

PEKAT GROUP BERHAD

[Registration No. 201901011563 (1320891-U)]
(Incorporated in Malaysia)

MINUTES OF THE SIXTH ANNUAL GENERAL MEETING ("6th AGM" OR "THE MEETING") OF PEKAT GROUP BERHAD (THE "COMPANY" OR "PEKAT") HELD AT CONNEXION CONFERENCE & EVENT CENTRE, THE ZENITH JUNIOR BALLROOM (THE VERTICAL, LEVEL M1), BANGSAR SOUTH CITY, NO. 8, JALAN KERINCHI, 59200 KUALA LUMPUR, WILAYAH PERSEKUTUAN ON WEDNESDAY, 18 JUNE 2025 AT 10:00 A.M.

PRESENT

- Directors** : Mr. Kok Kong Chin (*Chairman*)
Mr. Chin Soo Mau
Mr. Tai Yee Chee
Mr. Ong Keng Siew
Ms. Yeong Siew Lee
Datin Shelina Binti Razaly Wahi
- Individual members, representatives and proxies present** : As per Attendance List
- By Invitation** : Mr. Oh Keng Jin (*Chief Financial Officer*)
Mr. Tong Pau Liong (*Pekat Teknologi Sdn. Bhd.*)
Mr. Liew Wei Chyi (*Pekat Teknologi Sdn. Bhd.*)
Ms. Wong Pei Ling (*Pekat Teknologi Sdn. Bhd.*)
Ms. Yu Siew Ling (*Pekat Teknologi Sdn. Bhd.*)
Mr. Johann Sze Wei Qiang (*Solaroo Systems Sdn. Bhd.*)
Mr. Kishan Jasani (*Grant Thornton Malaysia PLT*)
Mr. Voon Liq Ming (*Grant Thornton Malaysia PLT*)
Ms. Lai Yan Qi (*Grant Thornton Malaysia PLT*)
- In Attendance** : Ms. Yee Kit Yeng (*Company Secretary*)
Mr. Simon Chong Kah Tah (*Assisting the Company Secretary*)
Ms. Clary Lim Sook Hui (*Assisting the Company Secretary*)

CHAIRMAN

Mr. Kok Kong Chin, the Chairman of the Company ("**Chairman**" or "**Mr. Kok**") who presided as the Chairman of the Meeting, welcomed all present to the 6th AGM of the Company. The Chairman then called the Meeting to order at 10:00 a.m.

The Chairman proceeded to introduce the fellow Directors, Chief Financial Officer, Company Secretary and the External Auditors who were present at the Meeting.

QUORUM

The requisite quorum being present pursuant to Clause 81 of the Company's Constitution, the Chairman declared the Meeting duly convened.

The Meeting noted that only members whose names appeared in the Record of Depositors on 11 June 2025 were eligible to attend the Meeting.

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NOTICE OF MEETING

The Notice convening the Meeting dated 29 April 2025 having been circulated within the prescribed period, was with the permission of the Meeting, taken as read.

PROCEEDINGS AND VOTING PROCEDURES

The Chairman informed the Meeting that the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") has mandated poll voting for all resolutions set out in the notice of general meetings. Pursuant to the above and Section 330 of the Companies Act 2016 ("**the Act**"), the Chairman exercised his right to direct the vote on all resolutions set out in the Notice of the Meeting to be conducted by way of a poll to demonstrate shareholder democracy of one-share one-vote.

Ms. Yee Kit Yeng briefed the Meeting on the proceedings of the Meeting. The voting session would be conducted upon completion of the deliberation of all items on the agenda. The Meeting was also informed that the Share Registrar, Securities Services (Holdings) Sdn. Bhd. was appointed as the Poll Administrator to conduct the polling process and Commercial Quest Sdn. Bhd. was appointed as the Independent Scrutineer to verify the polling results.

CORPORATE PRESENTATION

Mr. Oh Keng Jin ("**Mr. Oh**"), the Chief Financial Officer of the Company, was invited to present to the Meeting an overview of the Group's financial performance for the financial year ended 31 December 2024 ("**FY2024**"), with the salient points highlighted as follows:

➤ **Financial Performance**

The Group recorded a revenue of RM287 million, representing a 26% increase year-on-year. Profit after tax rose by 65% to RM22.7 million, while net profit attributable to shareholders increased by 60% to RM22 million. This translated to higher earnings per share of 3.41 sen, compared to 2.13 sen in the financial year ended 31 December 2023 ("**FY2023**").

➤ **Operational Highlights**

The solar division contributed RM175 million of revenue and RM8.4 million in segmental profit, representing year-on-year growth of 12% and 62%, respectively. This was primarily driven by stronger performance in the residential solar segment.

The trading division continued to grow steadily, supported by rising demand and strong supplier networks, particularly in earthing and lightning protection products. This was further boosted by the increasing development of data centers.

The newly acquired power distribution segment through the acquisition of Apex Power Industry Sdn. Bhd. and EPE Switchgear (M) Sdn. Bhd. ("**Acquisition of new subsidiaries**"), also contributed positively to its maiden year. This development marked the beginning of a new earnings pillar for the Group and aligned with the Group's strategic expansion into the electrical infrastructure sector.

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➤ **Balance Sheet and Liquidity**

The Group's financial position remained healthy, with total assets increased significantly to RM433 million from RM182.4 million in FY2023, representing a growth of 137.5%. This growth reflects higher retained earnings and equity raised through the Acquisition of new subsidiaries. Equity attributable to owners of the Company rose to RM158.7 million in FY2024 from RM136.7 million in FY2023, resulting in net assets per share of 25 sen, compared to 21 sen in FY2023.

Borrowings stood at RM91.9 million, recorded an increase from RM5.0 million in FY2023, resulting in a gearing ratio of 0.58 times, compared to 0.04 times, respectively. The increase was mainly due to loan drawdowns for the Acquisition of new subsidiaries and utilisation of trade finance facilities to support solar project development.

Despite the increased investment activities, the Group generated RM15.9 million in operating cash flow and maintained a current ratio of 1.71 times, indicating a comfortable level of liquidity.

➤ **Dividend**

No dividend was declared for FY2024 due to the Group's current capital commitments and the focus on supporting the execution of future projects.

Mr. Oh remarked that FY2024 was a year marked by growth in scale, improved margins, and strategic transition. With a broader business base, a stronger balance sheet, and an expanding order book, the Group is well-positioned to sustain its growth trajectory in the years ahead.

RESPONSES TO MINORITY SHAREHOLDERS WATCH GROUP ("MSWG")

The Chairman informed the Meeting that the Company had received a letter from the MSWG dated 12 June 2025 and was requested to respond to the questions raised by the MSWG at the Meeting. At this juncture, the Chairman invited Mr. Oh to share with the Meeting the questions raised by MSWG and the Company's corresponding responses, as stipulated under Appendix "A" attached to this Minutes.

Upon completion, the Chairman thanked Mr. Oh for his presentation on the queries raised by MSWG and the Company's responses.

1.0 RECEIPT OF THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Chairman informed the Meeting that the first item on the Agenda was to receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and the Auditors thereon ("**AFS 2024**").

The Meeting noted that formal approval from shareholders was not required for this Agenda pursuant to Section 340(1)(a) of the CA 2016 and hence, the AFS 2024 was not put forward for voting.

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The Chairman declared:-

That the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Reports of the Directors and the Auditors thereon, be received.

**2.0 ORDINARY RESOLUTIONS 1 AND 2
RE-ELECTION OF THE FOLLOWING DIRECTORS WHO WERE DUE TO
RETIREMENT PURSUANT TO CLAUSE 128 OF THE COMPANY'S
CONSTITUTION AND BEING ELIGIBLE, HAD OFFERED THEMSELVES
FOR RE-ELECTION: -
(A) MR. CHIN SOO MAU; AND
(B) DATIN SHELINA BINTI RAZALY WAHI**

The Chairman informed the Meeting that the second item on the Agenda was to re-elect the following Directors, who are due to retirement at this Meeting pursuant to Clause 128 of the Company's Constitution and that the retiring Directors, being eligible, had offered themselves for re-election:-

- (a) Mr. Chin Soo Mau; and
- (b) Datin Shelina Binti Razaly Wahi

The Meeting noted that the re-election of each Director would be voted on individually.

**3.0 ORDINARY RESOLUTION 3
APPROVAL FOR PAYMENT OF DIRECTORS' FEES AMOUNTING TO
RM235,000/- FOR THE FINANCIAL YEAR ENDING 31 DECEMBER
2025**

The Chairman informed the Meeting that the third item on the Agenda was to approve the payment of Directors' fees amounting to RM235,000/- (Ringgit Malaysia: Two Hundred and Thirty-Five Thousand) for the financial year ending 31 December 2025.

**4.0 ORDINARY RESOLUTION 4
APPROVAL FOR THE PAYMENT OF DIRECTORS' BENEFITS OF UP TO
AN AMOUNT OF RM60,000/- FOR THE PERIOD FROM 1 JULY 2025
UNTIL THE DATE OF THE NEXT ANNUAL GENERAL MEETING OF THE
COMPANY**

The Chairman informed the Meeting that the fourth item on the Agenda was to approve the payment of Directors' benefits up to an amount of RM60,000/- (Ringgit Malaysia: Sixty Thousand only) for the period from 1 July 2025 until the next Annual General Meeting of the Company in year 2026.

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5.0 ORDINARY RESOLUTION 5
RE-APPOINTMENT OF GRANT THORNTON MALAYSIA PLT AS
AUDITORS OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT
ANNUAL GENERAL MEETING OF THE COMPANY AND
AUTHORISATION TO THE DIRECTORS TO FIX THEIR
REMUNERATION

The Chairman informed the Meeting that the fifth item on the Agenda was to re-appoint Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration.

The retiring Auditors, Grant Thornton Malaysia PLT, had indicated their willingness to continue in office as Auditors of the Company.

SPECIAL BUSINESS

6.0 ORDINARY RESOLUTION 6
AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT
2016

The Chairman informed the Meeting that the sixth item on the Agenda was a special business for the approval of "Ordinary Resolution: Authority to issue shares pursuant to the Companies Act 2016".

The Meeting was informed that the proposed adoption of the said Ordinary Resolution was primarily to provide flexibility to the Company to allot shares for any possible fund-raising activities for the purpose of funding working capital without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority unless revoked or varied by the Company in a general meeting, would expire at the conclusion of the next Annual General Meeting.

7.0 SPECIAL RESOLUTION
PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

The Chairman informed the Meeting that the next item on the Agenda was a special business for the approval of "Special Resolution: Proposed Amendments to the Constitution of the Company".

The Chairman further informed the Meeting that the proposed amendments to the Constitution of the Company are to enhance administrative efficiency and to provide greater flexibility and clarity in the Constitution of the Company.

8.0 ANY OTHER ORDINARY BUSINESS

The Meeting was advised that there was no other business to be transacted at this Meeting of which due notice had been given.

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QUESTIONS AND ANSWER SESSION ("Q&A SESSION")

The Meeting proceeded with the Q&A session. The salient enquiries and comments raised by the shareholders, proxies and corporate representatives as well as the responses from the Board and Management were as stipulated under Appendix "A" attached to this Minutes.

CONDUCT OF POLL VOTING

The Chairman announced that the registration for attendance at the 6th AGM was closed at 11:26 a.m. to facilitate the conduct of the poll.

The Meeting was briefed on the procedures of the conduct of a poll and all shareholders, proxies and corporate representatives were requested to cast their votes.

After all votes have been cast, the Meeting was adjourned at 11:30 a.m. to facilitate the tabulation of votes and verification for the declaration of poll results.

ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed at 12:02 p.m. and the Chairman called the Meeting in order for the announcement of the poll results.

The results of the poll were presented to the Meeting as follows:

Resolutions	Voted in Favour		Voted Against	
	No. of Shares	%	No. of Shares	%
<u>Ordinary Resolution 1</u> To re-elect Mr. Chin Soo Mau, who is due to retire pursuant to Clause 128 of the Company's Constitution, and being eligible, has offered himself for re-election.	201,384,700	100.00	0	0.00
<u>Ordinary Resolution 2</u> To re-elect Datin Shelina Binti Razaly Wahi, who is due to retire pursuant to Clause 128 of the Company's Constitution, and being eligible, has offered herself for re-election.	414,551,100	97.2334	11,795,400	2.7666

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Resolutions	Voted in Favour		Voted Against	
	No. of Shares	%	No. of Shares	%
<u>Ordinary Resolution 3</u> To approve the payment of Directors' fees amounting to RM235,000.00 for the financial year ending 31 December 2025.	415,995,800	99.9998	700	0.0002
<u>Ordinary Resolution 4</u> To approve the payment of Directors' benefits of up to an amount of RM60,000.00 for the period from 1 July 2025 until the date of the next Annual General Meeting of the Company.	415,990,800	99.9986	5,700	0.0014
<u>Ordinary Resolution 5</u> To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration.	426,445,800	99.9998	700	0.0002
<u>Ordinary Resolution 6</u> Special Business Authority to issue shares pursuant the Companies Act 2016.	414,651,800	97.2342	11,794,700	2.7658
<u>Special Resolution</u> Special Business Proposed amendments to the Constitution of the Company.	426,438,200	99.9981	8,300	0.0019

Based on the results of the poll voting, the Chairman declared that the following resolutions as **CARRIED**:-

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ORDINARY RESOLUTION 1

"THAT Mr. Chin Soo Mau, being eligible for re-election, be re-elected as a Director of the Company."

ORDINARY RESOLUTION 2

"THAT Datin Shelina Binti Razaly Wahi, being eligible for re-election, be re-elected as a Director of the Company."

ORDINARY RESOLUTION 3

"THAT the payment of Directors' fees amounting to RM235,000.00 (Ringgit Malaysia: Two Hundred and Thirty-Five Thousand only) for the financial year ending 31 December 2025 be and is hereby approved."

ORDINARY RESOLUTION 4

"THAT the payment of Directors' benefits of up to an amount of RM60,000/- (Ringgit Malaysia: Sixty Thousand only) for the period from 1 July 2025 until the date of the next Annual General Meeting of the Company be and is hereby approved."

ORDINARY RESOLUTION 5

"THAT Grant Thornton Malaysia PLT be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be agreed between the Directors and the Auditors."

ORDINARY RESOLUTION 6

- AUTHORITY TO ISSUE SHARES PURSUANT THE COMPANIES ACT 2016

"THAT pursuant to the Companies Act 2016 ("**the Act**"), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being;

THAT in connection with the above, pursuant to Section 85 of the Act to be read together with Clause 15 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to the Act;

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AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities; **AND FURTHER THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

SPECIAL RESOLUTION

- PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

"THAT the proposed amendments to the Constitution of the Company, as annexed herewith as Appendix I of the Annual Report 2024, be and are hereby approved and adopted;

AND THAT the Directors be and are hereby authorised to do all acts, deeds and things as are necessary and/or expedient in order to give full effect to the proposed amendments to the Constitution of the Company with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by any relevant authorities."

CONCLUSION

There being no other business to be transacted, the Chairman concluded the Meeting and thanked all present for their attendance.

The Meeting concluded at 12:03 p.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

- signed -

KOK KONG CHIN
CHAIRMAN

Dated: 18 June 2025

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QUESTIONS RECEIVED DURING THE SIXTH ("6th") ANNUAL GENERAL MEETING ("AGM") OF THE COMPANY (OR "PEKAT") AND THE CORRESPONDING RESPONSES

(A) Questions from Minority Shareholders Watch Group ("MSWG")

No.	Question	Response/Answer
1.	<p><i>The solar division grew strongly in FY2024, driven by higher electricity costs and the Solar for Rakyat Incentive Scheme (SolaRIS) RM4,000 rebate, with revenue rising 11.9% to RM174.7m and profit up 61.5%. (Source: Page 13 of Annual Report (AR) 2024)</i></p>	<p>(a) We expect a slight dip, but interest remains healthy — especially with electricity tariffs staying high.</p> <p>We will continue our strategy of focusing on innovation in marketing, financing options, and after-sales service to keep the momentum going.</p> <p>(b) We are targeting to achieve installation of 4,000 to 5,000 for FY2025.</p> <p>(c) Revenue is being recognised progressively based on project milestones.</p> <p>Progress is broadly on schedule, with no material delays or cost overruns identified to date.</p> <p>Margins are in line with expectations for the current project mix.</p>
2.	<p><i>The Group acquired 60% equity interest in Apex Power Industry Sdn Bhd and its wholly owned subsidiary, EPE Switchgear (M) Sdn Bhd (collectively referred to as "Apex Power") on 16 December 2024. Following the acquisition of Apex Power, the power distribution</i></p>	

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No.	Question	Response/Answer
	<p><i>equipment division contributed RM9.9 million revenue and RM1.64 million PAT in a month. If the acquisition had taken place at the beginning of the financial year, Apex Power's PAT contribution would have been RM15.3 million. (Source: Pages 9, 14 and 116 of AR 2024)</i></p> <p>(a) Is the Group targeting a similar or higher profit contribution from Apex Power in FY2025?</p> <p>(b) Apex Power had an unbilled order book of RM194.16 million as of 31 August 2024. (Source: Page 9 of Circular dated 20 September 2024) How much of this has been delivered and recognised as revenue as of May 2025?</p>	<p>(a) With a full year's contribution in FY2025, we expect a stronger impact on the Group's financial performance. The business remains stable, and we're focused on integration and supporting future growth.</p> <p>(b) Close to 50% has been recognised as revenue as of May 2025, while the balance is scheduled for delivery and billing in the coming quarters.</p>
3.	<p><i>The Group is developing two 29.99 MWac solar power plants, under the Corporate Green Power Programme (CGPP) – one for recurring income by end-2025, and one EPCC project set to contribute positively to the Group's FY2025 financial performance. (Source: Page 16 of AR 2024)</i></p> <p>(a) What is the status of the Group's solar farm investment? Is it on track, and what percentage of construction has been completed as of to date?</p> <p>(b) What are the expected environmental and social impacts of the 29.99 MWac CGPP solar farm under development?</p>	<p>(a) Approximately 50% has been completed and the project remains on track for completion by end-2025.</p> <p>(b) The CGPP solar farm is expected to support Malaysia's renewable energy transition by replacing conventional grid electricity with clean energy. It contributes to long-term decarbonisation and energy resilience.</p>

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No.	Question	Response/Answer
4.	<i>The Group's non-audit fees amounted to RM269,000 in FY2024, exceeding audit fees of RM215,000. Given that part of these non-audit fees relate to a one-off due diligence exercise, please clarify how much of the non-audit fees are expected to recur for FY2025?</i>	The higher non-audit fees in FY2024 were specifically related to the Apex Power acquisition and the introduction of our ESOS. These fees have been fully charged in FY2024.
5.	<i>MSWG supports the first two proposed amendments to the Constitution. However, the proposed third amendment on retention of independent directors beyond nine years is not aligned with Practice 5.3 of MCCG 2021.</i> <i>Our voting stance is to vote against the retention of independent directors beyond 9 years, regardless of any shareholder approval mechanism. Accordingly, we will vote against the Special Resolution.</i>	We respect the MSWG's position. Currently, none of our Independent Directors has served more than nine years, and we are in full compliance with MCCG 2021. The proposed amendment was meant to provide flexibility in managing board succession.

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(B) Live Questions from the Shareholders/Proxies/Corporate Representatives

The following questions and responses have been edited for brevity and clarity.

No.	Question	Response/Answer
1.	<i>With regard to the engineering, procurement, construction and commissioning ("EPCC") of 29.99 Megawatt AC ("MWac") solar photovoltaic plant for Corporate Green Power Programme ("CGPP"), what level of recurring income can shareholders expect, and when is it expected to commence?</i>	The project is expected to achieve the commercial operation date by the end of 2025. Accordingly, revenue is anticipated to start contributing by first quarter of 2026. After accounting for the estimated operating expenses and depreciation, the Company expects to generate a net recurring income of approximately RM4 to RM5 million annually from this project.
2.	<i>With respect to the Earthing and Lightning Protection ("ELP") and switchgear segments under the power equipment division, how competitive is the industry, and what is the Company's estimated market share?</i> <i>Additionally, are there any contractual arrangements or internal policies that mandate the use of the Company's in-house switchgear in solar projects secured by the Company and its subsidiaries ("the Group")?</i>	<p>The switchgear industry is mature, growing and highly competitive. Nevertheless, the Company's newly acquired 60%-owned subsidiary, EPE Switchgear (M) Sdn. Bhd. ("EPE") maintains a strong position in this industry through a well-established supply chain, and its products are considered among the most competitive locally manufactured switchgear in Malaysia. EPE currently holds an estimated market share of 30% to 40% across Peninsular Malaysia.</p> <p>For solar and other projects undertaken by the Group, the use of in-house products is based on project-specific requirements. For instance, in the CGPP solar farm project, subcontractors are required to consult the ELP division on technical aspects such as lightning protection assessments and grounding system simulations. This collaborative process also applies to in-house switchgear and transformers, ensuring compliance with technical standards and promoting consistency across all projects.</p>
3.	<i>Regarding switchgear and ELP products, where are the components imported from? Is there an increasing trend of imports in the market, and how is the competitive landscape?</i>	Some switchgear components are imported, primarily from China. However, all imported parts undergo rigorous testing to ensure they meet industry standards. In contrast, key materials for ELP products such as copper strips, aluminium strips, and

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No.	Question	Response/Answer
		<p>electrical cables are sourced locally. The Company also partners with local Original Equipment Manufacturers (OEMs) to produce components tailored to its specifications.</p> <p>While there is a growing trend toward imported products in the market, the Company remains competitive by upholding strict quality control and working closely with local suppliers.</p>
4.	<p><i>Are there any requirements from Tenaga Nasional Berhad ("TNB") or relevant authorities for certain components used in ELP and switchgear products to be sourced locally rather than imported?</i></p>	<p>While there are no strict requirements from the authorities mandating the use of locally sourced components, there is a general encouragement to support locally manufactured components, where feasible.</p> <p>For example, components such as copper strips and aluminium strips, which were previously imported, are now sourced locally by the Company.</p>
5.	<p><i>Is there a requirement for switchgear to be SIRIM certified to ensure quality and safety measures?</i></p>	<p>TNB imposes stringent requirements for switchgear used within its network. All products must comply with TNB specifications and undergo type testing with accredited third-party laboratories, typically located in Europe or China, to verify their safety and performance standards. The testing process generally takes about one (1) month.</p> <p>Upon completion, the switchgear must obtain TNB's "Sijil Guna Pakai" (Certificate of Approval) before it can be submitted for tender. Any subsequent modifications to the product's components will require full retesting to ensure continued compliance and certification validity.</p>
6.	<p><i>Switchgear is used across many of the Company's segments, creating significant synergy. Is this industry considered to have a high barrier to entry?</i></p>	<p>The switchgear industry has high barriers to entry due to strict regulatory and technical requirements. All products must undergo type testing, which must be repeated periodically in line with updates to TNB's specifications. Each model requires separate certification,</p>

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No.	Question	Response/Answer
		<p>involving significant cost, time, and compliance effort.</p> <p>In addition, TNB conducts a Factory Acceptance Test (FAT) at the manufacturing facility before any product can be approved for use. While these requirements pose barriers to new entrants, they do not eliminate competition. As the market remains highly competitive, the Company has always continuously upheld high standards to maintain its position.</p>
7.	<p><i>What is the current utilisation rate of the switchgear segment? Has it improved from the historical 53% utilisation rate disclosed in the circular?</i></p>	<p>The previous utilisation rate was approximately 53%. The Company anticipates an increase in utilisation in the second half of 2025, driven by Solar Photovoltaic Farm projects.</p> <p>EPE has secured two (2) contracts totalling approximately RM200 million from TNB. Deliveries under these contracts will commence at the end of the second quarter of 2025 and continue into the third quarter of 2025, which is expected to contribute to a higher utilisation rate going forward.</p>
8.	<p><i>What opportunities does the Company see in the smart grid technology sector? Additionally, could the Company explain what a smart grid is and how the Company is involved in this area?</i></p>	<p>A smart grid is an advanced electricity network that enables two-way communication, monitoring, and control from transmission to end users. While transmission systems are largely integrated, distribution networks (such as those managed by the Company) are still being connected. Although TNB has rolled out many smart meters, some parts of the grid lack full communication capabilities.</p> <p>Smart grids support energy management by allowing users to monitor and optimise both energy production and consumption, with solar generation playing a key role.</p> <p>The Company is involved in developing smart grid components. However, full implementation requires seamless</p>

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No.	Question	Response/Answer
		integration with TNB systems to enable features like demand response and dynamic tariffs. As Malaysia currently operates under a fixed tariff structure, the Company continues to explore future opportunities as the industry evolves.
9.	<i>Is the Company involved in floating solar panel projects? If not, is the Company considering entering this area, given the competitiveness of rooftop solar panels?</i>	<p>Competition is strong across all solar segments, not just rooftop solar. As the market becomes more profitable, more players enter.</p> <p>The Company has been involved in the solar business since before 2017 and was one of the pioneers in the market. Its activities cover rooftop solar, own-grid solar, off-grid solar, residential, commercial and industrial, solar farms, and floating solar projects. The Company remains cautious, balancing efforts across segments based on their potential, focusing on where opportunities are most viable.</p>
10.	<i>With the recent drop in solar panel prices, what is the latest update? Is there potential for further price reductions, and how would this affect the Company's margins? Given the Group's diversified operations, how significant is solar panel cost now?</i>	<p>Solar module prices have generally declined, with a temporary rebound in April and May 2025 before falling again in June due to market oversupply. In the near term, prices are expected to remain low unless there is a significant improvement in demand.</p> <p>For the Company, solar modules now make up less than 25% of total project costs, compared to around 50% previously. Other materials such as copper, steel, and aluminium also influence overall cost. While solar panel prices still affect project margins, their impact has lessened due to cost diversification.</p> <p>The Company actively manages pricing, procurement, and project timing to mitigate margin risks.</p>
11.	<i>Does the Company have the flexibility to pass cost increases to customers, or are prices typically fixed in contracts?</i>	The Company reviews all contracts carefully, as to its ability to pass on cost increases depends on the specific terms of each contract/agreement.

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12.	<i>What is the status of the new fifth large scale solar ("LSS5") project tender, and what is the Company's likelihood of securing the project?</i>	The Company is currently in discussions to participate in the LSS5 project under the EPCC segment. At this stage, no investment projects have been secured, as the Company would first evaluating potential returns before participating.
13.	<i>Regarding the corporate partnership with Sunway Construction Group Berhad ("SunCon") and Pekat's 40% stake in Sunway Pekat Solar Sdn. Bhd., is Pekat involved in all SunCon development projects, including data center projects? Also, what is the profit generated from these projects?</i>	This partnership primarily focuses on solar-related projects, with Pekat acting as one of SunCon's subcontractors, providing ELP services for data centres. Currently, the Company is working on a data centre project in Johor with SunCon. Additionally, the Company has secured another contract with SunCon and recently completed two (2) data centres projects, with hopes to secure more contracts in the future.
14.	<i>The Battery Energy Storage System ("BESS") was mentioned in the 2024 Annual Report, but limited details were disclosed. Could the Company provide further information on its contribution to the Company and any ongoing developments?</i>	<p>The Company is currently involved in several BESS initiatives, including selected off-grid projects. Although BESS-related activities are not yet a major contributor to revenue, the Company is actively exploring opportunities, particularly within the Commercial and Industrial (C&I) segment.</p> <p>New regulatory guidelines, effective from 2026, will require self-consumption solar projects with capacities above 1 Megawatt peak ("MWp") to incorporate BESS. This is expected to significantly increase demand, especially within the C&I sector.</p> <p>Additionally, TNB and the Ministry of Energy Transition and Water Transformation have launched the bidding process for large-scale BESS projects totalling approximately 1,600 MWh, which the Company will evaluate for potential participation.</p>
15.	<i>For solar installations completed before 1 January 2026, is the installation of BESS mandated by the government?</i>	No, the BESS requirement applies only to new solar installations. Existing systems are not required to be retrofitted with BESS.

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		However, under the Energy Commission's current guidelines, any electricity generation system with a capacity exceeding 72 kWac must obtain either a private or public generation licence, regardless of whether BESS is installed.
16.	<i>Regarding self-consumption, does this imply that there are currently restrictions on selling generated solar power to external parties?</i>	Self-consumption refers to commercial or industrial entities generating solar power primarily for their own use under the Self-Consumption Programme. These entities are not allowed to sell excess electricity back to the grid or to external parties. Until the end of 2025, rooftop solar installations for self-consumption are allowed without the need to install a BESS. However, beginning in 2026, self-consumption projects with capacities exceeding 1 MWp will be required to incorporate BESS at a 1:1 capacity ratio.
17.	<i>Regarding global expansion, the Company has just secured a 10-year Power Purchase Agreement ("PPA") in Maldives. Could the Company provide details on the project, installed capacity, commercial operation date, and expected annual contribution?</i>	The project installation is expected to begin by last quarter of 2025. It involves a solar system installed at a resort in the Maldives, which is currently undergoing expansion. Part of the system will be placed on newly constructed buildings while the existing rooftop is also being upgraded to support the project. The project is expected to contribute approximately USD 6.9 million in revenue over the contract period.
18.	<i>Regarding the SNEC PV+ 2025 expo in Shanghai, China, what kind of partnership does Pekat have overseas?</i>	During the SNEC PV+ 2025 expo in Shanghai, China, Pekat RE Maintenance Sdn. Bhd. (" PREM ") was awarded a TÜV certificate, recognising its compliance with international standards in solar O&M. This recognition strengthens the Company's credibility and supports its efforts to build overseas partnerships in the solar maintenance space.
19.	<i>Regarding Bursa Malaysia Securities Berhad's announcement dated 11 November 2024 about the investment in R&J International (Singapore) Pte.</i>	R&J is a related company of Runjian Co. Ltd. (" Runjian "), which is publicly listed on the Shenzhen Stock Exchange in China. Runjian specialises in O&M

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No.	Question	Response/Answer
	<i>Ltd. ("R&J"), could the Company please provide details on this strategic partnership and the expected returns?</i>	services for solar farms, smart city projects, and power grids. Through this strategic partnership and joint venture, PREM will manage all O&M business for solar assets in Malaysia, leveraging Runjian's expertise to enhance Pekat's maintenance services. This partnership is expected to strengthen Pekat's O&M capabilities and contribute to sustainable revenue growth.
20.	<i>Regarding the acquisition of Apex Power Industry Sdn. Bhd. ("Apex") and EPE, what business prospects does the Company foresee? While the profit growth is encouraging, many shareholders are keen to understand whether this growth is sustainable.</i>	<p>The Company's core business focuses on electrical power, including solar generation, earthing and lightning protection, and power distribution equipment.</p> <p>The acquisition of Apex and EPE supports the Company's expansion into the switchgear segment, which is vital for safe and efficient grid connections.</p>
21.	<i>Regarding Segment 3 (Trading) of page 143 of the Company's Annual Report, although it is not the largest contributor to revenue, its segmental profit appears significantly higher. Could the Company please elaborate on the factors contributing to this? Additionally, the margin seems higher compared to other segments—could the Company provide insights into this as well?</i>	<p>The Trading Division generates profit not only from sales to external customers but also from transactions with other subsidiaries within the Group. These intercompany profits are recorded within the segment but are subsequently eliminated in the consolidated financial statements to avoid double counting. Therefore, the segmental profit reported before elimination may appear higher than the actual contribution to the Group's overall profit.</p> <p>Furthermore, the profit margin in the Trading Division tends to be higher compared to other segments, which is driven by the specific product mix and pricing strategies adopted within the division.</p>
22.	<i>What percentage of the Company's revenue comes from recurring income?</i>	In the previous year, the Company's recurring income amounted to approximately RM2 million. For the current year, it is expected to contribute around 4% to 5% of total revenue, subject to overall performance. This percentage is anticipated to increase

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		next year, particularly with contributions from projects such as CGPP.
23.	<i>What is the current portion of recurring income versus project-based revenue? With the Group increasing its focus on recurring revenue streams such as solar leasing, O&M or owning generation assets to enhance long-term shareholder value, is this sustainable?</i>	<p>The Group is focused on growing its recurring income through solar leasing, O&M services, and ownership of solar assets. With more than 5,000 residential solar installations and several hundred commercial and industrial installations, as well as involvement in solar farms, the Company's O&M segment is growing steadily and is expected to become profitable moving forward.</p> <p>Additionally, recurring income from the CGPP, along with solar rooftop investments totalling 25 MWp under the PPA and 10 MWp currently under development, is expected to contribute significantly to long-term recurring revenue and support sustainable business growth.</p>
24.	<i>Could the Company provide the total order book for each of the Company's business segments?</i>	<p>As of the end of Q1, March 2025, the Company's order book breakdown is as follows:</p> <ul style="list-style-type: none"> • Solar: RM170 million; • Trading: RM10 million (the trading segment typically does not carry a large order book, as orders are usually fulfilled within a month); • ELP: RM110 million; and • Switchgear: RM190 million. <p>This results in a total order book of approximately RM480 million.</p>
25.	<i>The Company has an order book of RM480 million. Are these projects completed, or what is the expected completion timeline for all of them?</i>	The order book represents all unbilled contracts, with the corresponding revenue expected to be recognised over the current and following years, depending on the duration of each project.
26.	<i>What is the projected unbilled order book for coming years?</i>	The projected unbilled order book for coming years is approximately RM480 million (as at 31 March 2025).

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No.	Question	Response/Answer
27.	<i>Looking ahead at the Company's viability, are there plans to expand beyond Malaysia, especially in the ASEAN region where solar adoption is growing? If so, which markets are the Group prioritising, and what is the expected revenue contribution from international projects by 2027?</i>	<p>The Company is actively exploring opportunities for expansion across new sectors, technologies, and markets. Timing remains crucial, and careful evaluations are ongoing to determine the right moment for entry.</p> <p>The Group previously operated a branch in Jakarta before listing, which has since been closed. While market conditions and opportunities are regularly reviewed, no specific expansion plans or timelines can be confirmed at this stage.</p>
28.	<i>How will the new Sales and Service Tax ("SST") implementation affect the Company, and what is the projected financial impact?</i>	<p>The new SST is expected to impact the Company, and the wider industry with all players likely to encounter similar challenges from the changes in the government tax regime. The Company is currently reviewing the scope and operational implications of the SST expansion announced by the authorities.</p> <p>Based on the preliminary assessment, the impact on Pekat Group is expected to be manageable.</p>
29.	<i>Does the Company have a dividend policy? What are the plans to distribute dividend, Company's approach to its dividend payout ratio, including whether there are plans to formalise a policy and how it may be linked to profitability, cash flow, and other corporate objectives.</i>	<p>At present, the Company has yet to formalise a dividend policy or set a defined payout ratio, as its primary focus remains on business growth, including the expansion of operations and strengthening of market presence.</p> <p>In 2023, the Company declared a dividend of one cent per share, amounting to RM6.45 million. While in FY2024, the Company recorded a lower profit of RM22 million, primarily due to the recent acquisitions of Apex and EPE, which involved upfront costs and integration efforts. As a result, priority has been placed on managing cash flow and repaying borrowings related to these acquisitions.</p> <p>Going forward, the Company aims to strike a balance between shareholder return and reinvesting in the business operation. Dividend payments will be</p>

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No.	Question	Response/Answer
		considered when cash flow permits, and the Group recognises the importance of both rewarding shareholders and the adoption of a dividend policy would be considered.
30.	<i>As a renewable energy company, how is Pekat strengthening its Environmental, Social, and Governance ("ESG") disclosures and carbon footprint reporting? Could the Board share any specific sustainability targets or green certifications that would enhance investor confidence? Is there a target timeline for these initiatives?</i>	<p>ESG remains a top priority for Pekat. With significant involvement in the solar industry, many of the company's solar installations contribute positively to its sustainability efforts.</p> <p>Pekat has formalised an ESG Committee and launched various initiatives focused on recycling, reusing, and composting as part of its broader ESG strategy.</p> <p>The Company is committed to continuously enhancing its ESG and sustainability disclosures.</p>
31.	<i>It was suggested that clearer section headings be included for each business segment in the Annual Report (page 143) to enhance readability for shareholders.</i>	<p>The Company takes note of this suggestion and will consider enhancing the description and presentation format of the business segment information.</p> <p>For further context, the Company operates through four main divisions: the Solar Division, the Earthing and Lightning Protection Division, the Trading Division, and the Energy/Electric Distribution Product Division. Detailed explanations of these segments are provided in the Annual Report.</p>

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