

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2022**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31 Dec 2022 RM'000	Preceding year corresponding quarter 31 Dec 2021 RM'000	Current period 31 Dec 2022 RM'000	Preceding year corresponding period 31 Dec 2021 RM'000
Revenue	101,906	182,535	232,069	390,348
Operating expenses	(97,419)	(163,857)	(228,357)	(347,813)
Other operating income	169	1,004	367	1,264
Other (losses)/gains	(5,720)	(2,171)	8,606	(1,746)
Operating (loss)/profit	(1,064)	17,511	12,685	42,053
Fair value adjustment on assets held for sale	1,173	-	(108,342)	-
Share of profit of equity-accounted associate	213	263	266	203
Profit/(Loss) before interest and tax	322	17,774	(95,391)	42,256
Finance income	15,620	14,429	32,426	28,619
Finance costs	(18,656)	(17,817)	(38,504)	(31,853)
(Loss)/Profit before tax	(2,714)	14,386	(101,469)	39,022
Tax (expense)/income	(1,842)	1,367	(4,553)	(1,645)
(Loss)/Profit for the period	(4,556)	15,753	(106,022)	37,377
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss				
- Exchange translation differences	(42,077)	3,821	(5,799)	7,995
- Fair value gain on cash flow hedge	214	16	7,220	2,896
Total comprehensive (loss)/ income for the period	(46,419)	19,590	(104,601)	48,268
(Loss)/Profit for the period attributable to:				
Owners of the Company	(10,781)	7,622	(71,440)	19,491
Perpetual SUKUK-holders	2,923	1,476	2,923	1,476
Non-controlling interests	3,302	6,655	(37,505)	16,410
	(4,556)	15,753	(106,022)	37,377
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(40,816)	12,450	(70,427)	29,274
Perpetual SUKUK-holders	2,923	1,476	2,923	1,476
Non-controlling interests	(8,526)	5,664	(37,097)	17,518
	(46,419)	19,590	(104,601)	48,268

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2022 (CONT'D)**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31 Dec 2022 RM'000	Preceding year corresponding quarter 31 Dec 2021 RM'000	Current period 31 Dec 2022 RM'000	Preceding year corresponding period 31 Dec 2021 RM'000
EBITDA	6,031	21,653	(83,877)	50,416
(Loss)/Earnings per share attributable to owners of the Company: (Restated)				
- Basic (Sen)	(1.10)	0.80	(7.26)	2.05
- Diluted (Sen)	#	#	#	#

anti-dilutive in nature

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
31 DECEMBER 2022**

	Note	Unaudited as at 31 Dec 2022 RM'000	Audited as at 30 June 2022 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		244,456	248,988
Intangible assets		19,598	92,799
Investment in associates		1,496	1,230
Derivative financial assets		8,964	2,975
Contract assets	A13	447,204	956,942
Total non-current assets		721,718	1,302,934
Current assets			
Contract assets	A13	1,147,857	1,190,822
Inventories		113,920	28,570
Trade receivables	A14	197,735	222,174
Other receivables		66,537	108,870
Amount due from associate		5,488	2,833
Tax recoverable		5,509	5,561
Cash and short-term deposits		150,781	168,980
		1,687,827	1,727,810
Assets held for sale	A21	517,662	-
Total current assets		2,205,489	1,727,810
Total assets		2,927,207	3,030,744
EQUITY AND LIABILITIES			
EQUITY			
Share capital		232,942	232,942
Treasury shares		(4,183)	(4,183)
Reserves		(71)	(1,084)
Retained earnings		354,026	425,466
		582,714	653,141
Perpetual SUKUK		100,000	100,000
Non-controlling interests		137,245	174,342
Total equity		819,959	927,483

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

	Note	Unaudited as at 31 Dec 2022 RM'000	Audited as at 30 June 2022 RM'000
EQUITY AND LIABILITIES (Cont'd)			
LIABILITIES			
Non-current liabilities			
Derivative financial liabilities		264	6,264
Lease liabilities	A16	10,916	10,579
Loans and borrowings	A16	790,821	780,147
Deferred tax liabilities		5,719	4,693
Trade payables		21,633	21,722
Total non-current liabilities		829,353	823,405
Current liabilities			
Contract liabilities	A13	-	2,377
Trade payables		609,050	572,431
Other payables		101,386	117,661
Lease liabilities	A16	1,878	2,256
Loans and borrowings	A16	560,223	581,358
Derivative financial liabilities		148	535
Tax payable		5,210	3,238
Total current liabilities		1,277,895	1,279,856
Total liabilities		2,107,248	2,103,261
Total equity and liabilities		2,927,207	3,030,744
Net assets per share (Sen)		83.28	94.20
Net assets per share attributable to Owners of the Company (Sen)		59.19	66.34

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2022

	Attributable to owners of the Company							Total RM'000	Perpetual SUKUK RM'000	Non- controlling interests RM'000	Total equity RM'000
	Non-distributable			Distributable							
	Share capital RM'000	Treasury shares RM'000	Fair value reserve RM'000	Exchange translation reserve RM'000	Capital reserve RM'000	Merger reserve RM'000	Retained earnings RM'000				
At 1 July 2022	232,942	(4,183)	(1,336)	24,855	8,534	(33,137)	425,466	653,141	100,000	174,342	927,483
Loss for the financial period	-	-	-	-	-	-	(71,440)	(71,440)	2,923	(37,505)	(106,022)
Other comprehensive income for the financial period	-	-	5,951	(4,938)	-	-	-	1,013	-	408	1,421
Total comprehensive income/(loss) for the financial period	-	-	5,951	(4,938)	-	-	(71,440)	(70,427)	2,923	(37,097)	(104,601)
Transaction with owners:											
Distribution to Perpetual SUKUK-holders	-	-	-	-	-	-	-	-	(2,923)	-	(2,923)
At 31 December 2022	232,942	(4,183)	4,615	19,917	8,534	(33,137)	354,026	582,714	100,000	137,245	819,959

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2022
(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 July 2021	212,672	(2,345)	(24,033)	570	8,534	(33,137)	419,290	581,551	48,550	131,611	761,712
Profit for the financial period	-	-	-	-	-	-	19,491	19,491	1,476	16,410	37,377
Other comprehensive income for the financial period	-	-	2,354	7,429	-	-	-	9,783	-	1,108	10,891
Total comprehensive income for the financial period	-	-	2,354	7,429	-	-	19,491	29,274	1,476	17,518	48,268
Transaction with owners:											
Dividend paid	-	-	-	-	-	-	-	-	-	(107)	(107)
Distribution to Perpetual sukuk-holders	-	-	-	-	-	-	-	-	(1,476)	-	(1,476)
At 31 December 2021	212,672	(2,345)	(21,679)	7,999	8,534	(33,137)	438,781	610,825	48,550	149,022	808,397

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2022

	6-months ended	
	31 Dec 2022 RM'000	31 Dec 2021 RM'000
OPERATING ACTIVITIES		
(Loss)/Profit before tax	(101,469)	39,022
Adjustments for:		
Amortisation of intangible assets	2,671	2,059
Amortisation of unwinding discount of financial liability	737	811
Depreciation of property, plant and equipment	8,843	6,101
Fair value adjustment on assets held for sale	108,342	-
Fair value (gain)/loss on derivative financial instruments	(7,972)	1,895
Gain on disposal of property, plant and equipment	(157)	(158)
Interest expense	37,767	31,042
Interest income	(576)	(225)
Finance income arising from concession assets	(23,357)	(22,337)
Finance income arising from contract assets	(6,356)	(6,057)
Share of (profit)/loss of equity-accounted associate	(266)	(203)
Unwinding discount of financial liabilities	(2,137)	-
Unrealised gain on foreign exchange	2,147	1,955
Operating profit before working capital changes	18,217	53,905
Changes in working capital:		
Inventories	(86,461)	(15,859)
Receivables	57,864	(128)
Payables	23,626	23,830
Contract customers	22,371	(46,767)
Associate	(452)	93
Cash generated from operations	35,165	15,074
Interest received	576	225
Interest paid	(37,767)	(31,042)
Tax refunded	-	6,548
Tax paid	(1,484)	(8,415)
Net cash used in operating activities	(3,510)	(17,610)
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	157	158
Purchase of property, plant and equipment	(4,873)	(23,807)
Net cash used in investing activities	(4,716)	(23,649)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2022 (CONT'D)

	6-months ended	
	31 Dec 2022 RM'000	31 Dec 2021 RM'000
FINANCING ACTIVITIES		
Dividend paid to non-controlling interests of a subsidiary	-	(107)
Distribution to Perpetual SUKUK-holders	(2,923)	(1,476)
Placement of fixed deposits and debt service reserve accounts with licensed institutions	(14,273)	(46,430)
Drawdown from borrowings	456,013	490,764
Repayment of borrowings	(469,069)	(442,609)
Net cash (used in)/from financing activities	(30,252)	142
CASH AND CASH EQUIVALENTS		
Net changes	(38,478)	(41,117)
Cash and cash equivalents at beginning of the period	3,929	121,202
Effect of foreign exchange translation	(120)	183
Cash and cash equivalents at end of the period	(34,669)	80,268
Represented by:		
Cash and bank balances	87,820	173,703
Fixed deposits with licensed financial institutions	62,961	30,099
Bank overdrafts	(52,094)	(23,606)
	98,687	180,196
Less:		
- Fixed deposits pledged to financial institutions	(62,961)	(57,863)
- Debt service reserve accounts	(70,395)	(42,065)
	(34,669)	80,268

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

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

A1. Accounting policies and basis of preparation

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

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

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

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

Effective for financial periods beginning on or after 1 January 2022

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

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

Standards issued but not yet effective

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

Effective for financial periods beginning on or after 1 January 2023

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

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

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

Standards issued but not yet effective (Cont’d)

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

Effective for financial periods beginning on or after 1 January 2024

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

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.

A3. Items of unusual nature

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial quarter ended 31 December 2022.

A4. Material changes in estimates

There were no changes in estimates of amounts reported in previous financial year that have had a material effect for the current financial quarter ended 31 December 2022.

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 31 December 2022.

A6. Dividends paid

There were no dividends paid for the current financial quarter ended 31 December 2022.

A7. Changes in composition of the Group

There were no changes to the composition of the Group for the current financial quarter ended 31 December 2022.

A8. Valuation of property, plant and equipment

There were no valuation of property, plant and equipment for the current financial quarter ended 31 December 2022.

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

A9. Segmental information

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

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

	← Results for the quarter ended 31 December 2022 →				
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External customers	-	99,892	2,014	-	101,906
Inter-segment	4,631	27,918	7,161	(39,710)	-
Total revenue	4,631	127,810	9,175	(39,710)	101,906
Finance income	9,772	21,522	-	(15,674)	15,620
Finance costs	(8,746)	(28,164)	(315)	18,569	(18,656)
Net finance income/(expense)	1,026	(6,642)	(315)	2,895	(3,036)
Segment loss before tax	(1,928)	(477)	(2,191)	1,882	(2,714)
Segment loss after tax	(2,816)	(1,431)	(2,191)	1,882	(4,556)
	← Results for the quarter ended 31 December 2021 →				
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External customers	-	181,391	1,144	-	182,535
Inter-segment	4,503	78,279	11,170	(93,952)	-
Total revenue	4,503	259,670	12,314	(93,952)	182,535
Finance income	3,315	23,150	(21)	(12,015)	14,429
Finance costs	(5,214)	(23,885)	(225)	11,507	(17,817)
Net finance expense	(1,899)	(735)	(246)	(508)	(3,388)
Segment profit/(loss) before tax	(1,720)	17,534	(2,555)	1,127	14,386
Segment profit/(loss) after tax	(1,883)	19,064	(2,555)	1,127	15,753

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

A9. Segmental information (Cont'd)

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

	← Results for the period ended 31 December 2022 →				→
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	
Revenue					
External customers	-	226,359	5,710	-	232,069
Inter-segment	9,241	44,166	9,443	(62,850)	-
Total revenue	9,241	270,525	15,153	(62,850)	232,069
Finance income	19,037	40,698	1	(27,310)	32,426
Finance costs	(16,934)	(53,554)	(642)	32,626	(38,504)
Net finance income/ (expense)	2,103	(12,856)	(641)	5,316	(6,078)
Segment profit/(loss) before tax	2,347	(105,535)	(4,604)	6,323	(101,469)
Segment profit/(loss) after tax	630	(108,371)	(4,604)	6,323	(106,022)

	← Results for the period ended 31 December 2021 →				→
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	
Revenue					
External customers	-	388,468	1,880	-	390,348
Inter-segment	9,006	177,663	33,171	(219,840)	-
Total revenue	9,006	566,131	35,051	(219,840)	390,348
Finance income	5,893	41,971	1	(19,246)	28,619
Finance costs	(7,219)	(42,677)	(564)	18,607	(31,853)
Net finance expense	(1,326)	(706)	(563)	(639)	(3,234)
Segment profit/(loss) before tax	(2,215)	47,857	(4,274)	(2,346)	39,022
Segment profit/(loss) after tax	(2,766)	46,763	(4,274)	(2,346)	37,377

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

A10. Tax expense

	Current year quarter 31 Dec 2022 RM'000	Preceding year corresponding quarter 31 Dec 2021 RM'000	Current period 31 Dec 2022 RM'000	Preceding year corresponding period 31 Dec 2021 RM'000
Tax expense	(1,842)	1,367	(4,553)	(1,645)

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

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

A11. (Loss)/Earnings per share

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

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

	Current year quarter 31 Dec 2022	Preceding year corresponding quarter 31 Dec 2021	Current period 31 Dec 2022	Preceding year corresponding period 31 Dec 2021
(Loss)/Profit attributable to owners of the Company (RM'000) (Restated)	(10,781)	7,622	(71,440)	19,491
Weighted average number of ordinary shares outstanding ('000)	984,555	951,465	984,555	951,465
Basic (loss)/earnings per share (Sen) (Restated)	(1.10)	0.80	(7.26)	2.05

A11.2. Diluted earnings per share

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

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

A12. Property, plant and equipment

During the current financial year, the Group acquired property, plant and equipment amounting to RM4.8 million.

A13. Contract assets

	Unaudited as at 31 Dec 2022 RM'000	Audited as at 30 June 2022 RM'000
Contract assets		
Contract assets from a customer on concession arrangement	-	555,979
Contract assets from customers on construction contracts	1,595,061	1,591,785
	1,595,061	2,147,764
Presented as:		
Non-current	447,204	956,942
Current	1,147,857	1,190,822
	1,595,061	2,147,764
Contract liabilities		
Contract liabilities from customers on construction contracts	-	2,377

A14. Trade receivables

The trade receivables of the Group were as follows:

	Unaudited as at 31 Dec 2022 RM'000	Audited as at 30 June 2022 RM'000
Trade receivables	58,566	82,405
Retention sums on contracts	139,169	139,769
	197,735	222,174

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

A15. Cash and bank balances

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

	Unaudited as at 31 Dec 2022 RM'000	Unaudited as at 31 Dec 2021 RM'000
Cash and bank balances	87,820	173,703
Fixed deposits with licensed institutions	62,961	30,099
	150,781	203,802

A16. Borrowings and debts securities

Total borrowings of the Group were as follows:

	Unaudited as at 31 Dec 2022 RM'000	Audited as at 30 June 2022 RM'000
Non-current liabilities		
Secured:		
Lease liabilities	10,916	10,579
Term loans	790,821	780,147
	801,737	790,726
Current liabilities		
Secured:		
Lease liabilities	1,878	2,256
Term loans	112,937	119,459
Bank overdrafts	52,094	45,967
Bankers' acceptances	38,851	24,653
Trust receipts	131,467	129,596
Revolving credit	224,874	261,683
	562,101	583,614
	1,363,838	1,374,340

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

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

	Unaudited as at 31 Dec 2022 RM’000	Audited as at 30 June 2022 RM’000
Ringgit Malaysia	456,020	416,821
United States Dollar	907,356	950,262
Chinese Renminbi	462	587
Euro	-	6,670
	1,363,838	1,374,340

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

There was no material event subsequent to the end of the financial period.

A18. Financial guarantees

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

	Unaudited as at 31 Dec 2022 RM’000	Audited as at 30 June 2022 RM’000
Secured facilities outstanding as at:		
Lease liabilities of the Group	12,741	12,835
Loan and borrowings of subsidiaries	1,263,408	1,280,350

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

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

A19. Capital commitments

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

	Unaudited as at 31 Dec 2022 RM'000	Audited as at 30 June 2022 RM'000
Approved and contracted for:		
- Acquisition of a motor vehicle	2,406	2,406
- Acquisition of a land	2,491	2,491

A20. Significant related party transactions

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

	Unaudited as at 31 Dec 2022 RM'000	Audited as at 30 June 2022 RM'000
Related parties by virtue of common directors and key senior management:		
Sales	-	162
Purchased of material and services rendered	428	8,274

A21. Assets held for sale

One of the subsidiary of the Group - Diamond Power Limited has entered into a Business Transfer Agreement with Cambodian Transmission II Co., Ltd. for the disposal of assets related to 230kV Kampong Cham-Kratie Transmission System. Pursuant to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, the related assets is reclassified as Assets Held For Sale.

The details are as follows:

	Unaudited as at 31 Dec 2022 RM'000
Contract assets from a customer on concession arrangement	548,729
Intangible asset	70,240
Prepayment	7,035
	626,004
Less: Fair value adjustment on assets held for sale	(108,342)
	517,662

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

B1. Review of performance

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

	Current year quarter 31 Dec 2022 RM'000	Preceding year corresponding quarter 31 Dec 2021 RM'000	Changes	
			RM'000	%
Revenue	101,906	182,535	(80,629)	-44%
(Loss)/Profit before tax ("PBT")	(2,714)	14,386	(17,100)	-119%
(Loss)/Profit after tax ("PAT")	(4,556)	15,753	(20,309)	-129%

The Group registered a revenue of RM101.9 million for the current quarter under review as compared to RM182.5 million for the preceding year corresponding quarter. The revenue of the Group reflects the stage of completion for various projects during the quarter under review. The Group registered a lower revenue mainly due to lower contribution from the long term EPC and Substation Division as most of the current active projects are at their tail end.

The loss before and after tax in current quarter were mainly due to lower revenue being recognised in the current quarter under review compared to the revenue in preceding year corresponding quarter.

The Group recorded loss before and after tax for the quarter at RM2.7 million and RM4.6 million respectively. The loss after tax margin for the quarter under review was 4% and the profit after tax margin for preceding year corresponding quarter was 9%.

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

	Current year quarter 31 Dec 2022 RM'000	Immediate preceding quarter 30 Sep 2022 RM'000	Changes	
			RM'000	%
Revenue	101,906	130,163	(28,257)	-22%
Loss before tax ("LBT")	(2,714)	(98,755)	96,041	97%
Loss after tax ("LAT")	(4,556)	(101,466)	96,910	96%

The Group recorded revenue of RM101.9 million for the current quarter under review as compared to RM130.2 million for the immediate preceding quarter. The revenue of the Group reflects the stage of completion for various projects during the quarter under review.

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

B1. Review of performance (Continued)

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

Higher loss before and after tax in immediate preceding quarter were mainly due to one-off fair value adjustment on Assets Held for Sale (as stated in Note A21) amounting to RM108.3 million, as a result of writing down the carrying amount to their fair value less costs to sell, pursuant to MFRS 5.

The loss after tax margin for the quarter under review was 4% and the loss after tax margin for immediate preceding quarter was 78%.

B2. (Loss)/Profit before tax

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

	Current year quarter 31 Dec 2022 RM'000	Preceding year corresponding quarter 31 Dec 2021 RM'000	Current period 31 Dec 2022 RM'000	Preceding year corresponding period 31 Dec 2021 RM'000
Amortisation of intangible assets	1,217	846	2,671	2,059
Amortisation of unwinding discount of financial liability	280	408	737	811
Depreciation of property, plant and equipment	4,492	3,033	8,843	6,101
Fair value adjustment on assets held for sale	(1,173)	-	108,342	-
Fair value (gain)/loss on derivative financial instruments	(5,513)	(77)	(7,972)	1,895
Gain on disposal of property, plant and equipment	(9)	(158)	(157)	(158)
Interest expense	18,376	17,409	37,767	31,042
Interest income	(342)	(154)	(576)	(225)
Finance income arising from concession assets	(11,909)	(11,230)	(23,357)	(22,337)
Finance income arising from contract assets	(3,369)	(3,045)	(6,356)	(6,057)
Unwinding discount of financial liability	-	-	(2,137)	-
Unrealised loss on foreign exchange	14,285	3,604	2,147	1,955

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

B3. Prospects

The Group strived through quarter 2 of financial year (“FY”) 2023, where it continued to face multiple external challenges like inflation risk, volatile currency market and continuous hike in lending rates, which put immense pressure towards its business and financial performances.

The management remains tenacious and versatile in facing these challenges, asserting its effort in driving revenue generation through the pressing on of project execution as much as it could, whilst maintaining the utmost standard in preserving quality of our project delivery.

We stay focused for new projects in the ASEAN region, and also other selected regions such as Western African continent, where power infrastructure determines persistent growth. The Group concentrates on projects which incorporate a progressive payment structure, with minimal capital expenditure requirements. These strategies would help in our effort to improve our capital structure. This is to ensure a sustainable growth path for the Group in the current raising interest rate environment.

The Group strives to gradually rebuild the financial performance towards the positive territory, and bring corresponding positive returns to our shareholders.

B4. Profit forecast and profit guarantee

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

B5. Corporate Proposal

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

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

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

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

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

**PART B : ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)****B5. Corporate Proposal (Continued)**

The Company had proposed to issue 22,806,500 new PESTECH Shares under the second tranche of the Private Placement. However, the identified investors had failed to complete the acceptance and payment within the stipulated timeframe in accordance with Paragraph 6.13 of the Listing Requirements for the aforesaid 22,806,500 new PESTECH Shares.

The Company will not proceed with the second tranche of the Private Placement. Further, the Company had decided not to seek an extension of time from Bursa Securities to complete the entire Private Placement expires on 10 February 2023 and shall not seek to complete the Private Placement in the meantime before the aforesaid expiry date.

B6. Status of Utilisation of Proceeds Raised from Private Placement

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

Purpose	As of 31 December 2022			Intended timeframe for utilisation
	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Proceeds RM'000	
Working capital	19,982	19,982	-	N/A
Estimated expenses in relation to the Private Placement	288	288	-	N/A
	20,270	20,270	-	

* The utilisation of the proceeds from the Private Placement amounting to RM13.6 million and RM6.4 million are for MRT2 Project and KLIA Project respectively.

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

B7. Material litigation

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

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

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

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

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

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

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

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

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

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

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.

The hearing of the appeal by PTE before the Federal Court is fixed on 17 May 2023.

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

B7. Material litigation (Continued)

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

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

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

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

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

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

This matter is fixed for a case management before the High Court on 8 March 2023. In the meantime, parties would have to file, among others, the bundles of documents in support of their respective position by 28 February 2023.

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

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

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

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

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

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

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

B7. Material litigation (Continued)

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

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

The TGV COA Appeal 1, TGV COA Appeal 2 and TGV COA Appeal 3 were fixed for case management on 12 January 2023. However, the Court of Appeal has adjourned this case management with no new date for the case management being fixed at the moment. Hearing dates for the appeals have not been fixed.

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

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

The Court of Appeal then directed as follows:-

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

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

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

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

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

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

B8. Dividends

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

B9. Auditors' report

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

B10. Authorisation for issue

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