

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0233
COMPANY NAME : PEKAT GROUP BERHAD
FINANCIAL YEAR : December 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("the Board") of Pekat Group Berhad ("Pekat" or "the Company") is collectively responsible for overseeing the business operations of Pekat and its group of subsidiaries ("Group"), as well as ensuring the Group's long-term performance, and providing stakeholders with sustainable value. To ensure its roles and responsibilities are being carried out effectively, the Board meets regularly to review business strategies, operations, and performance of the Group. All Board members present their independent judgement to deliberate on issues of resources, strategies, performance and standards of conduct.</p> <p>The Board takes an active role in developing the Group's business objectives, risk management, strategic planning, succession planning, sustainability governance, financial and operational management. The Board is responsible for, amongst others, the following:</p> <ol style="list-style-type: none">1. To provide leadership and oversee the overall conduct of the Group's businesses to ensure that the businesses are being properly managed;2. To review and adopt strategic plans for the Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;3. To review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard the Group's reputation, and the employees and assets as well as to ensure compliance with applicable laws and regulations;4. To ensure that the Group has effective Board Committees as required by the listing requirements and as recommended by the Malaysian Code on Corporate Governance ("MCCG");5. To review the effectiveness and implementation of the anti-bribery and anti-corruption policy and framework;

	<ol style="list-style-type: none"> 6. To review and approve the Group's annual business plans, financial statements and annual reports; 7. To monitor the relationship between the Group and the management, shareholders and stakeholders and to develop and implement an investor relations program or shareholders' communications policy for the Group; and 8. To appoint the Board Committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees and to review the reports prepared by the Board Committees and deliberate on the recommendations thereon. <p>The Board's role, responsibilities, governance and effectiveness are set out in the Board Charter. The Board Charter is available on the Company's website at https://ir2.chartnexus.com/pekat/corporate-governance.</p> <p>The Board has also adopted a Code of Conduct and Ethics which was incorporated into the Board Charter of the Company. In discharging its responsibilities, the Board members are guided by the Code of Conduct and Ethics and have a duty to declare immediately to the Board should they be interested in any transaction to be entered into directly or indirectly within the Group.</p> <p>In discharging its duties and responsibilities, the Board has delegated certain functions to the following Board Committees:</p> <ul style="list-style-type: none"> • Audit and Risk Management Committee ("ARMC"); • Nominating Committee ("NC"); and • Remuneration Committee ("RC"). <p>On 2 January 2025, an Employees' Share Option Scheme ("ESOS") Committee was established to assist the Board in overseeing and administering the implementation of the ESOS in accordance with the provisions of the Group's ESOS By-Laws.</p> <p>The Chairman/Chairperson of the respective Board Committees will report to the Board on the outcome of the committee meetings. Each Board Committee is governed by its Terms of Reference ("TOR") which is in compliance with the MCGG and ACE Market Listing Requirements ("LR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The TOR of each Board Committee is available on the Company's website at https://ir2.chartnexus.com/pekat/corporate-governance.</p> <p>All the Directors of the Company have objectively discharged their fiduciary duties and responsibilities at all times in the best interests of the Company to oversee the conduct, business activities and development of the Group. For the financial year ended 31 December 2024 ("FY2024"), the Management had presented to the Board the following proposals and strategic initiatives: -</p>
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	<p>(a) <u>Annual Group Budget Plan</u></p> <p>As a financial activity tracking initiative to support the strategic plan, the Management had tabled to the Board, the annual budget plan of the Group for the financial year ended 31 December 2025 for review and approval.</p> <p>The Board reviewed and deliberated the basis and underlying assumptions made by the Management when preparing the annual budget plan of the Group and provided guidance to ensure that the assumptions made were applicable to the Group.</p> <p>(b) Corporate proposals undertaken by the Company are as follows:-</p> <ol style="list-style-type: none"> (1) Proposed acquisition of 75,000 ordinary shares in Apex Power Industry Sdn. Bhd. ("Apex Power"), representing 60% equity interest in Apex Power by Pekat Teknologi Sdn. Bhd. ("PTSB"), a wholly-owned subsidiary of the Company for a total cash consideration of RM96.0 million ("Proposed Acquisition"); (2) Proposed diversification of the existing business of Group to include design and fabrication of power distribution equipment and related activities ("Proposed Diversification"); (3) Proposed establishment of an ESOS of up to 10% of the total number of issued ordinary shares of Pekat (excluding treasury shares, if any) at any point in time over the duration of the ESOS for the eligible directors and employees of the Group (excluding dormant subsidiaries, if any) ("Proposed ESOS"); and (4) Proposed allocation of ESOS offer to the eligible persons who are Directors of Pekat and the persons connected with them under the Proposed ESOS ("Proposed Allocation of ESOS options") <p>The above proposals and their rationale were tabled by the Management to the Board for consideration. Upon review and deliberation by the Board, the Board opined that the proposals are in the best interest of the Company and had recommended it to the shareholders for approval. The aforesaid proposals were approved by the Company's shareholders at the Extraordinary General Meeting ("EGM") held on 10 October 2024. The Proposed Acquisition was completed on 16 December 2024 while the ESOS was implemented on 2 January 2025.</p> <p>As fiduciaries, Directors are required to act in the best interest of the Company at all times and must avoid placing themselves in situations that may give rise to a conflict of interest, except with the Company's fully informed consent. Premised on the above, the Directors have a duty to declare to the Board should they have any interest, whether direct or indirect, in any agenda item or transaction proposed to be entered into by the Company, and such interested Director shall then</p>
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	abstain from deliberations and decision-making on the said agenda item. In this regard, the declaration of interest and abstention from all deliberations and voting by the interested directors/parties in respect of their respective Proposed Allocation of ESOS options undertaken by the Company, where relevant, have been acknowledged by the Board and recorded in the minutes of meetings. The interested Directors have also abstained from voting at the EGM in respect of their Proposed Allocation of ESOS Options.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board, Mr. Kok Kong Chin, is an Independent Non-Executive Director and is primarily responsible for instilling good corporate governance practices, leadership and the effectiveness of the Board. The Chairman presides over meetings of Directors and ensures the meetings are conducted in an orderly manner.</p> <p>Good corporate governance application and leading the Directors towards becoming an effective and efficient Board can be seen through the execution of the following:</p> <ul style="list-style-type: none">• Setting the agenda for each Board meeting together with the Company Secretary, the Managing Director (“MD”) and the Chief Executive Officer (“CEO”). Other Directors and key members of Management may also be consulted;• Ensuring the provision of accurate, complete, timely and clear information to the Directors, so that Directors have sufficient time for a thorough discussion of key matters and decisions are made on a sound and well-informed basis;• Encouraging Board members to provide constructive advice in the determination of the strategies and policies and acting in the best interest of the Company;• Leading Board meetings and discussions;• Managing boardroom dynamics by promoting a culture of openness and debate, encouraging active participation and allowing dissenting views from the Board members and senior management to be freely expressed;• Ensuring all Directors are properly briefed on issues arising at Board meetings in a timely manner;• Taking a leading role in establishing an effective corporate governance system and practices;• Ensuring that prior to new appointments to the Board, an assessment is undertaken on the candidate, which may include a competency and behavioural analysis of the candidate;• Ensuring that the Board and senior management succession planning is considered on an ongoing basis; and• Arranging the regular evaluation of the performance of the Board, its committees and individual Directors and discussing the performance assessment with individual Directors and Committee Chairmen.

	The key roles and responsibilities of the Chairman can be found in the Board Charter, which is available on the Company's website at https://ir2.chartnexus.com/pekat/corporate-governance .			
Explanation for departure	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of Chairman, Managing Director (“MD”) and CEO are held by three (3) different individuals. During the financial year under review, Mr. Kok Kong Chin was the Chairman of the Board, Mr. Chin Soo Mau was the MD, while Mr. Tai Yee Chee was the CEO of the Company. The roles and responsibilities of the Chairman, MD and CEO are clearly segregated to further enhance and preserve a proper balance of authority and accountability.</p> <p>The Chairman is responsible for the orderly conduct and effectiveness of the Board in addition to facilitating constructive deliberation of issues in hand, whereas the CEO is responsible for the Group’s business performance and manages the Group in accordance with the strategies and policies approved by the Board.</p> <p>The MD is responsible for taking the overall responsibilities for the execution of the Group’s long term strategic planning and direction, including the Group’s new business plans and opportunities in accordance with the Group’s strategies.</p> <p>The CEO also remains accountable to the Board for the overall organisation, focusing on the business and day-to-day management, and staffing of the Group and responsible for overseeing procedures related to financial and other matters, including conduct and discipline.</p> <p>The respective duties and responsibilities of the Chairman, MD and the CEO can be found in the Board Charter, which is available on the Company’s website at https://ir2.chartnexus.com/pekat/corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	Mr. Kok Kong Chin does not hold any position in the ARMC, NC or RC during the financial year under review. However, he was invited to attend the ARMC meetings, for the purpose of gaining insight into business operations and sharing experiences.
		<p>It is important to note that Mr. Kok Kong Chin did not possess any voting rights on resolutions or decisions during the ARMC meetings. At the ARMC meetings, he refrained from participating in voting or influencing any decision made by the ARMC. Nevertheless, he shared his valuable experience, skills and knowledge for the benefit of the Company, as and when required.</p> <p>In addition, Mr. Kok Kong Chin has maintained a distinct separation from the management and operational matters of the Group. He has been independent throughout the conduct of meetings and always provides constructive ideas and views to the Board and Board Committees.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by two (2) suitably qualified and competent external Company Secretaries. Both Company Secretaries are qualified under Section 235(2)(a) of the Companies Act 2016 and registered with the Companies Commission of Malaysia.</p> <p>The Company Secretaries advise the Board on governance matters, Board procedures, and applicable regulations and practices in the MCGG to ensure recommended practices are adopted and complied with. Their advisory roles also extend to corporate disclosures and compliance with securities regulations and listing requirements, as well as advising Directors on their obligations related to disclosure of interests and any conflicts of interest in transactions with the Group.</p> <p>The Company Secretaries also support the Chairman, the Board and Management in setting out agenda items for meetings of the Board and the Board Committees. They attend meetings and facilitate Board communications, take minutes of meetings and make appropriate submission to the Companies Commission of Malaysia and Bursa Malaysia Securities Berhad.</p> <p>All Board members have separate and independent access to the advice and services of the Company Secretary to enable them to discharge their duties and responsibilities as Directors effectively.</p> <p>The Company Secretaries had and will continue to constantly keep themselves abreast on matters concerning company law, the capital market, corporate governance, and other pertinent matters, and with changes in the regulatory environment, through continuous training and industry updates. They have also attended relevant continuous professional development programmes as required by MAICSA for practicing Chartered Secretaries.</p> <p>The Company Secretaries also assist the NC to lead the annual evaluation process to assess the effectiveness of the Board, Board Committees and individual Directors, by facilitating Board and Board Committees performance evaluations and self-assessment review.</p>

	The key roles of the Company Secretaries are as set out in the Board Charter available on the Company's website at https://ir2.chartnexus.com/pekat/corporate-governance .			
Explanation for departure				
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
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Timeframe	:	<table border="1"> <tr> <td></td> <td></td> </tr> </table>		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>An annual meeting calendar is prepared and circulated by the Company at the beginning of the year which provides details of scheduled dates for meetings of the Board, Board Committees and Annual General Meeting, enabling Directors to plan their schedule in advance.</p> <p>The Board meets at least four (4) times annually, with additional meetings convened as and when necessary. The notice of meetings, management reports and Board Papers were circulated via email at least five (5) business days prior to the meetings. Hard copies were also made available to Directors upon request for easy reference.</p> <p>The Board and Board Committees are provided with appropriate information and comprehensive meeting papers at least five (5) business days prior to the meetings to ensure that the Directors have sufficient preparation time and information to make an informed decision at each meeting.</p> <p>The Management is only invited to attend Board and Board Committee meetings to brief and provide explanations on issues relating to the meeting agenda. The deliberations and decisions at the Board and Board Committee meetings are well documented in the minutes, including a statement of declaration of interest or abstention from voting and deliberation, where applicable. Upon conclusion of the meetings, the minutes are circulated in a timely manner for review.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has a Board Charter, setting out the Board composition, roles and responsibilities of the Board as a whole, as an individual, as well as the Board Committees. It also sets out the overview processes of the Board on how the Board leads by strategic guidance and effective oversight of the management of the Company.</p> <p>The Board Charter specifies the delegation of authority by the Board to various Board Committees to ensure that the Board members would act in the best interests of all stakeholders in performing their responsibilities on behalf of the Company. The issues and decisions are reserved to the Board for determination save to the extent that matters have been delegated to the Board Committees or Management.</p> <p>The Board Charter of the Company was last reviewed and adopted by the Board on 17 November 2023. It will be reviewed periodically and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board’s responsibilities.</p> <p>The Board Charter can be found on the Company’s website at https://ir2.chartnexus.com/pekat/corporate-governance.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has formalised ethical standards by establishing Code of Conduct and Ethics for the Company while the Code of Ethics for Company Directors, is formed part of the Board Charter of the Company.</p> <p>The Code of Conduct and Ethics is formulated to enhance the standard of corporate governance and corporate behaviour with the intention of achieving the following aims:</p> <ul style="list-style-type: none">(i) To establish a standard of ethical behaviour for directors based on trustworthiness and values that can be accepted, are held or upheld by any one person; and(ii) To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administering the Company. <p>In addition, the Board, had on 15 October 2020, adopted a zero-tolerance policy against all forms of bribery and corruption, in particular the Anti-Bribery and Anti-Corruption Policy and Procedures to be observed by the Directors and employees of the Group. The revised Anti-Bribery and Anti-Corruption Policy and Procedures have been reviewed and approved by the Board on 23 January 2024 for adoption by the Company. The Anti-Bribery and Anti-Corruption Policy and Procedures elaborates the principles, providing guidance to employees on how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business. It is also intended to be applied to all Directors, contractors, subcontractors, consultants, agents, representatives and others performing work or services, for or on behalf of the Group, who are required to comply with the relevant parts of the Anti-Bribery and Anti-Corruption Policy and Procedures when performing such work or services.</p>

	<p>In addition to adhering to the Code of Conduct and Ethics for Company, the Board will also comply with the Company Directors' Code of Ethics established by the Companies Commission of Malaysia. This Code of Ethics for Company Directors will be reviewed periodically to ensure that it remains relevant and appropriate.</p> <p>The Code of Conduct and Ethics and the Anti-Bribery and Anti-Corruption Policy and Procedures are both available on the Company's website at https://ir2.chartnexus.com/pekat/corporate-governance.</p>			
Explanation for departure	:			
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>				
Measure	:			
Timeframe	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company recognises the importance of establishing a formal communication channel for affected stakeholders to report instances of illegal, unethical, or questionable practices. Therefore, the Board has put in place a Whistleblowing Policy, which is periodically reviewed and made available on the corporate website, to provide an avenue for all employees of the Group as well as members of the public to raise legitimate concerns. This aims to foster an environment where individuals can disclose improper conduct within the Group, ensuring that appropriate actions are promptly taken for effective resolution. The last review of the Whistleblowing Policy and Procedures was on 17 November 2023.</p> <p>The policy included guidelines on identifying and reporting misconduct, outline the protections afforded to whistle-blower, and potential consequences of committing or being complicit in misconduct.</p> <p>To facilitate the whistleblowing process, the Chairman or any member of the ARMC has been designated as the recipient of disclosures, and to oversee the whistleblowing function. The whistleblowing report form is also enclosed in the Whistleblowing Policy and Procedures as the reporting mechanism for ease of use and clarity.</p> <p>The Whistleblowing Policy and Procedures are made accessible on the Company's website at https://ir2.chartnexus.com/pekat/corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Departure						
Explanation on application of the practice	:							
Explanation for departure	:	<p>The Board, together with the Management, recognises the importance of ensuring sustainability risks and opportunities are considered in the development of the Group’s business strategies and plans. The Board has yet to set the sustainability targets as the Group requires more time to evaluate its business operations and set relevant science-based emissions reductions target to support cleaner and sustainable growth.</p> <p>Nevertheless, as part of its efforts to build sustainability momentum within the Group, a Sustainability Policy has been developed, which was enforced on 22 August 2023, to support the Group’s objectives of realising its goal to develop a sustainable business. The Policy focuses on the framework of the ESG principles with the following objectives:-</p> <table><tr><td>Environmental</td><td>- instill daily practices that will help effectively conserve energy and water as well as manage waste and carbon emissions</td></tr><tr><td>Social</td><td>- promote diverse, inclusive and safe working conditions for our employees, develop, nurture and retain our talents, as well as support and invest in social programs to improve our communities.</td></tr><tr><td>Governance</td><td>- promote good governance by inculcating anti-corruption in our practices and instilling measures to ensure data privacy</td></tr></table> <p>To assist the Board in carrying out its responsibilities, the Board leads the oversight of the Group’s ESG footprint through the Sustainability Management Committee (“SMC”). This committee includes representatives from various departments such as project, supply</p>	Environmental	- instill daily practices that will help effectively conserve energy and water as well as manage waste and carbon emissions	Social	- promote diverse, inclusive and safe working conditions for our employees, develop, nurture and retain our talents, as well as support and invest in social programs to improve our communities.	Governance	- promote good governance by inculcating anti-corruption in our practices and instilling measures to ensure data privacy
Environmental	- instill daily practices that will help effectively conserve energy and water as well as manage waste and carbon emissions							
Social	- promote diverse, inclusive and safe working conditions for our employees, develop, nurture and retain our talents, as well as support and invest in social programs to improve our communities.							
Governance	- promote good governance by inculcating anti-corruption in our practices and instilling measures to ensure data privacy							

	<p>chain, operation, marketing and finance, which is led by the Chief Executive Officer and supported by the Chief Financial Officer. Key individuals and department heads are responsible for the day-to-day performance and progress of sustainability initiatives report directly to Corporate Sustainability Development Team (“CSD”). The CSD regularly reports to and discuss the sustainability performance with the SMC and the Board to keep the Board informed and apprised of the latest sustainability developments that are relevant to the Group.</p> <p>Throughout the year, the Group has rigorously implemented guidance from consultants and continued to strengthen its commitment to sustainability by actively executing various initiatives and action plans in alignment with the Company’s three (3)-year ESG Action Plan, spanning from 2023 to 2025.</p> <p>The scope of the Sustainability Statement covers all of Pekat’s business operations in Malaysia, including subsidiaries where the Group holds more than 50% ownership and control. However, Apex Power Industry Sdn. Bhd. and its wholly-owned subsidiary, EPE Switchgear (M) Sdn. Bhd., have been excluded from this reporting period as they were only acquired at the close of FY2024. Pekat will assess their inclusion in the next reporting cycle of the Statement once they are prepared to align with the Group’s reporting policies and sustainability frameworks.</p> <p>The Group’s sustainability governance structure, sustainability matters and initiatives are described in the Sustainability Statement as included in the Company’s Annual Report 2024.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>: Please explain the measure(s) the company has taken or intend to take to adopt the practice.</p>
<p>Timeframe</p>	<p>: Choose an item.</p>

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	As explained under Practice 4.1, the Company has yet to set any sustainability targets for 2024, and therefore the performance against these targets is not available to be communicated to our internal and external stakeholders for the year under review.	
		The sustainability targets will be set in due course and will be communicated to its internal and external stakeholders accordingly.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is provided with the opportunity to attend relevant training programmes on an ongoing basis in industry-related areas for them to keep abreast of the latest developments in the industry, to strengthen the Board’s competencies in staying abreast including but not limited to understanding the sustainability, corporate governance, risk management and strategic issues relevant to the Company and its business. To discharge its role effectively, the Board acknowledged the sustainability matters that are relevant to the Group and its business.</p> <p>During financial year 2024, the Directors attended training programmes including those related to corporate governance, sustainability, environmental, social and governance (“ESG”) matters, cybersecurity and 2025 Budget to keep themselves updated with the recent developments.</p> <p>Details of the training attended by Directors are published in the Annual Report 2024.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The NC had, on 23 January 2025, reviewed the responsibility of the Board and Senior Management in addressing material sustainability risks and opportunities. The performance assessment of the Board and Senior Management included their effectiveness in addressing the Group’s material sustainability risks and opportunities.</p> <p>The performance of the Board and senior management in addressing the Company’s material sustainability risks and opportunities for the FY2024 was reviewed and assessed via Board Effectiveness Assessment.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Chief Executive Officer, Mr. Tai Yee Chee, who is also the Head of the Sustainability Management Committee, is the designated person within management to manage sustainability strategies and initiatives in the Group. He is supported by the Chief Financial Officer, who acts as the Assistant Sustainability Head.</p> <p>As the Board holds the ultimate responsibility of oversight and observance of sustainability strategy and initiatives, the Sustainability Management Committee is responsible for reporting to the Board on the implementation of sustainability initiatives. This is to ensure that the governance and operational aspects of sustainability integration receive dedicated oversight at the Board level.</p>

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board through the NC reviews the composition and size of the Board annually to ensure that the Board has the optimum size, diversity, tenure, age, expertise, independence, skills and experiences to drive the Company's business objectives and strategic goals.</p> <p>The NC, with the assistance of the Company Secretaries, conducts an annual assessment to evaluate the overall effectiveness of the Board and Board Committees, as well as the contribution and performance of each Individual Director. The Board assessments for FY2024 were conducted on 23 January 2025.</p> <p>Based on the results of the annual assessment for the year under review, the Board concurred with the NC that the current composition of the Board provides an appropriate size, diversity, mix of skills, qualifications, knowledge and experience to ensure it meets the present scope and nature of the Group's business operations as well as to facilitate effective decision-making and management of the Board.</p> <p>The Independent Directors have also affirmed their independence from the Group. The Board concurred that the Independent Directors fulfilled the criteria under the definition of Independent Director as set out in the LR of Bursa Securities.</p> <p>Mr. Chin Soo Mau and Datin Shelina Binti Razaly Wahi, the Directors who are subject to re-election at the Sixth Annual General Meeting ("AGM"), had completed their Fit and Proper declaration forms and being eligible, had offered themselves to be re-elected at the Sixth AGM. The NC has assessed the fit and proper criteria of Mr. Chin Soo Mau and Datin Shelina Binti Razaly Wahi as well as their respective contributions to the Board for the purpose of their proposed re-election at the Sixth AGM.</p> <p>Based on the results of the annual assessment of the Board and the Fit and Proper Assessment, the Board concurred with the NC's recommendation and recommended for shareholders' approval on the re-election of Mr. Chin Soo Mau and Datin Shelina Binti Razaly Wahi, who are due to retire in accordance with Clause 128 of the Company's Constitution at the Sixth AGM.</p>

	The Fit and Proper Policy is available in the Company's website at https://ir2.chartnexus.com/pekat/docs/cg/Fit-and-Proper-Policy .	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board comprises six (6) Directors, including two (2) Executive Directors and four (4) Independent Non-Executive Directors as follows:</p> <ol style="list-style-type: none">1. Mr. Kok Kong Chin – Independent Non-Executive Chairman;2. Mr. Ong Keng Siew – Independent Non-Executive Director;3. Datin Shelina Binti Razaly Wahi – Independent Non-Executive Director; and4. Ms. Yeong Siew Lee – Independent Non-Executive Director. <p>The presence of Independent Directors which made up a majority of the Board provides adequate oversight to ensure check and balance on the Board through independent and objective views in Board deliberations.</p> <p>All Directors have distinguished themselves in their field of expertise and have provided valuable insights to the Board, particularly in areas relevant to the Group’s business activities and strategic development.</p> <p>The Board, with the assistance of the NC, will continue to monitor and review the Board size and composition as may be needed.</p> <p>All the four (4) Independent Directors have declared that they are independent pursuant to the LR of Bursa Securities.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied	
Explanation on application of the practice	:	As at 31 December 2024, none of the Independent Non-Executive Directors of the Company has served the Board for a cumulative term of more than nine (9) years.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of diversity in terms of skills, experience, age, gender, cultural background and ethnicity. The Board also recognises the benefits of diversity at the Board and Senior Management levels. Based on the results of the assessment of the effectiveness of the Board as a whole and the Board Committee (“BEA”) for the year under review, the Board concurred with the NC and were satisfied that the current composition of the Board provides an appropriate size, diversity, mix of skills, qualifications, knowledge and experience to ensure it meets the present scope and nature of the Group’s business operations as well as to facilitate effective decision-making and management of the Board.</p> <p>The NC, guided by its TOR and Fit and Proper Policy, is responsible to lead the nomination process for a new candidate’s appointment and making the necessary recommendations to the Board for approval.</p> <p>The NC had also assessed the fit and proper criteria as set out in the Fit & Proper Policy for the re-appointment of Directors who are due to retire at the forthcoming AGM. Based on the results of the BEA and Fit and Proper assessment, the Board was satisfied with the NC’s recommendation on the re-election of Mr. Chin Soo Mau and Datin Shelina Binti Razaly Wahi, who are due to retire at the forthcoming AGM and to recommend their re-election to the shareholders for approval at the said AGM. The Board was of the view that their performances have been satisfactory and have met the Board’s expectation in the discharge of their duties and responsibilities. They also devote adequate time in discharging their duties and responsibilities as Directors, work constructively with other Board members, attend meetings well prepared and will continue to bring value and insight to the Board.</p> <p>The TOR of the NC is available on the Company’s website at https://ir2.chartnexus.com/pekat/corporate-governance.</p>

Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied	
Explanation on application of the practice	:	<p>The NC is responsible for leading the process of Board appointments by identifying and recommending suitably qualified candidates for the Board's consideration. The NC takes cognisance that they are also responsible for overseeing the selection and assessment of Directors.</p> <p>When necessary, the NC may also source potential candidates from various external independent source to gain access to a wider pool of potential candidates. The policies and procedures for recruitment and appointment of Directors are guided by the TOR of the NC and Directors' Fit and Proper Policy.</p> <p>There was no new appointment to the Board during the year under review.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company had included a statement in the Notice of the Sixth AGM by providing sufficient information on the re-election of Mr. Chin Soo Mau and Datin Shelina Binti Razaly Wahi, who are due to retire at the forthcoming AGM in accordance with the Company's Constitution.</p> <p>The profiles of Directors who are eligible for re-appointment at the Sixth AGM can be found in the annual report of the Company as well as in the Statement Accompanying the Notice of the Sixth AGM, which contains the following information to ensure transparent dissemination of communication with shareholders:</p> <ol style="list-style-type: none">1) the name, age, gender, nationality, qualification, and whether the position is an executive or non-executive one and whether such director is an independent director;2) the working experience and occupation;3) any other directorships in public companies and listed issuers, and other positions held;4) the details of any interest in the securities of the listed issuer and its subsidiaries;5) the family relationship with any director and/or major shareholder of the listed issuer;6) any conflict of interests that they have with the listed issuer; and7) other than traffic offences, the list of convictions for offences within the past five years and particulars of any public sanction or penalty imposed.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC of the Company is chaired by an Independent Director and comprises exclusively of Independent Non-Executive Directors as follows:</p> <p><u>Chairperson</u> Datin Shelina Binti Razaly Wahi, Independent Non-Executive Director</p> <p><u>Members</u></p> <ol style="list-style-type: none"> 1. Ms. Yeong Siew Lee, Independent Non-Executive Director 2. Mr. Ong Keng Siew, Independent Non-Executive Director <p>The primary responsibilities of the NC are set out in the TOR of the NC, which is available in the Company's website at https://ir2.chartnexus.com/pekat/corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	Currently, the Board comprises two (2) females Directors out of six (6) Directors, equivalent to 33% of the women representation on the Board.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has a Gender Diversity Policy to achieve the Company’s objective and the targets of at least 30% female gender composition of its Board and senior management. The Board recognises that a diversified Board and senior management could bring greater depth and a wider range of perspectives in the decision-making process. The Board also strives to achieve and maintain a culture of diversity not only limited to gender, but also a mix of skills, qualifications, experiences, ethnicity, age, background and other personal attributes in the selection of Board representatives in the future.</p> <p>As at 31 December 2024, there are two (2) female Directors on the Board of the Company, namely, Ms. Yeong Siew Lee and Datin Shelina Binti Razaly Wahi, representing 33% of the total Board composition.</p> <p>The Gender Diversity Policy for the Board and Senior Management is made available on the Company’s website, https://ir2.chartnexus.com/pekat/corporate-governance.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC assessed and evaluated the performance and effectiveness of the Board and Board Committees as a whole and contribution of each Individual Director.</p> <p>There is a formal evaluation process to assess the effectiveness of the Board as a whole, its Committees as well as the contributions of the Director. The Board, through the NC would undertake the following assessments annually and the results of the evaluations are presented to the NC and the Board:-</p> <ul style="list-style-type: none">a) Board Assessment as a whole;b) Board Committees' Assessment;c) Board Skills Matrix evaluation;d) Independent Directors' Self-Assessment; ande) Review of the term of office and performance of ARMC and each of its members. <p>The independence of the Independent Non-Executive Directors of the Company had been fulfilled in accordance with the LR of Bursa Securities and would not impede their independence in carrying out their duties in the respective Board and Board Committees.</p> <p>All Directors and Board Committees provided anonymous feedback on their peers' performance and individual performance contribution to the Board and respective Board Committees. The results were then collated and tabled to the NC for deliberation.</p> <p>In addition, the Directors who were due to retire and are eligible to be re-elected at the forthcoming AGM had submitted their Fit and Proper Declaration Forms to the NC, prior to its recommendation for re-election at the forthcoming AGM.</p>

	<p>The annual assessment results were tabled to the NC for deliberation. Thereafter, the Chairperson of the NC conveyed the results and input of the NC to the Board for their consideration, including proposed actions or plans to be taken to strengthen the Board as a whole.</p> <p>Based on the outcome of the abovementioned assessment conducted by the NC for FY2024, the Board was satisfied that:-</p> <ul style="list-style-type: none"> ▪ Individual Directors are able to meet the Board of Directors' expectations in terms of character, experience, integrity, competency and time commitment in discharging their roles as Directors of the Company. ▪ Individual Directors exercised due care and carried out professional duties proficiently. ▪ The Board and Board Committees have been effective in carrying out their functions and duties. ▪ All Independent Directors have been and remain independent from management and free from any business relationship that could materially interfere with their independent judgement. 	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board via the RC implements the policies and procedures on the recommendation and review of the remuneration for Board members and Senior Management. The Board believes that competitive remuneration enables the Company to attract, retain and motivate the Directors and Senior Management.</p> <p>The Remuneration Policy ("Policy") which has been approved by the Board and is made available on the Company's website, https://ir2.chartnexus.com/pekat/corporate-governance is intended to provide guidance for the Board and the RC in determining the remuneration of Executive Directors and Senior Management.</p> <p>For Executive Director and Senior Management, the components of the remuneration package are set in accordance with the individual performance in the job and the Company's financial performance and growth.</p> <p>The fees payable to the Non-Executive Directors required shareholders' approval. The remuneration for Non-Executive Directors consists of fixed directors' fees and meeting allowances for attending Board or Committee meetings.</p> <p>The evaluation of remuneration package will be reviewed annually by the RC, and each director shall abstain from deliberations and voting on decisions in respect of his/her individual remuneration. The Policy will be reviewed by the RC on a periodic basis, as and when necessary.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The RC comprises exclusively of Independent Non-Executive Directors as follows:</p> <p><u>Chairperson</u> Ms. Yeong Siew Lee, Independent Non-Executive Director</p> <p><u>Members</u></p> <ol style="list-style-type: none">1. Mr. Ong Keng Siew, Independent Non-Executive Director2. Datin Shelina Binti Razaly Wahi, Independent Non-Executive Director <p>The RC played a role in developing and administering formal, fair, and transparent policies and procedures for determining the remuneration of Directors and key senior management. The remuneration package is designed to be competitive, adequate and in line with current market practice to attract, retain, motivate, and reward the right talent of Directors and key senior management and is aligned with the Group's strategy taking into account the short-term and long-term value creation and strategic plans of the Group.</p> <p>The TOR of RC containing the duties and responsibilities of the RC is accessible on the Company's website, https://ir2.chartnexus.com/pekat/corporate-governance.</p> <p>During the year under review, the RC carried out the following:</p> <ol style="list-style-type: none">1. Reviewed the proposed Directors' fees for FY2024 and recommended the same for the Board for consideration to recommend to the shareholders for approval;2. Reviewed and assessed the payment of benefits payable to the Directors and recommended the same to the Board for

	consideration to recommend to the shareholders for approval; 3. Reviewed and recommended to the Board the remuneration package inclusive bonus of the Executive Directors for 2024; and 4. Reviewed and recommended to the Board the remuneration package inclusive bonus of the Key Senior Management for 2024.			
Explanation for departure	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
Timeframe	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosure of the Directors' remuneration received during the FY2024 on named basis are as follows:

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Chin Soo Mau	Executive Director	0	102.0	534.8	89.1	0	120.9	846.8	0	102.0	534.8	89.1	18.9	120.9	865.7
2	Tai Yee Chee	Executive Director	0	96.0	511.8	85.3	0	114.7	807.8	0	96.0	511.8	85.3	10.6	114.7	818.4
3	Kok Kong Chin	Independent Director	80.0	11.0	0	0	0	0	91.0	80.0	11.0	0	0	0	0	91.0
4	Ong Keng Siew	Independent Director	53.0	11.0	0	0	0	0	64.0	53.0	11.0	0	0	0	0	64.0
5	Datin Shelina Binti Razaly Wahi	Independent Director	51.0	11.0	0	0	0	0	62.0	51.0	11.0	0	0	0	0	62.0
6	Yeong Siew Lee	Independent Director	51.0	11.0	0	0	0	0	62.0	51.0	11.0	0	0	0	0	62.0
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>In view of the competitive nature of the human resource market in the industries within which the Company operates, the Company should protect the confidentiality of employees' remuneration packages. The retention of key senior management is critical to the successful implementation of the Company's strategy plan. The Board was of the opinion that the disclosure aggregated remuneration of key senior management on an anonymous basis within the range of RM50,000.00 in the Annual Report 2024 was adequate.</p> <p>Assessment will be done annually in determining the remuneration packages of the Group's key senior management. Factors that are taken into consideration include individual responsibilities, skills, expertise, and contributions to the Group's performance. The Board is committed to ensuring that the remuneration package is complete and sufficient to ensure that the Group is able to attract and retain executive talents.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the ARMC is Mr. Ong Keng Siew while the Chairman of the Board is Mr. Kok Kong Chin. The Board Chairman is not a member of the ARMC.</p> <p>With the positions of the ARMC Chairman and the Board Chairman being held by different individuals, it allows the Board to objectively review the ARMC's findings and its recommendations. The ARMC Chairman is also able to provide full commitment and devote adequate time to review all matters under the responsibility of the ARMC.</p> <p>The TOR of the ARMC is available on the Company's website at https://ir2.chartnexus.com/pekat/corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company recognises the importance of independence of its external auditors and that no possible conflict of interest whatsoever should arise.</p> <p>None of the members of the Board were former key audit partners and hence, no member of the ARMC appointed was a former key audit partner.</p> <p>The policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC was embedded in the TOR of the ARMC.</p> <p>The TOR of the ARMC is available at the Company's website at https://ir2.chartnexus.com/pekat/corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has established a transparent and appropriate relationship with the External Auditors. The External Auditors will periodically highlight significant audit matters to the ARMC.</p> <p>The ARMC is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the External Auditors. The terms of engagement for services provided by the External Auditors are reviewed by the ARMC and then recommended to the Board for approval.</p> <p>During the financial year, the ARMC with the assistance from Management had conducted its annual assessment on the External Auditors. The annual evaluation form provides a checklist for the ARMC to carry out a formal review of the independence, effectiveness and efficiency of the External Auditors of the Company that consider amongst others:</p> <ul style="list-style-type: none">• Calibre of the audit firm;• Quality processes or performance of the audit firm;• Competency of audit engagement team;• Independence and objectivity;• Audit scope and planning;• Audit fee; and• Audit communications. <p>The ARMC was satisfied with its review that the provision of non-audit services by the External Auditors to the Group for the FY2024 have not in any way impaired their objectivity and independence. The ARMC was also satisfied with the performance of the External Auditors.</p> <p>The External Auditors had provided their written confirmation on their independence throughout the audit engagement.</p> <p>The Board, having considered the ARMC's recommendation and feedback, recommended the re-appointment of the External Auditors for the financial year ending 31 December 2025 for shareholders' approval at the forthcoming AGM.</p>

Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The ARMC comprises exclusively of Independent Non-Executive Directors as follows:</p> <p><u>Chairman</u> Mr. Ong Keng Siew, Independent Non-Executive Director</p> <p><u>Members</u> 1. Datin Shelina Binti Razaly Wahi, Independent Non-Executive Director 2. Ms. Yeong Siew Lee, Independent Non-Executive Director</p> <p>The primary responsibilities of the ARMC are set out in its TOR of ARMC, which is available on the Company's website at https://ir2.chartnexus.com/pekat/corporate-governance.</p>

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC members possess the relevant qualifications, skills, experience and expertise with background from finance, law, audit, business administration, account and others. Hence, they are able to provide sound advice to the Board in terms of governance, regulatory compliance, financial reporting, internal and external audit reports as well as other matters to be deliberated by the ARMC.</p> <p>The qualification and experience of the individual ARMC members are disclosed in the Directors' Profile in the Annual Report. The Chairman and members of the ARMC are financially literate and are capable to understand matters under the purview of the ARMC including the financial reporting process.</p> <p>The Board, with the assistance of the NC, conducts an annual assessment to review and assess the performance of the ARMC and its members. Based on the outcome of the annual Board Committee assessment, the NC and the Board were satisfied with the performance and effectiveness of the ARMC.</p> <p>In the TOR of ARMC, the members are required to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. During FY2024, the members had participated and attended different training courses, seminars, conferences, and other relevant programmes which could enhance their knowledge in order to efficiently discharge their duties and responsibilities.</p> <p>The training programmes, conferences and/or seminars attended by all ARMC members during the financial year under review are set out in the Corporate Governance Overview Statement in Annual Report 2024.</p>

	The ARMC diligently reviews and challenges the Company's financial reporting, transactions and information and the Management's assertions on the Company's financials tabled by the Management. The ARMC also plays an integral role in expressing its perspectives, opinions and guidance to the Executive Directors and Management, fostering a collaborative environment for continuous improvement.			
Explanation for departure	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
Timeframe	:	<table border="1"> <tr> <td></td> <td></td> </tr> </table>		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises its responsibilities in maintaining a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets while achieving its business objectives. The Board has established and implemented an effective risk management and internal control framework based on the Internal Control Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO").</p> <p>The ARMC assists and supports the Board in discharging its roles and responsibilities to oversee the adequacy and effectiveness of the risk management and internal control system of the Group.</p> <p>The ARMC has the responsibilities to monitor, review, oversee and assess the risk management strategy and process and internal control environment within the Group to ensure a sound risk management framework and internal control system are established.</p> <p>The ARMC has reviewed and approved the guidelines for managing risk within the Group as well as monitored and assessed the risk appetite and risk tolerance for the Group. The ARMC also reviewed the principal risks and ensured implementation of appropriate risk management systems to effectively identify, analyse, evaluate, manage, monitor, treat and mitigate the risks impacting the Group.</p> <p>The Board will continue to monitor all risks affecting the Group and take necessary measures to mitigate them while at the same time continue to enhance the adequacy and effectiveness of the risk management and internal control systems of the Group. Further details on the internal control and risk management framework adopted by the Company are available in the Statement on Risk Management and Internal Control, set out in the Company's Annual Report 2024.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, through the ARMC, oversees risk management matters relating to the activities of the Group, which include identifying, analysing, evaluating, managing, monitoring, treating and mitigating the significant risks impacting the Group. The ARMC also assists the Board to fulfil its responsibilities with regard to risk management to manage risk exposure of the Group.</p> <p>Management assisted by the Internal Auditors of the Company to conduct reviews and audits on a regular basis by testing the adequacy and effectiveness of material internal controls on key risks identified. Any material non-compliance or errors in internal controls and their corresponding mitigating actions will be reported to the ARMC. Based on the audit findings and recommendations presented by the Internal Auditors, the ARMC will review the adequacy and effectiveness of the risk management and internal control framework for implementation, to strengthen the Company's risk management and internal controls. The Board, through ARMC, observed the measures were taken on areas identified for improvement, as part of management's continuous efforts to strengthen the Group's internal control.</p> <p>Anti-Bribery and Corruption Policy and Whistleblowing Policy have been adopted by the Company to guide the shaping of ethical and behavioural conduct within the Group and its stakeholders. The policies provide an avenue for all employees of the Group and the general public to raise legitimate concerns and disclose any improper conduct within the Group and for the Group to take appropriate actions to resolve them effectively.</p> <p>In addition, the Group's organisational structure has clearly defined the line of responsibility and limits of authority as well as delegated authority that is aligned to business and operational requirements. Strategic business direction is entrusted to the Executive Directors, while the management of the respective business functions are delegated to the Heads of Department.</p> <p>The detailed features of the risk management and internal control system together with its adequacy and effectiveness are set out in the</p>

	Statement on Risk Management and Internal Control of the Company's Annual Report 2024.			
Explanation for departure	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
Timeframe	:	<table border="1"> <tr> <td></td> <td></td> </tr> </table>		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's internal audit function, reporting directly to the ARMC, is outsourced to an independent professional firm, Resolve IR Sdn. Bhd., which provides independent assessment on the adequacy of internal controls and monitors the effectiveness of the Group's internal control system. The Internal Auditors will present their internal audit reports to the ARMC on a quarterly basis for review.</p> <p>Under the TOR of ARMC, the ARMC Committee shall ensure that the internal audit function operates independently and will periodically assess the performance of its members. The ARMC had reviewed the internal audit functions and was satisfied with its performance.</p> <p>The Internal Audit Plan ("IAP") was tabled to ARMC and approved during the ARMC meeting. The objective of the internal audit cycles as per the IAP is to identify operational weaknesses and/or areas of improvement, along with the corresponding root-cause analysis and proposed recommendations. Management shall then assist the ARMC by implementing the relevant corrective actions recommended by Internal Auditors within the stipulated time. Follow-up review will be performed by Internal Auditors to ensure that necessary controls are adequately put in place, and the Group's operations are improved.</p> <p>In order to ensure the effectiveness of the internal audit function, the Internal Auditors are granted with full and unrestricted access to all information and resources of the Group, which are deemed necessary for the appropriate conduct of internal audit review.</p> <p>Further details of the internal audit function are set out in the Statement on Risk Management and Internal Control and the ARMC Report in the Company's Annual Report.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied						
Explanation on application of the practice	:	<p>The Group appointed an outsourced internal audit service provider, Resolve IR Sdn. Bhd. to carry out the internal audit function.</p> <p>Resolve IR Sdn. Bhd. is a corporate member of the Institute of Internal Auditors, Malaysia and it is adequately resourced with personnel having the appropriate qualification and experience.</p> <p>The main role of the Internal Auditors is to undertake regular reviews of the Group’s system of internal controls, procedures, and operations so as to provide independent and objective assurance to the ARMC regarding the adequacy and effectiveness of internal control, risk management and governance systems.</p> <p>The work of the outsourced internal audit function is guided by the International Professional Practice Framework on Internal Auditing issued by the Institute of Internal Auditors. The internal audit reviews undertaken has been conducted on a risk-based approach and detailed areas of audit have been set out in the internal audit plan that has been reviewed and approved by the ARMC.</p> <p>The profile of Resolve IR Sdn. Bhd. is set out below:</p> <table><tr><td>Date of appointment</td><td>20 June 2023</td></tr><tr><td>Name of Principal Engagement Lead</td><td>Choo Seng Choon</td></tr><tr><td>Qualification</td><td><ul style="list-style-type: none">• Certified Internal Auditor (CIA)• Chartered Member, Institute of Internal Auditors (IIA)• Fellow Member, Association of Chartered Certified Accountants of UK (ACCA)• Chartered Accountant, Malaysian Institute of Accountants (MIA)• Certified Public Accountant of The</td></tr></table>	Date of appointment	20 June 2023	Name of Principal Engagement Lead	Choo Seng Choon	Qualification	<ul style="list-style-type: none">• Certified Internal Auditor (CIA)• Chartered Member, Institute of Internal Auditors (IIA)• Fellow Member, Association of Chartered Certified Accountants of UK (ACCA)• Chartered Accountant, Malaysian Institute of Accountants (MIA)• Certified Public Accountant of The
Date of appointment	20 June 2023							
Name of Principal Engagement Lead	Choo Seng Choon							
Qualification	<ul style="list-style-type: none">• Certified Internal Auditor (CIA)• Chartered Member, Institute of Internal Auditors (IIA)• Fellow Member, Association of Chartered Certified Accountants of UK (ACCA)• Chartered Accountant, Malaysian Institute of Accountants (MIA)• Certified Public Accountant of The							

		Malaysian Institute of Certified Public Accountants (MICPA)	
	Experience	Close to 30 years of professional and commercial experience in multi discipline including internal audit, risk management, corporate governance, performance & business management, IPOs, taxation, due diligence and corporate finance	
	Number of resources	Each internal audit review ranges from four (4) to five (5) personnel.	
		<p>For FY2024, the Resolve IR Sdn. Bhd.'s engagement team personnel affirmed to the ARMC that in relation to the Group, they were free from any relationships or conflicts of interest, which could impair their objectivity and independency.</p> <p>Information pertaining to the activities of the Internal Auditors are set out under the ARMC Report in the Annual Report for FY2024.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company recognises the importance of being transparent and accountable to its stakeholders and as such, maintains an active and constructive communication that enables the Board to communicate effectively with investors, financial analysts and the public.</p> <p>The Company leverages on several formal channels for effective dissemination of information to shareholders and stakeholders, to ensure that they are constantly kept abreast on the Group's progress and developments. The Company communicates regularly with its shareholders and stakeholders through the following channels of communication:</p> <ol style="list-style-type: none">1. Bursa Malaysia Securities Berhad The Company is guided by the disclosure requirements and continuing listing obligations prescribed in the LR of Bursa Securities and Corporate Disclosure Guide issued by Bursa Securities. It ensures that financial results were announced on a quarterly basis and that updates on material announcements such as material information, corporate exercises and the progress of corporate developments were released to shareholders and stakeholders on a timely basis via the Bursa Securities website.2. Corporate website The Company's corporate website https://www.pekat.com.my/ under the "investor relations" section provides corporate information such as the stock information, interactive chart, annual reports, quarterly reports, Bursa Securities' announcement, corporate governance inclusive of Board Charter, TOR of respective committees and policies, general meetings of the Company.3. General telephone, email address and direct message via corporate website

	<p>The general telephone number and general enquiry email address of the Company are provided for the stakeholders to send in any enquiry to the Company. The Company also utilises its corporate website as a communication platform with its stakeholders which allows stakeholders to make enquiry or send messages through the Company's website under the "Contact Us" section.</p> <p>4. General meetings</p> <p>The Fifth AGM held on 11 June 2024 and Extraordinary General Meetings held on 10 October 2024 served as the main forum of dialogue with shareholders for shareholders to seek and clarify issues as well as to allow them to obtain a better understanding of the Group and its businesses.</p> <p>The details of the Company's engagement with stakeholders were set out in the Sustainability Statement of the Annual Report 2024.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to ensuring that the Notice of AGM is circulated to the shareholders at least twenty-eight (28) days prior to the date of the AGM.</p> <p>On 29 April 2024, notifications were sent to shareholders via email or hard copies informing that the Notice of the Fifth AGM, Proxy Form, Administrative Notes, Annual Report 2023 and Corporate Governance Report 2023 were published on the website of Bursa Securities. It was also available on the Company website at https://ir2.chartnexus.com/pekat/agm.php.</p> <p>The shareholders were given sufficient notice and time to ensure that they would be able to consider the resolutions to be tabled in the AGM as well as to make appropriate arrangements to attend or participate in the AGM, or to appoint proxy, attorney or corporate representative to attend the AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	<p>All Board members were present at the Fifth AGM and Extraordinary General Meetings held virtually on 11 June 2024 and 10 October 2024, respectively.</p> <p>The attendance of all Directors, Chief Financial Officer, Company Secretary and External Auditors had provided the opportunity for shareholders to effectively engage with each Board members and Management.</p> <p>Shareholders were invited to submit questions through the remote participation and voting (“RPV”) facilities online and the questions addressed were answered by the Board and Management meaningfully during the meeting.</p> <p>The proceedings were recorded in the respective minutes, which were published on the Company’s website within thirty (30) business days from the date of the meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate—

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>The Fifth AGM of the Company held on 11 June 2024 and the Extraordinary General Meetings (“EGM”) held on 10 October 2024 were conducted on a virtual basis through live streaming from the broadcast venue and online remote voting through the RPV facilities.</p> <p>Shareholders were able to participate, vote remotely and submit questions and feedback to the Board through the RPV facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. during the AGM and SS E Solutions Sdn. Bhd. (“SSE”) during the EGM.</p> <p>The following measures were taken by the Company to encourage shareholders' attendance and participation at the virtual general meetings:</p> <ol style="list-style-type: none">1. Comprehensive Administrative Notes were circulated to shareholders for registration of attendance, posting of questions prior to the meetings, appointment of proxies, e-Voting.2. Electronic lodgement of Proxy Forms was allowed.3. The AGM proceedings were broadcasted live via a web portal and mobile application.4. Electronic submission of questions by shareholders prior to the meetings.5. Text Box facility for submission of questions real time during the meetings.6. Online remote voting process. <p>The TIIH Online is hosted in a secure cloud platform and the data centre is certified by ISO27001, while SSE data is securely hosted on a site at an accredited data centre with ISO/IEC 20000-1:2011 standard, ISO 9001: 2015 standard, Uptime Institute Tier III DC, certified to Threat, Vulnerability and Risk Assessment (TVRA) security framework, and ANSI, TIA-942.</p> <p>In addition, the Company had appointed Asia Securities Sdn Berhad as the Independent Scrutineers to verify the poll results for each resolution during the AGM, while Commercial Quest Sdn. Bhd. was the</p>

	appointed Independent Scrutineers to verify the poll results during the EGM.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.

Application	:	Applied
Explanation on application of the practice	:	<p>At the commencement of the General Meetings, the Chairman of the meeting briefed the shareholders, corporate representatives and proxies present virtually at the meeting of their right to ask questions and vote on the resolutions set out in the Notice of the General Meetings.</p> <p>All the Directors, senior management and the representative of the external auditors were present at the General Meetings to provide responses to the questions posed by shareholders via the general meetings online platform in relation to the agenda items for the General Meetings, both prior to and during the meeting.</p> <p>The shareholders were able to raise their queries to the Board prior to the AGM and EGM via submission through online meeting platform. During the meeting, the Questions & Answers ("Q&A") session was also kept open to allow the members, proxies and corporate representatives to post questions (in the form of typed text) via the text box facility.</p> <p>During the AGM, Mr. Tai Yee Chee, the Company's Chief Executive Officer, presented the Company's achievements for the financial year ended 31 December 2023 ("FY2023"), while Mr. Oh Keng Jin, the Chief Financial Officer, presented the Group's financial highlights for FY2023.</p> <p>The Board had also presented the questions raised by the Minority Shareholders Watch Group ("MSWG") and the Company's responses to all shareholders during the AGM and EGM.</p> <p>During the Q&A session, the Chairman ensured that all queries raised prior to the meetings and during the meetings on the Company's financial and non-financial performance and the strategic plan were answered. The details of the responses were recorded in the minutes and published on the corporate website after the meetings.</p>

Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Applied
Explanation on application of the practice	:	<p>The General Meetings of Company in 2024 were held via live streaming and online remote voting, which supported:</p> <ol style="list-style-type: none">1. live-video stream of all directors, senior management, company secretary, external auditors who participated in the AGM and EGM to address queries from shareholders;2. tutorial video to guide shareholders, proxies and corporate representatives through the voting procedure; and3. submission of queries by shareholders, proxies and corporate representatives were allowed prior to and throughout the meetings. <p>In addition, online poll voting was allowed upon the commencement of the meetings for the benefit of shareholders, proxies and corporate representatives who wish to cast their votes early. Additional time for the voting session was given to shareholders who have not cast their votes.</p> <p>Questions received prior to meetings were shared together with answers to all participants during the Question & Answer session. The Board together with the Management had responded meaningfully to all the questions received including the live questions which were made visible to all the meeting participants during the meeting.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The minutes of the Fifth AGM held on 11 June 2024 was published on the Company's website: https://ir2.chartnexus.com/pekat/agm.php on 25 July 2024, which was within 30 business days after the AGM.</p> <p>The minutes of the EGM held on 10 October 2024 were made available on the Company's website: https://ir2.chartnexus.com/pekat/egm.php on 22 November 2024, which was also within 30 business days after the EGM.</p> <p>The Company's responses to the questions raised by the MSWG and posed by shareholders via the meeting online platform were also published on the Company's websites together with the minutes of AGM and EGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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