

LPSB and PTE are currently in the midst of negotiation for a settlement. The next case management has been fixed at 27 February 2025 for the parties to update the High Court on the status of the settlement negotiations between both parties.

(ii) In the matter of an AIAC arbitration between Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd (Claimant) ("SPYTL") and Pestech Technology Sdn Bhd ("PTE") & Pestech International Berhad ("PIB") (Respondents)

PTE and PIB continue to seek a set-off against SPYTL's claims and have filed a counterclaim related to the termination of the Sub-Contract dated 18 December 2018 for the electrification systems works on the Electrified Double Track from Gemas to Johor Bahru.

By mutual agreement, the arbitration has been stayed until 15 January 2025.

On 7 January 2025, PIB informed the Arbitration Panel that it has filed an Anti Arbitration Injuction in the Kuala Lumpur High Court.

This matter is pending.

(iii) In the matter of the court proceedings between PESTECH Sdn Bhd ("PSB") and Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd ("SPYTL")

SPYTL filed an appeal to the Court of Appeal against the High Court Judge's decision in respect of the Stay Application on 26 July 2024 and the Court of Appeal Registrar fixed the hearing date on 26 March 2025.

B5. Material litigation (Continued)

(iv) In the matter of the arbitration proceedings between PESTECH Sdn Bhd ("PSB"), Pestech International Berhad ("PIB") and Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd ("SPYTL")

On 7 December 2024, PSB and PIB filed an action based on the matters of the Arbitration Proceedings. PSB and PIB had also filed an Anti Arbitration Injunction.

Subsequent to the case management on 3 January 2025 before the Kuala Lumpur High Court. Hearing is fixed on 26 February 2025.

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

The decision on the Summary Judgment application has been vacated, and a case management has been scheduled for 11 March 2025 to fix a decision date for the Summary Judgment Appliation that has been filed.

(vi) In the matter of the arbitration proceedings between Shandong Power Equipment Co., Ltd ("SPECO") and PESTECH Sdn Bhd ("PSB")

The settlement agreement between SPECO and PSB has been resolved, and the necessary arrangements are to be made to withdraw the arbitration proceedings.

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 period ended 30 September 2023.

B8. Status of corporate proposal

(i) Proposed Restricted Issue and Proposed Capitalisation

On 4 October 2024, the Company entered into a conditional subscription agreement ("Subscription Agreement") with Dhaya Maju Infrastructure (Asia) Sdn Berhad ("DMIA"), pursuant to which the Company proposes to undertake a restricted issue of 1,333,335,000 new Shares ("Restricted Share(s)") to DMIA for a total subscription price of RM160,000,200 at an issue price of RM0.12 per Restricted Share ("Subscription Price") ("Proposed Restricted Issue").

The proposed capitalisation of the deposit of RM16,000,020, being 10% of the Subscription Price ("Deposit") paid by DMIA to the Company upon execution of the Subscription Agreement for the Proposed Restricted Issue, through the issuance of 133,333,500 new Shares ("Capitalisation Share(s)") at an issue price of RM0.12 per Capitalisation Share ("Capitalisation Issue Price"), if required pursuant to the terms of the Subscription Agreement ("Proposed Capitalisation").

On 20 November 2024, Bursa Malaysia Securities Berhad ("Bursa Securities") had resolved to approve the additional listing application for the Proposed Restricted Issue and Proposed Capitalisation, subject to the following conditions:

- The Company and Alliance Islamic Bank Berhad ("AIS") must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities ("Main Market LR"), pertaining to the implementation of the Proposed Restricted Issue or Proposed Capitalisation, including compliance with the public security holding spread requirement pursuant to Paragraph 8.02(1) of the Main Market LR;

- AIS to inform Bursa Securities upon the completion of the Proposed Restricted Issue or Proposed Capitalisation;

- AIS to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Restricted Issue or Proposed Capitalisation is completed; and

- The Company to furnish Bursa Securities with a certified true copy of the resolutions passed by the shareholders in general meeting approving the Proposed Restricted Issue and Proposed Capitalisation.

The Proposed Restricted Issue and Proposed Capitalisation have been approved by the shareholders in the Extraordinary General Meeting held on 10 December 2024.

AIS has issued a letter dated 16 December 2024 to Bursa Securities certifying that all the conditions above have been met.

On 18 December 2024, the Company completed the listing and quotation of 1,333,335,000 Restricted Shares on the Main Market of Bursa Securities Malaysia Berhad, at an issue price of RM0.12 per Restricted Share. As a result of this corporate exercise, the Company's share capital increased from RM232,941,897 to RM392,942,097. Given the Proposed Restricted Issue is completed, the Company will not implement the Proposed Capitalisation.

B8. Status of corporate proposal (Continued)

(ii) Proposed Scheme of Arrangement

On 18 December 2024, the Company proposed to undertake a scheme of arrangement pursuant to the Companies Act 2016 ("Act") between Pestech International Berhad ("PIB") and its subsidiaries ("Group") and its financial institution scheme creditors ("Proposed Scheme of Arrangement" or "Scheme").

As at 30 September 2024 ("Cut-Off Date"), Group had total outstanding debt of approximately RM267 million owing to its bankers who have a claim against PIB either directly or via a corporate guarantee provided by the Company ("Scheme Creditors"). These outstanding bank facilities, which are already frozen and can no longer be utilised, are proposed to be resolved under the Proposed Scheme of Arrangement by a one-off upfront cash payment of RM65 million. The cash payment will be funded from the proceeds of the restricted issue of new PIB shares as approved by PIB shareholders via an extraordinary general meeting on 10 December 2024. This cash payment will be deemed as full and final settlement of all amounts owing as at the Cut-Off Date to the Scheme Creditors.

The Proposed Scheme of Arrangement was initiated as a pre-packaged scheme of arrangement under section 369C of the Act, allowing the Court to eventually approve the Scheme without any meeting of the Scheme Creditors. It is a pre-packaged scheme of arrangement whereby the main terms of the proposed restructuring have already been conveyed to the Scheme Creditors. Approval-in-principle from Scheme Creditors representing more than 75% of the total outstanding debt owing to the Scheme Creditors has been obtained on 18 December 2024.

On 15 January 2025, the Company had successfully obtained the approval from the Scheme Creditors, higher than the requisite threshold of seventy-five percent (75%) in value from those who had completed, executed and returned their ballot forms. Further thereto, PIB on 23 January 2025, filed an application pursuant to section 369C of the Companies Act 2016 at the Kuala Lumpur High Court for the Court to sanction the Proposed Scheme of Arrangement ("Scheme Application").

B9. Status of Utilisation of Proceeds Raised from Restricted Issue

The actual utilisation of the total gross proceeds of RM160,000,200 raised from Restricted Issue on 18 December 2024 were as below:

	As of 31 December 2024			
Details of utilisation	**Proposed Utilisation RM'000**	**Actual Utilisation RM'000**	**Balance of Proceeds RM'000**	**Intended time frame for utilisation**
Repayment of bank borrowings	60,000	-	60,000	12 months
Operational requirements	17,000	-	17,000	12 months
Working capital	82,000	6,167	75,833	12 months
Estimated expenses in relation to Restricted Issue	1,000	725	275	2 months
Total	**160,000**	**6,892**	**153,108**	

The actual utilization of working capital is solely for the semi-annual periodic distribution under the Company's Perpetual Sukuk.

A total of RM65 million has been set aside for the Proposed Scheme of Arrangement and the balance of the unutilised proceeds have been placed in the money market.

B10. Authorisation for issue

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