

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND PERIOD ENDED 30 JUNE 2024**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30 Jun 2024 RM'000	Preceding year corresponding quarter 30 Jun 2023 RM'000	Current period 30 Jun 2024 RM'000	Preceding year corresponding period 30 Jun 2023 RM'000
Revenue	155,162	-	300,652	-
Operating expenses	(6,973)	-	(188,807)	-
Other operating income	820	-	968	-
Fair value loss arising from contract modification	(18,701)	-	(18,701)	-
Impairment of contract asset	(205,023)	-	(205,023)	-
Reversal of impairment of receivables	-	-	218	-
Other gains	16,718	-	13,472	-
Operating loss	(57,997)	-	(97,221)	-
Share of gain of equity-accounted associate	3,653	-	3,943	-
Loss before interest and tax	(54,344)	-	(93,278)	-
Finance income	5,782	-	17,623	-
Finance costs	(19,359)	-	(61,148)	-
Loss before tax	(67,921)	-	(136,803)	-
Tax expense	(1,958)	-	(4,755)	-
Loss for the period	(69,879)	-	(141,558)	-
Other comprehensive (expense)/income:				
Items that will be reclassified subsequently to profit or loss				
- Exchange translation differences	(359)	-	902	-
- Fair value loss on cash flow hedge	(18)	-	(2,144)	-
Total comprehensive loss for the period	(70,256)	-	(142,800)	-
Loss for the period attributable to:				
Owners of the Company	(71,809)	-	(144,563)	-
Perpetual SUKUK-holders	6,167	-	11,999	-
Non-controlling interests	(4,237)	-	(8,994)	-
	(69,879)	-	(141,558)	-
Total comprehensive loss attributable to:				
Owners of the Company	(72,178)	-	(146,042)	-
Perpetual SUKUK-holders	6,167	-	11,999	-
Non-controlling interests	(4,245)	-	(8,757)	-
	(70,256)	-	(142,800)	-

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND PERIOD ENDED 30 JUNE 2024 (CONT'D)**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30 Jun 2024 RM'000	Preceding year corresponding quarter 30 Jun 2023 RM'000	Current period 30 Jun 2024 RM'000	Preceding year corresponding period 30 Jun 2023 RM'000
EBITDA	(50,863)	-	(82,383)	-
Loss per share attributable to owners of the Company:				
- Basic (Sen)	(7.29)	-	(14.68)	-
- Diluted (Sen)	(7.29)	-	(14.68)	-

The financial year end of the Group has been changed from 30 June to 30 September. 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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	Unaudited as at 30 Jun 2024 RM'000	Audited as at 30 Sep 2023 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		199,056	213,973
Intangible assets		-	715
Investment in associates		4,841	898
Derivative financial assets		497	2,530
Contract assets	A13	732,589	804,792
Total non-current assets		936,983	1,022,908
Current assets			
Contract assets	A13	767,968	957,648
Inventories		26,732	29,052
Trade receivables	A14	153,961	182,693
Other receivables		75,510	142,960
Amount due from associate		7,274	3,513
Tax recoverable		4,957	5,149
Cash and short-term deposits		70,369	157,366
Total current assets		1,106,771	1,478,381
Total assets		2,043,754	2,501,289
EQUITY AND LIABILITIES			
EQUITY			
Share capital		232,942	232,942
Treasury shares		(4,183)	(4,183)
Reserves		17,492	18,971
(Accumulated losses)/Retained earnings		(53,385)	91,178
		192,866	338,908
Perpetual SUKUK		82,000	100,000
Non-controlling interests		26,843	35,600
Total equity		301,709	474,508

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024 (CONT'D)

	Note	Unaudited as at 30 Jun 2024 RM'000	Audited as at 30 Sep 2023 RM'000
EQUITY AND LIABILITIES (Cont'd)			
LIABILITIES			
Non-current liabilities			
Derivative financial liabilities		5,029	3,191
Lease liabilities	A16	8,950	10,414
Loans and borrowings	A16	687,404	650,012
Deferred tax liabilities		6,597	6,556
Trade payables		-	5,816
Other payables		49,555	-
Total non-current liabilities		757,535	675,989
Current liabilities			
Contract liabilities	A13	8,471	10,959
Trade payables		430,319	685,092
Other payables		150,319	181,633
Lease liabilities	A16	630	1,342
Loans and borrowings	A16	388,192	466,396
Derivative financial liabilities		1,896	1,722
Tax payable		4,683	3,648
Total current liabilities		984,510	1,350,792
Total liabilities		1,742,045	2,026,781
Total equity and liabilities		2,043,754	2,501,289
Net assets per share (Sen)		30.64	48.20
Net assets per share attributable to Owners of the Company (Sen)		19.59	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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER AND PERIOD ENDED 30 JUNE 2024
(CONT'D)**

	← 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 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 30 June 2023	-	-	-	-	-	-	-	-	-	-	

The financial year end of the Group has been changed from 30 June to 30 September. 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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER AND PERIOD ENDED 30 JUNE 2024

	9-months ended	
	30 Jun 2024 RM'000	30 Jun 2023 RM'000
OPERATING ACTIVITIES		
Loss before tax	(136,803)	-
Adjustments for:		
Amortisation of unwinding discount of financial liability	1,085	-
Depreciation of property, plant and equipment	10,895	-
Fair value gain on derivative financial instruments	(852)	-
Gain on disposal of subsidiaries	(18,600)	-
Gain on disposal of property, plant and equipment	(118)	-
Property, plant and equipment written off	539	-
Fair value loss arising from contract modification	18,701	-
Impairment of contract assets	205,023	-
Reversal of provision of trade creditor	(183,698)	-
Reversal of impairment of receivables	(218)	-
Loss on lease termination	1,479	-
Interest expense	60,063	-
Interest income	(729)	-
Finance income arising from contract assets	(16,894)	-
Share of gain of equity-accounted associate	(3,943)	-
Unrealised loss on foreign exchange	3,120	-
Operating loss before working capital changes	(60,950)	-
Changes in working capital:		
Inventories	2,453	-
Receivables	82,241	-
Payables	(32,470)	-
Contract customers	59,789	-
Associate companies	(3,761)	-
Cash generated from operations	47,302	-
Interest received	729	-
Interest paid	(60,063)	-
Tax paid	(3,299)	-
Net cash used in operating activities	(15,331)	-
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	312	-
Proceeds from disposal of subsidiaries	5,390	-
Purchase of property, plant and equipment	(845)	-
Net cash from investing activities	4,857	-

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER AND PERIOD ENDED 30 JUNE 2024 (CONT'D)

	9-months ended	
	30 Jun 2024 RM'000	30 Jun 2023 RM'000
FINANCING ACTIVITIES		
Distribution to Perpetual SUKUK-holders	(11,999)	-
Redemption of Perpetual SUKUK	(18,000)	-
Withdrawal of fixed deposits and debt service reserve accounts with licensed institutions	49,681	-
Drawdown from borrowings	255,319	-
Repayment of borrowings	(285,317)	-
Net cash used in financing activities	(10,316)	-
CASH AND CASH EQUIVALENTS		
Net changes	(20,790)	-
Cash and cash equivalents at beginning of the period	6,188	-
Effect of foreign exchange translation	187	-
Cash and cash equivalents at end of the period	(14,415)	-
Represented by:		
Cash and bank balances	61,968	-
Fixed deposits with licensed financial institutions	8,401	-
Bank overdrafts	(30,389)	-
	39,980	-
Less:		
- Fixed deposits pledged to financial institutions	(8,401)	-
- Debt service reserve accounts, included in cash and bank balances	(45,994)	-
	(14,415)	-

The financial year end of the Group has been changed from 30 June to 30 September. 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

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 2024

Amendments to MFRS 7	Financial Instruments: Disclosures – Supplier Finance Arrangements
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
Amendment 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

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

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

Standards issued but not yet effective (Cont'd)

The Group has not applied the following MFRSs and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the Company, its subsidiaries and associates: (Cont'd)

Effective for financial periods beginning on or after 1 January 2025

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability
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Effective for financial periods beginning on or after 1 January 2026

Amendments to MFRS 9 and MFRS 7	Financial Instruments – Amendments to the Classification and Measurement of Financial Instruments
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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 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
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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.

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

A3. Items of unusual nature

During the quarter under review, the Group has recognised the following:

- An impairment of a contract asset totalling RM205.0 million and customer compensation of RM55.2 million resulted from the annulment of a deferred payment project. During the quarter under review, the project cost provision of RM127.7 million was reversed. Consequently, the net loss recognised for the quarter due to this annulment is RM132.5 million.
- Fair value loss from contract modification of RM18.7 million attributable to the deferment of collection for a deferred payment project. The project was completed in June 2023.
- Reversal of provision of trade creditor amounting to RM56.0 million arising from a completed deferred payment project.
- Gain on disposal of subsidiaries amounting to RM18.6 million as disclosed in the Note A7.

Other than the above, there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter ended 30 June 2024.

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 30 June 2024.

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

A5. Changes in debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayments of debt and equity securities during the current financial quarter ended 30 June 2024.

A6. Dividends paid

There were no dividends paid for the current financial quarter ended 30 June 2024.

A7. Changes in composition of the Group

- i. On 1 April 2024, Fornix Sdn. Bhd. ("FNX"), a wholly-owned subsidiary of the Company, has entered into a share sale and purchase agreement ("SPA") with an external party for the disposal of its 100% equity interest in Forward Metal Works Sdn. Bhd. ("FMW") for a total cash consideration of RM5,390,000. FMW ceased to be a subsidiary of the Company following the completion of the disposal on 31 May 2024.
- ii. On 5 May 2024, the Group has entered into an Equity Interest Transfer Agreement with a company set up by the current management of a wholly owned subsidiary, PESTECH Engineering Technology (China) Co. Ltd. ("PCN"), for the disposal of 100% equity interest in PCN for a total cash consideration of USD520,000 (equivalents to RM2.45 million) to be paid within two years upon completion of change of registration procedures. The disposal proceed will be paid in four tranches at USD130,000 (equivalent to RM0.61 million) per tranche. PCN ceased to be a subsidiary of the Company following the completion of the change of registration procedures on 3 June 2024.

Other than the above, there were no changes to the composition of the Group for the current financial quarter ended 30 June 2024.

A8. Valuation of property, plant and equipment

There were no valuation of property, plant and equipment for the current financial quarter ended 30 June 2024.

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

A9. Segmental information

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

- (a) Investment - Investment and property holding.
- (b) EPMCC - Engineering, procurement, manufacturing, construction and commissioning of power substations, transmission lines and rail electrifications.
- (c) Product - Provision of design and supply of remote control system and data communication products.

	← Results for the quarter ended 30 June 2024 →				→
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	
Revenue					
External customers	-	154,590	572	-	155,162
Inter-segment	3,881	7,622	924	(12,427)	-
Total revenue	3,881	162,212	1,496	(12,427)	155,162
Finance income	12,842	11,626	-	(18,686)	5,782
Finance costs	(10,216)	(33,863)	(316)	25,036	(19,359)
Net finance income/(expense)	2,626	(22,237)	(316)	6,350	(13,577)
Segment profit/(loss) before tax	6,262	(92,757)	(2,588)	21,162	(67,921)
Segment profit/(loss) after tax	4,521	(92,974)	(2,588)	21,162	(69,879)

	← Results for the quarter ended 30 June 2023 →				→
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination 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	-	-	-	-	-

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

A9. Segmental information (Cont'd)

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

	← Results for the period ended 30 June 2024 →				→
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	
Revenue					
External customers	-	297,924	2,728	-	300,652
Inter-segment	11,897	76,634	3,776	(92,307)	-
Total revenue	11,897	374,558	6,504	(92,307)	300,652
Finance income	42,457	37,452	-	(62,286)	17,623
Finance costs	(33,490)	(91,540)	(1,150)	65,032	(61,148)
Net finance income/ (expense)	8,967	(54,088)	(1,150)	2,746	(43,525)
Segment profit/(loss) before tax	12,637	(179,516)	(7,742)	37,818	(136,803)
Segment profit/(loss) after tax	8,331	(179,965)	(7,742)	37,818	(141,558)

	← Results for the period ended 30 June 2023 →				→
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination 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	-	-	-	-	-

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

A10. Tax expense

	Current year quarter 30 Jun 2024 RM'000	Preceding year corresponding quarter 30 Jun 2023 RM'000	Current period 30 Jun 2024 RM'000	Preceding year corresponding period 30 Jun 2023 RM'000
Tax expense	(1,958)	-	(4,755)	-

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, income tax expense was recognised based on chargeable income in accordance to the respective tax laws of the jurisdictions.

A11. Loss per share

A11.1. Basic loss per share

The calculation of basic loss per share for the financial quarter/period is based on the 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 30 Jun 2024	Preceding year corresponding quarter 30 Jun 2023	Current period 30 Jun 2024	Preceding year corresponding period 30 Jun 2023
Loss attributable to owners of the Company (RM'000)	(71,809)	-	(144,563)	-
Weighted average number of ordinary shares outstanding ('000)	984,555	-	984,555	-
Basic loss per share (Sen)	(7.29)	-	(14.68)	-

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 period, the Group acquired property, plant and equipment amounting to RM845,223.

A13. Contract assets

	Unaudited as at 30 Jun 2024 RM'000	Audited as at 30 Sep 2023 RM'000
Contract assets		
Contract assets from customers on construction contracts	1,500,557	1,762,440
Presented as:		
Non-current	732,589	804,792
Current	767,968	957,648
	1,500,557	1,762,440
Contract liabilities		
Contract liabilities from customers on construction contracts	8,471	10,959

A14. Trade receivables

The trade receivables of the Group were as follows:

	Unaudited as at 30 Jun 2024 RM'000	Audited as at 30 Sep 2023 RM'000
Trade receivables, net of impairment	49,907	54,158
Retention sums on contracts, net of impairment	104,054	128,535
	153,961	182,693

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

A15. Cash and short-term deposits

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

	Unaudited as at 30 Jun 2024 RM'000	Audited as at 30 Sep 2023 RM'000
Cash and bank balances	61,968	99,638
Fixed deposits with licensed institutions	8,401	57,728
	70,369	157,366

A16. Borrowings and debts securities

Total borrowings of the Group were as follows:

	Unaudited as at 30 Jun 2024 RM'000	Audited as at 30 Sep 2023 RM'000
Non-current liabilities		
Secured:		
Lease liabilities	8,950	10,414
Term loans	637,849	650,012
Revolving credit	49,555	-
	696,354	660,426
Current liabilities		
Secured:		
Term loans	116,664	127,416
Bank overdrafts	30,389	47,101
Bankers' acceptances	29,476	11,039
Trust receipts	85,965	100,798
Revolving credit	125,698	180,042
	388,192	466,396
Lease liabilities	630	1,342
	388,822	467,738
	1,085,176	1,128,164

PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING**A16. Borrowings and debts securities (Cont’d)**

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

	Unaudited as at 30 Jun 2024 RM’000	Audited as at 30 Sep 2023 RM’000
Ringgit Malaysia	336,613	386,824
United States Dollar	748,563	741,340
	1,085,176	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:

- i. PESTECH Sdn. Bhd. (“PSB”), a wholly-owned subsidiary of the Company, accepted a Notification of Award (“NOA”) through a joint venture with Sky High Construction Sdn. Bhd. (“Sky High”) (“JV”) from Syarikat SESCO Berhad (“SSB”) for the Entinggan – B 275/(33)kV Substation project (“Entinggan Project”) at a total contract amount of RM109,979,000. On 5 July 2024, PSB and SSB had concluded to opt for annulment of the NOA for Entinggan project (“Annulment”) amicably.

The allocation of the contract value to PSB and Sky High under the JV is 60% (PSB) and 40% (Sky High), respectively.

In that respect, the acceptance of the Annulment comes with the understanding that there will be no claims against each other arising from the Annulment of the Project.

- ii. On 6 August 2024, Fornix Sdn. Bhd. (“FNX”), a wholly-owned subsidiary of the Company, has entered into a sale and purchase agreement (“SPA”) with an external party for the disposal of freehold industrial land at Daerah Kuala Selangor, Negeri Selangor, measuring approximately 12,025 square metre in area, for a total cash consideration of RM8,412,000.
- iii. On 15 August 2024, the Company and IJM Corporation Berhad has mutually decided to terminate the Subscription Agreement due to the non-fulfilment of the conditions precedent pursuant to the Subscription Agreement as disclosed in the Note B8(i).
- iv. On 16 August 2024, the Company entered into a Heads of Agreement (“HOA”) with Dhaya Maju Infrastructure (Asia) Sdn Berhad (“DMIA”) for the proposed subscription by DMIA of a minimum of 1,032,720,000 ordinary shares in the Company, representing not less than 51% of the total enlarged issued share capital of the Company, at a subscription price of RM0.155 per ordinary share (“Proposed Subscription”) as disclosed in the Note B8(ii).

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 30 Jun 2024 RM'000	Audited as at 30 Sep 2023 RM'000
Secured facilities outstanding as at:		
Lease liabilities of the Group	9,571	11,756
Loan and borrowings of subsidiaries	957,626	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 30 June 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 30 Jun 2024 RM'000	Audited as at 30 Sep 2023 RM'000
Related parties by virtue of common directors and key senior management:		
Purchased of material and services rendered	505	3,292
Rental expense	354	363

**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	Preceding year corresponding quarter	Changes	
	30 Jun 2024	30 Jun 2023	RM'000	%
	RM'000	RM'000		
Revenue	155,162	-	-	-
Loss before tax	(67,921)	-	-	-
Loss after tax	(69,879)	-	-	-

The Group registered revenue in current quarter under review amounting to RM155.2 million mainly contributed by Substation division about RM114.2 million. The revenue of the Group reflects the stage of completion for various projects.

Loss before tax of the Group was recorded at RM67.9 million and Loss after tax recorded at RM69.9 million. Overall, the Loss after tax in the current quarter is mainly attributable to the following:

(a) An impairment of a contract asset totalling RM205.0 million and customer compensation of RM55.2 million resulted from the annulment of a deferred payment project. During the quarter under review, the project cost provision of RM127.7 million was reversed. Consequently, the net loss recognised for the quarter due to this annulment is RM132.5 million.

(b) Fair value loss from contract modification of RM18.7 million attributable to the deferment of collection for a deferred payment project. The project was completed in June 2023.

(c) Reversal of provision of trade creditor amounting to RM56.0 million arising from a completed deferred payment project.

(d) Gain on disposal of subsidiaries amounting to RM18.6 million as disclosed in the Note A7.

The net impact of the above financial events amount to a loss of RM76.6 million in this quarter under review.

The financial year end of the Group has been changed from 30 June to 30 September. 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	Immediate preceding quarter	Changes	
	30 Jun 2024 RM'000	31 Mar 2024 RM'000	RM'000	%
Revenue	155,162	72,377	82,785	114%
Loss before tax	(67,921)	(34,047)	(33,874)	(99%)
Loss after tax	(69,879)	(35,307)	(34,572)	(98%)

The Group recorded revenue of RM155.2 million for the current quarter under review as compared to RM72.4 million for the immediate preceding quarter, increase about RM82.8 million or 114%. The increase in revenue is mainly contributed by Substation division, increase about RM64.6mil or 130%. The revenue of the Group reflects the stage of completion for various projects during the quarter under review.

Loss before tax of the Group was recorded at RM67.9 million and Loss after tax recorded at RM69.9 million. Overall, the Loss after tax in the current quarter is attributable to the following:

(a) An impairment of a contract asset totalling RM205.0 million and customer compensation of RM55.2 million resulted from the annulment of a deferred payment project. During the quarter under review, the project cost provision of RM127.7 million was reversed. Consequently, the net loss recognised for the quarter due to this annulment is RM132.5 million.

(b) Fair value loss from contract modification of RM18.7 million attributable to the deferment of collection for a deferred payment project. The project was completed in June 2023.

(c) Reversal of provision of trade creditor amounting to RM56.0 million arising from a completed deferred payment project.

(d) Gain on disposal of subsidiaries amounting to RM18.6 million as disclosed in the Note A7.

The net impact of the above financial events amount to a loss of RM76.6 million in this quarter under review.

The loss after tax margin for the quarter under review was 45% and for immediate preceding quarter was 49%.

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

B2. Loss before tax

Included in the loss before tax are the following items:

	Current year quarter 30 Jun 2024 RM'000	Preceding year corresponding quarter 30 Jun 2023 RM'000	Current period 30 Jun 2024 RM'000	Preceding year corresponding period 30 Jun 2023 RM'000
Amortisation of unwinding discount of financial liability	322	-	1,085	-
Depreciation of property, plant and equipment	3,481	-	10,895	-
Fair value loss/(gain) on derivative financial instruments	2,128	-	(852)	-
Gain on disposal of subsidiaries	(18,594)	-	(18,600)	-
Gain on disposal of property, plant and equipment	(35)	-	(118)	-
Impairment of contract assets	205,023	-	205,023	-
Fair value loss arising from contract modification	18,701	-	18,701	-
Reversal of impairment of receivables	-	-	(218)	-
Loss on lease termination	1,395	-	1,479	-
Interest expense	19,037	-	60,063	-
Interest income	(272)	-	(729)	-
Finance income arising from contract assets	(5,510)	-	(16,894)	-
Property, plant and equipment written off	539	-	539	-
Unrealised (gain)/loss on foreign exchange	(840)	-	3,120	-

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

B3. Prospects

The decision on a mutual termination of the proposed collaboration between PESTECH and IJM was reached due to differing views concerning certain outstanding conditions precedent. While it is unfortunate that, after substantial time and effort invested by both parties, PESTECH and IJM will not proceed with the share subscription exercise, PESTECH remains hopeful to explore future opportunities for collaboration with IJM, particularly in the electrification and power grid infrastructure sectors within the region.

In light of this development, PESTECH had announced the proposed partnership with Dhaya Maju Infrastructure (Asia) Sdn. Berhad (“DMIA”), who intend to acquire a minimum of 51% stake in PESTECH. PESTECH’s relationship with DMIA has been well-established since 2017, having worked together on delivering the electrification works for Phase 1 of the Klang Valley Double Track project. Both PESTECH and DMIA have overlapping scopes within rail electrification, where DMIA excels in civil and rail track laying and PESTECH specializes in electrification, there lies a significant opportunity to extend our railway solutions by combining the expertise of both organizations.

We are confident that PESTECH and DMIA share a common value proposition in developing essential infrastructure for the country, and we look forward to not only contributing to Malaysia's growth, but also to exporting our collective know-how to serve broader markets as a unified synergistic Malaysian entity.

With this prospect of new infusion of capital, the Group is cautiously confident that it will continue to serve the industry in the rail electrification, power grid built-up and renewable energy. These sectors continue to be the focus in most countries in the region in their built-up towards sustainable development of transportation system and modernization of the electrical grid, providing the Group with robust business opportunities.

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 been 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”).

**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)

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”).

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.

As at 31 July 2023, LPSB has made a total payment in the sum of RM4 million.

(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”).

**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)

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

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

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

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

During the case management on 9 August 2023, the parties are required to comply with Pre-Trial Case Management Directions (“PTCM”) (filing of the Statement of Agreed Facts, Statement of Issues to be Tried and Common Bundle of Documents). The Judicial Commissioner also fixed the matter for further case management on 26 September 2023.

The matter in the High Court is fixed for further case management before the Judge on 16 January 2024. In the meantime, parties are required to comply with the Pre-Trial Case Management Directions issued by the Court.

On 16 January 2024, the Judge has fixed the matter for further case management on 15 February 2024 for parties to update the Court on the status of settlement negotiations between parties.

On 15 February 2024, the Judge has fixed the matter for further Case Management on 21 March 2024, for parties to update the Court on the status of settlement negotiations between parties.

On 21 March 2024, the matter was fixed for further case management on 30 May 2024 for parties to update the status of settlement negotiation.

The Court had rescheduled the case management from 30 May 2024 to 7 June 2024, then subsequently postponed to 10 July 2024.

On 10 July 2024, the Judge fixed the matter for further case management on 30 August 2024 for parties to update the status of settlement negotiations between parties.

**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 court proceedings between PESTECH Technology Sdn Bhd (“PTE”) and Maybank Islamic Berhad (“MIB”) and Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”)

(1) Originating Summons at the Kuala Lumpur High Court (“OS”) and Ex-Parte Notice of Application

On 10 June 2023, PTE filed an originating summons at the Kuala Lumpur High Court together with an Ex-Parte Notice of Application (“Application”) against MIB and SPYTL to (i) injunct MIB from making payment of RM39,900,000.00 under the Performance Bond dated 24 October 2018 and (ii) to injunct SPYTL from receiving and/or utilising any monies that may have been received by SPYTL from MIB under the Performance Bond.

On 13 June 2023, PTE obtained an ex-parte injunction order and subsequently obtained an ad interim injunction order on 23 June 2023 which will continue until the disposal of the OS and Application.

Parties are in the midst of filing the relevant cause papers. The hearing is fixed on 23 August 2023 but has been adjourned to 25 August 2023. On 25 August 2023, the hearing has been fixed on 6 September 2023.

The hearing on 6 September 2023 was part heard and was fixed for continued hearing on 27 September 2023 and 3 October 2023, then fixed for continued hearing on 5 October 2023.

Both parties’ oral submissions concluded on 5 October 2023 and the matter was fixed for decision (or clarification, if required) on 20 November 2023.

On 20 November 2023, the High Court Judge dismissed PTE’s OS and Application with costs of RM80,000.00 payable to SPYTL and RM25,000.00 to Maybank (“High Court Decisions”).

(2) Erinford Injunction

Following the High Court Decisions, Counsel for PTE then made an oral application for an ad interim Erinford Injunction pending the filing of the formal Erinford Injunction Application by PTE. The High Court Judge allowed the ad interim Erinford Injunction to preserve the status quo pending the determination of the Erinford Injunction Application.

The Erinford Application was fixed for hearing on 11 December 2023, and upon hearing Counsels’ submissions, the High Court Judge reserved his decision for the Erinford Application to 15 December 2023 and allowed the ad Interim Erinford Injunction granted by the High Court Judge on 20 November 2023 to continue to maintain status quo until the delivery of the decision on 15 December 2023.

**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 court proceedings between PESTECH Technology Sdn Bhd (“PTE”) and Maybank Islamic Berhad (“MIB”) and Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”) (Continued)

(2) Erinford Injunction (Continued)

On 15 December 2023, PTE’s Erinford Injunction Application (Enclosure 79) was dismissed with costs of RM15,000.00 awarded to Maybank and RM30,000.00 to SPYTL, on the condition that SPYTL gives an undertaking by 18 December 2023, to refund any amount that may have been received by SPYTL under the performance bond to PTE within 7 working days if the Appeals are decided in PTE’s favour. SPYTL complied with the High Court order and furnished the undertaking by way of a letter dated 18 December 2023.

The High Court Judge further granted a conditional interim order to maintain the status quo pending the filing of the applications under Section 44 of the Courts of Judicature Act 1964 (“s44 Applications”) to the Court of Appeal, on two conditions:

- i. The s44 Applications must be filed by 15 December 2023; and
- ii. A hearing date for the s44 Applications be procured by 15 January 2024 (but the hearing of the s44 Applications need not be heard on or before 15 January 2024).

PTE has complied with both conditions under the Conditional Interim Stay Order.

(3) PTE's Appeals

On 22 November 2023, PTE appealed the High Court Decisions to the Court of Appeal vide two Notices of Appeal dated 22 November 2023 (“Appeals”). On 28 November 2023, PTE had written to the Court of Appeal seeking for an early hearing date for both the Appeals. The Court of Appeal has fixed 4 December 2023 for case management. The Registrar of the Court of Appeal had on 4 December 2023, fixed the next case management of this matter on 20 December 2023 for parties to update the Court on the status of filing of the Record of Appeal, and to fix the hearing dates in relation to the Appeals.

On 19 December 2023, PTE’s counsels filed and served the Records of Appeal on SPYTL and Maybank’s solicitors.

On 20 December 2023, the Court of Appeal Registrar had directed that the hearing for the Appeals will only be fixed after the High Court Grounds of Judgment (“GOJ”) has been obtained. Another case management is fixed on 19 January 2024 to fix hearing date, subject to the filing of the GOJ via a supplemental record of appeal.

**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 court proceedings between PESTECH Technology Sdn Bhd (“PTE”) and Maybank Islamic Berhad (“MIB”) and Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”) (Continued)

(3) PTE's Appeals (Continued)

PTE’s solicitors obtained the GOJ on 15 January 2024.

During the case management on 19 January 2024, the following directions were given by the Court of Appeal in respect of the Appeals:

- a) Hearing for the Appeals was fixed on 29 April 2024;
- b) Parties are to file the written submissions by 1 April 2024, and reply submissions (if any) by 14 April 2024; and
- c) Next case management is fixed on 15 April 2024.

On 14 February 2024, PTE and MIB entered into an agreement that PTE will make payment of the total sum of RM50,000.00 being costs already ordered in the High Court Orders dated 20 November 2023 and 15 December 2023, respectively and the orders for the discontinuance of the Appeals (and accordingly the s44 Applications) within 3 weeks from 13 February 2024. On 22 February 2024, the Notices of Discontinuance of the Appeals and the s44 Applications were filed to Court. The due date for PTE to make payment of RM50,000.00 is 5 March 2024.

On 29 April 2024, the Court of Appeal dismissed PTE’s application to restrain the call on the performance bond, of which PTE had deposited the proceeds under the performance bond with SPYTL’s solicitors in accordance with an order by the Court on 27 February 2024.

(4) Section 44 Application

On 15 December 2023, PTE filed the Notices of Motions to the Court of Appeal pursuant to the High Court’s Conditional Interim Stay Order for interim relief pending the disposal of the Appeals. Pursuant to the s44 Applications, PTE prayed for interim relief to (i) injunct Maybank from making payment of RM39,900,000.00 under the Performance Bond dated 24 October 2018 and (ii) injunct SPYTL from receiving and/or utilising any monies that may have been received by SPYTL from Maybank under the Performance Bond.

**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 court proceedings between PESTECH Technology Sdn Bhd (“PTE”) and Maybank Islamic Berhad (“MIB”) and Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”) (Continued)

(4) Section 44 Application (Continued)

On 21 December 2023, parties attended a case management before the Registrar for directions on the exchange of affidavits and written submissions. The following directions were given by the Court of Appeal on 21 December 2023:

- a) Maybank and SPYTL to file affidavit in reply on 29 December 2023, and PTE to file further affidavit on 12 January 2024;
- b) Parties to file written submissions on 29 January 2024, and reply submissions on 12 February 2024 (if any);
- c) Next case management is fixed on 13 February 2024; and
- d) Hearing of the s44 Applications is fixed on 27 February 2024.

In view of the above, both the conditions imposed by the High Court Judge in respect of the conditional interim stay order made on 15 December 2023 have been complied with by PTE. PTE obtained interim stay order for the matter to maintain status quo pending the hearing of the Section 44 Applications.

PTE and SPYTL have filed and exchanged their respective written submissions on 29 January 2024, and the reply submissions on 16 February 2024 (pursuant to an extension granted by the Court of Appeal).

On 14 February 2024, PTE and MIB entered into an agreement that PTE will make payment of the total sum of RM50,000.00 being costs already ordered in the High Court Orders dated 20 November 2023 and 15 December 2023, respectively and the orders for the discontinuance of the Appeals (and accordingly the s44 Applications) within 3 weeks from 13 February 2024. On 22 February 2024, the Notices of Discontinuance of the Appeals and the s44 Applications were filed to Court. The due date for PTE to make payment of RM50,000.00 is 5 March 2024.

On the hearing of the s44 Applications held on 27 February 2024, the Court dismissed the s44 Applications and ordered that the proceeds under the Performance Bond be deposited with the solicitors of SPYTL in an interest bearing fixed-deposit account, with cost in the cause of RM20,000.00. This cost will only be triggered if PTE is not successful in the Appeals. The proceeds of the Performance Bond deposited with SPYTL’s solicitors will be refunded if the Appeals are decided in favour of PTE.

PTE has discontinued the s44 Applications and the Appeals against MIB.

On 29 April 2024, the Court of Appeal has dismissed PTE’s application to restrain the call on the performance bond, of which PTE had deposited the proceeds under the performance bond with SPYTL’s solicitors in accordance with an order by the Court on 27 February 2024.

**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 court proceedings between PESTECH Technology Sdn Bhd (“PTE”) and Maybank Islamic Berhad (“MIB”) and Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”) (Continued)

(5) PTE's Application for Leave to Appeal to the Federal Court

On 28 May 2024, PTE filed the applications for Leave to Appeal to the Federal Court in respect of the Court of Appeal Decision ("Leave Applications"). A case management was fixed on 27 June 2024 before the Federal Court Registrar via e-review.

During the case management on 27 June 2024, the following directions were given by the Federal Court Registrar in respect of the Applications:

- a) Hearing for the Leave Applications was fixed on 15 August 2024;
- b) Parties are to file written submissions, bundle of authorities and the common core bundle by 31 July 2024; and
- c) Next case management is fixed on 2 August 2024 via e-review.

On 2 August 2024, parties updated the Federal Court Registrar that the Court's directions had been duly complied with. The hearing of the Leave Applications was maintained for 15 August 2024.

On 15 August 2024, the Federal Court had dismissed PTE's Leave Applications with costs of RM30,000.00, subject to allocatur.

(iv) In the matter of an AIAC arbitration between Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (Claimant) (“SPYTL”) and Pestech Technology Sdn Bhd (“PTE”) & Pestech International Berhad (“PIB”) (Respondents)

On 11 September 2023, SPYTL issued a Notice of Arbitration to commence arbitration against PTE (“PTE Arbitration”) for amongst others, a declaration that the Notice of termination for Default dated 10 May 2023 is valid and for damages to be assessed in respect of alleged breaches of the Sub-Contract.

The arbitration is deemed commenced on 18 September 2023 pursuant to Rule 2(2) of the AIAC Arbitration Rules 2023.

PTE issued their Response to the Notice of Arbitration on 5 October 2023.

On 18 October 2023, SPYTL issued a Notice of Arbitration to commence arbitration against PIB (“PIB Arbitration”) for amongst others, relief under the Parent Company Guarantee dated 18 December 2018. PIB served its Response to Notice of Arbitration on 10 November 2023.

Both the PTE and PIB Arbitrations were consolidated on 6 December 2023 by parties' agreement pursuant to Rule 10.1 of the AIAC Arbitration Rules 2023.

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

B5. Material litigation (Continued)

(iv) In the matter of an AIAC arbitration between Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (Claimant) (“SPYTL”) and Pestech Technology Sdn Bhd (“PTE”) & Pestech International Berhad (“PIB”) (Respondents) (Continued)

On 10 January 2024, the Arbitral tribunal was fully constituted. The first case management meeting before the Arbitral Tribunal was fixed for 5 February 2024.

Pursuant to the directions given in the case management on 5 February 2024, SPYTL served its Statement of Claim on 1 April 2024. Both PTE and PIB are to serve its Defence and Counterclaim by 27 May 2024.

On 27 May 2024, PTE and PIB had submitted their Defence and Counterclaim to the Arbitral Tribunal in respect of the abovementioned arbitral proceedings under AIAC.

The arbitration proceedings between SPYTL, PIB and PTE are still ongoing, wherein PTE is seeking a set-off against all amounts claimed by SPYTL and has further filed a counterclaim against SPYTL for reliefs in respect of the issues arising from the termination of Sub-Contract dated 18 December 2018 entered between SPYTL and PTE for the electrification systems works of the Electrified Double Track from Gemas to Johor Bahru.

PIB is also seeking a set-off against all amounts claimed by SPYTL and has also further filed a counterclaim against SPYTL.

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

B5. Material litigation (Continued)

(v) In the matter of the court proceedings between PESTECH Sdn Bhd (“PSB”) and Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”)

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

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

(1) Main Suit in respect of the Writ

During the case management on 4 December 2023 before the Judge, the Court directed for (i) parties to sort out the outstanding pre-trial documents by the next case management date; and (ii) SPYTL is to file their application for stay of proceedings and application for discovery by the next case management date. In this regard, the Court fixed the next case management date on 10 January 2024.

During the case management on 10 January 2024, SPYTL informed the Court that they have filed the application for stay of proceedings (“Stay Application”) on 8 January 2024. In view that the Stay Application has been filed, the Court directed that all other pre-trial case management directions be suspended pending disposal of the Stay Application. The hearing of the Stay Application was fixed on 25 March 2024.

The decision for the Stay Application was initially fixed on 13 May 2024 but was subsequently postponed to 11 July 2024 in view of further directions given by the High Court which are as follows:

- (a) SPYTL is to file and serve their Further Affidavit by 29 May 2024;
- (b) PSB is to file and serve their reply to SPYTL's Further Affidavit by 18 June 2024; and
- (c) Parties are to file and serve further Written Submissions by 5 July 2024.

On 11 July 2024, the High Court Judge dismissed SPYTL's Stay Application with costs in the cause. The next case management is fixed on 11 September 2024, for the High Court to give further directions on the conduct of the matter and trial proceedings.

On 26 July 2024, SPYTL filed an appeal to the Court of Appeal against the High Court Judge's decision in respect of the Stay Application.

SPYTL's Appeal is currently fixed for case management on 22 October 2024 via e-review.

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

B5. Material litigation (Continued)

(v) In the matter of the court proceedings between PESTECH Sdn Bhd (“PSB”) and Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”) (Continued)

(2) Ex-Parte Injunction (“Enclosure 7”)

In respect of the Application, on 27 June 2023, PSB obtained an ex-parte injunction order to restrain SPYTL from trespassing, utilising and/or otherwise tampering with machineries belonging to PSB until the disposal of the Writ. PSB also subsequently obtained an ad interim injunction order on 6 July 2023 to allow the ex-parte injunction order to have effect until the disposal of the Application.

The hearing for the Application was fixed on 14 July 2023 and the decision for the Application was fixed on 20 July 2023.

On 20 July 2023, the Court dismissed PSB’s Application with costs in the cause subject to the express undertaking to be provided by SPYTL within 48 hours from 20 July 2023 that:-

- a. SPYTL is not to transfer, sell and/or dispose of the machines/equipment; and/or
- b. SPYTL will not move the said machines from the Project Site in anyway whatsoever until the case before the Court is disposed off; and/or
- c. SPYTL will reasonably maintain the machines/equipment, fair wear and tear accepted, and that the same are to be safely kept and stored in a reasonable manner until the case before the Court is disposed off.

SPYTL has duly complied with the terms above vide a Letter of Undertaking dated 20 July 2023.

(3) Erinford Injunction

Following the dismissal of PSB's Application, on 31 July 2023, PSB filed an application for an Erinford Injunction for, among others, PSB’s Machineries to be delivered to sites which are sufficiently secure to retain the Machineries until final disposal of the Appeal, and that except for the purpose of complying with the aforementioned delivery of the Machineries, the Defendant be restrained from trespassing, using and/or tampering with the Machineries until the final disposal of the Appeal.

On 25 August 2023 and 6 September 2023, parties appeared before the High Court for the hearing of the Erinford Injunction Application. After hearing submissions from the counsels for the Plaintiff and the Defendant on 6 September 2023, the Court dismissed PSB’s Erinford Injunction with costs in the cause.

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

B5. Material litigation (Continued)

(v) In the matter of the court proceedings between PESTECH Sdn Bhd (“PSB”) and Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”) (Continued)

(4) Appeal in relation to Application

In light of the dismissal of PSB’s Application, on 26 July 2023, PSB has filed an appeal against the decision of the Court (“Appeal”) vide Civil Appeal No. W-02(IM)(C)-1192-07/2023. The Appellant has filed the Record of Appeal on 27 September 2023.

Parties have complied with the case management directions given on 24 October 2023.

On 27 November 2023, PSB filed a Notice of Motion to adduce further evidence vide the Supplementary Record of Appeal (“Motion to Adduce Further Evidence”). The Registrar of the Court of Appeal had on 1 December 2023 directed the exchange of affidavits and written submissions by the parties and fixed the matter to be heard on 5 January 2024.

On 5 January 2024, the Court of Appeal proceeded to hear parties in regard to PSB’s Motion to Adduce Further Evidence. After hearing parties’ submissions, the Court allowed the further evidence to be adduced into the Appeal, with each party bearing its own costs, on the following conditions:-

- i. PSB is given 21 days from 5 January 2024 to file and serve an affidavit to explain the relevancy and the impact of the new documents; and
- ii. Upon receiving PSB’s abovementioned affidavit, SPYTL is given 21 days to file an affidavit in response explaining their position on the new documents adduced, and to file SPYTL’s relevant documents as exhibits in their affidavit in response.

In this respect, the hearing of the substantive Appeal has been postponed pending the exchange of affidavits between parties, and the date of the hearing shall be fixed during the case management to be held on 23 February 2024. During the case management on 23 February 2024, the Court has fixed the hearing date for the Appeal proper on 2 May 2024. The Court further directed parties to file any further written submissions by 17 April 2024 and a case management is fixed on 18 April 2024.

During the hearing for the Appeal proper, the Court of Appeal, after hearing all submissions and reviewing the written submissions, had dismissed PSB’s Appeal with costs of RM15,000.00.

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

B5. Material litigation (Continued)

(v) In the matter of the court proceedings between PESTECH Sdn Bhd (“PSB”) and Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”) (Continued)

(5) Section 44 Application

On 15 September 2023, PSB filed a Notice of Motion pursuant to Section 44 of the Courts of Judicature Act 1964 (“Motion”) to the Court of Appeal for interim relief pending disposal of the Appeal.

On 24 October 2023, parties appeared before the Court of Appeal for the hearing and decision of the Motion and the Court of Appeal ordered that:

- a. the undertaking given by the Respondent in the High Court covers an undertaking as to damages that the Appellant may be able to prove as per their Amended Statement of Claim;
- b. by consent, the Respondent gives the Appellant not exceeding two (2) hours to inspect each of the machineries as stated in the Schedule 1 to the Motion on the dates and time to be mutually agreed, and the Appellant shall be at liberty to take photos of the condition of the machineries during such inspection;
- c. liberty to apply; and
- d. costs in the appeal.

(6) Application for Leave to Appeal to the Federal Court

PSB applied for Leave to Appeal to the Federal Court in respect of the Court of Appeal Decision (“Leave Application”) on 30 May 2024. The case management was fixed on 1 July 2024 via e-review.

On 1 July 2024, the following directions were given by the Federal Court in respect of the Application:

- a) Hearing for the Leave Applications was fixed on 7 August 2024;
- b) Parties are to file the written submissions, bundle of authorities and common core bundle by 23 July 2024; and
- c) Next case management is fixed on 24 July 2024 via e-review.

On 24 July 2024, parties updated the Federal Court Registrar that all court directions had been complied with. The hearing date of the Leave Application was maintained on 7 August 2024.

On 7 August 2024, the Federal Court had dismissed PSB’s Leave Application with costs of RM30,000.00, subject to allocatur.

PSB has commenced an action in detinue and sought for, among others, an order compelling SPYTL to deliver the Machineries to PSB forthwith and damages for the wrongful detention and/or use of the Machineries to be assessed by the High Court and paid by SPYTL to PSB. Parties are currently complying with the High Court’s Pre-Trial Directions, and the next case management is fixed on 11 September 2024.

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

B5. Material litigation (Continued)

(vi) Originating Summons served on CRSE by Universal Cable (M) Berhad (Joint and Several Interim Liquidators appointed)

CRSE had on 23 October 2023, issued demands to Bangkok Bank Berhad (“BBB” or “2nd Defendant”) (“the Demand”) on both the Performance Bond in the sum of RM9,500,013.78 and the Retention Bond in the sum of RM4,750,006.89 (collectively referred to as “the Bonds”). The Bonds were issued in favour of CRSE pursuant to a Sub-Supply Contract entered into between Pembinaan Tajri Sdn. Bhd. and Universal Cable (M) Berhad (“UC”) dated 15 May 2018 (“Sub-Supply Contract”).

The Demand was made on the ground that UC had breached its obligations under the Sub-Supply Contract.

CRSE had on 31 October 2023 received an Originating Summons No. BA-24NCC-133-10/2023 in the High Court of Malaya at Shah Alam dated 26 October 2023 filed by UC against CRSE as the 1st Defendant and BBB as the 2nd Defendant.

UC by way of the Originating Summons is seeking for the following orders and reliefs (“the Originating Summons”) against CRSE:-

- a. A declaration that the Demand on the Performance Bond and Retention Bond are null and void;
- b. An injunction that CRSE and/or its employees, servants, agents and nominees or otherwise howsoever be restrained from calling on the Performance Bond and/or the Retention Bond or receiving any monies thereunder from BBB;
- c. General damages to be assessed; and
- d. The cost to be borne by CRSE; and
- e. Any such further or other orders deemed fit and appropriate by the Honourable Court.

Simultaneously, UC also filed an Ex-parte Injunction Application to:

1. Restrain CRSE from calling on the Performance Bond and/or the Retention Bond and/or receiving any monies from the 2nd Defendant pending determination of the Originating Summons;
2. That the 2nd Defendant be restrained from releasing any monies under the Performance Bond and/or the Retention Bond.
3. The cost to be borne by CRSE; and
4. Any such further or other orders deemed fit and appropriate by the Honourable Court.

On 30 October 2023, the High Court allowed the Ex-Parte Injunction Application and the inter-parte hearing was fixed on 14 November 2023 (“the Ex-Parte Injunction Order”).

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

B5. Material litigation (Continued)

(vi) Originating Summons served on CRSE by Universal Cable (M) Berhad (Joint and Several Interim Liquidators appointed) (Continued)

On 14 November 2023, the hearing was converted to a case management. The Court has directed that parties are to file and exchange affidavits and fixed the matter for further case management on 7 December 2023. In the meantime, an ad-interim injunction has been granted by Court so that the Ex-parte Injunction Order will remain in effect pending the disposal of the inter-partes Injunction Application.

On 27 November 2023, CRSE has filed the Affidavit in Reply with a Counterclaim against UC for, amongst others, the following reliefs:-

- a. A declaration that the Ex-parte Injunction Order dated 30 October 2023 (“Ex-parte Injunction Order”) was wrongfully and unlawfully obtained by UC;
- b. A declaration that the Ex-parte Injunction Order be set aside;
- c. A declaration that the Originating Summons was wrongfully and unlawfully filed;
- d. An order for damages to be assessed;
- e. Aggravated and exemplary damages to be paid; and
- f. Interest and costs.

CRSE has also filed a Notice of Application to set aside the Ex-parte Injunction Order and UC will be filing their Affidavit in Reply by 5 January 2024.

Parties were ordered to exhaust affidavits before the next case management date which is fixed on 5 March 2024.

A hearing date will only be fixed by the Court after Parties has exhausted the filing and exchange of the affidavits.

In respect of UC’s action against BBB, all Parties have consented to the withdrawal of BBB as a party to the present action, pending a formal consent order to be recorded in Court during the next case management of this matter.

After the filing of the initial affidavits in reply by UC and CRSE, the case management was fixed on 5 March 2024. This was later rescheduled to 13 May 2024.

However subsequently, the Court brought forward the case management to 18 April 2024, wherein the hearing for the Injunction Application and Counterclaim would be heard on 10 June 2024. As parties indicated that they would want to file supplementary affidavits to update the Court on the latest status of matters that had occurred, the Court directed for the affidavits to be filed by 24 April 2024 and a further case management was held on 25 April 2024.

On 25 April 2024, the Judge has maintained that the Injunction Application and CRSE’s counterclaim will be heard on 10 June 2024 and directed that submissions be filed on 14 May 2024 and Reply Submissions be filed on 30 May 2024.

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

B5. Material litigation (Continued)

(vi) Originating Summons served on CRSE by Universal Cable (M) Berhad (Joint and Several Interim Liquidators appointed) (Continued)

On 10 June 2024, the Court ordered that the Injunction Application on the demands of Performance Bond ("PB") and Retention Bond ("RB") to be transferred and to be heard in the Construction High Court of Shah Alam and the case management was fixed on 9 July 2024.

On 1 August 2024, the Judge has indicated that the decision of UC's application for the injunction to restrain the demands on the PB and RB will be delivered either on 5 August 2024 or 7 August 2024.

On 5 August 2024, the Judge delivered its decision in relation to the Injunction wherein the Judge had dismissed UC's Injunction with costs of RM10,000.00 and ordered Bangkok Bank Berhad to release both proceeds of the PB and RB on or before 9 August 2024.

The Judge also allowed CRSE's application to set aside the ex-parte injunction order with costs of RM10,000.00. However, the Judge has not allowed the order seeking an assessment of damage as a result of the ex-parte injunction sought by UC. In this regard, CRSE may consider filing an appeal against the decision in respect of the order for assessment of damages.

CRSE successfully received the PB and RB on 8 August 2024.

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.

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

B8. Status of corporate proposal

(i) Proposed Restricted Issue

On 24 July 2023, the Company proposes to undertake a restricted issue of 800,000,000 new ordinary shares in PESTECH (“PESTECH Share(s)” or “Share(s)”) (“Restricted Share(s)”) representing approximately 81.25% of the existing total number of issued shares of the Company to IJM Corporation Berhad (“IJM” or the “Subscriber”) at an issue price of RM0.155 per Restricted Share (“Subscription Price”) (“Proposed Restricted Issue”).

In conjunction with the Proposed Restricted Issue, IJM and its persons acting in concert intends to seek an exemption from the Securities Commission Malaysia (“SC”) under Paragraph 4.08(1)(b) of the Rules on Take-overs, Mergers and Compulsory Acquisitions from the obligation to undertake a mandatory take-over offer to acquire all the remaining PESTECH Shares and all the outstanding warrants 2021/2028 not already owned by them upon completion of the Proposed Restricted Issue (“Proposed Exemption”).

In accordance with Paragraph 4.08(3), the Company also appointed Mercury Securities Sdn Bhd as the Independent Adviser to advise the shareholders of the Company in respect of the Proposed Exemption.

The Proposed Restricted Issue are subject to inter alia, the following approvals being obtained from:-

- (i) Bursa Securities, for the listing of and quotation for the Restricted Shares on the Main Market of Bursa Securities (obtained on 29 August 2023);
- (ii) the shareholders of PESTECH at the forthcoming EGM (obtained on 27 October 2023);
- (iii) the SC, for the Proposed Exemption; and
- (iv) any other relevant authorities and/ or parties, if required.

The Proposed Restricted Issue and the Proposed Exemption are inter-conditional upon each other.

On 22 November 2023, the Company and IJM mutually agreed to extend the fulfilment of conditions precedent pursuant to the Subscription Agreement to a period not later than 23 February 2024 in view that PESTECH requires more time to fulfil the said conditions precedent.

On 8 February 2024, the Company and IJM had mutually agreed to further extend the fulfilment of conditions precedent pursuant to the Subscription Agreement to a period not later than 23 August 2024.

On 15 August 2024, the Company and IJM has mutually decided to terminate the Subscription Agreement due to the non-fulfilment of the conditions precedent pursuant to the Subscription Agreement. This mutual termination does not affect the current joint venture with IJM Construction Sdn. Bhd. in relation to Kuala Lumpur International Airport Automated People Mover project.

In view of the above, the Company had on the even date decided to abort the Proposals.

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

B8. Status of corporate proposal (Continued)

(ii) Proposed Subscription

On 16 August 2024, the Company entered into a Heads of Agreement (“HOA”) with Dhaya Maju Infrastructure (Asia) Sdn Berhad (“DMIA”) for the proposed subscription by DMIA of a minimum of 1,032,720,000 ordinary shares in the Company, representing not less than 51% of the total enlarged issued share capital of the Company, at a subscription price of RM0.155 per ordinary share (“Proposed Subscription”).

In conjunction with the Proposed Subscription, DMIA and its persons acting in concert intend to seek an exemption from the Securities Commission Malaysia (“SC”) under Paragraph 4.08(1)(b) of the Rules on Take-overs, Mergers and Compulsory Acquisitions (“Rules”) from the obligation to undertake a mandatory take-over offer to acquire all the remaining ordinary shares and outstanding warrants of the Company not already owned by them upon completion of the Proposed Subscription (“Proposed Exemption”). In the event that the SC does not grant approval for the Proposed Exemption, DMIA and its persons acting in concert will undertake a mandatory take-over offer in accordance with the Rules.

The Company and DMIA (collectively referred to as the “Parties”) have agreed to enter into the HOA to record the principal terms and conditions of the Proposed Subscription, which shall be incorporated into a subscription agreement to be entered into between the Parties, subject to such other terms and conditions as may be mutually agreed between the Parties (“Definitive Agreement”).

The aggregate subscription price shall be calculated based on the total number of ordinary shares in the Company subscribed by the Subscriber, which shall not be less than 1,032,720,000 ordinary shares in the Company, multiplied by RM0.155 per ordinary share (“Subscription Price”).

Upon execution of the Definitive Agreement, the Subscriber shall pay an aggregate sum equivalent to 10 percent (10%) of the Subscription Price (“Deposit”) into the Company’s solicitor’s interest-bearing client account. The Deposit shall form part of the payment towards the Subscription Price upon completion of the Definitive Agreement.

B9. Authorisation for issue

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