PESTEC INTERNATIONAL BERHAD
(Co. No. 201101019901 (948035-U))
(formerly known as PESTECH International Berhad)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE FIRST QUARTER ENDED 30 JUNE 2026

	Individual Quarter		Cumulative Quarter	
	Current period quarter 30-Jun-26 RM'000	**Preceding year corresponding quarter 30-Jun-25 RM'000**	**Current period 30-Jun-26 RM'000**	**Preceding year corresponding period 30-Jun-25 RM'000**
Revenue	21,389	117,106	21,389	117,106
Operating expenses	(29,352)	(113,951)	(29,352)	(113,951)
Other operating income	13	203,438	13	203,438
Other (losses)/gains	(981)	(22,022)	(981)	(22,022)
Operating (loss)/profits	(8,931)	184,571	(8,931)	184,571
Share of profits of equity-accounted associate	-	-	-	-
(Loss)/profit before interest and tax	(8,931)	184,571	(8,931)	184,571
Finance income	2,764	5,178	2,764	5,178
Finance costs	(13,109)	(18,521)	(13,109)	(18,521)
(Loss)/profit before tax	(19,276)	171,228	(19,276)	171,228
Tax expense	-	(36,877)	-	(36,877)
(Loss)/profit for the period/year	(19,276)	134,351	(19,276)	134,351
Other comprehensive gains/(losses):				
Items that will be reclassified subsequently to profit or loss				
- Exchange translation differences	(880)	(4,058)	(880)	(4,058)
- Fair value loss on cash flow hedge	(286)	(501)	(286)	(501)
Total comprehensive (loss)/gain for the period/year	(20,442)	129,792	(20,442)	129,792
(Loss)/profit for the period attributable to:				
Owners of the Company	(24,167)	129,329	(24,167)	129,329
Perpetual SUKUK-holders	6,133	6,133	6,133	6,133
Non-controlling interests	(1,242)	(1,111)	(1,242)	(1,111)
	(19,276)	134,351	(19,276)	134,351

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE FIRST QUARTER ENDED 30 JUNE 2026

	Individual Quarter		Cumulative Quarter	
	Current period quarter 30-Jun-26 RM'000	Preceding year corresponding quarter 30-Jun-25 RM'000	Current period 30-Jun-26 RM'000	Preceding year corresponding period 30-Jun-25 RM'000
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(25,669)	127,163	(25,669)	127,163
Perpetual SUKUK-holders	6,133	6,133	6,133	6,133
Non-controlling interests	(906)	(3,504)	(906)	(3,504)
	(20,442)	129,792	(20,442)	129,792
EBITDA	(6,371)	187,568	(6,371)	187,568
(Loss)/earnings per share attributable to owners of the Company:				
- Basic (Sen)	(0.95)	5.48	(0.95)	5.48
- Diluted (Sen)	(0.95)	5.48	(0.95)	5.48

The unaudited Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 31 March 2026.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	Note	Unaudited as at 30-Jun-26 RM'000	Audited as at 31-Mar-26 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	**A13**	152,152	153,909
Contract assets	**A14**	538,464	536,449
Total non-current assets		690,616	690,358
Current assets			
Contract assets	**A14**	519,888	535,830
Inventories		45,704	54,675
Trade receivables	**A15**	134,541	118,702
Other receivables		56,226	48,857
Amount due from holding company		2,704	11,996
Amount due from associates		13,263	13,263
Tax recoverable		2,203	1,484
Cash and short-term deposits	**A16**	57,143	71,152
Total current assets		831,672	855,959
Total assets		1,522,288	1,546,317
EQUITY AND LIABILITIES			
EQUITY			
Share capital		420,757	420,757
Treasury shares		(4,183)	(4,183)
Reserves		12,994	14,496
Accumulated losses		(192,566)	(168,399)
		237,002	262,671
Perpetual SUKUK		82,000	82,000
Non-controlling interests		6,651	7,557
Total equity		325,653	352,228

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026 (CONT'D)

	Note	Unaudited as at 30-Jun-26 RM'000	Audited as at 31-Mar-26 RM'000
EQUITY AND LIABILITIES (Cont'd)			
LIABILITIES			
Non-current liabilities			
Derivative financial liabilities		1,293	1,143
Lease liabilities	**A17**	6,727	7,328
Loans and borrowings	**A17**	117,350	121,723
Deferred tax liabilities		4,762	4,726
Other payables		45,016	44,668
Total non-current liabilities		175,148	179,588
Current liabilities			
Contract liabilities	**A14**	4,879	4,841
Trade payables		422,419	390,196
Other payables		114,609	114,936
Lease liabilities	**A17**	538	529
Loans and borrowings	**A17**	478,462	503,778
Tax payable		580	221
		1,021,487	1,014,501
Liability held for sale		-	-
Total current liabilities		1,021,487	1,014,501
Total liabilities		1,196,635	1,194,089
Total equity and liabilities		1,522,288	1,546,317
Net assets per share (Sen)		12.77	10.56
Net assets per share attributable to Owners of the Company (Sen)		9.30	6.33

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 31 March 2026.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 JUNE 2026

	← 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	Accumulated losses RM'000	Total RM'000	Perpetual SUKUK RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2026	420,757	(4,183)	(2,392)	41,491	8,534	(33,137)	(168,399)	262,671	82,000	7,557	352,228
Profit for the financial period	-	-	-	-	-	-	(24,167)	(24,167)	6,133	(1,242)	(19,276)
Other comprehensive loss for the financial period	-	-	(275)	(1,227)	-	-	-	(1,502)	-	336	(1,166)
Total comprehensive income for the financial period	-	-	(275)	(1,227)	-	-	(24,167)	(25,669)	6,133	(906)	(20,442)
Transaction with owners:											
Distribution to Perpetual SUKUK-holders	-	-	-	-	-	-	-	-	(6,133)	-	(6,133)
pursuant to restricted issue	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2026	420,757	(4,183)	(2,667)	40,264	8,534	(33,137)	(192,566)	237,002	82,000	6,651	325,653

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 JUNE 2025

	Attributable to owners of the Company										
	Non-distributable						Distributable				
	Share capital RM'000	Treasury shares RM'000	Fair value reserve RM'000	Exchange translation reserve RM'000	Capital reserve RM'000	Merger 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 April 2025	392,942	(4,183)	(2,620)	35,517	8,534	(33,137)	(250,328)	146,725	82,000	15,997	244,722
Profit for the financial period	-	-	-	-	-	-	129,329	129,329	6,133	(1,111)	134,351
Other comprehensive income for the financial period	-	-	3,481	(1,356)	-	-	-	2,125	-	(6,684)	(4,559)
Total comprehensive income for the financial period	-	-	3,481	(1,356)	-	-	129,329	131,454	6,133	(7,795)	129,792
Transaction with owners:											
Distribution to Perpetual SUKUK-holders	-	-	-	-	-	-	-	-	(6,133)	-	(6,133)
Issuance of share capital pursuant to restricted issue	27,815	-	-	-	-	-	-	27,815	-	-	27,815
Capital reduction in a subsidiary	-	-	-	-	-	-	-	-	-	4,291	4,291
At 30 June 2025	420,757	(4,183)	861	34,161	8,534	(33,137)	(120,999)	305,994	82,000	12,493	400,487

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 31 March 2026.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2026

	3 Months ended	
	30-Jun-26	**30-Jun-25**
	RM'000	**RM'000**
OPERATING ACTIVITIES		
Profit before tax	(19,276)	171,228
Adjustments for:		
Amortisation of unwinding discount of financial liability	1,147	1,258
Depreciation of property, plant and equipment	2,560	2,997
Interest expense	11,962	17,263
Interest income	(163)	(186)
Finance income arising from contract assets	(2,601)	(4,992)
Other operating income	-	(201,995)
Unrealised loss on foreign exchange	518	21,807
Operating (loss)/profit before working capital changes	(5,853)	7,380
Changes in working capital:		
Inventories	9,311	(20,013)
Receivables	(10,176)	(40,041)
Payables	15,398	(8,476)
Contract customers	24,972	44,739
Associate companies	-	(3,321)
Cash generated/(used in) operations	33,652	(19,732)
Interest received	162	186
Interest paid	(11,962)	(17,263)
Tax paid	(354)	(381)
Net cash flow from operating activities	21,498	(37,190)
INVESTING ACTIVITY		
Purchase of property, plant and equipment	(1)	-
Net cash flow from investing activity	(1)	-

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2026

	3 Months ended	
	30-Jun-26	**30-Jun-25**
	RM'000	**RM'000**
FINANCING ACTIVITIES		
Distribution to Perpetual SUKUK-holders	-	(6,133)
Withdrawal of fixed deposits and debt service reserve accounts with licensed institutions	1,892	18,695
Proceeds from issuance of share capital pursuant to restricted issue	-	27,815
Drawdown from borrowings		19,087
Repayment of borrowings	(30,777)	(81,802)
Net cash flow from financing activities	(28,885)	(22,338)
CASH AND CASH EQUIVALENTS		
Net changes	(7,388)	(59,528)
Cash and cash equivalents at beginning of the period	8,254	85,592
Effect of foreign exchange translation	(711)	(1,723)
Cash and cash equivalents at end of the period	155	24,341
Represented by:		
Cash and bank balances	49,503	76,631
Fixed deposits with licensed financial institutions	7,640	26,588
Bank overdrafts	(13,989)	(18,745)
	43,154	84,474
Less:		
- Fixed deposits pledged to financial institutions	(6,011)	(26,589)
- Debt service reserve accounts, included in cash and bank balances	(36,988)	(33,544)
	155	24,341

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 31 March 2026.

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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 Company's external auditors have reviewed the Interim Financial Report in accordance with International Standard on *Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity* .

The interim financial report should be read in conjunction with the audited financial statements presented in Annual Report for the financial year ended 31 March 2026.

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 31 March 2026.

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 31 March 2026, except for the adoption of the following:

MFRS and Amendments to MFRSs effective 1 January 2026:

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendments to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 9	Financial Instruments: Disclosures
Amendments to MFRS 10	Consolidated Financial Statements
Amendments to MFRS 107	Statement of Cash Flows

Amendments to MFRSs effective 1 January 2027:

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates - Translation to a Hyperinflationary Presentation Currency

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

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

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 2027

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates - Translation to a Hyperinflationary Presentation Currency

Amendments to MFRSs 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 impact 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 June 2026.

A4. Auditors Report on preceding annual financial statements

(i) The auditors have expressed a qualified opinion in relation to contract asset recoverability in Pestec International Berhad's ("the Company") audited financial statements for the financial year ended 31 March 2026. An extract of the opinion is as follows:

"Impact of the Middle East conflict: As described in Note 9 to the financial statements, the Group has recognised contract assets of approximately RM50.31 million as at 31 March 2026 arising from its construction project in Iraq. We were able to obtain sufficient appropriate audit evidence regarding the stage of completion, existence and measurement of these contract assets. However, as a result of the ongoing conflict in the Middle East and the resulting closure of the Strait of Hormuz, significant uncertainty exists over the recoverability of these amounts, and no impairment allowance has been recognised by Management in respect of the contract assets. We were unable to obtain sufficient appropriate audit evidence as to the recoverability of the contract assets and whether any impairment allowance is required and, if so, the amount of such allowance, and there were no satisfactory alternative audit procedures that we could adopt. Consequently, we were unable to determine whether any adjustments to the contract assets of approximately RM50.31 million, and to the related profit and equity, were necessary."

(ii) The auditors have expressed an unqualified opinion in relation to material uncertainty relating to going concern in the Company audited financial statements for the financial year ended 31 March 2026. An extract of the opinion is as follows:

"We draw attention to Note 2.3 to the financial statements, which discloses that the Group recorded net current liabilities of RM158.5 million as at 31 March 2026. As disclosed in Note 2.3, the ability of the Group to continue as a going concern is dependent on the continued financial support of the immediate and ultimate holding company, Dhaya Maju Infrastructure (Asia) Sdn. Berhad. These events or conditions, along with other matters as set forth in Note 2.3, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

A5. 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 30 June 2026.

A6. 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 June 2026.

A7. Dividends paid

There were no dividends paid for the current financial quarter ended 30 June 2026.

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

A8. Changes in composition of the Group

There were no changes to the composition of the Group for the current financial quarter ended 30 June 2026.

A9. Valuation of property, plant and equipment

There were no valuation of property, plant and equipment for the current financial quarter ended 30 June 2026.

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

A10. 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/period ended 30 June 2026				
	Investment RM'000	**EPMCC RM'000**	**Product RM'000**	**Elimination RM'000**	**Total RM'000**
Revenue					
External customers	-	21,389	-	-	21,389
Inter-segment	3,816	381	5,833	(10,030)	-
Total revenue	3,816	21,770	5,833	(10,030)	21,389
Finance income	59	2,705	-	-	2,764
Finance costs	(860)	(12,243)	-	(6)	(13,109)
Net finance (expense)/ income	(801)	(9,538)	-	(6)	(10,345)
Segment (loss)/profit before tax	447	(20,453)	(195)	925	(19,276)
Segment (loss)/profit after tax	447	(20,453)	(195)	925	(19,276)

	Results for the quarter/period ended 30 June 2025				
	Investment RM'000	**EPMCC RM'000**	**Product RM'000**	**Elimination RM'000**	**Total RM'000**
Revenue					
External customers	-	115,790	1,316	-	117,106
Inter-segment	3,816	43,417	-	(47,233)	-
Total revenue	3,816	159,207	1,316	(47,233)	117,106
Finance income	5,997	7,036	-	(7,855)	5,178
Finance costs	(2,939)	(23,765)	50	8,133	(18,521)
Net finance income/ (expense)	3,058	(16,729)	50	278	(13,343)
Segment profit/(loss) before tax	36,879	94,244	(1,168)	41,273	171,228
Segment profit/(loss) after tax	28,647	65,599	(1,168)	41,273	134,351

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A11. Tax expense

	Current period quarter 30-Jun-26 RM'000	Preceding year corresponding quarter 30-Jun-25 RM'000	Current period 30-Jun-26 RM'000	Preceding year corresponding period 30-Jun-25 RM'000
Tax expense	-	(36,877)	-	(36,877)

Tax is calculated at Malaysian statutory tax rate of 24% (2026: 24%) of the estimated assessable profit for the financial period. Taxation for other jurisdictions 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 resident.

A12. Earnings per share

A12.1. Basic (loss)/earnings per share

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

	Current period quarter 30-Jun-26	Preceding year corresponding quarter 30-Jun-25	Current period 30-Jun-26	Preceding year corresponding period 30-Jun-25
(Loss)/profit attributable to owners of the Company (RM'000)	(24,167)	129,329	(24,167)	129,329
Weighted average number of ordinary shares outstanding ('000)	2,549,044	2,360,955	2,549,044	2,360,955
Basic (loss)/earnings per share (Sen)	**(0.95)**	**5.48**	**(0.95)**	**5.48**

A12.2. 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

A13. Property, plant and equipment

During the current financial period, the Group has not acquired any significant property, plant and equipment.

A14. Contract assets

	Unaudited as at 30-Jun-26 RM'000	Audited as at 31-Mar-26 RM'000
Contract assets		
Contract assets from customers on construction contracts	1,058,352	1,072,279
Presented as:		
Non-current	538,464	536,449
Current	519,888	535,830
	1,058,352	1,072,279
Contract liabilities		
Contract liabilities from customers on construction contracts	4,879	4,841

A15. Trade receivables

The trade receivables of the Group were as follows:

	Unaudited as at 30-Jun-26 RM'000	Audited as at 31-Mar-26 RM'000
Trade receivables, net of impairment	38,674	37,667
Retention sums on contracts, net of impairment	95,867	81,035
	134,541	118,702

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

A16. Cash and short-term deposits

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

	Unaudited as at 30-Jun-26 RM'000	Audited as at 31-Mar-26 RM'000
Cash and bank balances	49,503	9,531
Fixed deposits with licensed institutions	7,640	61,621
	57,143	71,152

A17. Borrowings and debt securities

Total borrowings of the Group were as follows:

	Unaudited as at 30-Jun-26 RM'000	Audited as at 31-Mar-26 RM'000
Non-current liabilities		
Secured:		
Term loans	85,382	90,002
Third party loan	31,968	31,721
	117,350	121,723
Lease liabilities	6,727	7,328
	124,077	129,051
Current liabilities		
Secured:		
Term loans	410,551	418,263
Third party loan	652	647
Bank overdrafts	13,989	20,558
Bankers' acceptances	1,428	2,428
Trust receipts	-	6,319
Revolving credit	51,842	55,563
	478,462	503,778
Lease liabilities	538	529
	479,000	504,307
	603,077	633,358

A17. Borrowings and debts securities (Cont'd)

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

	Unaudited as at 30-Jun-26 RM'000	Audited as at 31-Mar-26 RM'000
Ringgit Malaysia	42,188	44,290
United States Dollar	560,889	589,068
	603,077	633,358

A18. Material event subsequent to the end of interim period reported

There was no material event subsequent to the end of the financial period except as disclosed in Note B5 (vi).

A19. Financial guarantees

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

	Unaudited as at 30-Jun-26 RM'000	Audited as at 31-Mar-26 RM'000
Secured facilities outstanding as at:		
Loan and borrowings of subsidiaries	567,605	626,654

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.

A20. Capital commitments

There were no capital commitments at the end of the financial year reported.

A21. Significant related party transactions

The Group had the following transactions during the financial year/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-Jun-26 RM'000	Audited as at 31-Mar-26 RM'000
Related parties by virtue of common directors and key senior management:		
Provision of services	3,921	46,682
Purchase of material and services rendered	-	105
Rental expense	-	71

The provision of services of RM3.9 million represent amount due from holding company for electrification, signalling and communication works undertaken for projects.

PESTEC

PESTEC INTERNATIONAL BERHAD
(Co. No. 201101019901 (948035-U))
(formerly known as PESTECH International Berhad)

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 and year to date against the same quarter in the preceding year

	Current period quarter 30-Jun-26 RM'000	Preceding year corresponding quarter 30-Jun-25 RM'000	Changes RM'000	%
Revenue	21,389	117,106	(95,717)	-82%
(Loss)/profit before tax	(19,276)	171,228	(190,504)	-111%
(Loss)/profit after tax	(19,276)	134,351	(153,627)	-114%

The Group registered a revenue of RM21.4 million for the current quarter under review as compared to RM117.1 million for the corresponding quarter of the preceding year. The lower revenue recorded was mainly due to the cyclical winding down of major international projects in Iraq and Cambodia upon substantial completion in the preceding period coupled with the completion of a major Malaysian railway infrastructure project in the prior year which, contributed substantially to the topline reported in the corresponding quarter.

For the quarter under review, the Group recorded a loss after tax of RM19.3 million compared to an after tax profitable position of RM134.4 million in the corresponding quarter of the preceding year. The adverse performance was predominantly due to the aforementioned overall lower Group revenue and recognition of a substantial one-off gain arising from debt waiver pursuant to the Group's Scheme of Arrangement with its creditors in the corresponding quarter of the preceding year.

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 30-Jun-26 RM'000	Immediate preceding quarter 31-Mar-26 RM'000	Changes RM'000	%
Revenue	21,389	43,786	(22,397)	-51%
Loss before tax	(19,276)	(37,641)	18,365	49%
Loss after tax	(19,276)	(37,800)	18,524	49%

The Group recorded a quarter-on-quarter revenue decline by 51% (approximately RM22.4 million) from RM43.8 million to RM21.4 million. The drop was primarily caused by lower revenue generated due to the effect of cyclical winding down of a major international project in Cambodia and eventual achievement of full construction completion in the current quarter.

Consequently, for the quarter under review the Group recorded a loss after tax of RM19.3 million primarily attributable to the Group's lower revenue stream.

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 were the following items:

	Current year quarter 30-Jun-26 RM'000	Preceding year corresponding quarter 30-Jun-25 RM'000	Current period 30-Jun-26 RM'000	Preceding year corresponding period 30-Jun-25 RM'000
Amortisation of unwinding discount of financial liability	1,147	1,258	1,147	1,258
Depreciation of property, plant and equipment	2,560	2,997	2,560	2,997
Interest expense	11,962	17,263	11,962	17,263
Interest income	(163)	(186)	(163)	(186)
Finance income arising from contract assets	(2,601)	(4,992)	(2,601)	(4,992)
Unrealised loss on foreign exchange	518	21,807	518	21,807

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

B3. Prospects

1. National Energy Transition and TNB Capital Investments
Tenaga Nasional Berhad ("TNB"), Malaysia's leading utility provider, has significantly ramped up its capital expenditure commitment to RM42.9 billion, comprising RM26.6 billion in base capital expenditure and RM16.3 billion in contingent investments. This allocation is aimed at accelerating infrastructure development, particularly in support of Malaysia's energy transition objectives and grid modernization efforts.
TNB expects electricity demand to rise by up to 4.5% in 2025, aligned with anticipated national economic growth of 4.5% to 5.5% during the same period. This presents substantial opportunities for grid upgrades, substation expansions, and smart meter deployment.

Source: The Edge Malaysia – "TNB doubles budgeted capex to RM42.9b to fast-track infrastructure development", published May 13, 2025 (https://theedgemalaysia.com/node/752817)

2. Malaysia's Energy Transition and NETR Initiatives
Under the National Energy Transition Roadmap ("NETR"), TNB is spearheading various initiatives to create a more sustainable and digitally integrated energy ecosystem. Key focus areas include:
Utility-scale renewable energy: Expansion of large solar farms in Chenderoh, Kenyir, and Temenggor, including floating solar panels on dam surfaces.
Centralised solar parks: Development of multiple solar parks to enhance national clean energy capacity.
Grid modernization: Digitalization and reinforcement of grid infrastructure to manage variable renewable energy inputs more efficiently.
Green hydrogen and ammonia: Pilot projects in collaboration with PETRONAS to reduce carbon intensity in power generation.
Carbon capture and repowering: Upgrades at key power plants, including the Paka facility, to incorporate low-emission technologies by 2029.
These developments are aligned with TNB's "Reimagining TNB 2.0" strategy, which aims for net-zero emissions by 2050.

Source: The Star – "Malaysia's Energy Transformation: TNB Accelerates NETR Projects", published February 2025 (https://www.thestar.com.my/news/nation/2025/06/26/roadmap-to-malaysias-energy-future)

3. East Malaysia and Regional Power Export Potential
The Government of Sarawak has set a target to increase installed power generation capacity from 10 GW by 2030 to 15 GW by 2035, driven by its ambition to become a regional energy exporter. PIB's involvement in pioneering hydrogen-based rural electrification with Sarawak Energy Berhad at Rumah Bangau exemplifies its potential to contribute to this goal.

Source: The Star – "Sarawak aims to become regional power supplier", published February 24, 2025

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

B3. Prospects (continued)

4. Rising Demand for Digital Infrastructure and Grid Reinforcement
Malaysia's digital economy is driving rapid growth in data centre investments. The Malaysia Data Center Market was valued at USD 4.04 billion in 2024, and is projected to reach USD 13.57 billion by 2030, at a CAGR of 22.38%. This surge is expected to significantly increase electricity demand and drive capital investment into grid upgrades, backup power systems, and high-reliability substation infrastructure.

Source: GlobeNewswire – "Malaysia Data Center Market Analysis 2025–2030", published January 28, 2025 (https://www.globenewswire.com/news-release/2025/01/28/3016199/28124/en/Malaysia-Data-Center-Market-Analysis-2025-2030-New-Entrants-include-STACK-Infrastructure-Epoch-Digital-EdgeConneX-and-Edgenex-Data-Centres-by-DAMAC.html).

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

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

6. Strong Tender Book and Strategic Positioning
As of the reporting period, PIB's tender book stands at approximately RM1.5 billion, comprising major infrastructure bids in power transmission, substation upgrades, and urban transit systems. The Group remains committed to strengthening its project pipeline and building on its integrated engineering and execution expertise.

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

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

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

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

B3. Prospects (continued)

Conclusion
With strong market demand, and active participation in energy transition initiatives, PESTEC remains optimistic for a year of recovery and expansion. With a diverse project portfolio, regional presence, and technical capabilities, the Group is optimistic to achieve sustainable growth while supporting national and regional development agendas.

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) Arbitration Proceedings, AIAC/D/AD-1225-2023, Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd ("SPYTL") (Claimant) vs PESTECH Technology Sdn Bhd ("PTE") and PESTEC International Bhd ("PIB") (Respondents)

On 24 August 2018, PTE was appointed by SPYTL as the subcontractor to undertake the contract works for the design, construction, supply, installation, completion, testing, commissioning and maintenance of the electrified double track rail project from Gemas to Johor Bahru ("Gemas Project"). On 18 December 2018, SPYTL and PTE entered into the sub-contracting agreement for the Gemas Project ("SPYTL Sub-contracting Agreement"). On 10 May 2023, PTE received a Notice of Termination for Default from SPYTL terminating PTE as the sub-contractor for the Gemas Project ("Notice of Termination for Default"). On 11 September 2023, SPYTL issued a Notice of Arbitration against PTE for, amongst others, a declaration that the Notice of Termination for Default is valid and for damages to be assessed in respect of alleged breaches of the SPYTL Sub-contracting Agreement.Parties are scheduled for hearing on the following dates 26,27 and 30 November 2026; and 1-4, 7-11 and 14-15 December 2026.

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

B5. Material litigation (continued)

(ii) Kuala Lumpur High Court, Civil Suit No. WA-22C-44-06/2023, PESTECH Sdn Bhd ("PSB") (Plaintiff) vs Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd ("SPYTL") (Defendant)

On 20 June 2023, PSB filed a Writ and an Ex-Parte Notice of Application seeking to restrain SPYTL from trespassing, utlising and tampering with PSB's machineries, and the recovery of its machineries. PSB filed an Amended Statement of Claim, and the application has been sealed by the court on 3 November 2025.Trial dates were fixed and commenced on 20-21 & 24 April 2026 for the application of the return of the machinery and damages for the loss of rental of its machineries on a daily rate. The decision was delivered by the High Court on 14 July 2026 in favour of SPYTL. PSB is appealing the decision.

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

On 21 March 2024, Jalur Tegas Sdn Bhd ("Jalur Tegas") commenced a claim against PESTECH Technology Sdn Bhd ("PTE") for RM1,037,369.76 for alleged outstanding payments under a manpower supply contract. PTE filed a Counterclaim seeking RM3,000,000.00 in damages for breach of contract and unlawful conspiracy involving Jalur Tegas and Mohd Rizal bin Abdul Ghani, alleging the latter's undisclosed conflict of interest while also employed by Syarikat Pembenaan Yeoh Tion Lay Sdn Bhd ("SPYTL").

Jalur Tegas filed a Summary Judgment Application and an application to strike out PTE's Counterclaim. On 21 June 2025, the High Court dismissed both applications, except for the strike-out application by the second defendant (Mohd Rizal), which was allowed—resulting in the Counterclaim against him being struck out. PTE has filed an appeal against the latter ruling on 8 July 2025. Hearing for the appeal is scheduled on 2 March 2026. The case is fixed for trial from 19-21 October 2026.

B5. Material litigation (continued)

(iv) Arbitration, Shandong Power Equipment Co Ltd ("SPECO") (Claimant) vs PESTECH Sdn Bhd ("PSB") (Respondent)

On 17 October 2024, Shandong Power Equipment Co Ltd ("SPECO") issued four Notices of Arbitration against PESTECH Sdn Bhd ("PSB") for outstanding balances under four transformer supply contracts, with a total claim amounting to approximately RM7.47 million (in CNY and USD).

PSB denied liability, asserting material breach by SPECO. Proceedings commenced on 30 October 2024 under the AIAC Arbitration Rules 2023.Pursuant to meetings on 26 and 28 November 2024, the parties executed a settlement agreement. Under the settlement, PSB paid USD595,101.35 in two instalments: the first instalment to be made by end of January 2025 and the second instalment before 28 February 2025. Rectification costs of USD516,910.34 were agreed to be offset. The balance sum of RMB2,522,526.81 shall be payable post DLP expiry for the Junjung Project. SPECO has acknowledged the settlement and will withdraw the arbitration proceedings in due course.

(v) Winding-Up Petition High Court of Malaya, Kuala Lumpur, Petition No. WA-28NCC-1326-12/2025 by PESTECH Engineering Technology (China) Co. Ltd. served on PESTECH SDN BHD

On 22 December 2025, Pestech Sdn. Bhd. ("PSB"), was served with a winding-up petition dated the same day ("Petition") by Messrs. Ravindran Advocates & Solicitors, acting for Pestech Engineering Technology (China) Co. Ltd. ("Petitioner"). The Petitioner is not related to the Company or its subsidiaries, notwithstanding the similarity in name.

The Petition was filed in the High Court of Malaya at Kuala Lumpur for an alleged sum of USD 2,394,052.01. PESTEC in its official statement dated 16 January 2026 emphasised that the Petition and the alleged debt is disputed, and based on the current assessment, the Company does not expect any material adverse impact on the financial position or operations of the Company or the Group arising from the Petition. The Company has sought legal advice and is taking the necessary and appropriate steps in relation to the Petition and in reference to the alleged debt not limited to opposing the Petition.

On 26 May 2026, PSB, through its solicitors, filed a Summons in Chambers seeking, amongst others, a stay of the winding-up proceedings pending the determination of the related proceedings. The application remains pending before the High Court of Kuala Lumpur.

The winding-up petition, which was initially fixed for hearing on 8 June 2026, was subsequently converted to case management. The petition remains pending before the High Court of Malaya at Kuala Lumpur and continues to be actively contested by PSB. The case management of the winding-up petition was held on 6 August 2026 for further directions. Following the case management of the Winding Up Petition held on 6 August 2026 , the Court has scheduled for the Winding-Up Petition and the Stay application for Hearing on 5 November 2026.

To date, no winding-up Order has been made against PSB.

Any material development in respect of the above matter will be announced in due course, in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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

B5. Material litigation (Continued)

(vi) Kuala Lumpur High Court Suit No WA-22ICA-27-08/2026

On 14 August 2026, PESTEC International Bhd ("PIB"), Enersol Co. Ltd ("Enersol") and Pestech Sdn Bhd ("PSB") hereinafter referred to as Plaintiffs, commenced proceedings against Shandong Power Equipment Co Ltd ("SPECO"), Shandong Electrical Engineering & Equipment Group Co ("SDEE"), and four former officers and/or management personnel of the Pestech Group, namely Lim Pay Chuan, Pan Seng Wee, Han Fatt Juan and Teh Bee Choo.

The investigations uncovered material irregularities in the underlying transactions and documentation, including duplicate invoices, differing prices for the same materials, inconsistencies in quantities and weights, discrepancies between purchase orders and commercial invoices, and the use of higher-valued commercial invoices in support of trade financing. The Plaintiffs presently quantify the unexplained invoice discrepancies at about USD7,459,276.94, with further losses subject to ongoing forensic reconciliation.

The claim further concerns an undated Corporate Guarantee purportedly issued by PIB in favour of SPECO to guarantee Enersol's alleged indebtedness. The Plaintiffs contend that the Corporate Guarantee was not authorised by any Board resolution, was not recognised or recorded as a liability in PIB's audited financial statements and was not disclosed in the relevant Disclosure Letter. SPECO subsequently relied on the Corporate Guarantee in pursuing its claim against PIB, including by way of statutory demand.

The Plaintiffs 'cause of actions include fraud and fraudulent misrepresentation, conspiracy, breach of fiduciary and statutory duties, and knowing receipt, contending that the Defendants acted jointly or in concert in relation to the disputed transactions and documentation, causing loss and/or exposing the Plaintiffs to liabilities. The relief sought includes declarations in respect of the alleged fraud, conspiracy and breaches of duty, a declaration that the Corporate Guarantee is invalid and unenforceable, repayment of sums received pursuant to the disputed transactions including USD200,000 previously paid to SPECO, account of profits and tracing, as well as special damages of at least USD7,459,276.94, general damages, interest and costs.

The Plaintiffs have also filed an ex-parte application for an interim injunction against the Defendants. The application seeks, pending the disposal of the main action, to restrain the Defendants from enforcing or taking any steps to enforce the undated Corporate Guarantee purportedly issued by PIB in favour of SPECO in respect of Enersol's alleged obligations.

The court had on 21 August 2026, directed the Plaintiffs to serve the cause papers including the injunction application on the Defendants. The solicitors for the Plaintiffs have filed an application for leave to serve out of jurisdiction for the service of the cause papers on SPECO and SDEE.

The court has fixed 27 August 2026 for case management of the Injunction and Application for service out of jurisdiction.

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.