

# ENGINEERED FOR **A BRIGHTER & SUSTAINABLE FUTURE**



## Engineered for a Brighter & Sustainable Future

The cover encapsulates the spirit of a new generation — curious, connected, and driven by purpose. It reflects our belief that the future of energy is rooted in renewables and powered by those who dare to think differently. In a time of rapid change, we see opportunity in transformation and leadership in innovation. This forward-facing energy mirrors our own journey: bold in ambition, clear in direction, and committed to engineering a brighter and sustainable future.

FY2024 marked a pivotal year for the Group — one where strategic growth met record performance, and the groundwork was laid for long-term impact. As we integrate new capabilities and extend our reach, we remain focused on building resilience through technology, partnerships, and customer-centric solutions. The cover speaks to this vision — where progress is not just measured by milestones, but by the momentum we inspire for generations to come.

# 6<sup>th</sup>

## Annual General Meeting

**Wednesday, 18 June 2025**  
**10:00 a.m**

### Venue:

Connexion Conference & Event Centre  
The Zenith Junior Ballroom  
(The Vertical, Level M1)  
Bangsar South City  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Wilayah Persekutuan

# Inside This Report

## Our Investment Case

- 02 PEKAT at a Glance
- 04 Who We Are
- 05 What We Do
- 06 Corporate Structure
- 07 Corporate Information

## Key Messages

- 08 Chairman's Statement
- 11 Management Discussion and Analysis
- 17 Sustainability Statement

## Committed to Strong Governance

- 51 Board of Directors' Profile
- 54 Key Senior Management's Profile
- 55 Corporate Governance Overview Statement
- 67 Audit and Risk Management Committee Report
- 71 Statement of Directors' Responsibility In Relation to the Financial Statements
- 72 Statement on Risk Management and Internal Control
- 77 Additional Compliance Information

## Financial Statements

- 78 Financial Statements

## Other Information

- 165 Analysis of Shareholdings
- 168 List of Properties
- 169 Notice of the Sixth Annual General Meeting
- Proxy Form



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version Annual Report

# Basis of This Report

**This Annual Report (“AR”) and the Audited Consolidated Financial Statements of Pekat Group Berhad (“Pekat” or “the Company”) and its subsidiaries (“the Group”) for the financial year ended 31 December 2024 (“FY2024”) have been prepared to present a comprehensive narrative of both our financial and non-financial performance.**

## REPORTING PHILOSOPHY

This report reflects our continued pursuit of the Group’s vision—“Engineered for a Brighter and Sustainable Future”—by showcasing how our business decisions and strategies support Malaysia’s sustainable development agenda. It aims to provide stakeholders with a balanced and transparent overview of the Group’s performance, prospects, and value creation capabilities, offering insight into how we navigate opportunities and risks across the renewable energy and power solutions landscape.

## SCOPE AND BOUNDARY

Unless stated otherwise, the data and commentary contained in this AR cover the period from 1 January 2024 to 31 December 2024. It encompasses all key operating segments of Pekat, including the provision of solar photovoltaic (PV) systems, earthing and lightning protection (ELP) systems, trading of electrical products, and—in FY2024—a newly acquired business in the power distribution equipment segment. Comparative figures from previous years have been included, where applicable, to provide context and aid in performance assessment.

## MATERIAL MATTERS

Our sustainability strategy is driven by the principles of environmental stewardship, social responsibility, and sound governance. Through a refreshed materiality assessment conducted in FY2024, we have identified key issues that are of greatest importance to our stakeholders and have the most significant impact on the Group. These material matters guide our corporate responsibility agenda and support our commitment to managing ESG risks and opportunities effectively. For details, please refer to page pages 24 to 25 of this AR.

## ASSURANCE

Our FY2024 financial statements have been independently audited by external auditors in accordance with approved auditing standards in Malaysia. To enhance the credibility and reliability of our sustainability disclosures, the Sustainability Statement has undergone external assurance by an independent assurance provider. Non-financial disclosures—have undergone internal verification through established governance processes to ensure accuracy, reliability, and alignment with reporting standards. Oversight from the Board and relevant committees reinforces our commitment to transparent and accountable reporting.

## FORWARD-LOOKING STATEMENTS

This AR contains forward-looking statements relating to the Group’s operations, strategy, financial performance, and market outlook. These statements are based on current expectations and reasonable assumptions at the time of reporting. However, actual outcomes may differ materially due to various known and unknown risks, uncertainties, or changes in the external environment. Readers are advised to interpret these statements with due consideration of the inherent uncertainties.

## GUIDELINES AND STANDARDS

In preparing this Annual Report, we have drawn upon both local and international frameworks and guidelines to ensure completeness, relevance, and comparability. These include:

- Malaysian Code on Corporate Governance (MCCG)
- Bursa Malaysia Securities Berhad’s ACE Market Listing Requirements
- Bursa Malaysia’s Corporate Governance Guide
- Companies Act 2016
- Malaysian Financial Reporting Standards (MFRS)
- International Financial Reporting Standards (IFRS)
- Bursa Malaysia’s Sustainability Reporting Guide
- United Nations Sustainable Development Goals (UN SDGs)
- Global Reporting Initiative (GRI) Standards

## INTEGRATED VALUE CREATION

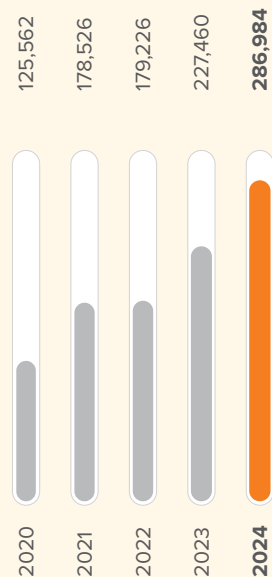
In FY2024, Pekat further strengthened its value creation narrative through the integration of financial, operational, and sustainability performance. The acquisition of Apex Power Industry Sdn Bhd and EPE Switchgear (M) Sdn Bhd exemplifies our move toward becoming a more diversified energy solutions provider. This report also highlights our progress in corporate governance, digitalisation, innovation, and ESG integration, aligning with the evolving expectations of our stakeholders and the dynamic landscape of the clean energy economy.



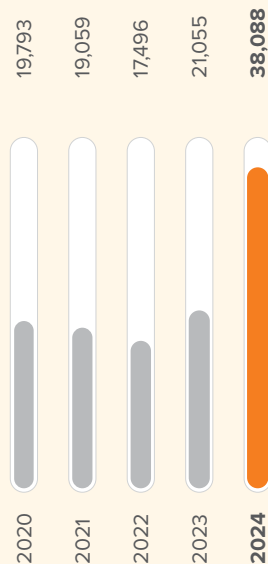
## PEKAT at a Glance

### KEY FINANCIAL HIGHLIGHTS

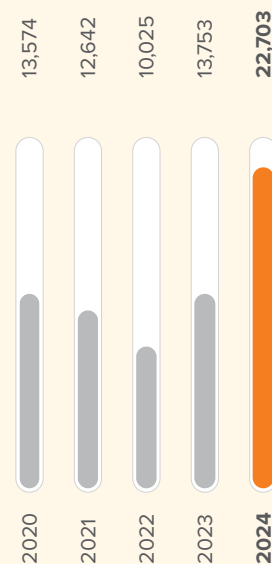
#### REVENUE (RM'000)



#### EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (RM'000)



#### PROFIT AFTER TAX (RM'000)



### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER



NET PROFIT ATTRIBUTABLE  
TO SHAREHOLDERS (RM'000)

2024

**22,001**

2023: 13,724



BASIC EARNINGS  
PER SHARE (SEN)

2024

**3.41**

2023: 2.13



NET ASSETS PER  
SHARE (RM)

2024

**0.25**

2023: 0.21

### OUR KEY STRENGTHS

#### Deeply Rooted Experience

backed by long established track records  
& uncompromising drive for excellence

#### Synergistic Businesses

that complement each other

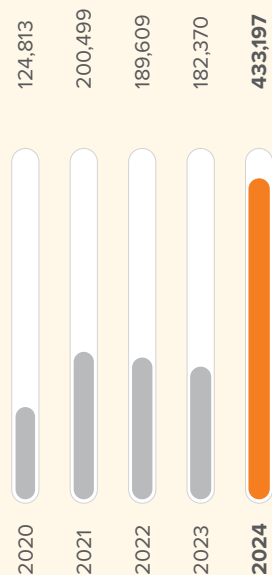
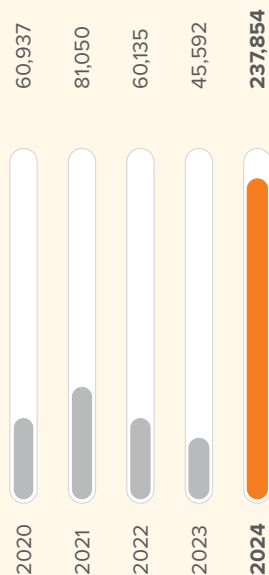
#### Authorised Distributorship

for internationally acclaimed  
& own brand ELP products

#### Diversified Revenue Streams

Solar, ELP and trading divisions which branch across all sectors,  
industrial, commercial, residential, infrastructure & community  
properties

## PEKAT at a Glance

TOTAL ASSETS  
(RM'000)TOTAL LIABILITIES  
(RM'000)SHAREHOLDERS'  
EQUITY (RM'000)

2024

195,343

2023: 136,778

GEARING RATIO  
(TIMES)

2024

0.58

2023: 0.04

14 Years

in the design, supply &amp; installation of solar PV systems

24 Years

in the supply &amp; installation of ELP systems

25 Years

in the distribution of electrical products &amp; accessories

## ENVIRONMENTAL

Cumulative Capacity of Completed Solar PV Systems For Our Customer

203.2 MWp



Indirect Annual Avoidance in Carbon Dioxide Emission Through Completed Solar PV Systems for Our Customers

199,319 tonnes



Reduction in Electricity &amp; Water Consumption per Employee

Electricity: 4%

Water: 22%



## SOCIAL

ZERO

Lost Time Injury Frequency Rate



60 Employees

Attended HSE Awareness Training



2,075

Total Training Hours for Employees Development



RM30,000

Cash Contribution and Other Non-Cash Contribution to Local Community

## GOVERNANCE

ZERO

Bribery and Corruption Cases



ZERO

Complaint Received via Whistle Blowing Platform



ZERO

Case of Breaches of Data Privacy and Security



## Who We Are

Established in 1999, Pekat Group Berhad has built its reputation as a competent solution provider specialising in the design, supply, distribution and installation of earthing & lightning protection (“**ELP**”) system, surge protection system and its related technologies.



Pekat's distribution business evolved into a significant pillar for the Group as a Trading division when they secured the authorised distributorship for Furse ELP products in Malaysia and thereafter, launched their own Pekat brand products in 2008.

Having protected thousands of buildings and infrastructures in Malaysia through its ELP division, the Group expanded and ventured into photovoltaic (“**PV**”) renewable energy technology in 2006 where Pekat has grown remarkably since its inception with prestigious and significant PV projects for residentials, private companies, developers & government-linked companies.

Pekat continuously grows through the synergistic relationship of its divisions to provide clean energy through their solar division, protecting people and physical properties through the ELP division and providing internationally acclaimed as well as high quality products and accessories for solar PV and ELP systems through the trading division.

The Group was successfully listed on the ACE Market of Bursa Malaysia Securities Berhad on 23 June 2021 backed by an outstanding 76 times over-subscription for the shares offered to the public.

Pekat continues its commitment to the innovation of their products and services, including capitalising on digitalisation to create a better customer experience, as the Group entrench sustainability across its business's economic, social, governance, and environmental aspects. The Group's tagline **ENGINEERED FOR A BRIGHTER AND SUSTAINABLE FUTURE** is a foundation Pekat is based on by providing protection, and unwavering commitment to safeguarding the planet for future generations.

### OUR CORE VALUES

#### VISION:

Engineered for a Brighter & Sustainable Future.

#### MISSION:

Continuously excel in creating and enhancing stakeholder values and trust with best-in-class teamwork, innovation and quality.

#### CORE VALUES:

Have elaborated on Pekat's Core Values.

- **P**assion: Driven by an unwavering desire to excel, we Pekatians channel our energy and enthusiasm into delivering impactful solutions that inspire and make a difference.
- **E**xcellence: Pekatians are committed to achieving the highest standards, we consistently deliver top-quality results and best-in-class services that exceed expectations.
- **K**nowledgeable: Embracing innovation and creativity, Pektians are encouraged to think out-of-the-box to develop groundbreaking solutions that drive progress and sustainability.
- **A**ccountability: Pekatians are empowered to take ownership of our actions and remain steadfast in our commitment to integrity, reliability, and delivering on promises.
- **T**eamwork: Through collaboration and alignment, in Pekat we foster a culture of unity and shared purpose, working together to achieve collective success.

# What We Do

At Pekat Group, we take pride in delivering holistic engineering solutions across various industries, ensuring safety, sustainability, and efficiency. Our expertise spans across multiple sectors, providing end-to-end services from design and supply to installation and maintenance.

## Solar Energy Solutions

We specialise in the design, supply, and installation of on-grid and off-grid solar PV systems for commercial & industrial, residential, and large-scale solar projects. Our team oversees the entire scope of work, including testing and commissioning, and in certain projects, operations and maintenance.

To ensure seamless project execution, we are specialised subcontractors with detailed management and supervision for various tasks, including site preparation, earthworks, structural installation, and interconnection. Our expertise ensures optimal PV system performance, reliability, and compliance with regulatory requirements.

## Earthing & Lightning Protection Systems

Pekat is a trusted specialist in ELP systems, offering design, supply, and installation services for buildings, infrastructure, and facilities. Our solutions are engineered to safeguard people, assets, and electrical systems from dangerous voltage surges and unintended electric currents.

As specialist subcontractors, we collaborate closely with main contractors, mechanical & electrical contractors, and consultants to integrate robust ELP solutions that comply with international safety standards.

## Switchgear & Power Distribution Solutions

In 2024, Pekat acquired 60% equity interest in Apex Power Industry Sdn Bhd and its wholly-owned subsidiary, EPE Switchgear (M) Sdn Bhd – this strategic expansion strengthens our capabilities in:

- Mid-voltage switchgear solutions
- Power distribution systems for industrial and utility applications
- Custom-engineered solutions to enhance grid reliability

With this acquisition, Pekat now offers end-to-end electrical infrastructure solutions, making our services more comprehensive and holistic.

## Battery Energy Storage Systems

Pekat delivers Battery Energy Storage Systems to enhance energy resilience and efficiency. Our solutions support:

- Off-grid and hybrid solar PV systems
- Load balancing for businesses
- Backup power solutions for critical facilities
- Grid stabilisation for large-scale solar farms

Our expertise ensures seamless integration of renewable energy storage, optimising power consumption and reducing reliance on fossil fuels.

## Trading & Product Distribution

Our trading division plays a key role in supplying high-quality electrical protection and solar PV components. We distribute internationally recognised brands while also developing our own Pekat-branded ELP and solar accessories. Our trading business ensures:

- Access to premium surge protection, earthing, and lightning protection systems
- A comprehensive range of solar PV components and accessories
- Reliable supply chains to support contractors, developers, and businesses

By continuously expanding our product offerings and strategic partnerships, we strengthen our position as a one-stop solution provider for electrical and renewable energy needs.

# Corporate Structure



## Pekati Group Berhad Investment Holding

**100%**

### Pekati Teknologi Sdn Bhd

Investment holding and trading of electrical engineering products and operates as a general contractor

### Subsidiaries

<b>100%</b>	<b>Pekati Solar Sdn Bhd</b> Design, supply and installation of solar PV systems and power plants and related services	<b>100%</b>	<b>Pekati RE Maintenance Sdn Bhd</b> Energy supply services and maintenance and trading of Renewable Energy Certificates
<b>100%</b>	<b>Pekati Solar Tronoh Sdn Bhd</b> Operation of generation facilities that produce electricity energy	<b>100%</b>	<b>Pekati Engineering Sdn Bhd</b> Distribution of electrical products and accessories and provision of training or consultancy services
<b>100%</b>	<b>Solaroo Systems Sdn Bhd</b> Design, supply and install smaller scale solar PV systems for residential, commercial and industrial projects	<b>100%</b>	<b>Pekati E &amp; LP Sdn Bhd</b> Supply and installation of earthing and lightning protection systems
<b>100%</b>	<b>Solaroo RE Sdn Bhd</b> Operation of generation facilities that produce electric energy	<b>100%</b>	<b>E &amp; LP Engineering Sdn Bhd</b> Distribution of electrical products and accessories
<b>100%</b>	<b>Solaroo EV Sdn Bhd</b> Electric vehicle charging one stop provider (has not commenced business operations)	<b>70%</b>	<b>Pnexsoft Sdn Bhd</b> Development and distribution of software applications
<b>100%</b>	<b>Solaroo RE (Maldives) Pvt Ltd</b> Dormant	<b>60%</b>	<b>Apex Power Industry Sdn Bhd</b> Investment holding
<b>100%</b>	<b>Solaroo EV (Maldives) Pvt Ltd</b> Dormant	<b>60%</b>	<b>EPE Switchgear (M) Sdn Bhd</b> Manufacturing, engineering and project activities, providing a wide range of products and services to the generation, transmission and distribution sectors of the electrical power industry

### Associates

<b>45%</b>	<b>MFP Solar Sdn Bhd</b> Build, own and operate solar PV power plants	<b>49%</b>	<b>Pekati Energy (Sarawak) Sdn Bhd</b> Design, supply and installation of solar PV systems and power plants in Sarawak
<b>45%</b>	<b>MFP Solar International Limited</b> Investment holding	<b>40%</b>	<b>Sunway Pekati Solar Sdn Bhd</b> Design, supply and installation of solar PV systems and power plants for Sunway group of companies
<b>40%</b>	<b>UP Solar Sdn Bhd</b> To undertake solar photovoltaic business activities	<b>49%</b>	<b>J8K Energy Sdn Bhd</b> Engineering services and operation of generation facilities that produce electric energy (has not commenced business operations)



# Corporate Information

## BOARD OF DIRECTORS

### Kok Kong Chin

Independent Non-Executive Chairman

### Chin Soo Mau

Executive Director & Managing Director

### Tai Yee Chee

Executive Director & Chief Executive Officer

### Ong Keng Siew

Independent Non-Executive Director

### Datin Shelina Binti Razaly Wahi

Independent Non-Executive Director

### Yeong Siew Lee

Independent Non-Executive Director

## REMUNERATION COMMITTEE

### Yeong Siew Lee

Chairperson

### Datin Shelina Binti Razaly Wahi

Member

### Ong Keng Siew

Member

## COMPANY SECRETARIES

### Yeow Sze Min

(License No.: MAICSA 7065735)

(SSM PC No.: 201908003120)

### Yee Kit Yeng

(License No.: MAICSA 7068292)

(SSM PC No.: 202208000022)

## AUDITORS

### Grant Thornton Malaysia PLT

Level 11, Sheraton Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Wilayah Persekutuan  
Malaysia

Tel. No. : +603 2692 4022

Fax. No. : +603 2732 1010

## PRINCIPAL BANKERS

- Bank of China (Malaysia) Berhad
- CIMB Bank Berhad
- Hong Leong Bank Berhad
- Hong Leong Islamic Bank Berhad
- Malayan Banking Berhad
- Maybank Islamic Berhad
- Public Bank Berhad
- Public Investment Bank Berhad
- United Overseas Bank (Malaysia) Berhad
- OCBC Bank (Malaysia) Berhad

## STOCK EXCHANGE

Listed on ACE Market of Bursa  
Malaysia Securities Berhad

Stock Name : PEKAT

Stock Code : 0233

## WEBSITE

[www.pekat.com.my](http://www.pekat.com.my)

## BUSINESS ADDRESS

3A, 5 & 6, Teknologi Kubik  
6, Jalan Teknologi 3/4  
Taman Sains Selangor 1  
Kota Damansara  
47810 Petaling Jaya  
Selangor Darul Ehsan

### Yu Siew Ling

Tel. No. : +6012 638 8010/  
+603 2300 8010

Email : [enquiries@pekatgroup.com](mailto:enquiries@pekatgroup.com)

## AUDIT AND RISK MANAGEMENT COMMITTEE

### Ong Keng Siew

Chairman

### Datin Shelina Binti Razaly Wahi

Member

### Yeong Siew Lee

Member

## NOMINATING COMMITTEE

### Datin Shelina Binti Razaly Wahi

Chairperson

### Yeong Siew Lee

Member

### Ong Keng Siew

Member

## EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

### Yeong Siew Lee

Chairperson

### Chin Soo Mau

Member

### Tai Yee Chee

Member

#### Note:

This Committee was formed on 2 January 2025

## REGISTERED OFFICE

Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Wilayah Persekutuan  
Malaysia

Tel. No. : +603 2084 9000

Fax. No. : +603 2094 9940, 2095 0292

Email : [info@sshsb.com.my](mailto:info@sshsb.com.my)

## SHARE REGISTRAR

### Securities Services (Holdings) Sdn. Bhd.

[Registration No. 197701005827 (36869-T)]

Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Wilayah Persekutuan  
Malaysia

Tel. No. : +603 2084 9000

Fax. No. : +603 2094 9940, 2095 0292

Email : [info@sshsb.com.my](mailto:info@sshsb.com.my)

## Chairman's Statement



**Dear Valued Shareholders,**

On behalf of the Board of Directors (“**the Board**”), I am delighted to present the Annual Report and Audited Consolidated Financial Statements of Pekat Group Berhad (“**Pekat**” or “**the Company**”) and its subsidiaries (“**the Group**”) for the financial year ended 31 December 2024 (“**FY2024**”). This year has been one of remarkable growth and resilience, demonstrating our ability to navigate external challenges while capitalising on emerging opportunities in the renewable energy and power distribution sectors.



► REVENUE

**RM 287.0**  
million

► PROFIT AFTER TAX

**RM 22.7**  
million

### Overview of the Year's Performance

Despite a dynamic and challenging global economic landscape, the Group delivered a record-breaking revenue of RM 287.0 million and a profit after tax (“**PAT**”) of RM 22.7 million. This translates to a 26.2% year-over-year revenue growth and a 65.1% increase in PAT, underscoring the Group's robust financial performance. Net profit attributable to shareholders grew 60.3% to RM22.0 million, translating to earnings per share of 3.41 sen for our shareholders. Our residential solar, trading, and power distribution equipment segments were key growth drivers, reinforcing our leadership in renewable energy solutions. For a detailed breakdown of our financial performance, please refer to the Management Discussion and Analysis on pages 11 to 16 of this Annual Report.



**KOK KONG CHIN**

Independent Non-Executive Chairman



## Chairman's Statement

### KEY ACHIEVEMENTS AND MILESTONES

Throughout the year, we achieved several strategic milestones that have set the foundation for sustained growth:

#### Strategic Acquisition:

On 16 December 2024, we acquired a 60% equity interest in **Apex Power Industry Sdn Bhd** and its wholly-owned subsidiary **EPE Switchgear (M) Sdn Bhd**, marking our entry into the power distribution equipment sector. This acquisition will enhance our financial performance for the financial year ending 31 December 2025 ("FY2025") and expand our market presence in the electrical engineering industry.

#### Global Expansion:

We strengthened our international footprint by entering the **Maldivian market** through **Solaroo RE (Maldives) Pvt. Ltd.**, securing a 10-year **Power Purchase Agreement ("PPA")** with a Maldivian entity to supply solar-generated electricity.

#### Sustainability Leadership:

We secured a **29.99 MWac Engineering, Procurement, Construction, and Commissioning ("EPCC") contract** under the **Corporate Green Power Programme ("CGPP")** from **MF Solar Tronoh Sdn Bhd**, complementing our own **29.99 MWac CGPP solar farm investment**. This initiative aligns with our long-term commitment to sustainability and positions us as one of the market leaders in renewable energy development.

### Challenges and Opportunities

The year was marked by global economic uncertainties, including high interest rates, inflationary pressures, and geopolitical tensions. While inflation showed signs of moderation towards the end of the year, central banks maintained restrictive monetary policies, resulting in challenging environment for global trade and investment. Domestically, rising costs and slower credit growth posed challenges for businesses. However, Malaysia's economy demonstrated resilience, benefiting from strong domestic demand, robust foreign direct investments ("FDI"), and multi-year infrastructure projects.

Pekat responded by enhancing operational efficiency and optimising cost structures to safeguard financial stability. At the same time, we leveraged growth opportunities in the residential solar and trading business segments, driven by robust customer demand, while increased FDI unlocked new opportunities for our earthing and lightning protection ("ELP") solutions for data centres. By aligning our strategies with these market dynamics, we strengthened our market presence and positioned ourselves for sustainable growth.

### Strategic Direction and Vision

Our long-term vision, "Engineered for a Brighter and Sustainable Future", remains the cornerstone of our growth strategy. The global transition towards renewable energy, driven by climate change concerns and supportive policies, presents vast opportunities for Pekat.

We are committed to advancing solar photovoltaic ("PV") adoption, reducing dependence on fossil fuels, and contributing to decarbonisation efforts. With rising energy costs and increasing demand for clean energy and electric vehicles, Pekat is well-positioned to play a pivotal role in driving the renewable energy transition. Additionally, our ELP solutions continue to ensure safety and reliability in critical infrastructure, strengthening our value proposition.

For FY2025, our strategic priorities include:

- **Post-acquisition integration** of Apex Power Industry Sdn Bhd and EPE Switchgear (M) Sdn Bhd, aligning governance frameworks, streamlining operations, and unlocking integrated sales opportunities.
- **Strengthening core business segments** through product and service enhancements, customer-centric solutions, and stronger brand positioning.
- **Expanding market reach** through strategic partnerships and exploring opportunities in emerging sectors.



## Chairman's Statement

### Corporate Governance and Risk Management

Strong corporate governance and risk management are fundamental to our business. We uphold transparency, accountability, and ethical business practices, ensuring compliance with all regulations. Our Board remains committed to strategic oversight and risk mitigation, fostering sustainable growth and operational resilience. For further details on the Group's corporate governance and risk management, please refer to the Corporate Governance Overview Statement available on pages 55 to 66 and the Statement on Risk Management and Internal Controls available on pages 72 to 76.

### Sustainability and ESG Initiatives

At Pekat, sustainability is a core principle that drives our strategy, governance, and operations. In FY2024, we reaffirmed our commitment by embedding environmental, social, and governance (ESG) considerations across the Group through strengthened leadership oversight, refreshed materiality assessments, and transparent stakeholder engagement. We recognise that long-term value creation requires responsible growth, which is why our diversification into power distribution equipment not only reinforces our business resilience but also expands our capacity to deliver sustainable energy solutions.

Our structured, data-driven approach aligns with evolving regulatory requirements and international sustainability standards. We continue to integrate ESG principles into our decision-making, corporate governance, and risk management processes—ensuring that we uphold transparency, ethical conduct, and social responsibility. As we move forward, we remain dedicated to advancing our ESG priorities to meet stakeholder expectations, future-proof our business, and contribute meaningfully to a low-carbon and inclusive economy. For a detailed discussion of our sustainability initiatives, please refer to the Sustainability Statement provided on pages 17 to 50 of this Annual Report.

### Market Outlook and Future Prospects

Malaysia's renewable energy sector is poised for substantial growth, driven by government-led frameworks and initiatives such as the National Energy Transition Roadmap (NETR), Malaysia Renewable Energy Roadmap (MyRER), and the Corporate Renewable Energy Supply Scheme (CRESS), among others. Increased demand for solar PV solutions and corporate PPAs presents lucrative opportunities for industry players like Pekat.

WITH OUR STRONG TRACK RECORD IN SOLAR PV EPCC PROJECTS AND ONGOING INVESTMENTS IN RENEWABLE ENERGY ASSETS, WE ARE WELL-POSITIONED TO CAPITALISE ON THESE OPPORTUNITIES. ADDITIONALLY, THE RISING INFLUX OF FDI FOR DATA CENTRES IN MALAYSIA IS DRIVING DEMAND FOR OUR ELP SOLUTIONS, FURTHER STRENGTHENING OUR GROWTH TRAJECTORY.



### Appreciation

On behalf of the Board, I extend my heartfelt gratitude to our shareholders, customers, business partners, bankers, and suppliers for your unwavering trust and support. To our dedicated management team and employees—your hard work and commitment have been instrumental in our success, and I sincerely thank you for your dedication.

We remain committed to delivering long-term value, advancing our sustainability goals, and steering the Group towards greater heights in the years ahead.

**Kok Kong Chin**

Independent Non-Executive Chairman



# Management Discussion and Analysis

Pekat Group Berhad achieved a landmark year in the financial year ended 31 December 2024 (“FY2024”), delivering record financial performance while strategically expanding its business portfolio. Despite evolving market dynamics, the Group strengthened its position as a renewable energy and power infrastructure leader, driven by robust revenue growth, operational efficiencies, and key acquisitions. The increasing adoption of solar energy, alongside Pekat’s diversification into power distribution solutions, underscored its ability to adapt and capture emerging opportunities. With a clear focus on sustainability, innovation, and value creation, Pekat remains well-positioned to accelerate its growth trajectory and contribute meaningfully to Malaysia’s energy transition.

## Financial Performance

REVENUE  
(RM MILLION)

FY2024

287.0

+26.2%

PROFIT AFTER TAX  
(RM MILLION)

FY2024

22.7

+65.1%

## Revenue and Profitability

In FY2024, the Group achieved its highest-ever revenue and profit after tax (“PAT”), reaching RM287.0 million and RM22.7 million, respectively, reflecting year-on-year (“YoY”) growth of 26.2% and 65.1%. Net profit attributable to shareholders surged 60.3% to RM22.0 million, translating to earnings per share of 3.41 sen for our shareholders, marking a significant 60.1% increase from 2.13 sen in the financial year ended 31 December 2023 (“FY2023”).

The Group’s gross profit margin increased to 28.5% from 23.5% in FY2023, reflecting improved cost efficiency and contributions from higher-margin segments. Over the past five years, the Group has consistently delivered strong growth, achieving a compound annual growth rate of 19.1% for revenue and 8.9% for PAT.

The key drivers of this growth include robust performance in the trading division, which saw higher sales orders driven by increased customer demand. The residential solar segment witnessed strong adoption, supported by the Solar for Rakyat Incentive Scheme (“SolaRIS”), which provides RM4,000 rebate to entitled homeowners. It is also influenced by rising electricity costs, driving homeowners to invest in solar energy.

Meanwhile, the Earthing and Lightning Protection (“ELP”) division continued to provide steady contributions through its ongoing projects. FY2024 also benefited from the maiden revenue and profit contributions of the newly acquired power equipment distribution business, further bolstering the Group’s overall growth trajectory.

 **TAI YEE CHEE**  
Executive Director & CEO



## Management Discussion and Analysis

### Key Financial Highlights

For the Financial Year Ended 31 December	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
Revenue	286,984	227,460	179,226	178,526	125,562
Earnings Before Interest, Tax, Depreciation and Amortisation	38,088	21,055	17,496	19,059	19,793
Profit After Tax	22,703	13,753	10,025	12,642	13,574
Profit After Tax and Minority Interests	22,001	13,724	10,036	12,659	13,576
Shareholders' Equity	195,343	136,778	129,474	119,449	63,876
Total Assets	433,197	182,370	189,609	200,499	124,813
Total Liabilities	237,854	45,592	60,135	81,050	60,937
Total Borrowings (Including Lease Liabilities)	91,949	5,017	24,032	28,972	27,702
Gearing Ratio (times)	0.58	0.04	0.19	0.24	0.43
Current Ratio (times)	1.71	3.47	2.77	2.20	2.16
Quick Ratio (times)	1.18	2.88	2.31	1.76	1.93
Net Assets Per Share (RM)*	0.25	0.21	0.20	0.19	0.10
Basic Earnings Per Share (sen)*	3.41	2.13	1.56	1.96	2.10
Dividend Per Share (sen)	-	1.00	-	-	-

**Note:**

\* For comparison purposes, all figures have been adjusted and computed based on the total number of shares in issue after public issue (644,968,200) in conjunction with the Company's listing on ACE Market of Bursa Malaysia Securities Berhad.

### Financial Position and Capital Structure

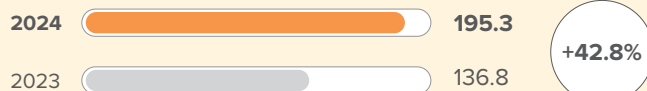
#### TOTAL ASSETS (RM MILLION)



#### TOTAL LIABILITIES (RM MILLION)



#### TOTAL EQUITY (RM MILLION)



As of 31 December 2024, the Group's total assets surged to RM433.2 million, reflecting a substantial increase of RM250.8 million or 137.5% from RM182.4 million a year ago. This growth was mainly due to the acquisition of Apex Power Industry Sdn Bhd and EPE Switchgear (M) Sdn Bhd (collectively referred to as "Apex Power") on 16 December 2024, with their assets and liabilities consolidated post-acquisition. Key balance sheet changes included RM42.2 million in goodwill from the acquisition, RM42.6 million in acquired freehold land and buildings, RM31.9 million in acquired trade receivables, and RM35.8 million in acquired inventories.

Total liabilities increased to RM237.9 million, up from RM45.6 million a year ago, partly due to liabilities assumed from the Apex Power acquisition, which included RM26.0 million in trade payables and RM4.7 million in other payables. Additionally, the Group's borrowings rose by RM86.9 million to RM91.9 million, up from RM5.0 million as of 31 December 2023. This increase was mainly attributed to a loan drawdown to partially finance the Apex Power acquisition and the utilisation of trade finance facilities to support the development of large-scale solar projects.

## Management Discussion and Analysis

The Group's total equity grew by 42.8% to RM195.3 million, up from RM136.8 million a year ago, mainly driven by the recognition of RM35.9 million in non-controlling interests following the Apex Power acquisition. The increase in equity included RM22.0 million from retained earnings, reflecting profits generated during FY2024. Consequently, equity attributable to the Company's shareholders increased to RM158.7 million, translating into net assets per ordinary share of 25 sen, up from 21 sen a year ago.

The Group's gearing ratio rose to 0.58 times, compared to 0.04 times as of 31 December 2023, primarily due to loan drawdown to partially finance the Apex Power acquisition and the utilisation of trade finance facilities. Management remains committed to maintaining a healthy debt-to-equity balance and will continue to monitor gearing levels to ensure financial stability.

### Cash Flow and Liquidity

Operating cash flow remained robust, with a net cash inflow of RM15.9 million, reinforcing Pekat's financial stability. The Group's investing cash flow recorded an outflow of RM76.3 million, mainly attributed to the acquisition of Apex Power. Financing activities contributed a net inflow of RM70.8 million, primarily from loan drawdown and the utilisation of trade finance facilities.

The current ratio declined to 1.71 times from 3.47 times in FY2023, mainly due to higher trade payables from utilising credit terms and drawdowns of short-term borrowings. Similarly, the quick ratio declined to 1.18 times from 2.88 times a year ago. Despite these declines, the ratios indicate that the Group retains sufficient liquidity to meet its short-term obligations. Pekat remains committed to maintaining a healthy liquidity position to support its operations and future growth.



### Business and Operational Review

#### Segmental Analysis

##### Solar Division

The Group's solar division delivered a strong performance, generating RM174.7 million in revenue and RM8.4 million in segment operating profit—an increase of 11.9% and 61.5%, respectively, from the previous year.

This growth was primarily driven by the residential solar segment, led by Solaroo Systems Sdn Bhd, which benefited from rising electricity costs that encouraged more homeowners to consider solar energy. The RM4,000 rebate under the SolaRIS further enhanced the appeal of solar photovoltaic (“PV”) systems, making adoption more attractive. With Solaroo's strong industry presence, it emerged as a preferred choice among homeowners, contributing significantly to Pekat's growth in this segment. As of 31 December 2024, over 3,000 homeowners had installed Solaroo's solar PV systems, marking a significant milestone for the Group.

While the commercial and industrial solar segment did not see the same level of revenue growth, it remains a key component of Pekat's long-term strategy. During FY2024, the Group secured over RM200 million in Engineering, Procurement, Construction and Commissioning (“EPCC”) contracts, including a 29.99 MWac EPCC project awarded by MF Solar Tronoh Sdn Bhd under the Corporate Green Power Programme (“CGPP”). This project, alongside Pekat's own CGPP investment of similar capacity as an asset owner, further strengthens its renewable energy portfolio.

##### Earthing & Lightning Protection Division

The ELP division recorded revenue growth of 42.1% YoY, reaching RM47.3 million in FY2024. The increase was mainly driven by improved project execution, as the division secured more fast-paced data centre projects. However, the segment operating profit declined from RM4.2 million to RM3.3 million, attributed to a higher proportion of lower-margin projects than the previous financial year.

Despite this, the division remains integral to Pekat's business, given Malaysia's increasing role as a regional data centre hub. In FY2024, the division secured over RM80.0 million in new projects, including an RM21.8 million EPCC contract from Gamuda Engineering Sdn Bhd to provide ELP solutions for Google's data centre in Malaysia. These achievements reinforce Pekat's strong positioning in the rapidly growing data centre infrastructure market.

## Management Discussion and Analysis

### **Trading Division**

The trading division achieved robust growth, with revenue surging 45.1% YoY to RM55.2 million. The segment operating profit doubled, increasing by 122.4% YoY to RM10.9 million, compared to RM4.9 million in the previous financial year. This strong performance was driven by a dynamic trading environment and heightened customer purchase orders in FY2024.

While celebrating these outstanding results, the division remains committed to continuous improvement. A core priority is maintaining top-tier product quality and regulatory compliance. To uphold these standards, the division undergoes regular certification processes in collaboration with professional bodies such as SIRIM, ensuring customers receive consistently high-quality products.

### **Power Distribution Equipment Division**

Following the acquisition of Apex Power, the power distribution equipment division made its inaugural contribution, generating RM9.9 million in revenue within a month of operations. This marks a significant milestone for the Group as it expands its electrical engineering and power distribution solutions capabilities.

Currently, the Group focuses on post-acquisition integration efforts, including aligning governance frameworks, streamlining operations, and optimising synergies across the expanded business. Key priorities include standardising processes, enhancing supply chain efficiencies, and leveraging Apex Power's expertise to strengthen the Group's market position.

### **Cost Management and Efficiency**

As the Group continues to expand, operational costs have inevitably increased. The Group remains proactive in implementing cost management strategies to enhance efficiency. A key initiative has been the bulk purchasing of raw materials, which reduced transportation, logistics, and freight costs. Additionally, the Group closely monitors price trends for critical raw materials such as solar panels and copper tapes, enabling strategic procurement and optimal stock management to mitigate cost fluctuations.

Administrative expenses increased to RM47.9 million in FY2024, up from RM34.7 million in FY2023, primarily due to workforce expansion and the consolidation of Apex Power's operational costs. One-off expenses related to corporate exercises, including due diligence costs for the acquisition of Apex Power and expenses associated with the employee share option scheme, also contributed to the increase. Despite this, the Group remains committed to identifying cost redundancies and ensuring efficient resource utilisation.

Other operating expenses including impairment losses rose to RM2.5 million from RM1.6 million in FY2023, mainly due to additional provisions for impairment losses on receivables, contract assets, and inventories. Nevertheless, the increase in impairment was relatively modest considering the Group's strong revenue and PAT growth in FY2024. The Management continues to monitor impairment risks closely as part of its financial discipline.

Finance costs decreased to RM1.5 million in FY2024 from RM1.6 million in FY2023 despite significant top- and bottom-line growth. This reflects the Group's disciplined approach to utilising bank facilities and prioritising internally generated funds. Strategic cash flow management has enabled Pekat to minimise reliance on external financing while maintaining financial flexibility for future growth.

### **Key Trends Impacting the Industry**

The renewable energy and power solutions industry continues to be shaped by increasing global commitments toward decarbonisation. Over 140 countries have pledged net-zero emissions targets by mid-century, accelerating the demand for clean energy solutions. Policies such as carbon pricing mechanisms, renewable energy mandates, and subsidies for green technologies are driving the widespread adoption of solar, wind, hydropower, and other renewable energy sources. International agreements like the Paris Agreement and regional initiatives like the European Green Deal reinforce this global transition toward sustainable energy.

Additionally, volatile fossil fuel prices, exacerbated by geopolitical tensions and supply chain disruptions, have increased the cost of coal- and gas-generated electricity. At the same time, the social cost of carbon—factoring in pollution-related health impacts and environmental damage—has strengthened the economic case for renewables. These pressures are expediting the shift toward cleaner energy alternatives like solar power.



## Management Discussion and Analysis

Technological advancements in energy storage, efficiency, and grid integration make renewable energy sources more viable and cost-effective. These innovations reduce dependence on fossil fuels and increase the feasibility of large-scale solar and battery storage solutions.

In Malaysia, supportive government policies have been crucial in advancing renewable energy adoption. Frameworks such as the National Energy Transition Roadmap (NETR) and the Malaysia Renewable Energy Roadmap (MyRER) provide strategic direction for energy transition, while initiatives like the Corporate Renewable Energy Supply Scheme (CRESS), Large Scale Solar Programme (LSS) and Net Energy Metering Programme (NEM), among others, facilitate corporate and community-led renewable energy adoption.

### Strategic Growth Initiatives

The Group's long-term strategy is centred on diversification, strengthening its core business while expanding into power distribution and infrastructure solutions. This includes broadening its renewable energy offerings, integrating power distribution capabilities, and driving innovation in energy storage, grid integration, and digitalisation.

The Group expanded into power distribution solutions following the acquisition of Apex Power. This strategic investment marks its entry into the power distribution equipment business, expanding its portfolio and strengthening its position in the electrical engineering sector.

Switchgears are crucial in safeguarding electrical infrastructure, managing grid integration, and enabling seamless power distribution, making them a critical component of the energy landscape. The acquired power distribution equipment business enhances Pekat's ability to provide comprehensive energy solutions, ensuring system protection, stability, and efficiency across conventional power generation and renewable energy projects, including solar PV.

In addition, we strengthened our international footprint by entering the Maldivian market through Solaroo RE (Maldives) Pvt. Ltd., securing a Purchase Power Agreement ("PPA") to supply solar-generated electricity to a Maldivian entity.

### Sustainability & ESG Initiatives

In FY2024, building on our ESG commitments, Pekat conducted a stakeholder engagement exercise, which informed a refreshed materiality assessment. This resulted in an updated Materiality

Matrix that reflects our current priorities and long-term sustainability ambitions. A total of 19 material matters were identified, with 13 key topics forming the core of our Sustainability Statement. Among these, six new material topics—ranging from product safety and accessibility to GHG emissions—were introduced to complement our existing priorities, in alignment with evolving stakeholder expectations and industry trends.

These newly identified topics are currently undergoing further evaluation to assess their associated risks, opportunities, and impact severity. Pekat is committed to progressively integrating these areas into our broader sustainability strategy and management approaches, with the aim of fully incorporating them into the next reporting cycle. This ensures our ESG initiatives remain stakeholder-informed, forward-looking, and aligned with our aspirations for long-term value creation.

For a detailed discussion of our sustainability initiatives, please refer to the Sustainability Statement provided on pages 17 to 50 of this Annual Report.

### Managing Risks to Support Growth

Pekat remains proactive in navigating the evolving business environment, addressing persistent challenges and emerging risks to ensure sustained growth. The Group identifies, assesses and implements effective mitigation strategies to ensure resilience and adaptability in the face of uncertainties.

#### Supply Chain Disruptions and Material Cost Fluctuations

Supply chain disruptions pose risks to timely customer deliveries and operational stability. The Group collaborates with key suppliers, enhances demand forecasting, and maintains strategic inventory buffers. Additionally, the Group leverages bulk purchasing and long-term supplier agreements to manage material cost fluctuations, ensuring cost efficiency and operational resilience.

#### Foreign Exchange Rate Fluctuations

Engagement with international suppliers exposes the Group to foreign exchange risks, particularly with United States Dollar (USD) and Renminbi (RMB). To manage this, Pekat implements hedging strategies and negotiates contracts in local currencies wherever possible, minimising adverse financial impacts while maintaining a strong global supply chain network.

## Management Discussion and Analysis

### Talent Retention and Management

Pekat's success relies on its talented workforce, including executive leadership and technical specialists. The Group remains committed to investing in professional development, optimising recruitment strategies, and maintaining competitive compensation packages to attract and retain key talent. Through regular evaluations of recruitment processes and employee engagement initiatives, Pekat ensures that the Group has a motivated, skilled, and high-performing team capable of driving the Group's long-term success.

### Competitive Industry Environment

The renewable energy sector is increasingly competitive, with evolving market dynamics. Pekat continuously enhances its market positioning by expanding into new segments, pursuing strategic partnerships, and fostering innovation to maintain a competitive edge.

### Technological Disruption and Cybersecurity Threats

Rapid technological advancements bring both opportunities and risks. Pekat invests in outsourced IT experts to strengthen its IT infrastructure and implements robust cybersecurity measures, including routine penetration testing, to proactively address vulnerabilities. Regular employee training further enhances awareness and preparedness for cyber threats, ensuring a secure and resilient organisation.

### Dividend

The Board did not recommend any dividend payout for FY2024 due to the need for cash conversion to support future capital expenditure and working capital requirements. Additionally, following the acquisition of Apex Power, the Group prioritises conserving cash to ensure smooth integration and financial stability. Nonetheless, the Board remains committed to reviewing the Group's financial position and will consider dividend distributions in the future, balancing shareholder returns with sustainable business growth.

### Future Outlook

Malaysia's commitment to achieving net-zero carbon emissions by 2050, aligned with the Paris Agreement, is a key driver for renewable energy demand. The National Energy Transition

Roadmap (NETR) and Malaysia Renewable Energy Roadmap (MyRER) set ambitious targets, including a 31% renewable energy share by 2025 and 40% by 2035. To accelerate this transition, the government has invested RM60.7 billion in six key levers and ten flagship projects under NETR Phase 1, surpassing the initial RM25 billion target. These investments focus on smart grids, energy efficiency, and storage solutions which are areas directly aligned with Pekat's capabilities.

The Corporate Renewable Energy Supply Scheme (CRESS), introduced in September 2024, represents a shift in Malaysia's energy landscape by enabling third-party access to the national grid. This initiative is expected to drive the growth of corporate PPAs, benefiting solar PV EPCC players like Pekat.

The Group is developing two 29.99 MWac solar power plants under the CGPP, one as an internal investment to generate recurring income upon completion by end-2025, and the other as an EPCC project set to contribute positively to financial performance for the financial year ending 31 December 2025 ("FY2025").

The residential solar segment remains a major growth driver, driven by rising electricity costs, encouraging more homeowners to consider solar energy. The RM4,000 rebate under the SolarIS further enhanced the appeal of solar PV systems, making adoption more attractive.

The increasing development of data centres in Malaysia presents another key growth area. With major global tech firms investing in the region, the Group's ELP division is well-positioned to benefit, given its strong track record in delivering ELP solutions for data centres. Additionally, as data centres require highly reliable power systems, the demand for switchgear solutions is critical to ensuring uninterrupted operations—creating another promising avenue for the newly acquired power distribution equipment business.

Looking ahead, Pekat's focus for FY2025 is anchored on disciplined execution and sustainable growth. With the integration of recent acquisitions underway, the Group is positioning itself for greater operational synergies and enhanced market responsiveness. At the same time, Pekat remains committed to strengthening its core businesses, deepening customer relationships, and expanding its reach through strategic partnerships. These efforts reflect the Board's continued drive to build a resilient, forward-looking organisation capable of creating long-term value for all stakeholders.



# Sustainability Statement

## About This Sustainability Statement

Pekat Group Berhad and its subsidiaries, collectively known as “Pekat” or “the Group,” continue their commitment to transparent and meaningful sustainability reporting. As a leading provider of solar energy, earthing, and lightning protection services in Malaysia, Pekat recognises the importance of embedding sustainability into its operations.

This year’s Sustainability Statement (“**Statement**”) builds upon previous reporting efforts, reflecting Pekat’s continuous progress in managing material economic, environmental, and social (EES) risks and opportunities. The Group remains steadfast in its dedication to responsible business practices and long-term value creation.

Pekat places a strong emphasis on governance as a critical pillar of its sustainability journey. Sound governance structures and accountability mechanisms are integral to ensuring transparency, ethical conduct, and responsible decision-making across the organisation.

Since the last reporting period, Pekat has further strengthened its sustainability initiatives, ensuring alignment with evolving industry standards, regulatory requirements, and stakeholder expectations. This report provides a comprehensive overview of Pekat’s latest sustainability performance, demonstrating its ongoing efforts to drive sustainable development while maintaining business resilience.

### Reporting Period

This Sustainability Statement provides an overview of Pekat’s sustainability performance and key achievements for the financial year from 1 January 2024 to 31 December 2024 (“**FY2024**”), unless stated otherwise. Where relevant, historical data from previous years is included to illustrate year-on-year progress and provide additional context.

### Scope and Boundary

The scope of this 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 directly held subsidiary, EPE Switchgear (M) Sdn Bhd, are excluded from this reporting period due to their recent acquisition at the end 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.

### Reporting Frameworks and Standards

This Statement has been prepared in accordance with Bursa Malaysia’s ACE Market Listing Requirements, incorporating the latest amendments to sustainability reporting requirements and other enhancements, effective 23 December 2024. It is also guided by Bursa Malaysia’s Sustainability Reporting Guide (3<sup>rd</sup> Edition) and aligns with internationally recognised best practice frameworks, including the Global Reporting Initiative (“**GRI**”) and the United Nations Sustainable Development Goals (“**UNSDGs**”).

### Statement of Assurance

To uphold the consistent accuracy and reliability of our Statement, we have engaged an independent assurance provider, Grant Thornton Consulting Sdn Bhd, to provide external assurance (details at pages 46 to 50) on our Statement 2024. This limited assurance covers all sustainability matters including sustainability performance data and disclosure presented for the current reporting period of FY2024 in the Statement.

In addition, in FY2024, Pekat also undertook a thorough internal review to enhance the data collection processes by identifying any reporting gaps and inconsistencies and ensuring that the information and data reported are reliable and credible.



## Sustainability Statement

### Feedback

We aim to continuously improve our sustainability and reporting efforts and welcome any feedback related to the contents of this Statement 2024. You may direct your feedback, enquiries or comments to:

#### Pekato Group Berhad

##### Main Office

Unit 3A, 5 & 6, Cubic Space

No. 6, Jalan Teknologi 3/4, Taman Sains Selangor 1

Kota Damansara, 47810 Petaling Jaya

Selangor Darul Ehsan, Malaysia

Telephone : +603 – 2300 8010

Email : enquiries@pekatgroup.com

### Our Commitment to Sustainability

At Pekat, sustainability is not just a business strategy - it is a fundamental principle that guides our growth, governance, and corporate responsibilities. We recognise that achieving long-term success requires balancing business performance with environmental stewardship and social well-being.

Our leadership remains deeply committed to integrating sustainability across all levels of the organisation. Strong governance and accountability structures ensure that our sustainability agenda is embedded within our corporate decision-making, aligning with both stakeholder expectations and evolving industry standards. We uphold transparency, ethical business practices, and responsible risk management, reinforcing our role as a trusted corporate citizen.

In FY2024, we reaffirmed this commitment by conducting a refreshed materiality assessment, enabling us to better understand stakeholder priorities and address the most material sustainability topics for the Group. Additionally, as part of our responsible growth strategy, Pekat diversified its business portfolio through a strategic business acquisition, expanding our capabilities in power distribution equipment and related services.

We acknowledge that sustainability is an evolving journey. As we move forward, we remain dedicated to strengthening our corporate responsibility, governance practices, and environmental and social contributions to create lasting value for our stakeholders, society, and the planet. We are also committed to continuously meeting evolving jurisdictional sustainability requirements and aligning with internationally recognised standards and best practices.

### Our Sustainability Approach

Pekat adopts a structured and data-driven approach to sustainability, ensuring that our environmental, social, and governance (ESG) considerations are embedded into business operations and decision-making processes. Our sustainability strategy is guided by a triple-bottom-line framework, balancing economic success, environmental stewardship, and social responsibility to drive long-term value creation.

To refine our sustainability focus areas, we conducted a refreshed materiality assessment in FY2024 to reassess the most significant ESG topics for both our stakeholders and business operations. This assessment allowed us to align our sustainability initiatives with evolving industry expectations, regulatory requirements, and emerging sustainability risks and opportunities.

As part of our sustainability-driven business development, Pekat diversified its operations in FY2024 through a strategic business acquisition, expanding into the design and fabrication of power distribution equipment and related activities. This move strengthens our operational resilience, supports our profit growth strategy, and enhances our ability to provide sustainable energy solutions.

Our sustainability efforts are further reinforced through active stakeholder engagement and adherence to international sustainability frameworks. By integrating sustainability considerations into our corporate governance, supply chain, and risk management processes, we ensure that our business growth is both responsible and aligned with long-term ESG objectives.

Through this proactive and adaptive approach, Pekat continues to evolve its sustainability practices, driving meaningful impact while strengthening business resilience in an ever-changing global landscape.



# Sustainability Statement

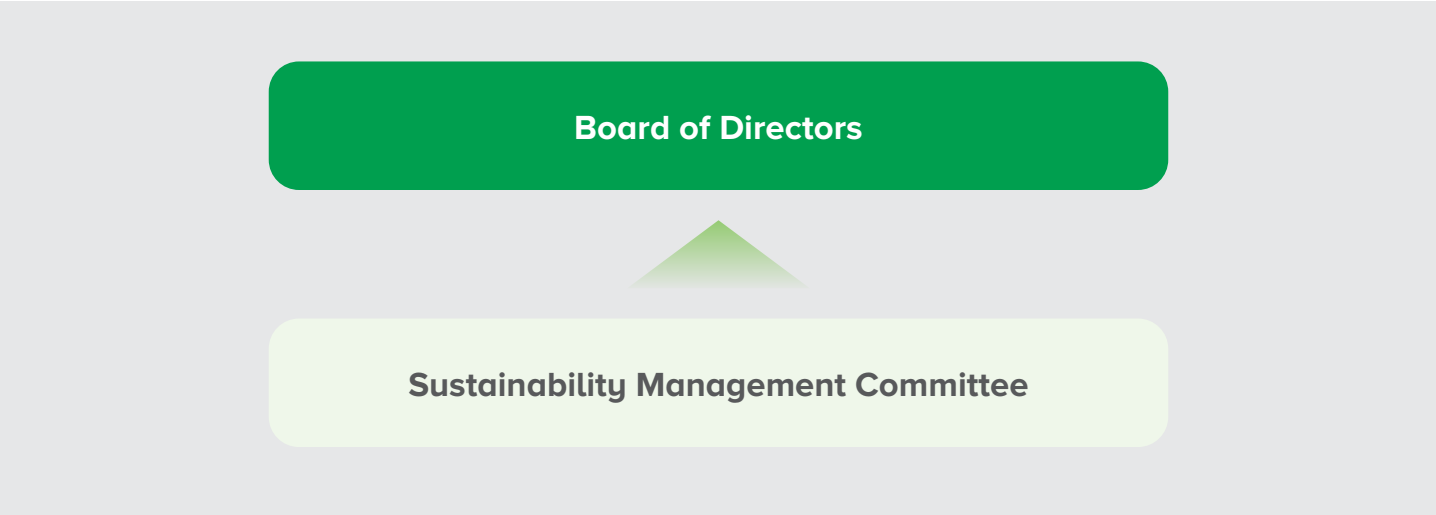
## Sustainability Governance

Pekat acknowledges sustainable development as a fundamental pillar of its business operations, ensuring that governance structures support responsible decision-making and long-term value creation. With clear direction and leadership from the Board of Directors, the Group’s sustainability agenda is guided by strategic oversight, ensuring long-term alignment with corporate objectives.

The Board is composed of diverse professionals with extensive expertise, ensuring that sustainability strategies are informed by a broad range of perspectives. The Board’s leadership ensures that sustainability is embedded into Pekat’s business strategy, risk management, and operational decision-making.

## Sustainability Management Structure

To enhance sustainability governance, Pekat has detailed its governance structure further in FY2024, reinforcing accountability at multiple levels:



Through this governance structure, Pekat ensures that sustainability is not only a strategic priority at the Board level but also effectively executed across all business divisions. This approach reinforces transparency, accountability, and long-term sustainability performance.

SUSTAINABILITY MANAGEMENT COMMITTEE

- Led by the Chief Executive Officer (CEO) with support from the Chief Financial Officer (CFO)
- Oversee the execution and alignment of sustainability strategies
- Ensure key initiatives are effectively implemented across the Group
- Supported by divisional working teams who are responsible for implementing, monitoring and reporting of assigned sustainability performance metrics and ensuring that sustainability commitments are translated into actionable business practices

## Sustainability Statement

### Stakeholders Engagement

Pekat acknowledges that its business activities impact a broad range of stakeholders. As such, we are committed to proactive and transparent engagement to address stakeholder concerns, foster collaboration, and align our sustainability initiatives with stakeholder expectations.

We engage with key stakeholders through various communication channels, ensuring that their feedback is considered in our decision-making processes. This approach helps us build trust, strengthen relationships, and create long-term value for both our stakeholders and the business.

Our approach to engaging with and responding to our key stakeholder groups includes, but is not limited to the following:

Stakeholder Group	Why They Matter	Area of Interest	Engagement Channel	Our Response
Capital providers (Financiers and shareholders)	<p>Capital providers play a crucial role in supporting Pekat's growth and long-term sustainability.</p> <p>Their investments enable business expansion, innovation, and financial resilience.</p> <p>Maintaining trust and transparency is key to ensuring continued access to funding and shareholder confidence.</p>	<ul style="list-style-type: none"> <li>• Business performance</li> <li>• Business strategy and plans</li> <li>• Sustainable growth and investment returns</li> <li>• Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Annual/Extraordinary general meeting</li> <li>• Quarterly and annual reports</li> <li>• Our corporate website</li> <li>• Media releases and announcements</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain transparent financial reporting and sustainability disclosures</li> <li>• Provide timely updates on business performance, strategic direction and investment opportunities</li> <li>• Practice good corporate governance to instil shareholder confidence</li> </ul>
Customers	<p>Customers are central to Pekat's business success, driving demand for our products and services.</p> <p>Understanding customer needs and expectations helps us enhance product offerings, service quality, and customer experience.</p> <p>Maintaining customer trust and satisfaction strengthens brand loyalty, market competitiveness, and long-term business growth.</p>	<ul style="list-style-type: none"> <li>• Product variety</li> <li>• Product pricing and quality</li> <li>• Technological innovation and advancement</li> <li>• Customer experience</li> <li>• After-sales support and service reliability</li> <li>• Sustainable and energy-efficient solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Direct engagement</li> <li>• On-site/virtual meetings</li> <li>• Customer satisfaction surveys</li> <li>• Exhibitions</li> <li>• Social media platforms</li> <li>• Product demonstrations and training sessions</li> </ul>	<ul style="list-style-type: none"> <li>• Continuously improve product quality, pricing, and variety based on market trends and customer feedback</li> <li>• Enhance customer experience and service reliability through dedicated support channels</li> <li>• Innovate with sustainable and energy-efficient solutions to meet evolving customer expectations</li> <li>• Strengthen engagement via digital platforms and direct communication to foster long-term relationships</li> </ul>

## Sustainability Statement

Stakeholder Group	Why They Matter	Area of Interest	Engagement Channel	Our Response
Suppliers	<p>Suppliers play a critical role in ensuring the reliability, quality, and sustainability of Pekat's supply chain.</p> <p>Strong supplier relationships contribute to operational efficiency, cost management, and business continuity.</p> <p>Collaboration with suppliers enables Pekat to drive responsible procurement practices and integrate sustainability into the supply chain.</p>	<ul style="list-style-type: none"> <li>Relationship management</li> <li>Favourable terms of payment/contract</li> <li>Fair and transparent procurement process</li> <li>Product quality and deliverables</li> <li>Supplier chain resilience and risk management</li> <li>Sustainable and responsible sourcing practices</li> </ul>	<ul style="list-style-type: none"> <li>Direct engagements</li> <li>On-site/virtual meetings</li> <li>Exhibitions</li> </ul>	<ul style="list-style-type: none"> <li>Maintain fair, transparent, and ethical procurement practices to ensure supplier confidence and trust</li> <li>Collaborate with suppliers to enhance supply chain sustainability and resilience</li> <li>Implement supplier performance reviews and due diligence to uphold quality and compliance</li> </ul>
Government/Regulatory authorities	<p>Government and regulatory authorities set the legal and compliance framework that governs Pekat's business operations.</p> <p>Compliance with laws, regulations, and industry standards ensures business continuity and risk mitigation.</p> <p>Engaging with regulators helps shape policies, improve industry standards, and support national sustainability goals.</p>	<ul style="list-style-type: none"> <li>Compliance to legal and regulatory requirements</li> <li>Licenses and permits</li> <li>Sustainability practices and reporting</li> <li>Occupational health and safety standards</li> <li>Climate change regulations and environmental compliance</li> <li>Corporate governance and anti-corruption measures</li> </ul>	<ul style="list-style-type: none"> <li>On-site inspections</li> <li>Participation in seminars, dialogues and forums organised by regulatory bodies</li> <li>Meetings and discussions</li> <li>Policy consultations and working groups</li> </ul>	<ul style="list-style-type: none"> <li>Ensure full compliance with laws, regulations, and reporting requirements</li> <li>Engage proactively with regulators, industry bodies, and policymakers to contribute to sustainable industry practices</li> <li>Strengthen corporate governance, anti-corruption measures, and regulatory transparency</li> <li>Align business strategies with national and international sustainability frameworks to support regulatory expectations</li> </ul>



## Sustainability Statement

Stakeholder Group	Why They Matter	Area of Interest	Engagement Channel	Our Response
Employees	<p>Employees are the driving force behind Pekat's success, contributing to innovation, productivity, and overall business performance.</p> <p>Providing a supportive, inclusive, and engaging work environment helps attract, retain, and develop top talent.</p> <p>Ensuring fair employment practices, career development opportunities, and well-being fosters employee satisfaction and commitment.</p>	<ul style="list-style-type: none"> <li>• Career development and opportunities</li> <li>• Fair employment practices</li> <li>• Workplace conduciveness</li> <li>• Safe and secure working environment</li> <li>• Competitive compensation and benefits</li> <li>• Work-life balance and employee well-being</li> </ul>	<ul style="list-style-type: none"> <li>• Learning and development programme</li> <li>• Performance appraisal</li> <li>• Company activities and employee engagement levels</li> <li>• Internal communications</li> </ul>	<ul style="list-style-type: none"> <li>• Provide continuous learning, training, and career advancement opportunities to enhance employee skills</li> <li>• Foster a diverse, equitable, and inclusive work culture that supports fair employment practices</li> <li>• Implement comprehensive health, safety, and well-being programmes to ensure a secure and conducive workplace</li> <li>• Offer competitive compensation, benefits, and rewards to attract and retain top talent</li> <li>• Encourage open communication and regular feedback to address employee concerns and improve workplace engagement</li> </ul>
Media/ Analysts	<p>Media and analysts play a crucial role in shaping public perception, market sentiment, and shareholder confidence in Pekat.</p> <p>Transparent and timely communication helps build trust, credibility, and brand reputation.</p> <p>Engaging with media and analysts ensures that stakeholders receive accurate and relevant insights about Pekat's business performance.</p>	<ul style="list-style-type: none"> <li>• Business performance</li> <li>• Business developments and strategic plans</li> <li>• Ethical business practices</li> <li>• Corporate governance and transparency</li> </ul>	<ul style="list-style-type: none"> <li>• Media interviews and press releases</li> <li>• Analyst briefings</li> <li>• Corporate events and public engagements</li> <li>• Financial reports</li> <li>• Digital media and official communication channels</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain transparent, timely, and accurate communication on business performance initiatives</li> <li>• Proactively engage with media and analysts to clarify business developments and strategic direction</li> <li>• Publish regular financial, and corporate reports to ensure stakeholders are informed of corporate decisions</li> </ul>
Local communities	<p>Local communities are integral to Pekat's social responsibility.</p> <p>Supporting local development helps create positive social impact, strengthen relationships, and enhance brand reputation.</p> <p>Engaging with communities ensures that Pekat contributes to economic empowerment, education, and social well-being.</p>	<ul style="list-style-type: none"> <li>• Corporate social responsibilities ("CSR")</li> <li>• Employment and business opportunities</li> <li>• Community health, safety, and well-being</li> </ul>	<ul style="list-style-type: none"> <li>• CSR activities</li> <li>• Sponsorship and welfare programmes</li> <li>• Community outreach and volunteering initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Invest in CSR programmes that address community needs</li> <li>• Support social and economic initiatives through strategic sponsorships and community engagement</li> </ul>

## Sustainability Statement

### Materiality Assessment

Understanding the evolving business environment is crucial for Pekat to identify opportunities, manage risks, and ensure long-term value creation. A materiality assessment serves as a critical tool in prioritising sustainability matters that are significant to both the Group and its stakeholders.

In FY2024, Pekat conducted a refreshed comprehensive materiality assessment to reassess its material topics and ensure alignment with current business priorities, industry trends, and stakeholder expectations. This assessment was performed in accordance with Bursa Malaysia's Sustainability Toolkit: Materiality Assessment (3<sup>rd</sup> Edition).

Materiality assessment is an ongoing process that enables Pekat to continuously refine and enhance its sustainability approach. By integrating stakeholder priorities, regulatory updates, and industry trends, we ensure that our sustainability strategy remains relevant, resilient, and forward-looking.

To determine key sustainability issues during the year, we undertook a three-step materiality assessment process:

#### Step 1

##### Review existing material matters

We assessed the relevance of our existing material topics by:

- Engaging stakeholders to understand emerging concerns and expectations through online surveys.
- Aligning with Bursa Malaysia's Sustainability Reporting Guide.
- Benchmarking against industry peers and sustainability trends specifically in the renewable energy sector.



#### Step 2

##### Assess importance to business and stakeholders

To gain deeper insight into stakeholder perspectives and priorities, we conducted a stakeholder prioritisation assessment to identify individuals or groups impacted by our business practices (directly or indirectly) or those who can influence the company and its decisions. Following this, we analysed responses from the engagement survey distributed in FY2024 and confirmed that feedback from both internal and external stakeholders on the importance of each material matter remains relevant and aligned with our sustainability priorities. Additionally, we reassessed the sustainability impact ratings for each material matter evaluating their severity and likelihood of occurrence.

Through this assessment, we developed an updated Materiality Matrix for FY2024, categorising each material matter into high, medium, or low significance to both Pekat and its stakeholders.



#### Step 3

##### Review and validation

The final Materiality Matrix was presented to the Sustainability Management Committee for review and validation before being submitted to the Board of Directors for final approval. This ensures that material sustainability topics are fully integrated into Pekat's business strategy, decision-making, and reporting framework.

## Sustainability Statement

### Looking Ahead

Recognising that sustainability priorities evolve, we remain committed to continuously refining our materiality assessment to reflect global sustainability trends, regulatory developments, and stakeholder expectations. By integrating these updates, we aim to enhance business resilience, sustainability performance, and transparency, ensuring that we remain at the forefront of sustainable development.

### Materiality Matrix

The materiality assessment exercise conducted in FY2024 enabled Pekat to revise and update its Materiality Matrix to better reflect the latest prioritisation of Pekat's material topics.

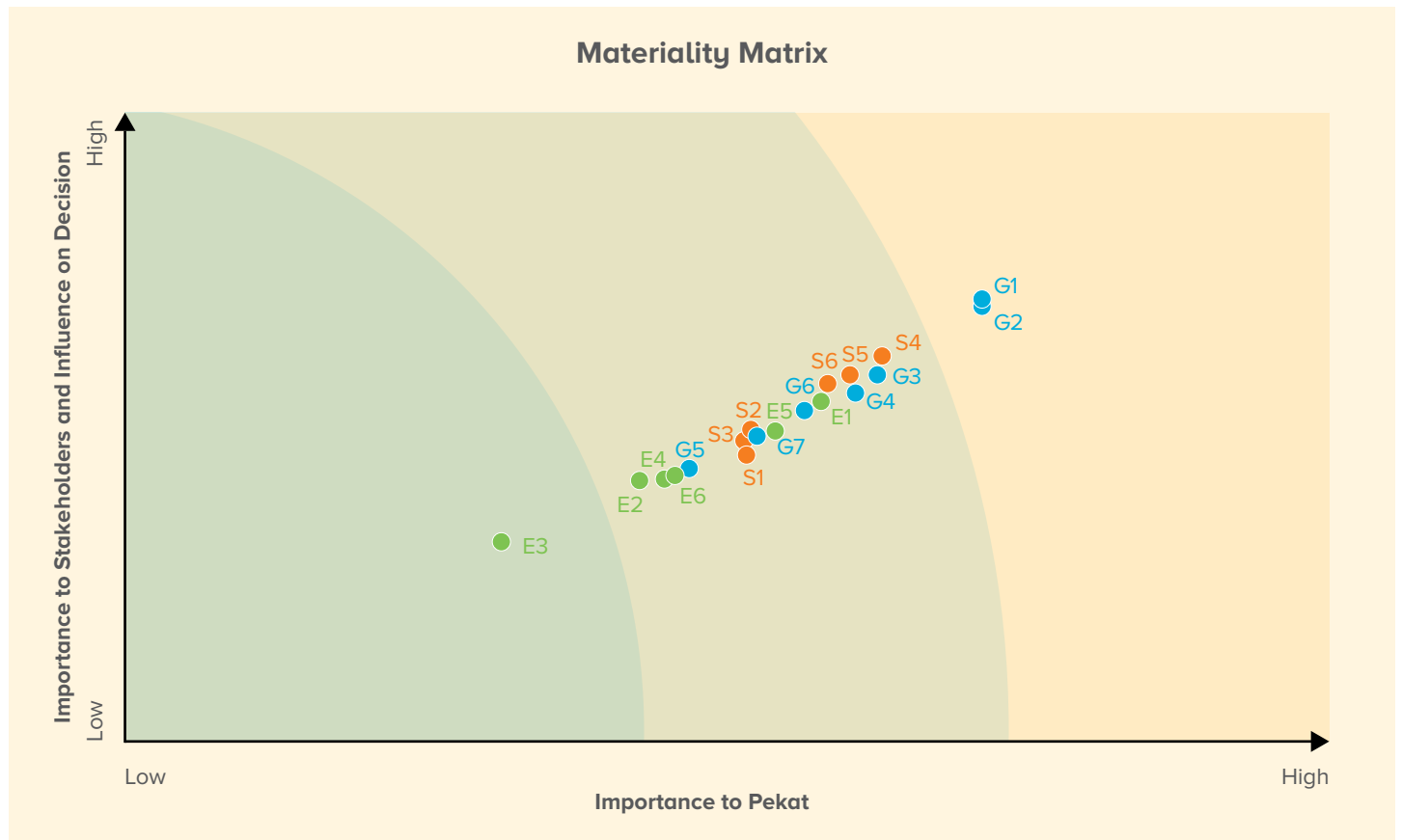
The materiality matters were reorganised to better reflect our present and future inspirations and sustainability goals. Based on our refreshed materiality matrix, we have identified 19 material matters for FY2024, with 13 key topics forming the focus of our Sustainability Statement. Among them, six newly identified

material topics have been added to complement our existing material topics from previous years:

- 1) Product safety, accessibility, and customer welfare;
- 2) Systematic risk management;
- 3) Business model resilience;
- 4) Product design and lifecycle;
- 5) Material sourcing; and
- 6) GHG emissions.

As these new material topics are recently identified, we are currently assessing their potential risks and opportunities and determining the most effective management approaches to address them.

Looking ahead, Pekat intends to further integrate these new material topics into our sustainability strategy and plans to incorporate them into the next reporting cycle of the sustainability statement, ensuring continued alignment with stakeholder expectations and evolving industry trends.



## Sustainability Statement

High Priority	Material Topic
G1	Corporate Governance and Ethics
G2	Business Performance and Developments
Medium Priority	Material Topic
S4	Labour Practices and Standards
G3	Business Model Resilience
S5	Product Safety, Accessibility and Customer Welfare
G4	Technology Advancement and Digital Transformation
S6	Occupational Health and Safety
E1	Business Impacts to Environment
G6	Supply Chain Management
E5	GHG Emissions
G7	Data Privacy and Security
S2	Community Engagement
S3	Diversity and Equal Opportunity
S1	Employee Training and Talent Retention
G5	Systematic Risk Management
E6	Product Design and Lifecycle
E4	Energy and Water Consumption
E2	Material Sourcing
Low Priority	Material Topic
E3	Waste Management

ECONOMIC AND  
GOVERNANCE

- G1 - Corporate Governance and Ethics
- G2 - Business Performance and Developments
- G3 - Business Model Resilience
- G4 - Technology Advancement and Digital Transformation
- G5 - Systematic Risk Management
- G6 - Supply Chain Management
- G7 - Data Privacy and Security



## ENVIRONMENTAL

- E1 - Business Impacts to Environment
- E2 - Material Sourcing
- E3 - Waste Management
- E4 - Energy and water Consumption
- E5 - GHG Emissions
- E6 - Product Design and Lifecycle


























## SOCIAL

- S1 - Employee Training and Talent Retention
- S2 - Community Engagement
- S3 - Diversity and Equal Opportunity
- S4 - Labour Practices and Standards
- S5 - Product Safety, Accessibility and Customer Welfare
- S6 - Occupational Health and Safety

## Sustainability Statement

Referencing broader global UNSDGs objectives, the materiality matrix aligns each topic with its impact on specific stakeholder groups.

Stakeholder Group	Capital providers	Customers	Suppliers	Government/ Regulatory Authorities	Employees	Media/ Analyst	Local Communities	UNSDGs
Sustainability Matter								
<b>ECONOMIC AND GOVERNANCE</b>								
Corporate governance and ethics	●	●	●	●	●			
Business performance and developments	●	●	●		●	●		 
Technology advancement and digital transformation	●	●				●		   
Supply chain management			●					   
Data privacy and security		●	●		●			
Business model resilience	●	●	●	●	●	●		 
Systematic risk management	●		●	●	●	●		 
<b>ENVIRONMENTAL</b>								
Business impact to environment	●	●	●	●	●	●	●	  
Waste management				●				
Energy and water consumption				●				
GHG emissions	●	●	●	●	●	●	●	  
Product design and lifecycle		●	●	●			●	 
Material sourcing		●	●	●			●	 
<b>SOCIAL</b>								
Community engagement	●	●	●			●	●	      
Diversity and equal opportunity				●	●		●	  
Employee training and talent retention					●			
Occupational health and safety	●			●	●	●		
Labour practices and standards	●	●		●	●	●		
Product safety, accessibility and customer welfare		●	●	●			●	  



## Sustainability Statement



### Economic Sustainability

#### Corporate Governance and Ethics

The Group ensures we maintain a robust framework for corporate governance and has proactively implemented measures to encourage ethical conduct within the organisation during business operations. We firmly believe that good corporate governance is the keystone of business sustainability. To this end, we have established a comprehensive Code of Conduct and Ethics (the "Code") and an Anti-Bribery and Corruption ("ABC") Policy. We are confident that these policies will serve to guide our team members in making sound and ethical decisions throughout their conduct of business.

In keeping with our commitment to transparency, we have implemented robust reporting structures and channels, including a dedicated corporate enquiry email address, an investor relations email address, and a corporate telephone line, which were made available on the company website and in the corporate information section in this Annual Report. These channels enable stakeholders to express their concerns in a timely and professional manner. We believe that open communication is fundamental to building trust and maintaining strong relationships with our stakeholders.

Further bolstering this commitment, we have developed a comprehensive Whistleblowing Policy. This policy provides clear guidelines and a dedicated platform, such as a whistleblowing email address at [whistleblower@pekatgroup.com](mailto:whistleblower@pekatgroup.com), for stakeholders to report any misconduct that contravenes the Code, the ABC Policy, or any applicable laws and regulations. We actively encourage all stakeholders to utilise this platform to report any concerns they may have, and we assure them that all reports are treated seriously.

We are delighted to announce that, throughout FY2024, neither the Group nor its employees were subject to any disciplinary action or public legal proceedings related to bribery or corruption. Consequently, no fines, penalties, or settlements were incurred during the year. Moving forward, the Group plans to strengthen this commitment by

providing annual trainings on ABC to all employees.

Our ABC Policy and Whistleblowing Policy are readily accessible on our corporate website at <https://www.pekat.com.my/>. We believe that making these policies readily accessible to our stakeholders demonstrates our unwavering commitment to transparency and accountability. We will continue to review and update our policies and procedures as necessary to ensure that we maintain the highest standards of corporate governance and ethical conduct.

#### Business Performance and Developments

The exceptional leadership, oversight, and stewardship of the Board, coupled with the collective endeavour of all Pekat employees, have demonstrably fuelled significant economic expansion in recent financial years. The Group's revenue has experienced a steady ascent, from RM119.5 million in FY2019 to RM287.0 million in FY2024, representing a 5-year compound annual growth rate (CAGR) of 19.1%.

## Sustainability Statement

Profit after tax has risen from RM13.8 million in FY2023 to RM22.7 million in FY2024, reflecting an annual growth of 65.1%. For further details on the Group's financial performance, please refer to the Management Discussion and Analysis and Financial Statements sections within this Annual Report.

The Group's dedication to long-term growth is further demonstrated by its achievements in FY2024. These successes stand as powerful testaments to its commitment to its strategic goals, ensuring its continued progress even in times of difficulty:

### Acquisition of Apex Power Industry Sdn Bhd and EPE Switchgear (M) Sdn Bhd

Pekat completed the acquisition of Apex Power Industry Sdn Bhd on 16 December 2024, along with its subsidiary, EPE Switchgear (M) Sdn Bhd. The acquisition expands Pekat's presence in manufacturing, engineering, and project activities, providing a broader range of products and services to the generation, transmission, and distribution sectors of the electrical power industry.

Through this expansion, EPE Switchgear (M) Sdn Bhd enables Pekat to diversify into the power distribution equipment business, securing a long-term revenue stream and enhancing its position in the electrical power solutions market.

### Expansion into International Market

In FY2024, Pekat strengthened its international footprint through Solaroo RE (Maldives) Pvt. Ltd., securing a Power Purchase Agreement (PPA) to supply energy to a Maldivian entity.

## Technology Innovation and Digital Transformation

### Sustainable Procurement and Green IT Configurations

In FY2024, Pekat Group advanced its sustainable IT strategy through refurbishment, reducing e-waste and extending the useful life of equipment. These practices help lower environmental impact by avoiding unnecessary manufacturing and conserving critical resources like energy, water, and raw materials.

The initiative also resulted in cost savings, enabling reinvestment into other ESG programmes. This cost-efficient approach aligns with responsible procurement policies and helps minimise lifecycle emissions.

To support its carbon neutrality goals, Pekat Group actively assesses its IT carbon footprint and leverages renewable energy sources for server rooms and office spaces.

A custom lightweight operating system was also introduced to improve system efficiency and extend hardware lifespan, while renewable energy was deployed for selected IT infrastructure to support low-carbon goals.

### Employee Digital Directory for Connected Workplaces

In FY2024, Pekat introduced a centralized employee digital directory, comparable to an internal LinkedIn, to foster stronger connections, transparency, and collaboration across departments and business units. This initiative enhances the social aspect of ESG by empowering employees, improving collaboration, and increasing operational efficiency.

Employees can now easily locate colleagues by role, department, or unit, improving teamwork, onboarding, and cross-functional engagement. This supports a more inclusive and connected work culture, especially within a distributed organisation.

The directory also enhances identity governance, streamlines access control, and reduces manual, paper-based processes — contributing to both efficiency and environmental goals.

Beyond improving employee satisfaction and productivity, this digital transformation also generates environmental benefits by eliminating paper waste and streamlining workflows. By leveraging internal digital technology services to connect people, Pekat strengthens its ESG commitments while enhancing the employee experience. It also supports diversity, inclusion, and a positive workplace culture, reinforcing Pekat Group's commitment to sustainability and employee well-being.

## Sustainability Statement

### Digital Governance and Sustainable IT Practices

In FY2024, Pekat enhanced its digital governance by consolidating data into secure internal systems, improving compliance with the Personal Data Protection Act 2010 and ISO 27001. Email archiving and controlled data access further strengthened accountability and storage efficiency.

The Group also adopted open-source software development to increase flexibility and reduce reliance on proprietary tools—supporting cost efficiency and long-term system resilience.

Pekat's internal AI servers, SharePoint + SAP integration, and RPA (Robotic Process Automation) streamline reporting, digitalise operations, enhance efficiency, and drive data-driven decisions.

The Group has implemented an enterprise-grade security framework incorporating advanced Identity and Access Management (IAM), Data Loss Prevention (DLP), endpoint protection, and centralized security orchestration. These integrated measures support a zero-trust architecture, enforce policy-based access control, and enhance organisational resilience against emerging cyber threats.

Through responsible technology practices, Pekat ensures secure, efficient, and ESG-aligned digital operations.

### Supply Chain Management

Pekat practises responsible sourcing and selection of suppliers, upholding high sustainability standards by taking into account social ethics, human rights, and environmental considerations. Pekat provides a level playing field to all potential and existing suppliers through a transparent procurement process based on objective criteria such as background, right quality and quantity, track record, lead time and cost, and responsible practices. Leveraging an enterprise resource planning system streamlines our supply chain, optimising inventory and minimising lead times for timely customer deliveries.

Pekat is committed to responsible supply chain management and collaborates with sustainable suppliers through its Supplier Code of Conduct. In FY2024, Pekat enhanced workplace safety in its warehouse by implementing the 6S methodology – Sort, Set in Order, Shine, Standardise, Sustain, and Safety – to create a more organised and secure work environment. Additionally, the introduction of a Procurement Policy in FY2024 ensures transparent and fair procurement practices across the organisation.



To strengthen environmental responsibility, Pekat optimises logistics by planning local deliveries two days in advance, reducing fuel consumption and emissions. Pekat also promotes green packaging by encouraging recycling and reuse initiatives, including:

- Recycling and reusing plastic pallets and paper boxes
- Repairing wooden pallets for reuse
- Using recycled plastic and biodegradable materials for packaging and delivery

These initiatives reinforce Pekat's commitment to sustainability, improving operational efficiency while minimising environmental impact.

We consistently promote the growth of local businesses by making it our policy to prioritise local purchasing to the extent possible. This not only contributes positively to the local economy but also reduces our logistic carbon footprint at the same time. Our commitment to local businesses is evidenced by our record of locally sourced materials which currently stands at 62.6%, as shown in the adjacent illustration

Proportion of Purchases (%)	FY2024	FY2023	FY2022
Local Suppliers	62.6	48.2	54.7
Foreign Suppliers	37.4	51.8	45.3
Total	100.0	100.0	100.0

## Sustainability Statement

### Data Privacy and Security

Pekat recognises the rising cyber threats accompanying increased workplace technology. Due to this, we prioritise data protection and value the confidentiality of the personal data of our customers, suppliers and employees. Hence, Pekat adheres to strict data privacy and security controls in handling data. Pekat is vigilant against any threats and manages our data privacy and security risks appropriately to ensure the protection of stakeholders' data to uphold their trust, confidence and satisfaction.

Our comprehensive cybersecurity measures ensure lawful information sharing, meticulous data handling, and strict adherence to the Personal Data Protection Act that regulates the processing of personal data in regard to commercial transactions – to safeguard our customers' privacy. Integrated data protection and information security strategies safeguard all information and personal data.

There are several enterprise data governance stacks embraced by Pekat:

- Foundational Policies and Regulatory Alignment: Enterprise-wide policies on data lifecycle, classification and regulatory compliance
- Technology Enforced Controls: Role-based access, encryption, secure storage and endpoint protection
- Capacity Building and Awareness: Ongoing employee training, simulations and data ethics education
- Monitoring and Incident Readiness: Real-time monitoring, audit logs and structured incident response
- Independent Assurance and Certification: Progress towards formal certification and third-party security assessments

At Pekat, access to sensitive data is governed via the principle of least privilege through Active Directory for on-prem systems and Azure roles for cloud environments. Vendors receive temporary, scoped access via secure invites.

To govern the breach issue, there are expanded breach prevention policies. All data exit points are restricted using endpoint and Data Loss Protection policies. Multifactor authentication and secure backup protocols further reinforce system security. A plan for zero data exit points policies is in progress.

Specialist training programmes were conducted for Pekat's staff in FY2024. Staff underwent cybersecurity training, phishing simulations, and data privacy awareness workshops. Future initiatives will include certifications in data protection and advanced threat detection.

We aim to certify our organisation with ISO 27001 & NIST Cybersecurity Framework for the best practices, an information security management standard, to provide a structured framework to further safeguard information. In addition, we will engage only licensed cybersecurity service providers in accordance with the Cyber Security Act 2024 and make the transition towards Virtual Private Server (VPS) hosting ownership at Pekat IT while maintaining role-based access for developers.

Our commitment to data privacy has resulted in zero data breaches and external complaints in FY2024. We strive to maintain this achievement by enforcing rigorous compliance and continuously improving our data privacy and security capabilities.





## Sustainability Statement

# Environmental Sustainability



## Business Impact to Environment

Recognising its responsibility as a publicly listed company, Pekat takes proactive steps towards environmental stewardship. Addressing the critical issue of global warming, we collaborate with financial institutions to offer customers attractive financing packages for solar PV systems and renewable energy adoption.

At the end of FY2024, we have completed the installation of solar PV systems with a combined capacity of 203.2MWp for our customers, leading to an impressive estimated reduction of 199,319 tonnes of carbon dioxide (CO<sub>2</sub>) emissions. This significant achievement underscores our unwavering commitment to sustainability and our ongoing pursuit of positive environmental impact.

Our efforts in promoting renewable energy are merely the first step. We remain dedicated to exploring innovative solutions for tackling climate change challenges, ensuring a sustainable future for generations to come.

### CUMULATIVE CAPACITY OF COMPLETED SOLAR PV SYSTEMS (MWp)

FY2024	<div><div></div></div>	203.2
FY2023	<div><div></div></div>	150.6
FY2022	<div><div></div></div>	116.5

### ESTIMATED ANNUAL ELECTRICITY GENERATED BY THE SOLAR PV SYSTEMS (MWh)<sup>1</sup>

FY2024	<div><div></div></div>	296,672
FY2023	<div><div></div></div>	219,876
FY2022	<div><div></div></div>	170,124

### AVOIDANCE IN CO<sub>2</sub> EMISSION (TONNE)<sup>2</sup>

FY2024	<div><div></div></div>	199,319
FY2023	<div><div></div></div>	155,822
FY2022	<div><div></div></div>	120,564

### NUMBER OF TREE SEEDLINGS GROWN FOR 10 YEARS<sup>2</sup>

FY2024	<div><div></div></div>	3,295,751
FY2023	<div><div></div></div>	2,576,535
FY2022	<div><div></div></div>	1,993,534

#### Notes:

<sup>1</sup> Based on estimated annual power generation of 1,460MWh per 1MWp solar PV systems.

<sup>2</sup> Conversion with reference to U.S. Environmental Protection Agency.



## Sustainability Statement



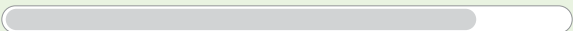
### Energy Consumption and Water Consumption

Pekato Group prioritises sustainability within its offices, evident in the thoughtful design and implementation of energy-saving measures. Motion sensor lights in strategic areas automatically activate based on occupancy, reducing unnecessary electricity consumption. Furthermore, the transition to energy-efficient LED lighting throughout the premises maximises energy savings while maintaining optimal illumination.


Responsible water usage forms a core principle within our sustainability commitment. We actively encourage all employees to adopt water-saving practices throughout the office. Looking ahead, we are currently exploring the feasibility of a rainwater harvesting system at our premises, aiming to further minimise our reliance on traditional water sources.

Pekato Group's commitment to sustainable practices extends beyond individual actions. We actively promote a culture of responsible resource management, ensuring our operations minimise their environmental footprint and contribute to a healthier planet for all. In FY2024, Pekato also conducted training for our employees via ESG Talk: Energy, Water, Emission & Waste Management to create awareness of environmental impact.



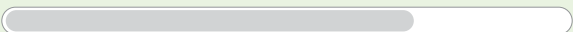
#### ELECTRICITY CONSUMPTION (KWH)

<b>FY2024</b>		<b>318,702</b>
FY2023		262,131
FY2022		263,741

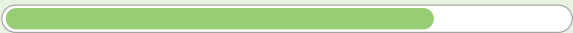
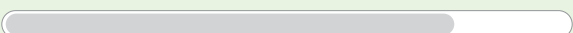
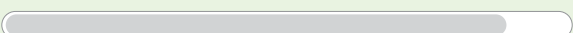
#### WATER CONSUMPTION (M<sup>3</sup>)

<b>FY2024</b>		<b>4,305</b>
FY2023		4,337
FY2022		13,213

#### TOTAL NUMBER OF EMPLOYEES AT END OF FINANCIAL YEAR

<b>FY2024</b>		<b>309</b>
FY2023		245
FY2022		210

#### ELECTRICITY CONSUMPTION PER EMPLOYEE (KWH)

<b>FY2024</b>		<b>1,031</b>
FY2023		1,070
FY2022		1,256

#### WATER CONSUMPTION PER EMPLOYEE (M<sup>3</sup>)

<b>FY2024</b>		<b>14</b>
FY2023		18
FY2022		63

## Sustainability Statement

### Waste Management

At Pekat, we recognise the importance of effective waste management to minimise our environmental footprint as part of our commitment to safeguarding the environment as well as the local communities we serve.

We are also cautious in managing our scheduled waste as stipulated in the Environmental Quality (Scheduled Wastes) Regulations 2005. A structured scheduled waste management process has been established throughout our operations, overseeing all activities to ensure proper waste identification and management practices are followed.

Our waste reduction efforts hinge on the 3Rs (reduce, reuse, recycle), implemented through a comprehensive waste management plan within our offices. Staff actively participate in these practices, opting for reusable containers over disposable packaging and utilising recyclable bags instead of plastic alternatives.

Furthermore, a robust system ensures proper waste sorting, with recyclable and non-recyclable materials segregated in designated areas for secure storage before being transported to dedicated treatment facilities. This system minimises unnecessary landfill contributions, further reducing our environmental impact.

Pekat continued to strengthen its waste management efforts in FY2024 by prioritising e-waste reduction and recycling initiatives. The Group procured 53 refurbished laptops, helping to avoid 65.7 kg of e-waste and reduced its carbon footprint by 2,650 kg of CO<sub>2</sub>-eq.

In addition, 100 kg of scrap metal was recycled, alongside 1,518.6 kg of common recyclable waste, including paper, tin, plastic, and glass. These actions demonstrate Pekat's commitment to responsible waste handling and circular resource use.

Looking ahead, Pekat aims to implement a quantitative measurement framework for recycled materials across its operations. This initiative reflects our commitment to transparency, accountability, and continuous improvement in waste management practices.



Recycling stations are placed throughout the Pekat office



Recycling of used stretch film



Responsible e-waste disposal at designated drop-off point

## Sustainability Statement



### Community Engagement

#### Corporate Social Responsibilities Activities

At Pekat, we believe that businesses have a responsibility to actively engage with their communities. These efforts foster social inclusion, build community resilience, and create a more favourable environment, ultimately driving sustainable socioeconomic development.

In FY2024, we continued to invest in communities where the beneficiaries are external to the Group. Pekat contributed RM30,000 in both financial and non-financial assistance to non-governmental organisations, schools and children's homes.

Highlights of our community investment initiatives are as follows:

No.	Activity/Recipient	Remarks
1	ANIS (School for Special Kids)	Donated RM1,945 to the School Donation Drive for ANIS, benefiting over 100 special needs children.
2	Pantai Morib Society	Pekat employees participated in a beach clean-up at Pantai Morib in July 2024. A total of RM1,420 was spent on tools and materials to support the effort.
3	Good Samaritan Home	Donated RM4,626 for the Swinging for Smiles: Join Our Virtual Golf Day with children from Good Samaritan Home, benefiting more than 50 participants.
4	Rumah Hope	Donated RM2,000 to Rumah Hope as a year-end contribution, benefiting 100 children in December 2024.
5	Partner's community events	Donated RM3,000 to Powerwell's CSR Contribution for Bald & Beautiful 5.0 by MyStarfish Foundation.
6	Make-A-Wish Malaysia Wishball Dinner 2024	Contributed RM7,500 to Make-A-Wish Malaysia for their Wishball Dinner, Colours of Life as a charity fund via the sponsorship of one premium table.



## Sustainability Statement



Back to School Donation Drive for ANIS



Pantai Morib Beach Clean-Up



Virtual Golf day with kids of Good Samaritan Home



Year End Donation Drive to Rumah Hope

### Internship Programme

The Group is firmly committed to fostering the professional growth and development of the younger generation. To achieve this objective, we have implemented an internship programme that welcomes students from a range of universities. Through the provision of internship placements, we aim to nurture and mentor these talented individuals, equipping them with the necessary skills to embark on successful careers within the ELP and solar PV industries.

In FY2024, we were proud to offer internship opportunities to four (4) interns within the Group's application, finance and project departments. We are confident that this practical experience provided valuable insights into the operational realities of the industry, thereby aiding them in developing the skills essential for future professional success.

### Diversity and Equal Opportunity

Pekati recognises that diversity and inclusion are not just the right thing to do, but also a strategic advantage by way of accumulation of, and ability to tap into a wide range of knowledge, perspectives, and ideas. We are firmly committed to equal employment opportunities and actively promote diversity across all aspects of our organisation, including gender, race, religion, age, and nationality. We believe that every employee has the right to work in a respectful, dignified and fair environment, free from discrimination of any kind.

As a reflection of Malaysia's multicultural and multi-religious society, our Group embraces and promotes diversity and inclusivity within the workforce. We believe that the broad range of perspectives contributed by our diverse employees is a valuable driver of growth and innovation.

Our Employee Handbook contains all the details on equitable treatment of employees and protection against sexual harassment through pre-established grievance procedures.

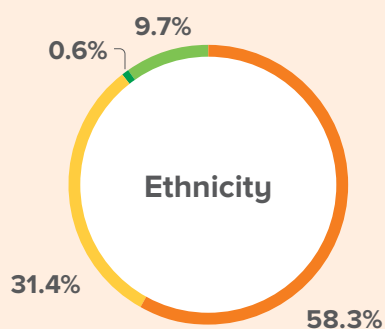
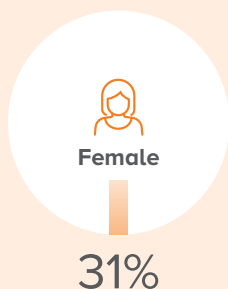
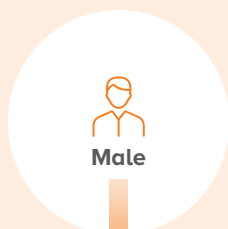
We champion equitable treatment and fair working conditions for all our employees. This includes the provision of fair wages, reasonable working hours, adequate benefits, and other forms of remuneration that comply with all applicable laws and regulations.

We believe that a well-supported and fairly compensated workforce is essential to fostering a sense of belonging while ensuring that everyone has equal opportunities to grow and thrive.

## Sustainability Statement

As of the end of FY2024, the Group employed a total of 309 individuals from diverse backgrounds. The demographic profiles of our staff are outlined below:

### Gender



- Malay
- Chinese
- Indian
- Others

Gender	Non-Executive	Executive	Middle Management	Senior Management	Total
Male	45	128	27	12	212
Female	8	75	14	0	97
	53	203	41	12	309

Age Group	Non-Executive	Executive	Middle Management	Senior Management	Total
< 30 years old	29	86	1	0	116
30 – 50 years old	20	113	39	9	181
> 50 years old	4	4	1	3	12
	53	203	41	12	309

To provide strategic vision and leadership, our Board is composed primarily of experienced individuals above the age of 50. Their expertise plays a critical role in guiding the Group's direction and in supporting well-informed decision-making at the leadership level.

Board Composition by Gender	FY2024	FY2023	FY2022
Male	66.7%	66.7%	62.5%
Female	33.3%	33.3%	37.5%

Board Composition by Age	FY2024	FY2023	FY2022
Under 30	-	-	-
30-50	16.7%	50.0%	50.0%
Above 50	83.3%	50.0%	50.0%





## Sustainability Statement



### Employee Training and Talent Retention

Pekat fosters a culture of continuous learning by investing in a comprehensive suite of development programmes. This includes leadership development, technical skills training, and soft skills development, all designed to equip our employees with the knowledge and skills needed to thrive in an ever-evolving business landscape.

We leverage both internal expertise and external subject-matter experts to deliver these programmes, ensuring our employees gain valuable knowledge on a wide range of topics relevant to our business and sustainability goals. These programmes address current and emerging skills trends, ensuring our workforce remains competitive and adaptable in a dynamic business environment. In FY2024, we continued this commitment by offering diverse programmes like onboarding, leadership development, upskilling courses aligned with job functions, industry leader seminars on sustainability, as well as curated in-house safety programmes.

Through annual employee evaluations, Pekat identifies individual training needs and collaborates with diverse organisations and training providers to tailor programmes optimally. A summary of FY2024 employee training programmes is presented below:

Training expenses	FY2024	FY2023	FY2022
Training expenses (RM)	201,667	48,093	103,600
Number of employees	309	245	210
Training expenses per employee (RM)	653	196	493

## Sustainability Statement

List of Trainings/Seminars Provided by The Group in FY2024	Programme Training Hours	Number of Employees Attended
52 Malaysian Questions Answered	7	25
4U For Leader	21	4
Conflict Of Interest	20	20
Malaysian Code on Corporate Governance "MCCG" 2022 With Highlights of Departures & Gaps	2	7
Understanding the Amendments to Listing Requirements 2022, Guidelines on Conduct of Directors of Listed Corporation & their Subsidiaries as issued by Securities Comision, and the application of Fit & Proper Policy	2	7
Employers Tax Obligations: Adapting Your Administrative Practices for Compliance	8	1
Employment Act 1955 with the Latest 2022/23 Amendments, EPF Act 1991, SOCSO Act 1969 & EIS (2018)	16	1
Employers Rights & Responsibilities Within the Law	16	1
Time Management and Organising Skills	8	3
Air Selangor Safety Passport	8	29
Battery Energy Storage Systems (BESS) Integration in GCPV Systems	16	1
NIOSH-TENAGA Safety Passport	8	5
Permit To Work and Operational Safety Improvement (PTOS)	16	5
Basic Scaffold Inspector	16	1
Intermediate Scaffold Inspector	16	1
Advanced Scaffold Inspector	16	1
Site Safety Supervisor (SSS) Course KL 90th Intake	64	3
Navigating Occupational Safety in Malaysia (NOSIM)	2	2
Expressway Operation Safety Passport	8	4
NIOSH Cenviro Safety Passport	8	2
Oil & Gas Safety Passport	8	2
Pemasangan Sistem Fotovoltan Tersambung Grid GCPV Bagi Penjaga Jentera dan Pendawai Elektrik	40	1
SEDA Malaysia Grid-Connected Photovoltaic PV Systems Design Course	64	1
Site Safety Supervisor (SSS) Course KL 91th Intake	64	2
Thinking Programmer, Health & Happiness, Meditation, Life Coach	84	1
LHDN E Invoice Software Implementation Course	2	1
Penilaian Kompetensi Kemahiran-Building Wiring Installation	8	3
GDL License Training	7	2
MBAM Contract Admin Programme	8	1
NIOSH-TM Safety Passport training	9	4
Scaffold Erector Training	8	1
Earthing & Lightning Protection Seminar	8	1
Yuran Kursus Induksi Keselamatan bagi Pekerja Binaan Dalam Talian by CIDB	8	1
Seminar: Application of Earthing, Lightning / Surge Protection for IEM Penang Members	8	1
Seminar: The Institution of Engineers Malaysia (Perak Branch)	8	1
Safety Training "Working At Height"	8	7
Sarawak Energy Safety Passport Course at NIOSH Wilayah Sarawak (Kuching)	8	4
Expressway Operations Safety Passport	8	8
NIOSH Cenviro Safety Passport	7.5	4
Safety Training "Working At Height"	5	2
Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	16	1

## Sustainability Statement

FY2024 marked a record year for Pekat in terms of total employee training hours, more than doubling the figure from the previous year. A total of 2,075 hours of training were completed by 146 employees, translating to an average of 14.2 hours for every employee who attended the training. On a group-wide basis, this equates to an average of 6.7 training hours per employee.

Employee by Level	FY2024 (hours)
Senior Management	457
Middle Management	363
Executive	1,105
Non-executive	150
<b>Total</b>	<b>2,075</b>

Pekat remains committed to cultivating and empowering talent as part of its long-term sustainability goals. Succession planning is a key component of this strategy, guided by annual performance appraisals and insights from industry trends to ensure our talent development remains relevant and competitive.

The Group also offers competitive compensation and benefits packages to attract and retain top talent, ensuring strong workforce engagement and future success. By prioritising employee growth and development, Pekat is building a sustainable and resilient future—for both the company and its people.

### Occupational Health and Safety

Employee well-being underpins the Group's continued success. Recognising this, we prioritise a safe and healthy work environment for all. A dedicated Health and Safety Committee oversees Occupational Health and Safety (“OHS”) by ensuring adherence to established Standard Operating Procedures (“SOPs”). These SOPs, regularly updated, address potential workplace risks and hazards.

To foster a safe and healthy workplace, Pekat Group organises an annual Safety and Health Week, recognising best practices and role models among internal staff and workers. The Group also acknowledges the growing importance of OHS in ESG assessments, considering health and safety performance as a key factor in investment decision-making. Companies with robust OHS policies and practices are perceived as more responsible and sustainable, enhancing long-term value creation and risk management.

In FY2024, Pekat successfully conducted its internal Safety & Health Week, reinforcing awareness and commitment among employees. The Group remains dedicated to continuous improvement in workplace health and safety, ensuring the well-being of all employees. Further details on FY2024 health and safety performance measures are provided in the subsequent section.

Looking ahead, Pekat plans to pursue audits and recognition from the Malaysian Society for Occupational Safety and Health (MSOSH) Awards, working towards achieving this prestigious certification as part of its ongoing commitment to workplace safety excellence.

Type of Work-Related Injuries	FY2024	FY2023	FY2022
Number of fatalities	-	-	-
Number of high consequences work-related injuries	-	-	-
Number of recordable work-related injuries	-	-	1
Lost Time Incident rate	-	-	-
Number of employees trained on Health and Safety standards	60	160	-*

**Note:**

\* The Group began tracking and reporting the number of employees trained on Health and Safety standards starting from FY2023.

## Sustainability Statement

### Labour Practices and Standards

Pekat prioritises fair and ethical employment practices, safeguarding the human and labour rights of all employees. The followings are some information on our labour structure and performance in FY2024:

Type of Employment	No. of Employees	Percentage
Permanent	262	84.8%
Contract	47	15.2%
	<b>309</b>	<b>100.0%</b>

Number of Employee Turnover In FY2024	
Non-Executive	9
Executive	44
Middle Management	6
Senior Management	1
	<b>60</b>

Our dedicated Human Capital department oversees compliance with relevant laws and regulations, ensuring adherence goes beyond minimum wage and maximum working hours. We condemn child and forced labour, strictly adhering to all employment regulations and local laws wherever we operate. During FY2024, we did not receive any report of human rights violations.

For foreign workers, Pekat only employs those with valid work permits and is strictly against any illegal withholding of their wages, passports, or personal documents. We never require monetary deposits or charge recruitment fees, and fully comply with minimum wage mandates. Additionally, we refrain from disciplinary wage deductions and provide comprehensive employment contracts with benefits equal to local employees.

Pekat's unwavering commitment to ethical labour practices reflects our core values and contributes to building a more just and equitable working environment for all.

Pekat prioritises the physical and mental well-being of its employees by implementing health and wellness programmes, promoting work-life balance, and addressing mental health concerns through dedicated workshops and awareness initiatives.

### Employee Activities and Wellness

An employee's job satisfaction is ultimately affected by the company's working hours and working environment, suggesting that nurturing an employee's well-being is critical in developing workplace resilience. Thus, we have consistently carried out initiatives to improve our employees' work-life balance. As such, we have designed initiatives that will cater to employees' differing needs and lifestyles.

The Group acknowledges that employee well-being and a healthy work-life balance are fundamental to maintaining a content and productive workforce. Throughout FY2024, we have implemented a series of activities designed to promote employee health and well-being.

#### PekatCares Community Passport & Reward

The PekatCares Community Passport is an internal initiative designed to encourage employee engagement in corporate social responsibility (CSR) activities. Throughout the year, Pekatians can collect #PekatCares stamps by participating in various community, environmental, and company-driven initiatives. Employees who achieve the required number of stamps by the end of the year are recognised and rewarded for their active contributions towards making a positive impact. This initiative fosters a sense of purpose, teamwork, and social responsibility among staff.

#### Clock-it Lists with Pekatians

The Clock-it Lists initiative is a fun and engaging way to encourage Pekatians to complete to-do lists that contribute to both environmental sustainability and positive office culture. Employees can participate in challenges such as waste reduction efforts, desk organisation, green commuting, and teamwork-based tasks. By clocking in completed lists, employees stand a chance to receive rewards and recognition, making workplace improvements more interactive and rewarding.



## Sustainability Statement

### Gawai Trivia

Malaysia is known for its rich cultural diversity, and at Pekat, we believe in fostering inclusivity and cross-cultural understanding. As part of our cultural appreciation initiatives, we introduced Gawai Trivia, where employees learn about the Gawai Dayak festival, celebrated by the indigenous Dayak community in Sarawak. This trivia session not only enhances knowledge about different traditions but also strengthens bonds among employees from various backgrounds.

### Introduction to Pickleball

Pickleball gained popularity in Malaysia in FY2024, and Pekat took the initiative to introduce this sport to its employees as part of its work-life balance and wellness programmes. This low-impact sport is suitable for all ages, particularly beneficial for those looking for an engaging yet less strenuous activity. Employees across all levels participated in friendly matches, promoting teamwork, stress relief, and an active lifestyle within the workplace.

### Office Fitness Challenge with Pekatians

To encourage a healthier lifestyle, Pekat organised a weekly office fitness challenge, held once per week every month in FY2024. Employees participated in various fitness activities, such as stretching routines, step-count challenges, and light cardio workouts. This initiative not only promoted physical well-being but also fostered a sense of camaraderie among colleagues, making fitness an integral part of office culture.

### Distribution of MST Golf Voucher

As part of our commitment to promoting a balanced and active lifestyle, Pekat Group distributed MST Golf vouchers to employees. These vouchers provided Pekatians with an opportunity to invest in quality sporting equipment, further encouraging outdoor activities such as golf, which promotes both mental relaxation and physical well-being.

### Safety & Health Week

To enhance workplace safety and employee well-being, Pekat organised Safety & Health Week, featuring a series of informative and interactive activities. Employees participated in health screenings, first aid training, workplace safety talks, and discussions on managing high blood pressure. This initiative aimed to raise awareness of potential health risks and safety hazards in the workplace while equipping employees with essential knowledge to maintain a healthier and safer working environment.



Pekat 25<sup>th</sup> Birthday Celebration



Office workout challenge



Introduction to pickleball session



Safety & Health Week



## Sustainability Statement

### GRI Content Index

**Statement of Use:** Pekat Group Berhad has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024, in reference with the GRI Standards.

**GRI 1 used:** GRI 1: Foundation 2021

**Applicable GRI Sector Standard:** Not applicable

GRI Content Index			
GRI Indicator	Disclosure	Location	Omission & Explanation
<b>GRI 2: General Disclosures 2021</b>			
<b>The organisation and its reporting principles</b>			
2-1	Organisational details	Page 17	
2-2	Entities included in the organisation's sustainability reporting	Page 17	
2-3	Reporting period, frequency and contact point	Page 17	
2-4	Restatement of Information	-	Not applicable
2-5	External Assurance	Page 17	
<b>Activities and workers</b>			
2-6	Activities, value chain and other business relationships	Page 17	
2-7	Employees	Pages 35 - 36	
2-8	Workers who are not employees	-	Not applicable
<b>Governance</b>			
2-9	Governance structure and composition	Page 19	
2-10	Nomination and selection of the highest governance body	Corporate Governance Overview Statement ("CGOS") (Pages 55 - 66)	
2-11	Chair of the highest governance body	CGOS (Pages 55 - 66)	
2-12	Role of the highest governance body in overseeing the management of impacts	Page 19	
2-13	Delegation of responsibility for managing impacts	Page 19	
2-14	Role of the highest governance body in sustainability reporting	Page 19	
2-15	Conflicts of interest	-	Not applicable
2-16	Communication of critical concerns	Page 27	
2-17	Collective knowledge of the highest governance body	CGOS (Pages 55 - 66)	
2-18	Evaluation of the performance of the highest governance body	CGOS (Pages 55 - 66)	
2-19	Remuneration policies	CGOS (Pages 55 - 66)	

## Sustainability Statement

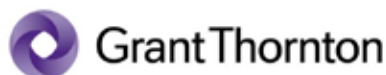
GRI Content Index			
GRI Indicator	Disclosure	Location	Omission & Explanation
<b>GRI 2: General Disclosures 2021</b>			
<b>Governance</b>			
2-20	Process to determine remuneration	CGOS (Pages 55 - 66)	
2-21	Annual total compensation ratio	-	Not applicable
<b>Strategy, policies and practices</b>			
2-22	Statement on sustainable development strategy	Management Discussion and Analysis (Pages 11 – 16)	
2-23	Policy commitments	Page 60	
2-24	Embedding policy commitments	Page 60	
2-25	Processes to remediate negative impacts	Page 27	
2-26	Mechanisms for seeking advice and raising concerns	Pages 20 - 22	
2-27	Compliance with laws and regulations	Page 27	
2-28	Membership associations	-	Not applicable
<b>Stakeholder Engagement</b>			
2-29	Approach to stakeholder engagement	Pages 20 – 22	
2-30	Collective bargaining agreements	-	Not applicable
<b>GRI 3: Material Topics 2021</b>			
3-1	Process to determine material topics	Page 23	
3-2	List of material topics	Pages 24 - 25	
3-3	Management of material topics	Pages 23 - 25	
<b>GRI 201: Economic Performance 2016</b>			
201-1	Direct economic value generated and distributed	Pages 27 - 28	
201-2	Financial implications and other risks and opportunities due to climate change	-	Not applicable
201-3	Defined benefit plan obligations and other retirement plans	-	Not applicable
201-4	Financial assistance received from government	-	Not applicable
<b>GRI 204: Procurement Practices 2016</b>			
204-1	Proportion of spending on local suppliers	Page 29	
<b>GRI 205: Anti-corruption 2016</b>			
205-1	Operations assessed for risks related to corruption	-	Not applicable
205-2	Communication and training about anti-corruption policies and procedures	Page 27	
205-3	Confirmed incidents of corruption and actions taken	Page 27	

## Sustainability Statement

GRI Content Index			
GRI Indicator	Disclosure	Location	Omission & Explanation
<b>GRI 302: Energy 2016</b>			
302-1	Energy consumption within the organisation	Page 32	
302-2	Energy consumption outside of the organisation	-	Not applicable
302-3	Energy intensity	-	Not applicable
302-4	Reduction of energy consumption	Page 32	
302-5	Reductions in energy requirements of products and services	-	Not applicable
<b>GRI 303: Water and Effluents 2018</b>			
303-1	Interactions with water as a shared resource	-	Not applicable
303-2	Management of water discharge-related impacts	-	Not applicable
303-3	Water withdrawal	-	Not applicable
303-4	Water discharge	-	Not applicable
303-5	Water consumption	Page 32	
<b>GRI 306: Waste 2020</b>			
306-1	Waste generation and significant waste-related impacts	Page 33	
306-2	Management of significant waste-related impacts	Page 33	
306-3	Waste generated	Page 33	
306-4	Waste diverted from disposal	-	Not applicable
306-5	Waste directed to disposal	-	Not applicable
<b>GRI 401: Employment 2016</b>			
401-1	New employee hires and employee turnover	Page 40	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	-	Not applicable
401-3	Parental leave	-	Not applicable
<b>GRI 403: Occupational Health and Safety 2018</b>			
403-1	Occupational health and safety management system	Page 39	
403-2	Hazard identification, risk assessment, and incident investigation	-	Not applicable
403-3	Occupational health services	-	Not applicable
403-4	Worker participation, consultation, and communication on occupational health and safety	-	Not applicable
403-5	Worker training on occupational health and safety	Page 39	
403-6	Promotion of worker health	Page 39 and Page 41	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-	Not applicable
403-8	Workers covered by an occupational health and safety management system	-	Not applicable
403-9	Work-related injuries	Page 39	
403-10	Work-related ill health	Page 39	

## Sustainability Statement

GRI Content Index			
GRI Indicator	Disclosure	Location	Omission & Explanation
<b>GRI 404: Training and Education 2016</b>			
404-1	Average hours of training per year per employee	Pages 37 - 39	
404-2	Programs for upgrading employee skills and transition assistance programs	Page 38	
404-3	Percentage of employees receiving regular performance and career development reviews	-	Not applicable
<b>GRI 405: Diversity and Equal Opportunity 2016</b>			
405-1	Diversity of governance bodies and employees	Page 36 & CGOS (Pages 55 - 66)	
405-2	Ratio of basic salary and remuneration of women to men	-	Not applicable
<b>GRI 406: Non-discrimination 2016</b>			
406-1	Incidents of discrimination and corrective actions taken	Page 40	
<b>GRI 408: Child Labor 2016</b>			
408-1	Operations and suppliers at significant risk for incidents of child labour	Page 40	
<b>GRI 409: Forced or Compulsory Labor 2016</b>			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Page 40	
<b>GRI 413: Local Communities 2016</b>			
413-1	Operations with local community engagement, impact assessments, and development programs	Pages 34 - 35	
413-2	Operations with significant actual and potential negative impacts on local communities	Pages 34 - 35	
<b>GRI 418: Customer Privacy 2016</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 30	



**The Board of Directors**  
**Pekat Group Berhad**  
 3A, 5 & 6, Cubic Space  
 No.6, Jalan Teknologi 3/4  
 Taman Sains Selangor 1  
 Kota Damansara  
 47810 Petaling Jaya  
 Selangor Darul Ehsan  
 Malaysia

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**Grant Thornton Consulting**  
**Sdn Bhd (455582-W)**

Level 8-3, Sheraton Imperial Court  
 Jalan Sultan Ismail  
 50250 Kuala Lumpur  
 Malaysia

T +603 2692 4022

F +603 2712 7922

**Independent Limited Assurance Report on Subject Matter Information in Pekat Group Berhad's Sustainability Statement 2024**

We, Grant Thornton Consulting Sdn Bhd ("Grant Thornton") were engaged by Pekat Group Berhad ("Pekat") to provide limited assurance on selected material sustainability indicators ("Subject Matter Information") as reported by Pekat in its Sustainability Statement for the year ended 31 December 2024 ("Sustainability Statement").

The scope of our work was limited to the material sustainability matters presented in the Sustainability Statement and did not include coverage of data sets or information unrelated to the data and information underlying the Subject Matter Information below and their related disclosures; nor did it include information reported outside of the Sustainability Statement.

*Limited Assurance Conclusion*

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information presented in the Sustainability Statement has not been prepared, in all material respects, in accordance with the Reporting Criteria.

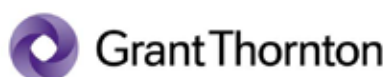
This conclusion is to be read in the context of what we say in the remainder of this report.

*Subject Matter Information*

The scope of our work was limited to assurance over selected material sustainability indicators reported in the Pekat's Sustainability Report, as presented below.

<b>Underlying Subject Matter</b>	<b>Units</b>	<b>Page location of Annual Report</b>
<b>Corporate Governance and Ethics</b>		
Confirmed incidents of corruption and action taken	Cases	Page 27
<b>Supply chain management</b>		
Proportion of spending on local suppliers	Percentage %	Page 29
Proportion of spending on foreign suppliers	Percentage %	Page 29
<b>Data privacy and security</b>		
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	Page 30



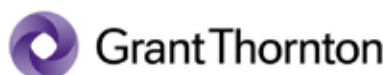


## Independent Limited Assurance Report on Subject Matter Information in Pekat Group Berhad's Sustainability Statement 2024 (cont'd)

### Subject Matter Information (cont'd)

The scope of our work was limited to assurance over selected material sustainability indicators reported in the Pekat's Sustainability Report, as presented below (cont'd).

Underlying Subject Matter	Units	Page location of Annual Report
<b>Business Impact on the Environment</b>		
Cumulative capacity of completed solar PV systems for our customers	MWp	Page 31
Estimated annual electricity generated by the PV systems installed for our customers	MWh	Page 31
Avoidance in carbon dioxide emissions through the PV systems installed for our customers	tCO2e	Page 31
Equivalent number of Tree Seedlings Grown for 10 years	Number	Page 31
<b>Energy and Water Consumption</b>		
Electricity consumption	kWh	Page 32
Water consumption	m <sup>3</sup>	Page 32
Total number of employees at the end of the financial year	Number	Page 32
Electricity consumption per employee	kWh	Page 32
Water consumption per employee	m <sup>3</sup>	Page 32
<b>Community Engagement</b>		
Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	Page 34
Total number of beneficiaries of the investment in communities	Number	Page 34
<b>Diversity and Equal Opportunity</b>		
Employee by gender and age group, for each employee category	Percentage % and Number	Page 36
Directors by gender and age group	Percentage %	Page 36
<b>Occupational Health and Safety</b>		
Number of work-related fatalities	Number	Page 39
Number of high consequences work-related injuries	Number	Page 39
Number of recorded work-related injuries	Number	Page 39
Lost time incident rate	Rate	Page 39
Number of employees trained on health and safety standards	Number	Page 39
<b>Labour Practices and Standards</b>		
Number of employees by type of employment	Percentage % and Number	Page 40
Number of employees departed during the year and by employee category	Number	Page 40
Substantial complaints concerning human rights violations	Number	Page 40



## Independent Limited Assurance Report on Subject Matter Information in Pekat Group Berhad's Sustainability Statement 2024 (cont'd)

### *Subject Matter Information (cont'd)*

The scope of our work was limited to assurance over selected material sustainability indicators reported in the Pekat's Sustainability Report, as presented below (cont'd).

Underlying Subject Matter	Units	Page location of Annual Report
<b>Employee Trainings and Talent Retention</b>		
Personal development by expenses, number of employees and expenses per employee	RM, Number, RM/employee	Page 37
Training/Seminars by nature, training hours and employee attendance	Description, Hours, Number	Pages 38 -39

Our assurance is with respect to the year ended 31 December 2024 Subject Matter Information only and we have not performed any procedures with respect to earlier periods or any other information included in the Pekat's Sustainability Statement and, therefore, do not express any conclusion thereon.

### *Reporting Criteria*

The Subject Matter Information needs to be read and understood together with the Reporting Criteria, which Pekat is solely responsible for selecting and applying.

The reporting criteria adopted for reporting the Subject Matter Information are based on Pekat's internal sustainability reporting guidelines along with their definitions and calculation methodologies as disclosed within the Sustainability Statement ("Reporting Criteria").

### *Board of Directors and Management's Responsibilities*

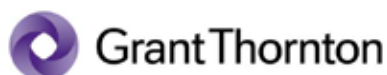
The Directors and Management of Pekat are responsible for:

- the design, implementation and maintenance of internal control relevant to the preparation and presentation of Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or establishing suitable Reporting Criteria;
- measuring or evaluating and presenting the Subject Matter Information in accordance with the Reporting Criteria; and
- the preparation of the Sustainability Statement and the Reporting Criteria and their contents.

### *Our responsibilities*

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information has been prepared in accordance with the Reporting Criteria;
- forming an independent limited assurance conclusion, based on the work we have performed and the evidence we have obtained; and
- reporting our limited assurance conclusion to Pekat.



## **Independent Limited Assurance Report on Subject Matter Information in Pekat Group Berhad's Sustainability Statement 2024 (cont'd)**

### *Our Quality Management and Independence*

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

### *Assurance standards and level of assurance*

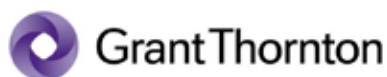
We performed a limited assurance engagement in accordance with the approved standard for assurance engagements in Malaysia, International Standard on Assurance Engagements 3000 (Revised), *"Assurance Engagements other than Audits and Reviews of Historical Financial Information"* ("ISAE 3000 (Revised)"). This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks which vary in nature from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not report a reasonable assurance conclusion.

### *Work performed*

Considering the circumstances of the engagement our work included, but was not restricted to:

- assessing the suitability of the Reporting Criteria as the basis of preparation for the Subject Matter Information;
- conducting interviews with management and relevant staff at group level and selected business unit level concerning sustainability strategies and policies for material issues, and the implementation of these across the business operations;
- assessing the risk of material misstatement of the Subject Matter Information, whether due to fraud or error, and responding to the assessed risk as necessary in the circumstances;
- conducting interviews with relevant management of Pekat and examining selected documents to obtain an understanding of the processes, systems and controls in use for measuring or evaluating, recording, managing, collating and reporting the Subject Matter Information;
- conducting interviews with sites, selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria;
- performing analytical procedures for consistency of data with trends and our expectation;



### **Independent Limited Assurance Report on Subject Matter Information in Pekat Group Berhad's Sustainability Statement 2024 (cont'd)**

#### *Work performed (cont'd)*

- performing selected limited substantive testing including agreeing a selection of the Subject Matter Information to corresponding supporting information;
- considering the appropriateness of a selection of selected unit conversion factor calculations and other calculations used by Pekat to prepare the Subject Matter Information including by reference to widely recognised and established conversion factors;
- considering the organisational boundary of Pekat for the reporting of Subject Matter Information;
- evaluating the overall presentation of the Subject Matter Information; and
- reading the Sustainability Statement and narrative accompanying the Subject Matter Information in the Sustainability Statement with regard to the Reporting Criteria, and for consistency with our findings.

#### *Inherent limitations*

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Sustainability Statement may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Sustainability Statement, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

#### *Intended use of this report*

This limited assurance report, including our conclusion, has been prepared solely for the Board of Directors of Pekat in accordance with the terms of the letter of engagement between us. Our work has been undertaken so that we might state to Pekat those matters we are required to state to them in an independent limited assurance report and for no other purpose. We have not considered the interest of any other party in the Subject Matter Information.

To the fullest extent permitted by law, we do not accept nor assume responsibility and deny any liability to any party other than Pekat for our work or this report, or for the conclusion we have reached.

Our report is released to Pekat on the basis that it shall not be copied, referred to or disclosed, in whole (save for inclusion in the Pekat's Sustainability Statement 2024) or in part, without our prior written consent.

**Grant Thornton Consulting Sdn Bhd**  
Kuala Lumpur  
Date: 18 April 2025

## Board of Director's Profile



### KOK KONG CHIN

Independent Non-Executive Chairman

Date of Appointment: **17 September 2020**

No. of Board Meetings Attended in the Financial Year: **11/11**

Mr. Kok Kong Chin ("**Mr. Kok**") graduated from the National University of Malaysia with a Bachelor of Business Administration (Honours) degree and holds a Master of Business Administration from Schulich School of Business, York University, Canada. He has also completed the Advanced Leadership Programme by Judge Business School, University of Cambridge.

Mr. Kok has over 30 years of experience in the areas of corporate & investment banking, private equity, strategy and general management. He has held several senior positions in CIMB Investment Bank Berhad and CIMB Group Berhad during his tenure in the banking industry. Mr. Kok was also an Independent Non-Executive Director of Ping Petroleum Ltd and Group Managing Director of Tropicana Corporation Berhad (a public company listed on the Main Market of Bursa Malaysia Securities Berhad). Currently, he is an Executive Director of ENRA Group Berhad (a public company listed on the Main Market of Bursa Malaysia Securities Berhad).

He is not a member of any Board Committees.



### CHIN SOO MAU

Executive Director  
Managing Director  
Member, Employees' Share Option Scheme Committee

Date of Appointment: **17 September 2020**

No. of Board Meetings Attended in the Financial Year: **11/11**

Mr. Chin Soo Mau ("**Mr. Chin**") was appointed to the Board on 17 September 2020 as the Managing Director ("**MD**") and Chief Executive Officer ("**CEO**"). He was redesignated from MD/CEO to Executive Director of the Company on 1 January 2023 to focus on developing more business for Solaroo Systems Sdn. Bhd. and Pnexsoft Sdn. Bhd. as part of the corporate restructuring plans. Mr. Chin then reassumed his role as a MD on 22 August 2023 to provide stewardship to the Group's long-term strategic planning and direction, after successful implementation of the Company's corporate restructuring plans.

In 1995, he obtained a Higher National Diploma in Engineering (Electrical/Electronic) from the Nottingham Trent University, United Kingdom.

Mr. Chin founded Pekat Teknologi Sdn. Bhd. in August 1999 and was appointed as the MD of Pekat Teknologi Sdn. Bhd., a position he continues to hold in the Group till today. He led the Malaysian Photovoltaic Industry Association ("**MPiA**") as Vice-President from 2013 to 2016 and as President from 2017 to 2020. Having in-depth knowledge and experience in solar photovoltaic ("**PV**") systems, he had made many contributions towards the forming of our nation's solar PV policies as well as to the development of the industry. He currently retains an advisory role to MPiA.

## Board of Director's Profile



### TAI YEE CHEE

Executive Director  
Chief Executive Officer  
Member, Employees' Share Option Scheme Committee

Date of Appointment: **17 September 2020**

No. of Board Meetings Attended in the Financial Year: **11/11**

Mr. Tai Yee Chee ("**Mr. Tai**") is responsible to administer and manage the businesses and the day-to-day operations of the Company and Pekat group of companies. Mr. Tai previously held a position as Chief Operating Officer and was redesignated as CEO of the Company on 1 January 2023.

He graduated with a Bachelor of Engineering (Honours) in Electrical and Electronic at University of Hertfordshire, United Kingdom in July 1996.

Upon graduation, Mr. Tai joined Tokai Engineering (M) Sdn. Bhd. as a Sales and Project Engineer in July 1996 where he was involved in the marketing and sales of ELP systems and supervising the implementation of the ELP projects. He was promoted to Assistant Sales and Project Manager in August 1997. In April 2000, he left Tokai Engineering (M) Sdn. Bhd. and joined Pekat Teknologi Sdn. Bhd. in May 2000 as a Technical Manager where he was involved in sales of surge protection devices.

In June 2006, Mr. Tai was appointed as the Executive Director of Pekat Teknologi Sdn. Bhd., a position he continues to hold. He was also appointed as a Director in a number of companies within our Group.



### ONG KENG SIEW

Independent Non-Executive Director  
Chairman, Audit and Risk Management Committee  
Member, Nominating Committee  
Member, Remuneration Committee

Date of Appointment: **7 May 2019**

No. of Board Meetings Attended in the Financial Year: **11/11**

Mr. Ong Keng Siew ("**Mr. Ong**") is a Fellow member of the Association of Chartered Certified Accountants, United Kingdom, and a member of the Malaysian Institute of Accountants (MIA). He has also completed the Wharton Advance Management Program conducted by Wharton Business School, University of Pennsylvania.

Mr. Ong had an impressive career spanning over 30 years at Paramount Corporation Berhad ("**Paramount**"), a public company listed on the Main Market of Bursa Malaysia Securities Berhad. Mr. Ong joined Paramount as an Accountant in 1981 and he rose through the ranks of Finance and Administration Manager and General Manager.

He was appointed to the Board of Paramount on 14 November 1994. He assumed the post of Deputy Group Managing Director & Deputy Group CEO in 1997 and was appointed as Managing Director & CEO of Paramount on 1 December 2008. Mr. Ong retired as the Managing Director & CEO of Paramount on 18 June 2012.

Currently, Mr. Ong is also a Senior Independent Non-Executive Director of Paramount and an Independent Non-Executive Director of United Malacca Berhad (a public company listed on the Main Market of Bursa Malaysia Securities Berhad).



## Board of Director's Profile



### YEONG SIEW LEE

Independent Non-Executive Director  
Chairperson, Remuneration Committee  
Chairperson, Employees' Share Option Scheme Committee  
Member, Audit and Risk Management Committee  
Member, Nominating Committee

Date of Appointment: **17 September 2020**

No. of Board Meetings Attended in the Financial Year: **10/11**

Ms. Yeong Siew Lee ("**Ms. Yeong**") graduated from University of Wales College (United Kingdom) with a degree of Bachelor of Science (Honours) (Accounting and Finance) in 1999 and completed her Association of Chartered Certified Accountants (United Kingdom) in 2001.

She is a Chartered Accountant and also a member of the Malaysian Institute of Accountants (MIA). She began her career with GHL Systems Berhad ("**GHL**"), a public company listed on the Main Market of Bursa Malaysia Securities Berhad as an Assistant Accountant in 2003 and moved up the ranks and became Head/Assistant General Manager of Finance in 2008 to supervise the company's local and overseas accounting teams. She left GHL in August 2009 to venture into business in the consumer and architectural industry and was working as a finance adviser for SMR HR Group Sdn. Bhd.

Ms. Yeong is also an Independent Non-Executive Director of Binast Communications Berhad (a public company listed on the Main Market of Bursa Malaysia Securities Berhad) and AppAsia Berhad and Sinmah Capital Berhad (both public companies listed on the ACE Market of Bursa Malaysia Securities Berhad).



### DATIN SHELINA BINTI RAZALY WAHI

Independent Non-Executive Director  
Chairperson, Nominating Committee  
Member, Audit and Risk Management Committee  
Member, Remuneration Committee

Date of Appointment: **17 September 2020**

No. of Board Meetings Attended in the Financial Year: **10/11**

Datin Shelina Binti Razaly Wahi ("**Datin Shelina**") graduated from the University of Bristol with a Bachelor of Laws (Honours). She completed her Bar Vocational course at Lincoln's Inn, London in 1996 and was called to the Malaysian Bar in 1998.

Datin Shelina began her legal career as a litigation lawyer, then moved in-house as corporate counsel with a large multinational oil & gas company. Datin Shelina has also worked with a leading media, content & consumer service provider, been part of the pioneer team that started an airline, and has managed a food & beverages start up, before returning to corporate legal practice.

In addition to legal practice, Datin Shelina is currently the founding Secretary of the Malaysia Aerospace Industry Association and assists member companies in their dealings with Government agencies, banks and other industry stakeholders.

Datin Shelina is also an Independent Non-Executive Director of Marine & General Berhad and Alcom Group Berhad, which are both public companies listed on the Main Market of Bursa Malaysia Securities Berhad. She is a Non-Independent Non-Executive Director of Lam Soon (M) Berhad, a non-listed public company.

#### Notes:

Save as disclosed above, none of the Directors has:

1. any family relationship with any Director and/or major shareholder of the Company;
2. any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries which could materially interfere with the exercise of their judgement when acting in the capacity of a Director of the Company; and
3. any conviction for offences within the past five (5) years other than traffic offences, if any, or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

## Key Senior Management's Profile



### OH KENG JIN

Chief Financial Officer

M

54



Mr. Oh oversees the financial, accounting, and IT functions of our Group.

He holds a Diploma in Accounting from the London Chamber of Commerce and Industry (1990), became a member of the Association of Chartered Certified Accountants (ACCA) in 2001, was admitted as a Fellow in 2005, and has been a Chartered Accountant with the Malaysian Institute of Accountants since 2000.

He began his career in 1994 with Thiang & Co, where he was involved in statutory audits of private and public companies. He later joined Star Cruises Administrative Services Sdn. Bhd. as an Assistant Accountant, focusing on management accounting and budgeting.

Mr. Oh subsequently held finance roles at Dumex (Malaysia) Sdn. Bhd. (now known as Danone Specialized Nutrition (Malaysia) Sdn. Bhd.), F&N Dairies (M) Sdn. Bhd., Dutch Lady Milk Industries Berhad, and Shaklee Products (Malaysia) Sdn. Bhd., with responsibilities covering budgeting, financial analysis, and strategic planning.

In 2017, he joined F&N Beverages Marketing Sdn. Bhd. as Commercial Financial Controller, overseeing commercial finance.

Mr. Oh joined Pekat as Chief Financial Officer in December 2018, a position he continues to hold today.

#### Notes:

Save as disclosed above, none of the Key Senior Management has:

1. any directorship in public companies and listed issuers;
2. any family relationship with any Director and/or major shareholder of the Company;
3. any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries which could materially interfere with the exercise of their judgement when acting in the capacity of their position in the Company; and
4. any conviction for offences within the past five (5) years other than traffic offences, if any, or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

# Corporate Governance Overview Statement

The Board of Directors (“**the Board**”) of Pekat Group Berhad (“**Pekat**” or “**the Company**”) recognises the importance of upholding robust corporate governance practices in discharging its duties, ensuring sustainable value for shareholders, and safeguarding the interests of all stakeholders. Committed to excellence, the Board is dedicated to the adoption of sound corporate governance practices, in making informed decisions at all levels as well as overseeing the management of the Company and its subsidiaries (“**the Group**”) to foster continuous progression.

The Board is pleased to present the Corporate Governance Overview Statement (“**CG Overview Statement**”) that describes the extent to how the Group has applied and complied with the three (3) principles which are set out in the Malaysian Code on Corporate Governance (“**MCCG**”) during the financial year ended 31 December 2024 (“**FY2024**”):

## PRINCIPLE A

### Board Leadership and Effectiveness

## PRINCIPLE B

### Effective Audit and Risk Management

## PRINCIPLE C

### Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

This CG Overview Statement also serves to comply with Rule 15.25(1) of the ACE Market Listing Requirements (“**Listing Requirement**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and is to be read together with the Corporate Governance Report in respect of the financial year ended 31 December 2024 which is available on the Company’s website at <https://ir2.chartnexus.com/pekat/corporate-governance.php>.

## PRINCIPLE A: Board Leadership and Effectiveness

### PART I – BOARD RESPONSIBILITIES

#### Board Duties and Responsibilities

The Group is led and managed by experienced Board members from diverse backgrounds and with diverse qualifications. The Board remains cognizant of its responsibilities, diligently ensuring that the Company provides sustainable value and secures long-term success for its shareholders and stakeholders through their leadership. The Board is actively engaged in setting a strategic direction and overseeing the management of the Group within a strict control framework, aimed at ensuring adequate risk management.

The Board has delegated the responsibilities for managing the Group’s operational business to the Executive Directors and Chief Officers (“**the C-Suite Officers**”), with the aim of optimising operational efficiencies. The specific delegation parameters are set out in the Company’s Limits of Authority, providing the Executive Directors and the C-Suite Officers with the necessary framework to discharge their duties and responsibilities within defined thresholds. The Board periodically reviews the Company’s Limits of Authority as and when required, to enhance operational effectiveness in achieving the Company’s goals and objectives.

To ensure effective oversight of the Company’s operations, the Board has established the following Board Committees, with their respective designated Terms of Reference (“**TOR**”), to facilitate the Board in discharging its duties and responsibilities effectively:

- (i) Audit and Risk Management Committee (“**ARMC**”);
- (ii) Nominating Committee (“**NC**”); and
- (iii) Remuneration Committee (“**RC**”).

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.

## Corporate Governance Overview Statement

The Board Charter and the TORs of the respective Board Committees, which clearly define the duties and responsibilities of the Board and the respective Board Committees, are available on the Company's website at <https://ir2.chartnexus.com/pekat/corporate-governance>.

### Chairman of the Board & Separation of Roles between Chairman, Managing Director ("MD") and Chief Executive Officer ("CEO")

The positions of Chairman, MD and CEO are held by different individuals with distinct and separate roles and responsibilities to ensure a balance of power and authority between the three (3) individuals. The detailed roles and responsibilities of the Chairman, MD and CEO are outlined in the Board Charter, which is available on the Company's website at <https://ir2.chartnexus.com/pekat/corporate-governance>.

#### Chairman – Mr. Kok Kong Chin

- Instilling good corporate governance practices throughout the Group;
- Spearheading effective and orderly conduct of the Board;
- Providing leadership to the Board in collectively overseeing management;
- Responsible for ensuring the Board's effectiveness, and encouraging Board members to provide constructive advice in shaping strategies and policies and acting in the best interest of the Company;
- Allowing open expression and dissenting views from the Board members and senior management;
- Providing sufficient time for a comprehensive discussion of key matters and ensuring decisions are made on a sound and well-informed basis; and
- Reviewing and challenging strategic plans tabled by Management to ensure long term value creation and its implementation.

#### Managing Director – Mr. Chin Soo Mau

- Taking overall responsibility for the execution of the Group's long term strategic planning and direction;
- Driving the Group's businesses and performance towards achieving the Group's vision and goals; and
- Developing the Group's new business plans and business opportunities in accordance with the strategies and policies approved by the Board.

#### Chief Executive Officer – Mr. Tai Yee Chee

- Establishing and implementing the Company's strategies and policies approved by the Board;
- Supervising the day-to-day operations of the Group;
- Setting Pekat's visions, mission, and values;
- Identifying potential beneficial opportunities for the Group or collaborations with other companies; and
- Leading the senior management in decision-making, implementation and management of the Group's day-to-day operations.

The Chairman of the Board is not a member of any Board Committees.

### Qualified and Competent Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries, who are qualified under Section 235(2)(a) of the Companies Act 2016 and registered with the Companies Commission of Malaysia.

The Company Secretaries attended all Board and Board Committee meetings to ensure that meetings were properly convened and all deliberations as well as decisions made by the Board and Board Committees were accurately minuted and recorded. The Company Secretaries advise the Board in relation to corporate disclosures, corporate governance matters, compliance and regulatory requirements. They also keep the Board abreast of the changes in the MCCG and Listing Requirements and assist the Board in the adoption of the best corporate governance practices.

## Corporate Governance Overview Statement

The Company Secretaries also provide guidance to the Board on the contents and timing of material announcements to be made to Bursa Securities and facilitate the annual Board Effectiveness Assessment. Further details on the roles and responsibilities of the Company Secretaries are stated in the Board Charter, which is accessible on the Company's website at <https://ir2.chartnexus.com/pekat/corporate-governance>.

The Company Secretaries, Ms. Ong Wai Leng and Ms. Choo Sook Fun, resigned on 19 August 2024 and were replaced by Ms. Yeow Sze Min and Ms. Yee Kit Yeng on the same day.

### Board Meetings, Access to Meeting Materials, Information and Advice

The Board is scheduled to meet quarterly to review the business performance of the Group, including both operational and financial performance. Additional Board meetings are convened to address urgent matters and seek the Board's advice and approval, as and when necessary.

In order to facilitate robust Board discussion, the Chairman and the Chair of the respective Board Committees, with the assistance of the Company Secretaries, have reviewed all agendas set out in the notice of meetings before circulating to the committee members.

Notices and meeting papers are circulated to all the Directors via email at least five (5) business days prior to the meetings to ensure all Directors have ample preparation time and information for informed decision-making at each meeting. Hard copies are available upon request by the Board members for easy reference. Management is invited to attend Board and Board Committees meetings to provide explanations on issues relating to the meeting agenda.

The Board has unrestricted access to all information of the Group and may seek advice from Management as necessary. The Board is entitled to seek other independent professional advice at the cost of the Company, if necessary, in order to discharge their duties and responsibilities.

Minutes of the respective meetings are circulated to the Board and Board Committees respectively in a timely manner for their review and comments before being tabled for confirmation at the subsequent meetings.

The attendance of individual Directors for the meetings of the Board and Board Committees, for FY2024 are as follows:

Name of Directors	Number of Meetings Attended			
	Board	ARMC	NC	RC
Kok Kong Chin	11/11	-	-	-
Chin Soo Mau	11/11	-	-	-
Tai Yee Chee	11/11	-	-	-
Ong Keng Siew	11/11	7/7	2/2	1/1
Yeong Siew Lee	10/11	7/7	2/2	1/1
Datin Shelina Binti Razaly Wahi	10/11	7/7	2/2	1/1

#### Notes:

Total number of meetings in FY2024

Board meeting : 11

ARMC meeting : 7

NC meeting : 2

RC meeting : 1

No ESOS meeting was held during FY2024



## Corporate Governance Overview Statement

### Directors' Training

In accordance with Rule 15.08(3) of the Listing Requirements, the Board members attended various training programmes during the financial year under review as follows, to ensure that all directors are kept abreast of the relevant developments in business updates, accounting standards as well as relevant rules and regulations amended from time-to-time.

The training programmes attended by the Board for FY2024 are as follows:

Directors	Training(s) Attended
Kok Kong Chin	<ul style="list-style-type: none"> <li>• Alternative Investments Forum</li> <li>• Chasing Opportunities</li> <li>• Training on Conflict of Interest and Directors' Obligations</li> <li>• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>• Bursa PLCs IR4U Series 9: Market Outlook 2024</li> <li>• Malaysian Code on Corporate Governance "MCCG" 2022 with Highlights of Departures &amp; Gaps</li> <li>• Understanding the Amendments to Listing Requirements 2022, Guidelines on Conduct of Directors of Listed Corporation &amp; their Subsidiaries as Issued by Securities Commission and the Application of Fit &amp; Proper Policy</li> <li>• Bursa PLCs Investor Relations Series 12 - BR Capital: The Digital Credit Market Platform for PLCs &amp; Non-PLCs</li> </ul>
Chin Soo Mau	<ul style="list-style-type: none"> <li>• Malaysian Code on Corporate Governance "MCCG" 2022 with Highlights of Departures &amp; Gaps</li> <li>• Understanding the Amendments to Listing Requirements 2022, Guidelines on Conduct of Directors of Listed Corporation &amp; their Subsidiaries as Issued by Securities Commission and the Application of Fit &amp; Proper Policy</li> <li>• Conflict of Interest</li> <li>• Sales Winner</li> <li>• The Way To Success</li> </ul>
Tai Yee Chee	<ul style="list-style-type: none"> <li>• Power of Change</li> <li>• Malaysian Code on Corporate Governance "MCCG" 2022 with Highlights of Departures &amp; Gaps</li> <li>• Understanding the Amendments to Listing Requirements 2022, Guidelines on Conduct of Directors of Listed Corporation &amp; their Subsidiaries as Issued by Securities Commission and the Application of Fit &amp; Proper Policy</li> <li>• Conflict of Interest</li> </ul>
Ong Keng Siew	<ul style="list-style-type: none"> <li>• Sustainable Sustainability – Why ESG Is Not Enough</li> <li>• 35<sup>th</sup> Palm&amp; Lauric Oils Price Outlook Conference &amp; Exhibition (POC2024)</li> <li>• ICDM PowerTalk - Future-Proofing Malaysian Businesses: Navigating Cyber-Threats in the Age of AI</li> <li>• Malaysian Code on Corporate Governance "MCCG" 2022 with Highlights of Departures &amp; Gaps</li> <li>• Understanding the Amendments to Listing Requirements 2022, Guidelines on Conduct of Directors of Listed Corporation &amp; their Subsidiaries as Issued by Securities Commission and the Application of Fit &amp; Proper Policy</li> <li>• Conflict of Interest</li> <li>• 3<sup>rd</sup> REHDA Selangor Housing Convention 2024</li> <li>• Invitation Board Ethics: Growing Concerns from new Technology, Stakeholder Interests &amp; Conflict of Interest</li> <li>• Asia Pacific Board Leadership Centre</li> <li>• 2025 Budget</li> </ul>
Yeong Siew Lee	<ul style="list-style-type: none"> <li>• Navigating Company Litigation - Recovering Debts, Resolving Disputes and Distressed/Insolvent Debtors</li> <li>• MIA International Accountants Conference 2024</li> <li>• Malaysian Code on Corporate Governance "MCCG" 2022 with Highlights of Departures &amp; Gaps</li> <li>• Understanding the Amendments to Listing Requirements 2022, Guidelines on Conduct of Directors of Listed Corporation &amp; their Subsidiaries as Issued by Securities Commission and the Application of Fit &amp; Proper Policy</li> <li>• Transfer Pricing Conference 2024</li> </ul>

## Corporate Governance Overview Statement

Directors	Training(s) Attended
Datin Shelina Binti Razaly Wahi	<ul style="list-style-type: none"> <li>• IAWA (International Aviation Women's Association) Asia Forum</li> <li>• Understanding the Net in "Net-Zero": Taxonomy, Options &amp; Strategies in Carbon Removal</li> <li>• Board Governance &amp; Oversight: ESG Impact on Group's Business</li> <li>• Drone Awareness Seminar "Insights on Malaysia's Urban Air Mobility"</li> <li>• Defence Services Asia</li> <li>• Economic Market Updates</li> <li>• PNB Knowledge Forum 2024 - Economic Complexity: Navigating The Threads Of Economic Relatedness</li> <li>• Malaysian Code on Corporate Governance "MCCG" 2022 with Highlights of Departures &amp; Gaps</li> <li>• Understanding the Amendments to Listing Requirements 2022, Guidelines on Conduct of Directors of Listed Corporation &amp; their Subsidiaries as Issued by Securities Commission and the Application of Fit &amp; Proper Policy</li> <li>• Navigating ESG reporting and understanding carbon neutrality for products and services</li> <li>• Personal Liabilities of Directors</li> <li>• Fireside Chat with PNB Nominee Directors</li> <li>• ESG / Impact Investing – What are Investors Looking for?</li> <li>• Malaysia Aerospace Summit 2024</li> <li>• Cyber Security Awareness Day</li> <li>• Building Sustainable Credibility: Assurance, Greenwashing and The Rise of Green-hushing</li> <li>• Conflict of Interest and Governance of COI</li> <li>• Aligning Risk Management to Strategy and Purpose</li> <li>• A comprehensive Introduction to Corporate Governance – Role of the Board and Senior Management</li> </ul>

### Board Charter

The Company's Board Charter clearly sets out the responsibilities and functions of the Non-Executive Chairman, Managing Director, Chief Executive Officer, Executive and Non-Executive Directors, Senior Independent Directors and lastly the Independent Directors. The Board Charter also clearly defines the matters that are specifically reserved for the Board, as detailed below:



The Board reviews the Board Charter periodically to ensure that it is updated regularly to be consistent with the Board's objectives, the Group's business direction and the applicable laws and practices. The Board Charter is available on the Company's website at <https://ir2.chartnexus.com/pekat/corporate-governance>.

## Corporate Governance Overview Statement

### Code of Conduct and Ethics for Directors

The Company remains committed to enforcing its Code of Conduct and Ethics (“**the Code**”), a guideline that sets out the Directors’ oversight responsibility, emphasising Directors’ duties to act in the best interests of the Company within the scope of their authority and fiduciary duties as well as the high standards of corporate governance that are expected to be upheld consistently by the Directors. With a principal objective of safeguarding the interest of shareholders and stakeholders, the Code governs the business conduct and ethical behaviours of Directors and ensures adherence to the fundamental principles of integrity, objectivity, accountability, openness, honesty, and leadership. The Code of Conduct and Ethics is available on the Company’s website at <https://ir2.chartnexus.com/pekat/corporate-governance>.

### Anti-Bribery and Corruption Policy

The Company has a zero-tolerance policy against all forms of bribery and corruption. In order to commit to high standards of business integrity, ethical conduct and accountability following the enforcement of Section 17A of the Malaysian Anti-Corruption Commission (Amendments) Act 2018, the Company’s Anti-Bribery and Corruption Policy (“**ABC Policy**”) provides guidance to ensure that the Group’s employees and business partners comply with the relevant rules and regulations that prohibit improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business. The ABC Policy is available on the Company’s website at <https://ir2.chartnexus.com/pekat/corporate-governance>.

### Whistleblowing Policy

The Company has adopted a Whistleblowing Policy to facilitate the whistleblowing process by employees, customers, suppliers, and other stakeholders through a proper and confidential channel.

Whistle-blowers are encouraged to report any complaints of improper conduct or confidential feedback on a legitimate concern through an independent channel without fear of being interfered with, intimidated, or retaliated against. A whistleblowing report form is attached with the Whistleblowing Policy to make it easy for the whistle-blowers to submit reports. The report can be made verbally to the Chairman or any member of the ARMC or in writing via email at [whistleblower@pekatgroup.com](mailto:whistleblower@pekatgroup.com) which is directly accessible by the ARMC Chairman.

The Whistleblowing Policy is available on the Company’s website at <https://ir2.chartnexus.com/pekat/corporate-governance>.

### Sustainability Risk & Opportunities

The Board, together with Management, is responsible for the governance of sustainability to ensure it’s integrated into the Group’s business strategies, risk management and operations. The Group has developed a Sustainability Policy to support the Group’s objectives of realising its goal to develop a sustainable business.

A Sustainability Management Committee comprising representatives from various departments such as project, supply chain, operations, marketing, human resource, information technology and finance, was formed to assist the Board and senior management in implementing sustainability initiatives set by the Board. The Sustainability Management Committee is led by the Chief Executive Officer and supported by the Chief Financial Officer.

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. During the Board’s meeting on 28 November 2024, the sustainability progress report prepared by the Sustainability Management Committee was presented to the Board to keep the Board informed and apprised of the latest sustainability developments that are relevant to the Group.

Recognising the evolving nature of sustainability practices within the engineering and renewable energy industries, the Board acknowledged the need for training programmes focusing on ESG requirements and pertinent sustainability issues. Throughout the financial year 2024, the Board attended various training programmes including those related to corporate governance, sustainability, ESG matters, cybersecurity and 2025 Budget, to stay updated with recent developments and best practices in the field.

However, the Group has not adopted Practices 4.1 and 4.2 of the MCCG as the Company has yet to set up sustainability targets.

## Corporate Governance Overview Statement

### PART II – BOARD COMPOSITION

#### Board Size and Composition

The Board comprises six (6) members, including two (2) Executive Directors and four (4) Independent Non-Executive Directors, which fulfils the prescribed requirement of one-third (1/3) of the Board to be independent as stated under Rule 15.02(1) of Listing Requirements of Bursa Securities. In addition, the Company also complies with Practice 5.2 of MCGG which requires at least half of the Board comprises Independent Directors.

#### BOARD OF DIRECTORS

Executive Directors	Independent Non-Executive Directors
<ul style="list-style-type: none"> <li>Chin Soo Mau</li> <li>Tai Yee Chee</li> </ul>	<ul style="list-style-type: none"> <li>Kok Kong Chin</li> <li>Ong Keng Siew</li> <li>Yeong Siew Lee</li> <li>Datin Shelina Binti Razaly Wahi</li> </ul>

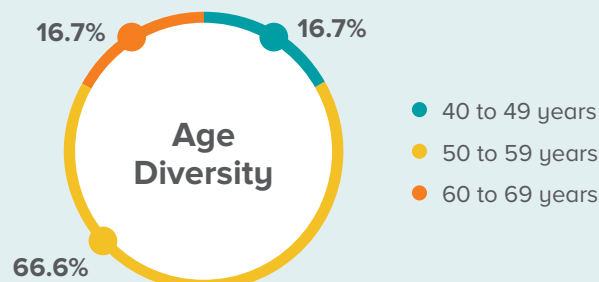
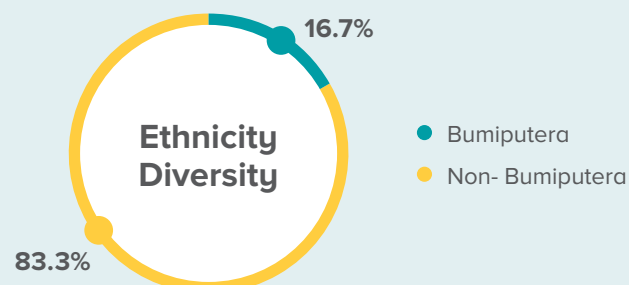
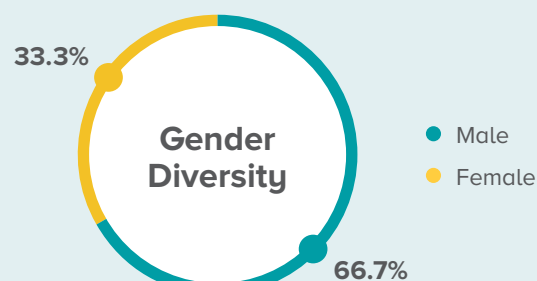
None of the Independent Directors has served on the Board for more than nine (9) consecutive years, in compliance with Practice 5.3 of the MCGG.

#### Diversity of the Board

The significance of the diversity on the Board regarding skills, experience, age, cultural background and gender has always been emphasised by the Board to ensure there is a variety of professional experience that can contribute to the growth of the Company.

During the financial year under review, the Company adopted Practices 5.9 and 5.10 of the MCGG, whereby the Board comprises at least 30% of women directors. The Company has established a Gender Diversity Policy to outline a framework for enhancing gender diversity at the Board and senior management level. The Gender Diversity Policy is available on the Company's website at <https://ir2.chartnexus.com/pekat/corporate-governance>.

As of 31 December 2024, the diversity of the Board is as follows:



## Corporate Governance Overview Statement

The current composition of the Board provides an appropriate 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. The Board is made up of individuals with diverse backgrounds and experience in the following areas:

### SKILLS AND EXPERIENCE OF THE BOARD



**Engineering**



**Sales and Marketing**



**Private Equity**



**Accounting, Financial Management and Taxation**



**Legal and Regulatory Requirements**



**Corporate and Investment Banking**

The profile of the members of the Board can be found on pages 51 to 53 of this Annual Report.

### Nominating Committee

The NC consists of three (3) members of the Board, comprising exclusively of Independent Non-Executive Directors, details of which are described below:

Name of Directors	Designation
Datin Shelina Binti Razaly Wahi (Chairperson)	Independent Non-Executive Director
Ong Keng Siew (Member)	Independent Non-Executive Director
Yeong Siew Lee (Member)	Independent Non-Executive Director

The NC meets at least once a year to assist the Board in overseeing matters related to the re-appointment of Directors, to review of the required skill sets and to undertake formal and objective annual evaluations to assess the effectiveness of the Board, its committees and each individual director. During FY2024, the NC conducted two (2) meetings, with full attendance from all committee members at the NC meetings.

### Nominating Function

#### (i) Board Assessment

The NC assessed and evaluated the performance and effectiveness of the Board and Board Committees as a whole and contribution of each individual Director.

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 Directors. The Board through the NC would undertake the following assessments annually and the results of the evaluations are assessed by the NC and presented to the Board:

- Board Assessment as a whole;
- Board Committees' Assessment;
- Board Skills Matrix evaluation;
- Independent Directors' Self-Assessment; and
- Review of the term of office and performance of ARMC and each of its members.

The independence of the Independent Non-Executive Directors of the Company had been fulfilled in accordance with the Listing Requirements of Bursa Securities and would not impede their independence in carrying out their duties in the Board and Board Committees respectively.



## Corporate Governance Overview Statement

Based on the outcome of the abovementioned assessment conducted by the NC for FY2024, the Board was satisfied that:

- 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.

Following an assessment of the Board's effectiveness for FY2024, it was highlighted that the succession planning remains a key area of focus for the Group. While progress has been made in formalising the Group's succession plan, it remains an ongoing process. The Board and Management are fully committed to further refining the Group's succession planning framework and enhancing governance practices.

### (ii) Re-appointment of Directors

Based on the annual assessment of the Board's results and the fit and proper assessments for FY2024, 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 Annual General Meeting ("AGM").

The justifications for the re-election of Mr. Chin Soo Mau and Datin Shelina Binti Razaly Wahi were clearly stated in the explanatory notes of the resolutions in the Notice of the Sixth AGM. Their profiles, inclusive of details of their age, gender, working experience, any conflict of interest and directorship in other companies were also detailed in this Annual Report and in the statement accompanying the notice of the Sixth AGM to enable shareholders to make an informed decision.

All Directors standing for re-election abstained from deliberations and decisions on their eligibility to stand for re-election at the Sixth AGM.

The roles and responsibilities of the NC are governed by the TOR which is available on the Company's website at <https://ir2.chartnexus.com/pekat/corporate-governance>.

## PART III – REMUNERATION

### Remuneration Committee

The RC was established to provide overall guidance and make recommendations to the Board for the remuneration and other benefits of the directors and key senior management of the Group.

The RC consists of three (3) members of the Board, comprising exclusively of Independent Non-Executive Directors, details of which are described below:

Name of Directors	Designation
Yeong Siew Lee (Chairperson)	Independent Non-Executive Director
Ong Keng Siew (Member)	Independent Non-Executive Director
Datin Shelina Binti Razaly Wahi (Member)	Independent Non-Executive Director

The RC meets at least once a year to discuss and the review the remuneration packages of the Non-Executive Directors, Executive Directors, and Key Senior Management prior to recommending to the Board for its approval, and if necessary, the Board will recommend the same to the shareholders for approval. During FY2024, the RC conducted one (1) meeting, with full attendance from all committee members at the RC meeting.

The RC, guided by the Company's Remuneration Policy, assessed the remuneration package of Executive Directors by taking into consideration the Group's performance in terms of operations, finance, risk management and opportunities, business strategies as well as long-term objectives of the Company. The remuneration package for Executive Directors includes basic salary, allowances, bonuses, benefits-in-kind, and other emoluments.

The remuneration package for Non-Executive Directors was assessed based on their respective roles and responsibilities, and contributions, including their attendance at the Board and Board Committees meetings.

The directors shall abstain from voting on the resolution relating to their remuneration at the Sixth AGM.

The roles and responsibilities of the RC are governed by the TOR and the Remuneration Policy which are available on the Company's website at <https://ir2.chartnexus.com/pekat/corporate-governance>.

## Corporate Governance Overview Statement

### Details of Directors' Remuneration

The remuneration of the Directors of the Company and the Group for FY2024 are as follows:

Name of Directors	Company (RM'000)						Group (RM'000)						Total (RM'000)
	Fee	Allowance	Salary	Bonus	Benefits-in-Kind	Other Emoluments	Fee	Allowance	Salary	Bonus	Benefits-in-Kind	Other Emoluments	
Kok Kong Chin	80.0	11.0	-	-	-	-	80.0	11.0	-	-	-	-	91.0
Chin Soo Mau	-	102.0	534.8	89.1	-	120.9	-	102.0	534.8	89.1	18.9	120.9	865.7
Tai Yee Chee	-	96.0	511.8	85.3	-	114.7	-	96.0	511.8	85.3	10.6	114.7	818.4
Ong Keng Siew	53.0	11.0	-	-	-	-	53.0	11.0	-	-	-	-	64.0
Yeong Siew Lee	51.0	11.0	-	-	-	-	51.0	11.0	-	-	-	-	62.0
Datin Shelina Binti Razaly Wahi	51.0	11.0	-	-	-	-	51.0	11.0	-	-	-	-	62.0
<b>Total</b>	<b>235.0</b>	<b>242.0</b>	<b>1,046.6</b>	<b>174.4</b>	<b>-</b>	<b>235.6</b>	<b>235.0</b>	<b>242.0</b>	<b>1,046.6</b>	<b>174.4</b>	<b>29.5</b>	<b>235.6</b>	<b>1,963.1</b>

### Remuneration of Key Senior Management

On the disclosure of the remuneration of Key Senior Management (“KSM”) on a named basis, the Board was of the view that it would not be in the best interests of the Company given the competitive industries in which the Group operates. As such, disclosure may result in adverse recruitment and talent retention matters.

The Board, however, has disclosed the remuneration of KSM of the Group for FY2024, on an aggregated basis as follows:

Range of Remuneration	Number of KSM
RM550,001 to RM600,000	1
<b>Total</b>	<b>1</b>

## Corporate Governance Overview Statement

### PRINCIPLE B: Effective Audit and Risk Management

#### PART I – AUDIT AND RISK MANAGEMENT COMMITTEE

The ARMC comprises three (3) Independent Non-Executive Directors. The Chairman of the ARMC and the Chairman of the Board are held by two (2) different individuals, thus, it allows the Board to objectively review the ARMC findings and recommendations. In addition, none of the ARMC members is a former partner of the external audit firm to the Company.

Name of Directors	Designation
Ong Keng Siew (Chairman)	Independent Non-Executive Director
Yeong Siew Lee (Member)	Independent Non-Executive Director
Datin Shelina Binti Razaly Wahi (Member)	Independent Non-Executive Director

The roles and responsibilities of the ARMC are clearly stated in the TOR of the ARMC and are available on the Company's website at <https://ir2.chartnexus.com/pekat/corporate-governance>.

The ARMC members have a wide range of skills, expertise and experience in terms of law, finance, accounting, and commercial experience from various industries. All members of the ARMC are financially literate, competent and are able to understand matters tabled and deliberated in the meeting including the financial reporting process.

For the ARMC to discharge their responsibilities and duties effectively, the members participate in and attend relevant training or courses to keep themselves abreast of any amendments made in the accounting and auditing standards, practices of MCGG, Listing Requirements and other relevant rules and regulations.

#### External Auditors

During the financial year under review, the ARMC evaluated and assessed the suitability, objectivity and independence of the External Auditors ("EA") including its audit quality, resources, competence and information presented in the Annual Transparency Report of the Audit Firm. The ARMC was satisfied with the results of the assessment and the EA's performance for FY2024.

The ARMC reviewed both the audit and non-audit fees tabled by the EA and acknowledged that the Company may require non-audit related services, but it does not impair the EA's professional independence as the Company's EA.

The ARMC had obtained written assurance from the EA in confirming that they were and have been independent throughout the audit process in accordance with the relevant professional and regulatory requirements.

Upon recommendation made by the ARMC, the Board agreed to propose the re-appointment of the Company's EA for shareholders' approval at the Sixth AGM.

#### PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The ARMC provides oversight and direction on risk management matters to ensure the adequacy and effectiveness of the Group's risk management and internal control system. The Group's internal function is outsourced to an independent professional firm, Resolve IR Sdn. Bhd., to provide an independent assessment on the adequacy of internal controls and monitor the effectiveness of the Group's internal control system.

The ARMC, together with Management, reviewed all reports and findings prior to presenting the significant matters which require the Board's attention, deliberation and actions to be taken on the mitigating measures. The Board is of the opinion that the Group's risk management and internal control system is adequate and effective to safeguard shareholders' interest and the Group's assets.

The details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control from pages 72 to 76 of this Annual Report.

## Corporate Governance Overview Statement

### PRINCIPLE C:

#### Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

##### PART I – ENGAGEMENT WITH STAKEHOLDERS

The Company engages its shareholders and other stakeholders through various platforms such as announcements submitted to Bursa Securities, disclosure on the Company's corporate website, general meetings, media releases as well as briefings to analysts and media.

The Board ensures that all relevant corporate information, financial and material information has been disclosed to the stakeholders in a timely manner.

The Company also provides a general line number and general enquiry email address, [enquiries@pekatgroup.com](mailto:enquiries@pekatgroup.com) for shareholders and stakeholders to directly send in any enquiry, provide feedback and complaints, and communicate with the Company.

Details of stakeholder engagement for FY2024 are set out in the Sustainability Statement from pages 17 to 50 of this Annual Report.

##### PART II – CONDUCT OF GENERAL MEETINGS

The general meeting of the Company is another channel of engagement where it serves as a principal forum for the Company and the shareholders to meet and discuss matters related to the Company's financial performance, prospects and growth, and to seek shareholders' approval on resolutions.

The Company's Fifth AGM and Extraordinary General Meetings ("EGM") were held virtually by way of live streaming from the broadcast venue on 11 June 2024 and 10 October 2024, respectively in accordance with the Company's Constitution, and Guidance and FAQs on the Conduct of General Meetings for Listed Issuers published by Securities Commission Malaysia. All Board members together with the Company Secretary and Chief Financial Officer were physically present at the broadcast venue whilst the audit partner of Grant Thornton Malaysia PLT, the Company's external auditors, joined meetings via video conferencing.

In line with the best practice of the MCCG, the notice of AGM was issued at least twenty-eight (28) days before the AGM, enabling shareholders to have ample time to review the financial and operational performance to consider the resolutions. Explanatory notes also accompanied the notice of AGM to provide further explanation on each resolution proposed to facilitate informed decision-making by the shareholders.

To encourage active participation and engagement with the Shareholders, they were allowed to post questions before and during the AGM via online meeting platforms. Any questions posted by shareholders during the voting session were also addressed before the declaration of results. The Board also presented the questions raised by the Minority Shareholders Watch Group ("MSWG") prior to the AGM and the Company's responses to all shareholders during the AGM.

During the AGM, Mr. Tai Yee Chee, the Company's CEO, presented the Company's achievements for FY2023, while Mr. Oh Keng Jin, the Chief Financial Officer presented the Group's financial highlights for FY2023.

For the benefit of all shareholders who did not have the opportunity to attend the AGM and EGM, the Company's responses to the questions raised by the MSWG and posed by shareholders via online meeting platforms have also been published on the Company's websites together with the minutes of AGM at <https://ir2.chartnexus.com/pekat/agm.php> and minutes of EGM at <https://ir2.chartnexus.com/pekat/egm.php>, within 30 business days following the respective AGM and EGM.

##### Statement by the Board on Corporate Governance Overview Statement

The Board is of the view that the Corporate Governance Overview Statement has provided the necessary information to assist shareholders in assessing how the principles and best practices of the MCCG have been adopted and complied with by the Company. The Board remains fully committed to achieving the highest level of integrity and ethical standards in delivering the objectives and sustainable performance of the Group in the long run.

The Company's Corporate Governance Report and Corporate Governance Overview Statement were approved by the Board on 27 March 2025.

# Audit And Risk Management Committee Report

The Board of Directors (“**the Board**”) of Pekat Group Berhad (“**Pekat**” or “**the Company**”) is delighted to present the Audit and Risk Management Committee (“**ARMC**”) Report for the financial year ended 31 December 2024 (“**FY2024**”), providing insights on the effectiveness of how the ARMC discharged its functions for the Group. The ARMC Report was prepared in compliance with Rule 15.15 of the ACE Market Listing Requirements (“**ACE LR**”) of Bursa Malaysia Securities Berhad.

The ARMC is established to assist the Board in discharging its statutory and fiduciary duties and responsibilities relating to accounting and reporting practices as well as risk management policies and strategies and sustainability initiatives of the Company and its subsidiaries. It reviews the quarterly financial information before recommending it to the Board for approval and releases to Bursa Malaysia Securities Berhad (“**Bursa Securities**”). In addition to this, the ARMC reviews the systems of internal controls which Management and the Board have established and makes recommendations to Management on actions to be taken, if any, based on the reports of the independent Internal and External Auditors.

## COMPOSITION

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors. This meets the requirements of Rule 15.09 of ACE LR of Bursa Securities and satisfied the test of independence under the ACE LR of Bursa Securities and Step-Up Practice 9.4 of the Malaysian Code on Corporate Governance (“**MCCG**”).

The Terms of Reference (“**TOR**”) for the ARMC stipulate that the Company’s former key audit partner must adhere to a cooling-off period of at least three (3) years before appointed as a member of the ARMC, aligning with the recommendation of Practice 9.3 of the MCCG. During the financial year under review, none of the ARMC members were former key audit partners of the Company’s External Auditors.

Mr. Ong Keng Siew, the Chairman of ARMC, is a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom, in compliance with Rule 15.09(1)(c) of the ACE LR.

In addition, he does not hold the position as the Chairman of the Board, which has adopted the recommendation of Practice 9.1 of the MCCG.

The members of ARMC and their respective designations are as follows:

Name	Designation	Directorship
Ong Keng Siew	Chairman	Independent Non-Executive Director
Yeong Siew Lee	Member	Independent Non-Executive Director
Datin Shelina Binti Razaly Wahi	Member	Independent Non-Executive Director

The Board, via the Nominating Committee (“**NC**”), assessed the terms of office, composition, and performance of the ARMC through the annual Board Assessment. The NC and the Board were satisfied that the present composition of the ARMC has effectively discharged its duties and responsibilities in accordance with its TOR. The ARMC has also provided constructive feedback to the Board, facilitating well-informed decisions and contributing to the overall efficiency of the Board’s function.

## AUTHORITY, DUTIES AND RESPONSIBILITIES OF ARMC

The primary responsibilities of ARMC are to assist the Board in fulfilling its oversight responsibilities in areas of financial reporting, internal control systems, risk management, internal audit and external audit functions.

The ARMC is governed by its TOR, which outline the authorities, duties, and responsibilities of the ARMC. The TOR of the ARMC is published on the Company’s website at <https://ir2.chartnexus.com/pekat/corporate-governance.php>.



## Audit And Risk Management Committee Report

### MEETINGS

During FY2024, the ARMC held a total of seven (7) meetings, with full attendance from all three (3) members of the ARMC. The Managing Director, Chief Executive Officer and Chief Financial Officer (“**CFO**”) of the Company are invited to attend the ARMC meeting, as and when required, to provide input and clarifications on audit matters and other relevant issues pertaining to the Groups’ operations. Additionally, the ARMC has an explicit right to convene meetings with both the Internal Auditors and External Auditors without the presence of other directors and employees.

The ARMC met with the External Auditors without the presence of all the Executive Board members and Management two (2) times during the financial year, which is beyond the requirement of at least once as stipulated in the TOR, to encourage a greater exchange of free and honest views between both parties.

The External Auditors of the Company, Grant Thornton Malaysia PLT (“**Grant Thornton**”), attended the ARMC meetings to present the audit plan and audit completion memorandum, and provide clarification relating to the audit issues, audited financial statements, and other related matters.

The Company’s outsourced Internal Auditors, Resolve IR Sdn. Bhd. attended the ARMC meetings to present the internal audit reports and internal audit follow-up reports.

The ARMC Chairman briefed the Board on all deliberated matters and reported to the Board the significant matters requiring the Board’s attention on the matters raised by the External Auditors or Internal Auditors during the meeting. The ARMC Chairman also presented the ARMC’s recommendations in respect of the Group’s annual financial statements, quarterly financial reports and any proposals that required approval of the Board at the Board meetings.

The Company Secretary and/or the representatives attended all ARMC meetings and all deliberations were recorded in the minutes. The minutes of each ARMC meeting were circulated to the Management, Chairman of ARMC as well as the ARMC members for their comments before being tabled at the following ARMC meeting for approval as correct record of proceedings.

The notice of meetings, management reports and ARMC meeting 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 ease reference.

### SUMMARY OF ACTIVITIES

The ARMC has carried out its duties in accordance with its TOR. A summary of the work and activities undertaken by the ARMC during FY2024 includes the following:

#### 1. Financial Reporting

- Reviewed all unaudited quarterly financial reports and audited financial statements before recommending them for approval by the Board for releasing announcement to Bursa Securities.
- The CFO attended all ARMC meetings to present and explain the financial performance of the Group. In the review of the annual audited financial statements, the ARMC discussed with Management and together with the External Auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements as well as issues and reservations arising from the statutory audit.

#### 2. Re-appointment of External Auditors

- Conducted an annual assessment of the External Auditors with input from Management by completing an evaluation form. The assessment covered the External Auditors’ suitability, objectivity, experience and technical knowledge as well as the quality of services provided, adequacy of audit resources and interactions with Management based on the External Auditors’ performance in auditing the Company’s financial statements for FY2024.
- Obtained written assurance from the External Auditors confirming their independence and compliance with ethical requirements throughout the audit engagement.
- Satisfied with the External Auditors’ performance for FY2024, taking into consideration their technical competencies, audit quality, manpower resource sufficiency to perform the audit of the Group and the ARMC made recommendation to the Board the re-appointment of Grant Thornton as the External Auditors of the Company, for the Board recommendation to the shareholders for approval at the Sixth Annual General Meeting.

## Audit And Risk Management Committee Report

### 3. External Audit

- Reviewed and approved the External Auditors' proposed Audit Planning Memorandum for FY2024, covering the scope of work, audit approach and process, potential key audit matters, proposed audit timeline and reporting schedule, engagement team, regulatory compliance, relevant accounting standards issued by the Malaysian Accounting Standard Board and other relevant technical pronouncements.
- Reviewed the statutory audit fees and non-audit service fees for FY2024.
- Reviewed the External Auditors' audit completion memorandum of the Group for FY2024, covering the significant audit findings and financial reporting matters.
- Reviewed and discussed the External Auditors' audit report, covering the key audit matters raised, expected audit opinions and areas for concern highlighted in the Management letter, including Management's response to the concerns raised by the External Auditors.
- During FY2024, the ARMC held two (2) private sessions with the External Auditors without the presence of Executive Directors and Management on 23 February 2024 and 23 April 2024, in order to provide the External Auditors with an avenue to candidly discuss any audit concerns that need to be highlighted to the ARMC as well as the level of cooperation received from Management.

### 4. Internal Audit

- Reviewed internal audit report issued by the outsourced internal audit function in respect of the audit activities conducted, including the observations, recommendations for improvements, Management's responses as well as actions taken to improve the system of internal control and procedures. Where appropriate, the ARMC has directed Management to rectify and improve control procedures and workflow processes based on the internal audit function's recommendations and suggestions for improvement.
- Reviewed follow-up reports presented by the Internal Auditors at subsequent ARMC meetings to monitor the implementation of recommended action plans. These reports provided the ARMC with assurance that all key control matters identified during the audits were appropriately addressed.
- Reviewed the adequacy of the scope, functions, resources and competency of the internal audit function.

### 5. Review of Related Party Transactions ("RPT")

- Reviewed recurrent RPT reported by Management on a quarterly basis and ensured compliance with the provisions of the ACE LR of Bursa Securities.

### 6. Review of Conflict of Interest

- Reviewed and monitored any conflict of interest ("COI") situation that arose, persist or may arise within the Group.

No COI or any potential COI was identified or reported among the board members during the financial year under review.

### 7. Other Activities

During FY2024, the ARMC has also deliberated on the following matters:

- Reviewed the ARMC Report and Statement on Risk Management and Internal Control for disclosure in the Annual Report.
- Reviewed the revised Anti-Bribery and Corruption Policy and Procedures and recommended to the Board for approval and adoption on 23 January 2024.
- Reviewed the updated Delegated of Authority Limits Policy and recommended to the Board for approval and adoption on 23 January 2024.
- Reviewed the aging report presented by Management on a quarterly basis to assess outstanding balances and financial performance.
- Reviewed and discussed the proposed Group's budget for the financial year ending 31 December 2025 ("FY2025") to ensure alignment with the Company's financial objectives and operational goals.
- Received updates on the status of corporate proposals undertaken by the Company and received guidance from the External Auditors on the reporting requirements for the newly acquired 60% owned subsidiary, Apex Power Industry Sdn. Bhd.

## Audit And Risk Management Committee Report

### SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Group's internal audit function, which is outsourced to a professional service firm, assists the Board and the ARMC in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control system.

During the financial year under review, the ARMC reviewed four (4) Internal Audit Reports (including the follow-up reviews) which covered the following business processes/areas in accordance with the approved audit plan:



**Credit control  
and collection**



**Subcontractor  
management**



**Health and safety  
management  
function**



**Business  
development and  
project bidding**

The results of the internal audit reviews were reported to the ARMC, highlighting the internal audit findings, corresponding recommendations for improvements to address the key audit findings and corrective actions agreed upon by Management, along with the responsible party and designated timeline for implementation.

The ARMC reviewed the audit findings and recommendations to address any identified weaknesses or areas of non-compliance, along with the Management's responses to these findings. The internal audit function actively monitored the progress of these management action plans on outstanding issues through follow-up review in each internal audit report, ensuring that all significant risks and control deficiencies were being adequately managed.

The internal audit review carried out during FY2024 did not reveal weaknesses that have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this annual report.

The ARMC reviewed and approved the Internal Audit Plan for FY2025 to ensure its comprehensiveness, covering all key areas of Pekat Group's operations, as well as to ensure that significant risk areas identified were audited annually.

The total cost incurred for the Group's internal audit function for FY2024 amounted to RM72,000.

This report was reviewed by the ARMC and approved by the Board on 18 April 2025.

## Statement of Directors' Responsibility in Relation to The Financial Statements

The Directors are required under Rule 15.26(a) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad to issue a statement on its responsibility in the preparation of the annual audited financial statements.

The Directors are responsible for ensuring that the financial statements are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Malaysian Companies Act 2016 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance and cash flows for the financial year ended on that date.

During the preparation of the Financial Statements for the financial year ended 31 December 2024, the Directors have:

- i) adopted accounting policies which are appropriate and which have been consistently applied;
- ii) made judgments and estimates which are reasonable and prudent;
- iii) prepared the Audited Financial Statements on the assumption that the Company and the Group will operate as a going concern; and
- iv) ensured that all applicable approved accounting standards have been followed, subject to any material departure being disclosed and explained in the Audited Financial Statements.

The Directors also have a general responsibility to keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy to ensure compliance with the Companies Act 2016 as well as to take reasonable steps to safeguard the assets of the Group and of the Company to prevent and to detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 18 April 2025.

# Statement on Risk Management and Internal Control

## INTRODUCTION

The Board of Directors ("the Board") of Pekat Group Berhad ("the Company") is pleased to present this Statement on Risk Management and Internal Control ("Statement") for the Company and its subsidiaries ("the Group") for the financial year ended 31 December 2024 ("FY2024"). This Statement is prepared in accordance with Paragraph 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("AMLR"), the Malaysian Code on Corporate Governance, and the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers".

The disclosures in this Statement exclude the risk management and internal control practices of the Group's associates.

## BOARD RESPONSIBILITY

The Board holds ultimate responsibility for establishing a robust risk management and internal control framework to safeguard shareholders' interests and the Group's assets. The Board also reviews the adequacy and effectiveness of this framework on a regular basis.

Recognising that all risk management and control systems have inherent limitations, the framework is designed to mitigate risks and monitor controls, rather than eliminate them entirely. As a result, it provides reasonable, but not absolute, assurance against material misstatements or losses.

The Board is supported by the Audit and Risk Management Committee ("ARMC") in overseeing risk management and internal controls. This involves an ongoing process of identifying, assessing, managing, and monitoring key risks that may impact the Company's business objectives. Management is required to implement appropriate controls to address emerging risks and any gaps in existing measures.

The Board confirms that this process has been in place throughout the financial year under review and remains so up to the date of this Annual Report.

## RISK MANAGEMENT

The Board recognises risk management as essential to the Group's continued operations. A comprehensive risk management framework is in place, ensuring an ongoing process of identifying, evaluating, managing, and monitoring key risks. This framework defines the Group's risk profile, maintains a risk register, and outlines mitigation measures. To ensure risks remain within acceptable parameters, Management and Heads of Departments ("HODs") continuously update the corporate risk register.

Risk identification involves assessing both external business conditions and internal operations. Quantitative and qualitative measures evaluate risks based on likelihood and impact, guiding the prioritisation of control measures. The Group actively monitors and reviews risks to ensure timely responses to emerging threats.



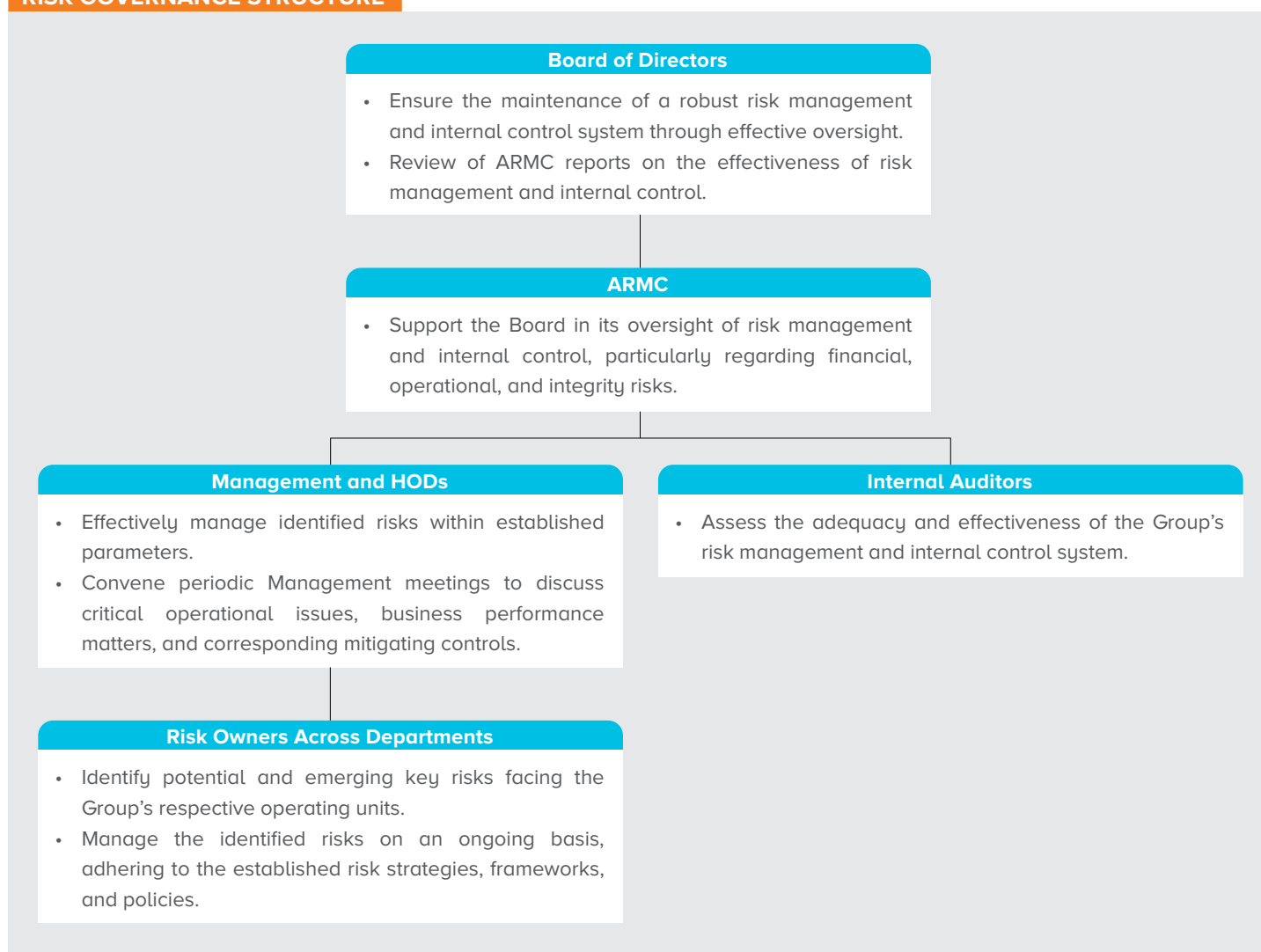


## Statement on Risk Management and Internal Control

### RISK MANAGEMENT PROCESS



### RISK GOVERNANCE STRUCTURE



## Statement on Risk Management and Internal Control

The table below outlines some of the key risks impacting the Group:

Key Risk	Potential Impact	Mitigation Measures
Operational Risk	Risk of loss arising from failures in processes, people, and systems; or from external events.	<ul style="list-style-type: none"> <li>Regularly update policies and procedures to align with regulations and best practices.</li> <li>Conduct internal audits to ensure compliance and identify gaps.</li> <li>Training programmes for employees on operational processes, risk management, and compliance.</li> <li>Maintain system backups and implement a whistleblowing policy for risk reporting.</li> </ul>
Financial Risk	Risk of loss arising from market fluctuations, credit defaults, or liquidity issues affecting financial stability.	<ul style="list-style-type: none"> <li>Enforce credit risk policies and monitor client lists to minimise exposure.</li> <li>Maintain liquidity buffers for short-term obligations and unexpected needs.</li> <li>Use financial instruments to hedge against market risks such as currency exchange rate volatility.</li> <li>Regular monitoring and reporting to senior management for informed decision-making.</li> </ul>
Compliance Risk	Risk of penalties, fines, or liabilities due to breaches of laws, regulations, or contractual obligations.	<ul style="list-style-type: none"> <li>Regularly monitor regulatory changes and updates.</li> <li>Conduct internal audits to identify and address potential breaches.</li> </ul>
Economic, Regulatory, and Political Risk	Risk of loss due to adverse economic, regulatory, or political changes.	<ul style="list-style-type: none"> <li>Continuously track global and domestic economic, regulatory, and political developments.</li> <li>Adjust business strategies to mitigate emerging challenges.</li> <li>Update policies and procedures from time to time to comply with new regulatory demands.</li> </ul>
IT and Cybersecurity Risk	Risk of loss from cyber threats or system failures.	<ul style="list-style-type: none"> <li>Continuously strengthen cybersecurity defences by engaging third party IT specialist.</li> <li>Implement detective, protective, response, and recovery cybersecurity controls.</li> <li>Conduct periodic assessment of cybersecurity controls, such as penetration testing.</li> </ul>
Human Capital Risk	Risk of loss due to disruptions from key personnel departures affecting operations and business relationships.	<ul style="list-style-type: none"> <li>Offer competitive remuneration packages, awards, and incentives to retain staff.</li> <li>Foster a conducive working environment, including safe workstations.</li> <li>Ensure proper handover procedures before personnel leave.</li> <li>Regularly review employee benefits to align with market trends.</li> <li>Conduct employee engagement activities like team-building sessions.</li> <li>Provide career growth and advancement opportunities.</li> <li>Offer continues training and upskilling programmes.</li> </ul>

The ARMC, in collaboration with Management, held five (5) meetings during FY2024 to review emerging risks and corresponding mitigation measures on a quarterly basis. The outcomes were subsequently presented to the Board for acknowledgment.

The Board is confident that a robust risk management system remains in place to effectively manage key risks and support the achievement of the Group's business objectives throughout the financial year and up to the approval date of this Annual Report.

# Statement on Risk Management and Internal Control

## INTERNAL AUDIT FUNCTION

The Group’s internal audit function, tasked with assessing the adequacy and effectiveness of the internal control system, is outsourced to an independent external service provider acting as the Internal Auditors (“IA”). The IA report directly to the ARMC on a quarterly basis, ensuring objectivity and independence from conflicts of interest. Their scope covers the evaluation of the internal control system to ensure they remain effective.

Internal audit reviews are conducted based on a risk-based Internal Audit Plan, which is approved by the ARMC and aligned with the Group’s strategic direction. This plan is reviewed quarterly to ensure it remains relevant to the evolving business landscape and risk environment.

In FY2024, four (4) internal audit reviews were conducted, focusing on:

Credit control and collection	Health and safety management
Subcontractor management	Business development and project bidding

These reviews covered the Group’s major subsidiaries, including follow-ups on previously raised audit findings. All findings, along with Management’s responses and recommended improvements, were presented to the ARMC during quarterly meetings.

## KEY INTERNAL CONTROLS

The Group's internal control framework forms an integral part of its operational policies and procedures, designed to mitigate potential risks and foster ethical and compliant behavior within the Group. This comprehensive framework encompasses the following key components:

<b>Board Committees and Oversight</b>  The Board of Directors is supported by dedicated committees, including the Nominating Committee, Remuneration Committee, and the ARMC. These committees hold regular meetings to discuss matters pertinent to the Group's business, finances, and operations, including potential risks and corresponding control measures.	<b>Ethical Guidance</b>  The Group adheres to established ethical frameworks, including the Code of Conduct and Ethics, Anti-Bribery and Corruption Policy and the Whistleblowing Policy. These policies serve as fundamental principles in shaping ethical and compliant conduct throughout the Group.
<b>Defined Roles and Responsibilities</b>  The Group’s organisational structure establishes clear lines of responsibility and delegated authority aligned with business and operational requirements. Executive Directors are tasked with setting the strategic direction, while HODs manage their respective business functions.	<b>Limits of Authority</b>  Defined Limits of Authority (“LoA”) outline the approval limits assigned and delegated to each approving authority within the Group. These LoA are regularly reviewed to ensure their continued relevance and effectiveness.
<b>Operational Standards and Procedures</b>  Standard Operating Procedures and policies serve as guiding principles for daily operations. These documents are regularly reviewed to align with evolving business and operational needs or to address any identified operational deficiencies.	<b>Business Plan and Financial Budgeting</b>  The Management prepares and submits an annual business plan and budget for the Board’s approval. The Board conducts quarterly reviews of financial performance, comparing it against the approved budgets and the previous year’s results to ensure consistent oversight and informed decision-making.

## Statement on Risk Management and Internal Control

### Management Meetings

Regular Group Management meetings provide a forum to discuss concerns, review progress, address operational and management issues, and assess the financial performance of each operating unit against established business plans, targets, and budgets. Additionally, periodic visits by senior personnel or the Management team contribute to ensuring proper operational functioning across the Group.

### Asset Safeguards

Major assets within the Group are appropriately insured and regularly reviewed to align with the Group's risk appetite. Furthermore, physical security measures are implemented to safeguard these assets.

### IT and Cybersecurity Measures

To enhance the protection of the Group's corporate information and information systems, the Group collaborates with an independent third-party IT professional. This partner assists in managing IT peripherals and provides ongoing recommendations for necessary improvements or changes to bolster our cybersecurity measures. Regular cybersecurity assessments are conducted to ensure the robustness of our defenses.

### Employees' Training and Development

The Group invests in ongoing training and development programmes to ensure its employees remain competitive and adaptable in an evolving business environment. Through employee performance evaluation processes, the Group continuously identifies and addresses training needs.

## REVIEW OF THIS STATEMENT BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of the AMLR, the external auditors have reviewed this Statement for inclusion in the Annual Report of the Company for FY2024 and have reported to the Board that nothing has come to their attention that cause them to believe that this Statement is inconsistent with their understanding of the process that the Board has adopted in the review of the adequacy and integrity of the systems of internal control of the Group.

Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagement to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

## ASSURANCE FROM MANAGEMENT

The Board has received assurance from the Chief Executive Officer and the Chief Financial Officer that the Group's risk management and internal control system is operating effectively, in all material respects for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

## CONCLUSION

The Board, through the ARMC, has reviewed the adequacy and effectiveness of the Group's risk management and internal control system for FY2024. The Board is satisfied that the controls have operated adequately and effectively in all material respects.

The Board remains committed to the ongoing monitoring of all risks impacting the Group and will take necessary actions to mitigate them. Additionally, the Board will continue to pursue continuous improvement initiatives to enhance the adequacy and effectiveness of the Group's risk management and internal control systems.

## Additional Compliance Information

### UTILISATION OF PROCEEDS

The Company did not undertake any corporate proposal to raise any proceeds during the financial year.

### AUDIT AND NON-AUDIT FEES

The amount of fees paid/payable to Grant Thornton Malaysia PLT, the Group's External Auditors, and its member firm and affiliate for the audit and non-audit services rendered to the Company and its subsidiaries for the financial year ended 31 December 2024 ("FY2024") are as follows:

	Group (RM)	Company (RM)
Audit services	215,000	28,000
Non-audit services <sup>(1)</sup>	269,000	33,000
<b>Total</b>	<b>484,000</b>	<b>61,000</b>

<sup>(1)</sup> For the review of the Statement on Risk Management and Internal Control, the limited assurance service on the Sustainability Statement, as well as a one-off payment related to a corporate exercise on due diligence review for a business acquisition.

### MATERIAL CONTRACTS INVOLVING DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

There were no material contracts entered into by the Group (not being contracts entered into in the ordinary course of business) involving the interests of the Directors, Chief Executive Officer and/or major shareholders, either still subsisting at the end of FY2024 or entered into since the end of the previous financial year.

### EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme ("ESOS" or "Scheme") was implemented on 2 January 2025 and shall be in force for a period of five (5) years and extendable for a further period of up to five (5) years immediately from the expiry of the first five (5) years and shall not in aggregate exceed a duration of ten (10) years from the effective date.

The maximum number of ESOS options to be granted and be issued pursuant to the Scheme at any time, shall not exceed in aggregate ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in the time during the duration of the Scheme for the eligible persons of the Group (excluding dormant subsidiaries, if any).

There were no ESOS options granted under the Scheme to any Director, senior management or eligible persons during the financial year under review.

### RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

There were no material recurrent related party transactions of a revenue or trading nature during the financial year other than those disclosed in Note 33 to the financial statements. Those recurrent related party transactions did not exceed the threshold prescribed under Rule 10.09(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.





# Financial Statements

79	Directors' Report
84	Statement by Directors and Statutory Declaration
85	Independent Auditors' Report
90	Statements of Financial Position
92	Statements of Profit or Loss and Other Comprehensive Income
93	Statements of Changes in Equity
95	Statements of Cash Flows
100	Notes to the Financial Statements

# DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

## FINANCIAL RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	22,702,506	(53,834)
Attributable to:-		
Owners of the Company	22,000,871	(53,834)
Non-controlling interests	701,635	-
	22,702,506	(53,834)

## DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

## DIRECTORS

The name of the Directors of the Company and its subsidiaries in office during the financial year and during the period commencing from the end of the financial year to the date of this report are as follows:-

Kok Kong Chin  
 Chin Soo Mau\*  
 Tai Yee Chee\*  
 Ong Keng Siew  
 Yeong Siew Lee  
 Datin Shelina Binti Razaly Wahi

\* Directors of the Company and certain subsidiaries.

## DIRECTORS' REPORT

### DIRECTORS (CONT'D)

In accordance with Clause 128 of the Company's Constitution, Chin Soo Mau and Datin Shelina Binti Razaly Wahi will retire from the Board by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

The Directors of the subsidiaries since the beginning of the financial year to date of this report, not including those Directors listed above are as follows:-

Chong Lena	
Johann Sze Wei Qiang	
Nazary Bin Ahmad	
See Heng Chun	
Tan Kwang San	
Tee Lian Hong	
Tong Pau Liong	
Wong Boon Kwang	
Yong Boon Chuan	
Mohamed Shadhahu Shahid	(Appointed on 6 August 2024)
Goh Chin San	(Appointed on 17 December 2024)
Khoo Teng Keat	(Appointed on 17 December 2024)
Oh Keng Jin	(Appointed on 17 December 2024)
Mohamed Shafiee Bin Mohamed Salleh	(Resigned on 17 December 2024)
Shamsul Helmi Bin Abdul Karim	(Resigned on 17 December 2024)

### DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 in Malaysia, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors as at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) are as follows:-

	Number of ordinary shares			
	At 11.2024	Bought	Sold	At 31.12.2024
Interests in the Company				
Direct interests				
Kok Kong Chin	10,150,000	-	-	10,150,000
Chin Soo Mau	225,061,800	-	-	225,061,800
Tai Yee Chee	66,776,900	-	(10,000,000)	56,776,900
Ong Keng Siew	100,000	-	-	100,000
Yeong Siew Lee	100,000	-	-	100,000
Datin Shelina Binti Razaly Wahi	100,000	-	-	100,000

By virtue of the direct interest of Chin Soo Mau in the Company, he is also deemed to have interest in the shares of all the subsidiaries during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016 in Malaysia.

## DIRECTORS' REPORT

### DIRECTORS' EMOLUMENTS AND BENEFITS

During the financial year, the emoluments and other benefits received and receivable by the Directors of the Company and its subsidiaries are as follows:-

	Incurring by the Company RM	Incurring by the subsidiaries RM	Total RM
Directors' fee	235,000	-	235,000
Salaries and other emoluments	1,463,080	2,301,203	3,764,283
Defined contribution plans	233,158	240,800	473,958
Social security contribution	2,434	8,559	10,993
	1,933,672	2,550,562	4,484,234

The estimated monetary value of benefits-in-kind received by the Directors other than cash from the Group amounted to RM29,581.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital and no issuance of debentures during the financial year.

### EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

At an Extraordinary General Meeting held on 10 October 2024, the Company's shareholders approved the establishment of ESOS for the eligible Directors and employees of the Group. The ESOS shall be in force for a period of five (5) years commencing from 2 January 2025 and will expire on 1 January 2030. The salient features of the ESOS are disclosed in Note 31 to the financial statements.

### INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains Directors' and Officers' liabilities insurance for the purpose of Section 289 of the Companies Act 2016 in Malaysia, throughout the financial year which provides appropriate insurance coverage for the Directors and Officers of the Company and its subsidiaries. The amount of indemnity coverage and insurance premium paid during the financial year amounted to RM10,000,000 and RM10,200 respectively.

## DIRECTORS' REPORT

### OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:-

- (a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:-

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the year of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due;
- (b) the results of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the current financial year in which this report is made.



# DIRECTORS' REPORT

## AUDITORS

The Auditors, Grant Thornton Malaysia PLT have expressed their willingness to continue in office.

The total amount of audit and other fees paid or payables to the Auditors, Grant Thornton Malaysia PLT, as remuneration for their services as Auditors of the Company and its subsidiaries are amounted to RM31,000 and RM423,000 respectively.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the provision of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year.

Signed on behalf of the Directors in accordance with a resolution of the Board of Directors.

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CHIN SOO MAU

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TAI YEE CHEE

Kuala Lumpur  
18 April 2025

## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 90 to 164 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Directors in accordance with a resolution of the Board of Directors.

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**CHIN SOO MAU**

Kuala Lumpur  
18 April 2025

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**TAI YEE CHEE**

## STATUTORY DECLARATION

I, Oh Keng Jin, being the Officer primarily responsible for the financial management of Pekat Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 90 to 164 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by     )  
the abovenamed at Kuala Lumpur in     )  
the Federal Territory this day of     )  
18 April 2025     )

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**OH KENG JIN**  
**(MIA No: 16866)**

Before me:

Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PEKAT GROUP BERHAD (Incorporated in Malaysia)

Registration No: 201901011563 (1320891-U)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Pekat Group Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies information, as set out on pages 90 to 164.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### *Impairment Losses on Trade Receivables and Contract Assets*

##### The Risk

Referring to Notes 10 and 11 to the financial statements. The key risk associated with the Group's trade receivables and contract assets is their recoverability. Assessing expected credit losses of trade receivables and contract assets requires management's judgement and the use of estimation in determining the probability of default occurring by considering the ageing of receivables and contract assets, historical loss experience and forward-looking information.

We have identified allowance for expected credit losses of trade receivables and contract assets as key audit matter due to the significance of trade receivables and contract assets and the significant estimation involved in determining the allowance for expected credit losses.

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PEKAT GROUP BERHAD (Incorporated in Malaysia)

Registration No: 201901011563 (1320891-U)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

#### Key Audit Matters (cont'd)

##### *Impairment Losses on Trade Receivables and Contract Assets (Cont'd)*

##### Our Response

We have reviewed the ageing of trade receivables in comparison to previous years, testing the integrity of ageing by calculating the due date for a sample of invoices and reviewing the level of bad debts written off in the current year against the prior years. Besides, we have reviewed the ageing of the contract assets in comparison to previous years and reviewed the reversal of contract assets in the current year and prior years. We had also assessed the reasonableness of assumptions and judgements made by the management regarding the expected credit losses rates through examination of subsequent collections, subsequent billings and tested the operating effectiveness of the relevant control procedures that management has in place.

##### *Inventories - Valuation Net*

##### The Risk

Referring to Note 9 to the financial statements. The inventories are subject to a risk that the inventories become slow-moving or obsolete, such that they could not be sold or only be sold for selling prices that are less than the carrying value. There is inherent subjectivity and estimation required in determining the accuracy of inventory obsolescence provision and in making an assessment of its adequacy due to risks such as inventories prices not valid and inventories not stated at the lower of cost and net realisable value.

##### Our Response

We tested the methodology for calculating the provisions, challenged the appropriateness and consistency of judgements and assumptions, and considered the nature and suitability of historic data used in estimating the provisions. In doing so, we obtained understanding on the ageing profile of inventories, the process for identifying specific problem inventories and historic loss rates.

##### *Impairment assessment of goodwill*

##### The Risk

Referring to Note 5 to the financial statements. The Group determining whether the goodwill is impaired which requires management estimation of the recoverable amount, which is determined based on an estimation of the present value of future cash flows expected to be generated. The key assumptions used in the estimation of the recoverable amount involves a significant degree of management judgement.

##### Our Response

We have reviewed the impairment assessment of goodwill prepared by management and challenged the reasonableness of the key assumptions used in cash flows projections. Besides, we have involved our internal valuation specialist in reviewing the appropriateness of the valuation methodology and discount rate adopted by management in the determination of recoverable amount and evaluated the work of our internal valuation specialist including the relevance and reasonableness of that specialist's findings or conclusions.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PEKAT GROUP BERHAD (Incorporated in Malaysia)  
Registration No: 201901011563 (1320891-U)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

### Key Audit Matters (cont'd)

#### *Revenue Recognition*

#### The Risk

Referring to Note 24 to the financial statements. There are significant accounting judgements involved including determining the stage of completion, the timing of revenue recognition and the calculation under the percentage of completion method made by management in applying the Group's revenue recognition policies to installation contract entered into by the Group.

Contract revenue should include the amount agreed in the initial contract, plus revenue from alterations in the original contract work and plus claims that are expected to be collected and that can be measured reliably.

#### Our Response

We performed a range of audit procedures including obtained a sample of contracts or letter of awards, reviewed variation orders, reviewed estimated profit and costs to complete and enquired key personnel regarding adjustments for job costing and potential contract losses.

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

### Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.



## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PEKAT GROUP BERHAD (Incorporated in Malaysia)

Registration No: 201901011563 (1320891-U)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

#### Responsibilities of the Directors for the Financial Statements (cont'd)

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and of the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PEKAT GROUP BERHAD (Incorporated in Malaysia)  
Registration No: 201901011563 (1320891-U)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

### Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (cont'd) :

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis of forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicated with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threat or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**GRANT THORNTON MALAYSIA PLT**  
(201906003682 & LLP0022494-LCA)  
CHARTERED ACCOUNTANTS (AF 0737)

**KISHAN NARENDRA JASANI**  
(NO: 03223/12/2025(J))  
CHARTERED ACCOUNTANT

Kuala Lumpur  
18 April 2025

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3	68,928,475	23,436,188	-	-
Investment property	4	140,800	144,000	-	-
Intangible assets	5	46,883,539	183,135	-	-
Investment in subsidiaries	6	-	-	91,579,980	81,579,980
Investment in associates	7	11,302,495	11,176,783	-	-
Amount due from a subsidiary	6	-	-	-	10,900,000
Amount due from associates	7	955,565	1,329,875	-	-
Total non-current assets		128,210,874	36,269,981	91,579,980	92,479,980
<b>Current assets</b>					
Other investments	8	8,338,584	4,412,566	-	-
Inventories	9	94,564,206	24,873,997	-	-
Trade receivables	10	110,319,458	47,587,763	-	-
Contract assets	11	39,203,477	29,144,525	-	-
Other receivables	12	11,527,953	7,433,607	14,800	70,800
Amount due from subsidiaries	6	-	-	1,592,647	1,289,430
Amount due from associates	7	2,339,848	3,858,919	-	-
Amount due from a related party	13	1,225	-	-	-
Tax recoverable		1,430,655	1,760,205	-	-
Fixed deposits with licensed banks	14	2,920,548	3,083,633	-	-
Cash and bank balances		34,339,853	23,944,320	1,341,776	671,262
Total current assets		304,985,807	146,099,535	2,949,223	2,031,492
<b>TOTAL ASSETS</b>		<b>433,196,681</b>	<b>182,369,516</b>	<b>94,529,203</b>	<b>94,511,472</b>

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company					
Share capital	15	93,515,918	93,515,918	93,515,918	93,515,918
Merger deficit	16	(50,079,980)	(50,079,980)	-	-
Reserve	17	431	-	-	-
Retained earnings		115,226,694	93,225,823	371,929	425,763
		158,663,063	136,661,761	93,887,847	93,941,681
Non-controlling interests	6	36,680,031	115,968	-	-
Total equity		195,343,094	136,777,729	93,887,847	93,941,681
LIABILITIES					
Non-current liabilities					
Lease liabilities	18	15,883,707	2,588,990	-	-
Borrowings	19	37,766,314	600,362	-	-
Deferred tax liabilities	20	6,111,457	275,549	-	-
Total non-current liabilities		59,761,478	3,464,901	-	-
Current liabilities					
Trade payables	21	50,882,011	16,972,203	-	-
Contract liabilities	11	38,736,704	12,091,199	-	-
Other payables	22	45,206,602	10,058,619	622,010	488,565
Amount due to associates	7	13,839	-	-	-
Lease liabilities	18	1,368,887	851,560	-	-
Borrowings	19	36,929,754	976,233	-	-
Derivative financial liabilities	23	12,755	-	-	-
Tax payable		4,941,557	1,177,072	19,346	81,226
Total current liabilities		178,092,109	42,126,886	641,356	569,791
Total liabilities		237,853,587	45,591,787	641,356	569,791
TOTAL EQUITY AND LIABILITIES		433,196,681	182,369,516	94,529,203	94,511,472

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	24	286,983,877	227,460,013	-	-
Cost of sales		(205,086,710)	(173,942,561)	-	-
Gross profit		81,897,167	53,517,452	-	-
Other income		4,994,192	1,546,270	3,024,000	12,940,000
Administration expenses		(47,935,959)	(34,737,005)	(3,311,475)	(3,991,447)
Net impairment (loss)/gain on financial assets		(1,426,367)	344,014	-	-
Other expenses		(1,056,704)	(1,991,813)	-	-
Operating profit/(loss)		36,472,329	18,678,918	(287,475)	8,948,553
Finance income	25	553,005	495,179	498,618	612,641
Finance costs	26	(1,451,732)	(1,583,329)	(36,301)	(18,493)
Share of (loss)/profit of associates	7	(836,288)	554,543	-	-
Profit before tax	27	34,737,314	18,145,311	174,842	9,542,701
Tax expense	28	(12,034,808)	(4,392,333)	(228,676)	(146,421)
Profit/(Loss) for the financial year		22,702,506	13,752,978	(53,834)	9,396,280
<b>Other comprehensive income, net of tax</b>					
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Exchange differences on translating of foreign operations		431	-	-	-
Total comprehensive income/(loss) for the financial year		22,702,937	13,752,978	(53,834)	9,396,280
<b>Profit/(Loss) for the financial year attributable to:-</b>					
Owners of the Company		22,000,871	13,724,131	(53,834)	9,396,280
Non-controlling interests		701,635	28,847	-	-
		22,702,506	13,752,978	(53,834)	9,396,280
<b>Total comprehensive income/(loss) attributable to:-</b>					
Owners of the Company		22,001,302	13,724,131	(53,834)	9,396,280
Non-controlling interests		701,635	28,847	-	-
		22,702,937	13,752,978	(53,834)	9,396,280
<b>Earnings per share</b>					
Basic/Diluted earnings per share (sen)	29	3.41	2.13		

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Attributable to owners of the Company					
Note	Group	Non-distributable			Distributable		Total equity RM
		Share capital RM	Merger deficit RM	Translation reserve RM	Retained earnings RM	Non-controlling interests RM	
	At 1 January 2023	93,515,918	(50,079,980)	-	85,951,374	87,121	129,474,433
	<b>Transaction with owners:-</b>						
32	Dividend paid	-	-	-	(6,449,682)	-	(6,449,682)
	Total comprehensive income for the financial year	-	-	-	13,724,131	28,847	13,752,978
	At 31 December 2023	93,515,918	(50,079,980)	-	93,225,823	115,968	136,777,729
	<b>Transaction with owners:-</b>						
	Acquisition of subsidiaries	-	-	-	-	35,862,428	35,862,428
	Profit for the financial year	-	-	-	22,000,871	701,635	22,702,506
	Other comprehensive income for the financial year	-	-	431	-	-	431
	Total comprehensive income for the financial year	-	-	431	22,000,871	701,635	22,702,937
	At 31 December 2024	<b>93,515,918</b>	<b>(50,079,980)</b>	<b>431</b>	<b>115,226,694</b>	<b>36,680,031</b>	<b>195,343,094</b>



## STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Share capital RM	(Accumulated losses)/ Retained earnings RM	Total RM
<b>Company</b>				
At 1 January 2023		93,515,918	(2,520,835)	90,995,083
<b>Transaction with owners:-</b>				
Dividend paid	32	-	(6,449,682)	(6,449,682)
Total comprehensive income for the financial year		-	9,396,280	9,396,280
At 31 December 2023		93,515,918	425,763	93,941,681
Total comprehensive loss for the financial year		-	(53,834)	(53,834)
At 31 December 2024		<b>93,515,918</b>	<b>371,929</b>	<b>93,887,847</b>

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>OPERATING ACTIVITIES</b>					
Profit before tax		<b>34,737,314</b>	18,145,311	<b>174,842</b>	9,542,701
<b>Adjustments for:-</b>					
Amortisation of intangible assets		<b>292,313</b>	157,023	-	-
Bad debts recovered		-	(3,752)	-	-
Bad debts written off		<b>123,105</b>	118,476	-	-
Depreciation of investment property		<b>3,200</b>	3,200	-	-
Depreciation of property, plant and equipment		<b>2,156,258</b>	1,660,825	-	-
Dividend income		<b>(3,870)</b>	(1,222)	-	(9,100,000)
Fair value gain on other investments		<b>(479,553)</b>	(143,607)	-	-
Fair value loss on derivate financial instrustments		<b>12,755</b>	-	-	-
Gain on disposal of property, plant and equipment		<b>(2,912,546)</b>	(301,208)	-	-
Impairment loss on trade receivables		<b>1,631,420</b>	1,245,762	-	-
Impairment loss on contract assets		<b>467,089</b>	1,305,827	-	-
Impairment loss on other receivables		<b>6,460</b>	-	-	-
Impairment loss on amount due from associates		<b>604,636</b>	-	-	-
Interest expenses		<b>1,451,732</b>	1,583,329	<b>36,301</b>	18,493
Interest income		<b>(553,005)</b>	(495,179)	<b>(498,618)</b>	(612,641)
Inventories written down		<b>264,838</b>	92,100	-	-
Inventories written off		<b>57,190</b>	13,916	-	-
Property, plant and equipment written off		-	1	-	-
Reversal of impairment loss on trade receivables		<b>(816,149)</b>	(1,588,876)	-	-
Reversal of impairment loss on contract assets		<b>(399,615)</b>	(379,983)	-	-
Reversal of impairment loss on other receivables		-	(900)	-	-
Reversal of inventories written down		<b>(65,265)</b>	(379,333)	-	-
Reversal of provision for foreseeable losses		<b>(1,299)</b>	(208,153)	-	-
Share of loss/(profit) of associates		<b>836,288</b>	(554,543)	-	-
Unrealised loss/(gain) on foreign exchange		<b>6,540</b>	(97,742)	-	-
Waiver of debts		<b>(16,984)</b>	(10,513)	-	-
Operating profit/(loss) before working capital changes		<b>37,402,852</b>	20,160,759	<b>(287,475)</b>	(151,447)

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Changes in working capital:-					
Inventories		(34,167,332)	994,917	-	-
Receivables		(34,730,919)	(8,132,580)	56,000	(1,425)
Payables		38,323,720	12,573,391	133,445	261,678
Contract assets/liabilities		16,520,378	624,924	-	-
Associates		1,877,813	3,910,595	-	-
Related parties		-	1,278,700	-	-
Cash generated from/(used in) operations		25,226,512	31,410,706	(98,030)	108,806
Interest received		283,155	191,287	15,513	33,736
Tax refunded		-	176,062	-	-
Tax paid		(9,575,024)	(5,208,125)	(290,556)	(245,695)
Net cash from/(used in) operating activities		15,934,643	26,569,930	(373,073)	(103,153)
<b>INVESTING ACTIVITIES</b>					
Acquisition of subsidiaries, net of cash paid	6	(88,948,515)	-	-	-
Additional investment in subsidiaries		-	-	(10,000,000)	(2,440,000)
Additional investment in associates		(962,000)	(573,193)	-	-
Repayment from/(Advances to) subsidiaries		-	-	10,596,783	(421,010)
Advances to associates		(589,068)	(199,561)	-	-
Advances to a related party		(1,225)	-	-	-
Dividend received		3,870	1,222	-	9,100,000
Interest received		135,920	135,343	483,105	578,905
Proceeds from disposal of other investments		6,508,855	348,778	-	-
Proceeds from disposal of property, plant and equipment		20,813,983	303,200	-	-
Purchase of intangible assets		(84,781)	(18,206)	-	-
Purchase of other investments		(6,313,600)	-	-	-
Purchase of property, plant and equipment	A	(6,888,917)	(653,328)	-	-
Net cash (used in)/from investing activities		(76,325,478)	(655,745)	1,079,888	6,817,895

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
FINANCING ACTIVITIES					
Advances from associates		13,839	-	-	-
Drawdown of bankers' acceptance		9,491,000	19,112,991	-	-
Drawdown of invoice financing		20,531,073	-	-	-
Drawdown of trust receipt		2,646,711	-	-	-
Drawdown of revolving credit		17,600,000	-	-	-
Drawndown of term loans		38,400,000	-	-	-
Dividend paid		-	(6,449,682)	-	(6,449,682)
Fixed deposits pledged with licensed banks		3,031,598	11,823,094	-	-
Interest paid		(1,451,732)	(1,583,329)	(36,301)	(18,493)
Interest received		133,930	156,874	-	-
Repayment of bankers' acceptance		(1,960,000)	(37,621,624)	-	-
Repayment of lease liabilities		(1,022,571)	(726,640)	-	-
Repayment of term loan		(1,590,295)	(895,985)	-	-
Repayment of trust receipt		(1,768,939)	-	-	-
Repayment of invoice financing		(6,668,246)	-	-	-
Repayment of revolving credit		(6,600,000)	-	-	-
Net cash from/(used in) financing activities		70,786,368	(16,184,301)	(36,301)	(6,468,175)
CASH AND CASH EQUIVALENTS					
Net changes		10,395,533	9,729,884	670,514	246,567
Brought forward		23,944,320	14,214,436	671,262	424,695
Carried forward	B	34,339,853	23,944,320	1,341,776	671,262

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### NOTES TO THE STATEMENTS OF CASH FLOWS

#### A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Total purchase of property, plant and equipment	<b>22,930,532</b>	1,769,828	-	-
Less: Financed by lease liabilities	<b>(14,834,615)</b>	(1,116,500)	-	-
Less: Financed by term loan	<b>(1,207,000)</b>	-	-	-
	<b>6,888,917</b>	653,328	-	-

#### B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	<b>34,339,853</b>	23,944,320	<b>1,341,776</b>	671,262
Fixed deposits with licensed banks	<b>2,920,548</b>	3,083,633	-	-
	<b>37,260,401</b>	27,027,953	<b>1,341,776</b>	671,262
Less: Fixed deposits pledged with licensed banks	<b>(2,920,548)</b>	(3,083,633)	-	-
	<b>34,339,853</b>	23,944,320	<b>1,341,776</b>	671,262

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1 January 2024 RM	Drawdown RM	Repayment RM	Acquisition of a subsidiary RM	31 December 2024 RM
<b>Group</b>					
Amount due to associates	-	13,839	-	-	13,839
Bankers' acceptance	-	9,491,000	(1,960,000)	-	7,531,000
Invoice financing	-	20,531,073	(6,668,246)	-	13,862,827
Lease liabilities	3,440,550	14,834,615	(1,022,571)	-	17,252,594
Term loans	1,576,595	39,607,000	(1,590,295)	1,831,169	41,424,469
Trust Receipt	-	2,646,711	(1,768,939)	-	877,772
Revolving credit	-	17,600,000	(6,600,000)	-	11,000,000
	5,017,145	104,724,238	(19,610,051)	1,831,169	91,962,501

	1 January 2023 RM	Drawdown RM	Repayment RM	Cash Flow RM	31 December 2023 RM
<b>Group</b>					
Bankers' acceptance	18,508,633	19,112,991	(37,621,624)	-	-
Lease liabilities	3,050,690	1,116,500	(726,640)	-	3,440,550
Term loans	2,472,580	-	(895,985)	-	1,576,595
	24,031,903	20,229,491	(39,244,249)	-	5,017,145



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 1. GENERAL INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia and is listed on the ACE Market of the Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur. The principal place of business of the Company is located at 3A, 5 & 6 Teknologi Kubik, No. 6, Jalan Teknologi 3/4, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.

The Company is principally engaged in investment holding activities. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

The financial statements were authorised for issue by the Directors in accordance with a resolution of the Board of Directors on 18 April 2025.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

### 2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards ("IFRSs") and the requirements of Companies Act 2016 in Malaysia.

### 2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for equity financial assets that have been measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability. A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, recognised the use of relevant observable inputs and recognised the use of unobservable inputs.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

### 2.2 Basis of measurement (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are recognised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting year.

The Group and the Company have established control framework in respect of measurement of fair values of financial instruments. The Board of Directors has overall responsibility for overseeing all significant fair value measurements. The Board of Directors regularly reviews significant unobservable inputs and valuation adjustments.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

### 2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

### 2.4 MFRSs

#### 2.4.1 Adoption of new standards/amendments/improvements to MFRSs

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2024.

Initial application of the new standards/amendments/improvements to MFRSs did not have material impact on the financial statements of the Group and of the Company.

#### 2.4.2 Standards issued but not yet effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt new and amended standards, if applicable, when they become effective.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

#### 2.4 MFRSs (cont'd)

##### 2.4.2 Standards issued but not yet effective (cont'd)

Effective for financial period beginning on or after 1 January 2025:-

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

Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments - Disclosures - Amendments to the Classification and Measurement of Financial Instruments
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Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments - Disclosures - Contracts Referencing Nature - Dependent Electricity
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Annual Improvements to MFRS Accounting Standards - Volume 11

Effective for financial period beginning on or after 1 January 2027: -

MFRS 18	Presentation and Disclosure in Financial Statements
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MFRS 19	Subsidiaries without Public Accountability - Disclosures
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Amendments to MFRSs – effective date deferred indefinitely:-

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The initial application of the above applicable standards and amendments to standards are not expected to have any material financial impact to the financial statements.

#### 2.5 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated results.

##### 2.5.1 Key sources of estimation uncertainty

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

### 2.5 Significant accounting estimates and judgements (cont'd)

#### 2.5.1 Key sources of estimation uncertainty (cont'd)

##### Useful lives of depreciable assets

The management assesses that the useful lives represent the expected utility of the assets to the Group. The management estimates the useful lives of the property, plant and equipment, right-of-use assets and investment property to be within 3 to 50 years and reviews the useful lives of the depreciable assets at the end of each reporting year. Actual results, however, may vary due to change in the expected level of usage and technological developments which resulting the adjustment to the Group's assets.

##### Amortisation of intangible assets

The software licenses and contract order book are amortised on a straight-line basis over their useful lives within 3 to 5 years. The Group assesses annually the useful lives of the intangible assets and if the expectation differs from the original estimate, such difference will impact the amortisation expenses in the period in which such estimate had been changed.

##### Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the subsidiaries to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

##### Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made. The realisation of these inventories may be affected by market-driven changes that may occur in the future.

##### Provision for expected credit losses ("ECLs") of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

#### 2.5 Significant accounting estimates and judgements (cont'd)

##### 2.5.1 Key sources of estimation uncertainty (cont'd)

###### Impairment of non-financial assets

An impairment loss is recognised for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

###### Revenue from contracts with customers

Revenue is recognised when or as the control of the asset is transferred to our customers and, depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time. If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress, based on the physical proportion of contract work-to-date certified by the Group and the customers.

Significant judgment is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction and installation based on actual costs incurred to-date over the estimated total construction and installation costs. The total estimated costs are based on approved budgets, which require assessments and judgments to be made on changes in, for example, work scope, changes in costs and costs to completion. In making these judgments, management relies on past experience and the work of specialists. A change in the estimates will directly affect the revenue to be recognised.

###### Income taxes/Deferred tax liabilities

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters result is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

###### Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses, unabsorbed capital allowances and unused tax credits to the extent that it is probable that future taxable profits will be available against which all the deductible temporary differences, unutilised tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)****2.5 Significant accounting estimates and judgements (cont'd)****2.5.1 Key sources of estimation uncertainty (cont'd)**Deferred tax assets (cont'd)

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

**2.5.2 Significant management judgement**

The following are significant management judgements made in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Freehold building RM	Freehold land and building RM	Solar systems RM	Furniture and fittings RM	Office equipment RM	Plant and machinery RM	Loose tool and mould RM	Renovation RM	Leased land and buildings RM	Motor vehicles RM	Capital work in progress RM	Total RM
<b>Cost</b>													
At 1 January 2023	17,821,681	-	-	1,554,714	546,191	2,805,981	250,321	-	3,725,140	2,380,479	3,481,602	-	32,566,109
Additions	-	-	-	-	5,824	379,791	-	-	85,100	-	1,299,113	-	1,769,828
Disposals	-	-	-	-	-	-	-	-	-	-	(865,128)	-	(865,128)
Written off	-	-	-	-	-	-	-	-	-	-	(65,071)	-	(65,071)
At 31 December 2023	17,821,681	-	-	1,554,714	552,015	3,185,772	250,321	-	3,810,240	2,380,479	3,850,516	-	33,405,738
Acquisition of a subsidiary	20,500,000	20,857,749	-	-	292,440	5,469,636	8,400,131	909,893	3,727,943	-	730,478	-	60,888,270
Additions	-	-	-	-	10,020	844,731	-	5,934	32,480	13,438,793	1,421,338	5,757,236	22,930,532
Disposals	(17,821,681)	-	-	-	-	-	-	-	-	-	(438,576)	-	(18,260,257)
At 31 December 2024	20,500,000	20,857,749	1,420,000	1,554,714	854,475	9,500,139	8,650,452	915,827	7,570,663	15,819,272	5,563,756	5,757,236	98,964,283
<b>Accumulated depreciation</b>													
At 1 January 2023	-	-	-	1,440,150	353,251	1,499,770	69,100	-	3,192,570	411,039	2,271,051	-	9,236,931
Charge for the financial year	-	-	-	5,274	54,158	464,177	50,064	-	191,827	428,883	466,442	-	1,660,825
Disposals	-	-	-	-	-	-	-	-	-	-	(863,136)	-	(863,136)
Written off	-	-	-	-	-	-	-	-	-	-	(65,070)	-	(65,070)
At 31 December 2023	-	-	-	1,445,424	407,409	1,963,947	119,164	-	3,384,397	839,922	1,809,287	-	9,969,550
Acquisition of a subsidiary	-	3,357,749	-	-	269,102	5,053,426	4,493,764	717,731	3,649,335	-	727,713	-	18,268,820
Charge for the financial year	-	56,681	2,367	5,273	48,843	638,144	128,101	5,675	144,011	517,881	609,282	-	2,156,258
Disposals	-	-	-	-	-	-	-	-	-	-	(358,820)	-	(358,820)
At 31 December 2024	-	3,414,430	2,367	1,450,697	725,354	7,655,517	4,741,029	723,406	7,177,743	1,357,803	2,787,462	-	30,035,808
<b>Net carrying amount</b>													
At 31 December 2024	20,500,000	17,443,319	1,417,633	104,017	129,121	1,844,622	3,909,423	192,421	392,920	14,461,469	2,776,294	5,757,236	68,928,475
At 31 December 2023	17,821,681	-	-	109,290	144,606	1,221,825	131,157	-	425,843	1,540,557	2,041,229	-	23,436,188

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

## Leased assets

Included in the net carrying amount of property, plant and equipment are right-of-use assets as below:-

	Leased land and buildings RM	Motor vehicles RM	Total RM
<b>Group</b>			
<b>Cost</b>			
At 1 January 2023	2,380,479	1,536,009	3,916,488
Additions	-	1,299,113	1,299,113
Transfer to property, plant and equipment	-	(245,276)	(245,276)
At 31 December 2023	2,380,479	2,589,846	4,970,325
Additions	13,438,793	1,436,312	14,875,105
Disposal	-	(116,713)	(116,713)
At 31 December 2024	<b>15,819,272</b>	<b>3,909,445</b>	<b>19,728,717</b>
<b>Accumulated depreciation</b>			
At 1 January 2023	411,039	412,292	823,331
Charge for the financial year	428,883	418,464	847,347
Transfer to property, plant and equipment	-	(245,273)	(245,273)
At 31 December 2023	839,922	585,483	1,425,405
Charge for the financial year	517,881	589,857	1,107,738
Disposal	-	(36,958)	(36,958)
At 31 December 2024	<b>1,357,803</b>	<b>1,138,382</b>	<b>2,496,185</b>
<b>Net carrying amount</b>			
At 31 December 2024	<b>14,461,469</b>	<b>2,771,063</b>	<b>17,232,532</b>
At 31 December 2023	1,540,557	2,004,363	3,544,920

## Material accounting policy information

All property, plant and equipment are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

#### Material accounting policy information (cont'd)

Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful life. All property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Freehold building	2% - 3%
Freehold land and building	2%
Solar systems	4% - 20%
Furniture and fittings	20%
Office equipment	20% - 33%
Plant and machinery	10% - 20%
Loose tool and mould	20%
Renovation	20%
Leased land and buildings	4% - 17%
Motor vehicles	20%

Freehold land is not depreciated but is subject to impairment test is there is indication of impairment.

Capital work-in-progress consists of solar systems under construction/installation for intended use. The amount is stated at cost related to property, plant and equipment under construction/installation until the property, plant and equipment are ready for their intended use. Assets under construction are not depreciated until they are completed and ready for their intended use.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The above motor vehicles are under finance lease arrangement and are pledged as security for the related lease liabilities.

The Group's freehold land is not segregated from the building as required details are not available and unreasonable expenses would be incurred.

The net carrying amount of assets pledged as securities for banking facilities are:-

	Group	
	2024 RM	2023 RM
Freehold land	20,500,000	-
Freehold building	17,443,319	-
Freehold land and building	1,417,633	-
	<b>39,360,952</b>	-

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 4. INVESTMENT PROPERTY

	Leasehold building RM
<b>Group</b>	
<b>Cost</b>	
At 1 January 2023/31 December 2023/31 December 2024	160,000
<b>Accumulated depreciation</b>	
At 1 January 2023	12,800
Charge for the financial year	3,200
At 31 December 2023	16,000
Charge for the financial year	3,200
At 31 December 2024	19,200
<b>Net carrying amount</b>	
At 31 December 2024	140,800
At 31 December 2023	144,000

**Material accounting policy information**

Investment property is initially measured at cost. The cost of investment property includes expenditure that is directly attributable to the acquisition of the assets. Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of leasehold building is provided for on a straight-line basis to write off the cost over its estimated useful life at 2% per annum.

**Fair value information**

The fair value of investment property of the Group is categorised as follows:-

	Group	
	Level 3 2024 RM	Level 3 2023 RM
Leasehold building	180,000	150,000

The fair value of investment property of the Group as at 31 December 2024 and 31 December 2023 was based on information available through internet research and the Directors' best estimate by reference to indicative market price of similar properties in the vicinity.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 4. INVESTMENT PROPERTY (CONT'D)

#### Income and expenses recognised in profit or loss

	Group	
	2024 RM	2023 RM
Rental income from investment property	2,400	3,600
Direct operating expenses:		
- Income generating investment property	(46,566)	(22,024)

The operating lease payments to be received are as follows:-

	Group	
	2024 RM	2023 RM
Within 1 year	-	1,800

### 5. INTANGIBLE ASSETS

	Software licenses RM	Contract order book RM	Goodwill RM	Total RM
<b>Group</b>				
<b>Cost</b>				
At 1 January 2023	1,036,882	-	-	1,036,882
Additions	18,206	-	-	18,206
At 31 December 2023	1,055,088	-	-	1,055,088
Acquisition of subsidiaries	-	4,701,578	42,206,358	46,907,936
Additions	84,781	-	-	84,781
At 31 December 2024	<b>1,139,869</b>	<b>4,701,578</b>	<b>42,206,358</b>	<b>48,047,805</b>
<b>Accumulated amortisation</b>				
At 1 January 2023	622,180	-	-	622,180
Amortisation for the financial year	157,023	-	-	157,023
At 31 December 2023	779,203	-	-	779,203
Amortisation for the financial year	136,557	155,756	-	292,313
At 31 December 2024	<b>915,760</b>	<b>155,756</b>	<b>-</b>	<b>1,071,516</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 5. INTANGIBLE ASSETS (CONT'D)

	Software licenses RM	Contract order book RM	Goodwill RM	Total RM
<b>Group (Cont'd)</b>				
<b>Accumulated impairment loss</b>				
At 1 January 2023/31 December 2023/31 December 2024	92,750	-	-	92,750
<b>Net carrying amount</b>				
At 31 December 2024	131,359	4,545,822	42,206,358	46,883,539
At 31 December 2023	183,135	-	-	183,135

### Material accounting policy information

Intangible assets that are acquired by the Group, which have finite useful lives, is measured at cost less accumulated amortisation and any impairment losses.

For the purpose of impairment testing, goodwill is allocated to the cash-generating units, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

### Software licenses

Software licences that is embedded in computer-controlled equipment, including operating system that cannot operate without that specific software is an integral part of the related hardware and is treated as property, plant and equipment.

Application software that is being used on a computer that is generally easily replaced and is not an integral part of the related hardware is classified as intangible asset.

Due to the risk of technological changes, the useful lives of all software licences are generally assessed to be finite. Software licences that are classified as intangible assets are amortised on a straight-line basis over its estimated useful life of 5 years.

### Contract order book

Contract order book is to manage all active and future contracts or orders they have received.

The contract order book is amortised on straight-line basis over their useful life within 1 to 3 years.

### Impairment loss review of software licenses, contract order book and goodwill on consolidation

Impairment loss on software licenses of the Group had been recognised due to the recoverable amount of the intangible asset was lower than the carrying amount.

The recoverable amount of the software licenses and contract order book is assessed based on value-in-use and compared to the carrying amount of the intangible asset to determine whether any impairment exists.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 5. INTANGIBLE ASSETS (CONT'D)

#### Impairment loss review of software licenses, contract order book and goodwill on consolidation (cont'd)

Goodwill of the Group arose mainly from the acquisition of Apex Power Industry Sdn. Bhd. and its subsidiary. The aggregate carrying amount of goodwill allocated to manufacturing, engineering and project activities, providing a wide range of products and services to the generation, transmission and distribution sectors of the electrical power industry segment.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The Directors have made estimates about the future results and key assumptions applied to cash flow forecasts of the cash-generating unit ("CGU") in determining its recoverable amount.

The recoverable amount of the CGU amounted to RM185,123,505 is determined by using value-in-use, involving cash flow projections calculations derived from the most recent financial budgets approved by management covering a five-year period. Value-in-use was determined by discounting the future cash flows generated from the continuing use of the CGU and management's assessment of future trends based on the following key assumptions:-

- (i) Cash flow forecasts based on approved financial budgets covering five-year period;
- (ii) Revenue was projected at anticipated annual revenue growth of approximately 5% (2023: Nil) per annum;
- (iii) Discount rate based on the weighted average cost of capital of the company at a rate of 10% (2023: Nil) per annum; and
- (iv) Terminal value based on the fifth year cash flow with 2% (2023: Nil) of growth rate.

Management believes that there is no reasonably possible change in key assumptions on which management has based its determination of the CGUs' recoverable amounts, which would cause the CGUs' carrying amount to materially exceed its recoverable amount.

Based on these assumptions, the Directors are at the view that no impairment loss is required as the recoverable amount determined is higher than the carrying amount of the CGU.

### 6. SUBSIDIARIES

#### Investment in subsidiaries

	Company	
	2024 RM	2023 RM
Unquoted shares, at cost	91,579,980	81,579,980

#### Material accounting policy information

Investment in subsidiaries is measured in the Company's statements of financial position at cost less any impairment losses.



## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 6. SUBSIDIARIES (CONT'D)

Investment in subsidiaries (cont'd)

Details of the subsidiaries are as follows:-

Name of company	Principal place of business	Effective interest		Principal activities
		2024 %	2023 %	
Held by the Company:-				
Pekat Teknologi Sdn. Bhd.	Malaysia	100	100	Investment holding and trading of electrical engineering products and operates as a general contractor.
Held by Pekat Teknologi Sdn. Bhd.:-				
Solaroo Systems Sdn. Bhd.	Malaysia	100	100	Design, supply and install smaller scale solar PV systems for residential and commercial and industrial projects.
E & LP Engineering Sdn. Bhd.	Malaysia	100	100	Distribution of electrical products and accessories.
Pekat Solar Sdn. Bhd.	Malaysia	100	100	Design, supply and installation of solar PV system and power plants and related services.
Pekat Engineering Sdn. Bhd.	Malaysia	100	100	Distribution of electrical products and accessories and provision of training or consultancy services.
Pekat E & LP Sdn. Bhd.	Malaysia	100	100	Supply and installation of ELP systems.
Solaroo RE Sdn. Bhd.	Malaysia	100	100	Operation of generation facilities that produce electric energy.
Pekat RE Maintenance Sdn. Bhd.	Malaysia	100	100	Energy supply services and maintenance and trading of Renewable Energy Certificates.
Pekat Solar Tronoh Sdn. Bhd.	Malaysia	100	100	Operation of generation facilities that produce electric energy.
Solaroo EV Sdn. Bhd.	Malaysia	100	100	Electric vehicle charging one stop provider.
Pnexsoft Sdn. Bhd.	Malaysia	70	70	Development and distribution of software applications.
Solaroo RE (Maldives) Pvt. Ltd.^*	Maldives	100	-	Dormant.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 6. SUBSIDIARIES (CONT'D)

#### Investment in subsidiaries (cont'd)

Details of the subsidiaries are as follows (cont'd):-

Name of company	Principal place of business	Effective interest		Principal activities
		2024	2023	
		%	%	
<b>Held by Pekat Teknologi Sdn. Bhd. (cont'd):-</b>				
Solaroo EV (Maldives) Pvt. Ltd.^*	Maldives	100	-	Dormant.
Apex Power Industry Sdn. Bhd.^	Malaysia	60	-	Investment holding company.
<b>Held by Apex Power Industry Sdn. Bhd.</b>				
EPE Switchgear (M) Sdn. Bhd.^	Malaysia	100	-	Manufacturing, engineering and project activities, providing a wide range of products and services to the generation, transmission and distribution sectors of the electrical power industry.

^ Not audited by Grant Thornton Malaysia PLT.

\* No statutory audit was required as at the reporting date as the subsidiaries were remained dormant during the financial year. The Directors have consolidated the results of these subsidiaries based on their management financial statements.

### 2024

#### Acquisition/Incorporation of subsidiaries

- (i) On 12 July 2024, the Company acquired 2,000,000 new ordinary shares in Pekat Teknologi Sdn. Bhd. for a total cash consideration of RM2,000,000.
- (ii) On 26 July 2024, Solaroo EV Sdn. Bhd. issue 99,900 new ordinary shares which was acquired by a wholly-owned subsidiary of the Company, Pekat Teknologi Sdn. Bhd. for a cash consideration of RM99,900.
- (iii) On 8 August 2024, a wholly-owned subsidiary of the Company, Pekat Teknologi Sdn. Bhd. had incorporated a wholly-owned subsidiary, Solaroo RE (Maldives) Pvt. Ltd., with cash subscription of RM29.
- (iv) On 13 August 2024, the Company acquired 2,000,000 new ordinary shares in Pekat Teknologi Sdn. Bhd. for a total cash consideration of RM2,000,000.
- (v) On 4 September 2024, Pekat Solat Tronoh Sdn. Bhd. issue 990,000 new ordinary shares which was acquired by a wholly-owned subsidiary of the Company, Pekat Teknologi Sdn. Bhd. for a cash consideration of RM990,000.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 6. SUBSIDIARIES (CONT'D)

## 2024 (cont'd)

Acquisition/Incorporation of subsidiaries (cont'd)

- (vi) On 5 November 2024, a wholly-owned subsidiary of the Company, Pekat Teknologi Sdn. Bhd. had incorporated a wholly-owned subsidiary, Solaroo EV (Maldives) Pvt. Ltd., with cash subscription of RM29.
- (vii) On 4 December 2024, the Company acquired 6,000,000 new ordinary shares in Pekat Teknologi Sdn. Bhd. for a total cash consideration of RM6,000,000.
- (viii) On 16 December 2024, a wholly-owned subsidiary of the Company, Pekat Teknologi Sdn. Bhd. had acquired 75,000 ordinary shares representing 60% equity interest in Apex Power Industry Sdn. Bhd. for a total cash consideration RM96,000,000.

The fair value of the identifiable assets and liabilities of the subsidiaries as at the date of acquisition were as follows:-

	Group 2024 RM
Property, plant and equipment	42,619,450
Intangible assets	4,701,578
Other investments	3,641,720
Inventories	35,779,640
Trade receivables	31,941,750
Other receivables	1,058,472
Fixed deposits with a licensed bank	2,868,513
Cash and bank balances	7,051,485
<b>Total assets</b>	<b>129,662,608</b>
Deferred tax liabilities	5,914,589
Trade payables	26,002,361
Other payables	4,702,849
Borrowings	1,831,169
Tax payable	1,555,570
<b>Total liabilities</b>	<b>40,006,538</b>
<b>Total identifiable net assets and liabilities</b>	<b>89,656,070</b>
Less: Non-controlling interests	(35,862,428)
Goodwill	42,206,358
<b>Total cash consideration</b>	<b>96,000,000</b>
Less: Cash and cash equivalents	(7,051,485)
<b>Net cash outflows arising from acquisition of subsidiaries</b>	<b>88,948,515</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 6. SUBSIDIARIES (CONT'D)

#### 2024 (cont'd)

##### Impact of the acquisition on the statements of profit or loss and other comprehensive income

From the date of acquisition, Apex Power Industry Sdn. Bhd. and its subsidiary had contributed profit of RM1,638,658 to the Group's profit after tax. If the contribution had taken place at the beginning of the financial year, Apex Power Industry Sdn. Bhd. and its subsidiary profit after tax would have been RM15,299,742.

#### 2023

##### Incorporation of subsidiaries

- (i) On 30 March 2023, a wholly-owned subsidiary of the Company, Pekat Teknologi Sdn. Bhd. incorporated a wholly-owned subsidiary, Solaroo EV Sdn. Bhd. (formerly known as Pekat Engineering Services Sdn. Bhd.), with cash subscription of RM100.
- (ii) On 26 September 2023, a wholly-owned subsidiary of the Company, Pekat Teknologi Sdn. Bhd. incorporated a wholly-owned subsidiary, Pekat Solar Tronoh Sdn. Bhd., with cash subscription of RM10,000.

In the financial year 2021, the consolidated financial statements have been prepared using the merger method to account for the acquisition of Pekat Teknologi Sdn. Bhd. and its subsidiaries. Merger reserve or deficit are determined as the difference between the cost of merger and nominal value of the share capital of the subsidiaries acquired and recognised in statements of financial position.

##### Impact of the acquisition on the consolidated statements of profit or loss and other comprehensive income

In the financial period when the merger took place, the subsidiaries' profits are included in the Group's profits for the full financial period, regardless of the effective date of merger.

#### Non-controlling interests

The Group's subsidiaries that has non-controlling interests are as follows:-

	Pnexsoft Sdn. Bhd.	Apex Power Industry Sdn. Bhd. and its subsidiary	Total
<b>2024</b>			
Percentage of ownership interest and voting interest (%)	30	40	
Carrying amount of non-controlling interest (RM)	162,140	36,517,891	36,680,031
Total comprehensive income allocated to non-controlling interests (RM)	46,172	655,463	701,635

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 6. SUBSIDIARIES (CONT'D)

## Non-controlling interests (cont'd)

The Group's subsidiaries that has non-controlling interests are as follows (cont'd):-

	Pnexsoft Sdn. Bhd.	Apex Power Industry Sdn. Bhd. and its subsidiary	Total
<b>2023</b>			
Percentage of ownership interest and voting interest (%)	30	-	
Carrying amount of non-controlling interest (RM)	115,968	-	115,968
Total comprehensive income allocated to non-controlling interests (RM)	28,847	-	28,847

The summary of financial information before intra-group elimination for the Group's subsidiaries that have material non-controlling interests are as below:-

	Pnexsoft Sdn. Bhd. RM	Apex Power Industry Sdn. Bhd. and its subsidiary RM	Total RM
<b>2024</b>			
<b>Summary of financial position as at 31 December</b>			
Non-current assets	1,466	47,020,186	47,021,652
Current assets	550,848	79,864,121	80,414,969
Non-current liabilities	-	(7,509,778)	(7,509,778)
Current liabilities	(11,848)	(28,079,801)	(28,091,649)
<b>Equity attributable to owners of the Company</b>	<b>540,466</b>	<b>91,294,728</b>	<b>91,835,194</b>
<b>Non-controlling interests</b>	<b>162,140</b>	<b>36,517,891</b>	<b>36,680,031</b>
Revenue	790,592	9,851,980	10,642,572
Expenses	(597,777)	(7,850,703)	(8,448,480)
Tax expense	(38,908)	(362,619)	(401,527)
<b>Profit and other comprehensive income for the financial year</b>	<b>153,907</b>	<b>1,638,658</b>	<b>1,792,565</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 6. SUBSIDIARIES (CONT'D)

### Non-controlling interests (cont'd)

The summary of financial information before intra-group elimination for the Group's subsidiaries that have material non-controlling interests are as below (cont'd):-

	Pnexsoft Sdn. Bhd. RM	Apex Power Industry Sdn. Bhd. and its subsidiary RM	Total RM
<b>2024</b>			
Profit and other comprehensive income attributable to owners of the Company	107,735	983,195	1,090,930
Profit and other comprehensive income attributable to non-controlling interest	46,172	655,463	701,635
<b>Profit and other comprehensive income for the financial year</b>	<b>153,907</b>	<b>1,638,658</b>	<b>1,792,565</b>
<b>Summary of cash flows for the financial year ended 31 December</b>			
Net cash flows used in operating activities	(150,777)	(1,714,116)	(1,864,893)
Net cash flows used in investing activities	-	(399)	(399)
Net cash flows from financing activities	-	703,208	703,208
Net cash outflows	(150,777)	(1,011,307)	(1,162,084)
			<b>Pnexsoft Sdn. Bhd. RM</b>
<b>2023</b>			
<b>Summary of financial position as at 31 December</b>			
Non-current assets			3,422
Current assets			405,256
Current liabilities			(22,119)
<b>Equity attributable to owners of the Company</b>			<b>386,559</b>
<b>Non-controlling interests</b>			<b>115,968</b>
Revenue			521,819
Expenses			(425,662)
<b>Profit and other comprehensive income for the financial year</b>			<b>96,157</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 6. SUBSIDIARIES (CONT'D)

**Non-controlling interests (cont'd)**

The summary of financial information before intra-group elimination for the Group's subsidiaries that have material non-controlling interests are as below (cont'd):-

	<b>Pnexsoft Sdn. Bhd. RM</b>
<b>2023</b>	
Profit and other comprehensive income attributable to owners of the Company	67,310
Profit and other comprehensive income attributable to non-controlling interest	28,847
<b>Profit and other comprehensive income for the financial year</b>	<b>96,157</b>
Net cash flows from operating activities	197,040
Net cash flows used in financing activities	(4,584)
Net cash inflows	192,456

**Amount due from subsidiaries**

	<b>Company</b>	
	<b>2024 RM</b>	<b>2023 RM</b>
Non-current	-	10,900,000
Current	<b>1,592,647</b>	1,289,430
	<b>1,592,647</b>	12,189,430

In prior financial year, the amount due from subsidiaries are non-trade related, unsecured, interest free and repayable on demand except for RM10,900,000 bear interest at a rate of 4.85% per annum.

## 7. ASSOCIATES

**Investment in associates**

	<b>Group</b>	
	<b>2024 RM</b>	<b>2023 RM</b>
Unquoted shares, at cost	<b>9,793,650</b>	8,831,650
Share of post-acquisition profits	<b>1,508,845</b>	2,345,133
	<b>11,302,495</b>	11,176,783



## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 7. ASSOCIATES (CONT'D)

#### Investment in associates (cont'd)

Details of the Group's associate are as follows:-

Name of company	Principal place of business	Effective interest		Principal activities
		2024	2023	
		%	%	
<b>Held by Pekat Teknologi Sdn. Bhd.:-</b>				
Pekat Energy (Sarawak) Sdn. Bhd.	Malaysia	<b>49</b>	49	Design, supply and installation of solar PV systems and power plants in Sarawak.
Sunway Pekat Solar Sdn. Bhd.^	Malaysia	<b>40</b>	40	Design, supply and installation of solar PV systems and power plants for Sunway group of companies.
J8K Energy Sdn. Bhd.^	Malaysia	<b>49</b>	49	Engineering services and operation of generation facilities that produce electric energy.
MFP Solar Sdn. Bhd.^	Malaysia	<b>45</b>	45	Build, own and operate solar PV power plants.
UP Solar Sdn. Bhd.^	Malaysia	<b>40</b>	40	To undertake solar photovoltaic business activities.
MFP Solar International Ltd.^	British Virgin Islands	<b>45</b>	45	Investment holding.

^ Associates not audited by Grant Thornton Malaysia PLT.

#### Acquisition/Incorporation of associates

- (i) On 13 May 2024, a wholly-owned subsidiary of the Company, Pekat Teknologi Sdn. Bhd. had acquired 400,000 ordinary shares representing 40% equity interest in Sunway Pekat Solar Sdn. Bhd. for a cash consideration of RM400,000.
- (ii) On 16 May 2024, a wholly-owned subsidiary of the Company, Pekat Teknologi Sdn. Bhd. had acquired 400,000 ordinary shares representing 40% equity interest in Sunway Pekat Solar Sdn. Bhd. for a cash consideration of RM400,000.
- (iii) On 31 December 2024, a wholly-owned subsidiary of the Company, Pekat Teknologi Sdn. Bhd. had acquired 162,000 ordinary shares representing 45% equity interest in MFP Solar Sdn. Bhd. for a cash consideration of RM162,000.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 7. ASSOCIATES (CONT'D)

Investment in associates (cont'd)

The summary of financial information of the associates, not adjusted for the proportion of ownership interest held by the Group are as follows:-

Group	Pekat Energy (Sarawak) Sdn. Bhd.	Sunway Pekat Solar Sdn. Bhd.	J8K Energy Sdn. Bhd.	MFP Solar Sdn. Bhd.	UP Solar Sdn. Bhd.	MFP Solar International Ltd.	Total RM
	RM	RM	RM	RM	RM	RM	RM
<b>Summary of financial position as at 31 December 2024</b>							
Non-current assets	855,167	-	-	71,402,868	6,000,278	156,643	78,414,956
Current assets	1,802,363	648,473	2,903	2,812,615	914,048	2,856,107	9,036,509
Non-current liabilities	(969)	-	-	(41,795,615)	-	-	(41,796,584)
Current liabilities	(1,939,521)	(251,334)	(48,533)	(10,482,657)	(4,612,961)	(3,387,058)	(20,722,064)
Net assets/(liabilities)	717,040	397,139	(45,630)	21,937,211	2,301,365	(374,308)	24,932,817
<b>Summary of financial performance for the financial year ended 31 December 2024</b>							
Revenue	4,364,935	-	-	9,806,862	626,283	-	14,798,080
Total comprehensive (loss)/income	(463,483)	(2,445,002)	(9,452)	858,317	(43,556)	(99,160)	(2,202,336)
<b>Reconciliation of net assets to carrying amount as at 31 December 2024</b>							
Carrying amount of proportion of the Group's ownership	351,349	158,856	-	9,871,744	920,546	-	11,302,495
<b>Group's share of results for the financial year ended 31 December 2024</b>							
Group's share of post-acquisition (loss)/profit	(227,107)	(978,001)	-	386,242	(17,422)	-	(836,288)

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 7. ASSOCIATES (CONT'D)

### Investment in associates (cont'd)

The summary of financial information of the associates, not adjusted for the proportion of ownership interest held by the Group are as follows (cont'd):-

Group (cont'd)	Pekati Energy (Sarawak) Sdn. Bhd.		Sunway Pekati Solar Sdn. Bhd.		J8K Energy Sdn. Bhd.		MFP Solar Sdn. Bhd.		UP Solar Sdn. Bhd.		MFP Solar International Ltd.		Total RM
	RM		RM		RM		RM		RM		RM		
<b>Summary of financial position as at 31 December 2023</b>													
Non-current assets	962,683		-		-		69,204,262		4,825,308		160,650		75,152,903
Current assets	2,517,904		1,162,227		2,903		4,486,046		1,235,366		2,936,907		12,341,353
Non-current liabilities	(480,082)		-		-		(47,219,652)		-		-		(47,699,734)
Current liabilities	(1,819,982)		(320,086)		(39,081)		(5,751,762)		(3,715,753)		(3,372,705)		(15,019,369)
Net assets/(liabilities)	1,180,523		842,141		(36,178)		20,718,894		2,344,921		(275,148)		24,775,153

### **Summary of financial performance for the financial year ended 31 December 2023**

Revenue	5,306,837	(839,420)	-	8,062,048	226,193	-	12,755,658
Total comprehensive income/(loss)	419,452	(265,539)	(8,110)	1,057,095	(51,163)	(113,979)	1,037,756

### **Reconciliation of net assets to carrying amount as at 31 December 2023**

Carrying amount of proportion of the Group's ownership	578,456	336,857	-	9,323,502	937,968	-	11,176,783
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### **Group's share of results for the financial year ended 31 December 2023**

Group's share of post-acquisition profit/(loss)	205,531	(106,216)	-	475,693	(20,465)	-	554,543
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### **Other information**

Dividend paid	-	1,717,017	-	-	-	-	1,717,017
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## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 7. ASSOCIATES (CONT'D)

**Contingent liabilities and capital commitments**

The associates have no contingent liabilities and capital commitments as at the reporting date.

The Group has not recognised loss related to J8K Energy Sdn. Bhd. and MFP Solar International Ltd. totalling RM4,631 and RM44,622 (2023: RM3,974 and RM51,290) and cumulatively RM22,309 and RM167,582 (2023: RM17,678 and RM122,960), since the Group has no obligation in respect of these losses.

**Amount due from/(to) associates**

	Group	
	2024	2023
	RM	RM
<b>Non-current asset</b>		
Non-trade balances	1,329,875	1,329,875
Less: Allowance for ECLs	(374,310)	-
	955,565	1,329,875
<b>Current assets</b>		
Trade balances	1,593,607	3,471,420
Non-trade balances	976,567	387,499
Less: Allowance for ECLs	(230,326)	-
	2,339,848	3,858,919
	3,295,413	5,188,794
<b>Current liability</b>		
Non-trade balances	13,839	-

The movements in the allowance for ECLs in respect of amount due from associates are as follows:-

	Group	
	2024	2023
	RM	RM
Additions/At 31 December	604,636	-

The trade amount due from associates are unsecured, interest free and subject to credit term ranging from cash term to 90 days (2023: cash term to 90 days).

The non-trade amount due from/(to) associates are unsecured, interest free and repayable on demand except for RM1,826,045 (2023: RM1,250,956) bears interest rates ranging from 3.30% to 5.16% (2023: at a rate of 3.30%) per annum.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 8. OTHER INVESTMENTS

	Group	
	2024	2023
	RM	RM
<b>Money market funds in Malaysia</b>		
At fair value:-		
Financial assets at FVTPL	8,338,584	4,412,566
Fair value of quoted investment (Level 1)	8,338,584	4,412,566

### 9. INVENTORIES

	Group	
	2024	2023
	RM	RM
Consumables	27,544,993	7,683,062
Input materials	40,401,654	6,755,203
Trading goods	13,346,459	10,435,732
Work-in-progress	13,271,100	-
	94,564,206	24,873,997
<b>Recognised in profit or loss:-</b>		
Inventories recognised as cost of sales	166,249,565	171,708,275
Inventories written down	264,838	92,100
Inventories written off	57,190	13,916
Reversal of inventories written down	(65,265)	(379,333)

#### Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

The reversal of inventories written down was made and recognised in profit or loss when the related inventories were subsequently used or were sold above their carrying amount.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 10. TRADE RECEIVABLES

	Group	
	2024	2023
	RM	RM
Trade receivables	105,954,189	45,120,255
Retention sum	12,165,039	6,072,463
Less: Allowance for ECLs	(7,799,770)	(3,604,955)
	110,319,458	47,587,763

Trade receivables are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition.

The credit term granted by the Group to trade receivables ranging from cash term to 180 days (2023: cash term to 180 days). Other credit terms are assessed and approved on a case-by-case basis.

Included in trade receivables of the Group is amount of RM9,564,320 (2023: RMNil) due from a company connected to non-controlling interest. The amount is unsecured, interest free and subject to normal credit term.

The movements in the allowance for ECLs in respect of trade receivables are as follows:-

	Individual impairment RM	Collective impairment RM	Total RM
<b>Group</b>			
At 1 January 2023	3,388,599	559,470	3,948,069
Additions	1,245,762	-	1,245,762
Reversal	(1,588,876)	-	(1,588,876)
At 31 December 2023	3,045,485	559,470	3,604,955
Acquisition of a subsidiary	2,334,985	1,393,968	3,728,953
Additions	1,563,365	68,055	1,631,420
Reversal	(816,149)	-	(816,149)
Written off	(349,409)	-	(349,409)
At 31 December 2024	5,778,277	2,021,493	7,799,770

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 11. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2024	2023
	RM	RM
<b>Contract assets</b>		
Accrued billings	41,278,072	31,152,945
Less: Provision for foreseeable losses	(11,661)	(12,960)
Less: Allowances for ECLs	(2,062,934)	(1,995,460)
	39,203,477	29,144,525
<b>Contract liabilities</b>		
Deposits received	38,736,704	12,091,199

Contract assets primarily relate to the Group's rights to consideration for work completed on installation services but not yet billed at the reporting date. Typically, the amount will be billed based on the signed contract.

Contract liabilities primarily relate to the advance consideration received from customers for the goods or services which is yet to transfer or perform by the Group as at the reporting date. The Group expects to fulfil the performance obligation and recognise the revenue within 1 year (2023: 1 year).

#### Contract value yet to be recognised as revenue

As at the reporting date, revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of the Group is RM297,668,542 (2023: RM158,135,794). The Group expected to recognise this revenue over the next 1 to 48 months. (2023: 1 to 48 months).

The movements in the allowance for ECLs in respect of contract assets are as follows:-

	Group	
	2024	2023
	RM	RM
At 1 January	1,995,460	1,069,616
Additions	467,089	1,305,827
Reversal	(399,615)	(379,983)
At 31 December	2,062,934	1,995,460

The impairment loss on contract assets is included in other expenses and the reversal of impairment loss on contract assets is included in other income.



## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

**12. OTHER RECEIVABLES**

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Non-trade receivables	2,570,989	71,976	4,000	-
Less: Allowance for ECLs	(6,460)	-	-	-
	2,564,529	71,976	4,000	-
Staff advances	65,302	13,176	-	-
Deposits	1,078,739	872,227	10,800	10,800
Deposits for purchase of inventories	4,801,389	5,582,370	-	-
Prepayments	2,972,494	848,358	-	60,000
Goods and services tax recoverable	45,500	45,500	-	-
	11,527,953	7,433,607	14,800	70,800

The movements in the allowance for ECLs in respect of other receivables are as follows:-

	Group	
	2024	2023
	RM	RM
At 1 January	-	900
Additions	6,460	-
Reversal	-	(900)
At 31 December	6,460	-

Included in deposits of the Group is rental deposit paid to a related party amounted to RM243,000 (2023: RM243,000).

**13. AMOUNT DUE FROM A RELATED PARTY**

Related party refer to company in which a Director has interest.

The amount due from a related party are non-trade related, unsecured, interest free and repayable on demand.

**14. FIXED DEPOSITS WITH LICENSED BANKS**

The fixed deposits with licensed banks of the Group have been pledged for banking facilities granted to the Group.

The interest rates of fixed deposits with licensed banks of the Group ranging from 2.00% to 2.35% (2023: 2.30% to 3.60%) per annum and maturity period ranging from 30 days to 365 days (2023: 365 days).

Included in fixed deposits amounting to RM605,338 (2023: RMNil) was held in trust by a third party.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 15. SHARE CAPITAL

	Group and Company	
	2024 RM	2023 RM
<b>Issued and fully paid with no par value:-</b>		
644,968,200 units of ordinary shares	<b>93,515,918</b>	93,515,918

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

### 16. MERGER DEFICIT

The merger deficit arises as and when the combination take place, it comprises the difference between the cost of merger and the nominal value of shares acquired in Pekat Teknologi Sdn. Bhd. and its subsidiaries as disclosed in Note 6 to the financial statements.

### 17. RESERVE

#### Foreign currency translation reserve

The foreign currency translation reserve arose from the exchange differences on the translation of foreign operations.

### 18. LEASE LIABILITIES

	Group	
	2024 RM	2023 RM
Non-current	<b>15,883,707</b>	2,588,990
Current	<b>1,368,887</b>	851,560
	<b>17,252,594</b>	3,440,550

The maturity analysis of lease liabilities is disclosed in Note 35 to the financial statements.

The total cash outflows for leases of the Group amounted to RM5,385,899 (2023: RM3,112,140).

The effective interest rates of lease liabilities of the Group are ranging from 4.14% to 9.14% (2023: 4.14% to 6.91%) per annum.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 19. BORROWINGS

	Group	
	2024	2023
	RM	RM
<b>Non-current</b>		
<b><u>Secured</u></b>		
Term loans	2,812,414	600,362
<b><u>Unsecured</u></b>		
Term loans	34,953,900	-
Total non-current	37,766,314	600,362
<b>Current</b>		
<b><u>Secured</u></b>		
Term loans	212,055	976,233
<b><u>Unsecured</u></b>		
Bankers' acceptance	7,531,000	-
Invoice financing	13,862,827	-
Revolving credit	11,000,000	-
Trust receipt	877,772	-
Term loans	3,446,100	-
	36,717,699	-
Total current	36,929,754	976,233
	74,696,068	1,576,595

The borrowings of the Group are secured by the followings:-

- (i) A legal charge over Group's freehold land, freehold building and freehold land and building as disclosed in Note 3 to the financial statements;
- (ii) Fixed deposits of the Group as disclosed in Note 14 to the financial statements; and
- (iii) Deed of assignment of contract proceeds;
- (iv) Facility agreement;
- (v) Against letter of earmark;
- (vi) Corporate guarantee by the Company and certain subsidiaries;
- (vii) Corporate guarantee by third party company;
- (viii) Joint and several guarantee by a subsidiary's Director; and
- (ix) Joint and several guarantee by third parties.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 19. BORROWINGS (CONT'D)

The interest rates of the Group's borrowings are as follows:-

	Group	
	2024 %	2023 %
Bankers' acceptance	4.71 - 5.10	4.60 - 5.00
Invoice financing	3.92 - 5.10	-
Revolving credit	4.76	-
Trust receipt	8.07	-
Term loans	2.38 - 7.84	6.51 - 8.66

### 20. DEFERRED TAX LIABILITIES

	Group	
	2024 RM	2023 RM
At 1 January	275,549	293,000
Acquisition of a subsidiary	5,914,589	-
Recognised in profit or loss	(78,681)	(17,451)
At 31 December	6,111,457	275,549

The deferred tax liabilities are made up of temporary differences arising from:-

	Property, plant and equipment RM	Intangible assets RM	Trade receivables RM	Total RM
<b>Group</b>				
At 1 January 2023	237,000	58,000	(2,000)	293,000
Recognised in profit or loss	6,249	(24,000)	300	(17,451)
At 31 December 2023	243,249	34,000	(1,700)	275,549
Acquisition of a subsidiary	4,786,210	1,128,379	-	5,914,589
Recognised in profit or loss	(32,000)	(46,681)	-	(78,681)
At 31 December 2024	4,997,459	1,115,698	(1,700)	6,111,457

### 21. TRADE PAYABLES

The normal trade credit terms granted to the Group by the suppliers ranging from cash term to 90 days (2023: cash term to 90 days).

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 22. OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-trade payables	7,611,801	1,901,342	1,058	6,435
Deposits received	750	900	-	-
Accruals of expenses	36,785,740	8,029,853	620,952	482,130
Sales and service tax payable	808,311	126,524	-	-
	45,206,602	10,058,619	622,010	488,565

## 23. DERIVATIVE FINANCIAL LIABILITIES

	Contract/ Notional amount RM	Assets RM	Liabilities RM	Net RM
<b>Forward currency contracts</b>				
2024	5,488,459	5,488,459	(5,501,214)	(12,755)
2023	-	-	-	-

The Company uses forward currency contracts to manage transaction exposure and they have maturity period of less than 12 months.

These contracts are not designated as cash flow hedge or fair value hedge as they are not qualified for hedge accounting. The contract period is consistent with the currency transaction exposure and fair value changes exposure.

In prior financial year, the contracted underlying principal amount of currency forward contract of the Group is RM5,039,842. The currency forward contracts have not been recognised since the fair value on initial recognition was not material.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 24. REVENUE

	Group	
	2024	2023
	RM	RM
<b>Revenue from contracts with customers in Malaysia</b>		
Installation of earthing and lightning protection systems	<b>47,304,882</b>	33,035,058
Installation of on-grid and off-grid photovoltaic systems	<b>109,649,118</b>	133,661,295
Sales from development and distribution of software applications	<b>790,592</b>	292,859
Installation, trading, maintenance services and others	<b>129,239,285</b>	60,470,801
	<b>286,983,877</b>	227,460,013
<b>Timing of recognition</b>		
- At a point in time	<b>130,029,877</b>	60,763,660
- Over time	<b>156,954,000</b>	166,696,353
	<b>286,983,877</b>	227,460,013

#### 24.1 Performance obligations

Information about the Group's performance obligations are summarised below:-

##### Installation of earthing, lightning and protection systems

Revenue from the installation of earthing, lightning and protection systems is satisfied over time and recognised by reference to the stage of completion. The payment is generally due within cash term to 90 days (2023: cash term to 90 days) from delivery of goods and services.

##### Installation of on-grid and off-grid photovoltaic systems

The Group designs, engineers, install, testing and provide maintenance of the photovoltaic systems for construction customers. The timeline for each project usually ranged from 7 to 180 days (2023: 7 to 180 days), depends on the complexity of the design and area covered by the projects. The performance obligations are satisfied over time for commercial and industrial as the customers simultaneously received and consumes the benefits provided by the Group.

##### Sales from development and distribution of software applications

Revenue from sales from development and distribution of software applications is recognised at a point in time when the services have been transferred to the customers and coincides with the delivery of services and acceptance by customer. The payment is generally due within cash term to 60 days (2023: cash term to 60 days) from delivery of services.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 24. REVENUE (CONT'D)

## 24.1 Performance obligations (cont'd)

Installation, trading, maintenance services and others

Revenue from installation, trading, maintenance services and others are recognised at a point in time when the goods and services have been transferred to the customers and coincides with the delivery of goods and acceptance by customer. The payment is generally due within cash term to 90 days (2023: cash term to 90 days) from delivery of goods and services.

## 25. FINANCE INCOME

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Interest income:				
- Associates	32,665	58,002	-	-
- Bank balances	283,155	191,287	15,513	33,737
- Fixed deposits	133,930	156,874	-	-
- Gain on financial assets carries at amortised costs	-	11,675	-	-
- Money market	67,842	27,018	-	-
- Overnight deposits	23,054	35,551	-	-
- Repurchase agreement	12,359	14,772	-	-
- Subsidiaries	-	-	483,105	578,904
	553,005	495,179	498,618	612,641

## 26. FINANCE COSTS

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Interest expenses:				
- Bank guarantees	469,114	124,794	-	-
- Bank overdraft	47,835	28,538	36,301	18,493
- Bankers' acceptance	192,024	451,196	-	-
- Lease liabilities	318,684	180,339	-	-
- Letter of credit	195,549	546,632	-	-
- Term loans	149,095	153,859	-	-
- Trust receipt	14,304	-	-	-
- Revolving credit	65,127	97,971	-	-
	1,451,732	1,583,329	36,301	18,493



## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 27. PROFIT BEFORE TAX

Profit before tax has been determined after charging/(crediting), amongst other, the following:-

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Auditors' remuneration				
- Statutory audit	215,000	194,000	28,000	28,000
- Others	239,000	3,000	3,000	3,000
Local affiliate of Grant Thornton Malaysia PLT				
- Others	30,000	-	30,000	-
Amortisation of intangible assets	292,313	157,023	-	-
Bad debts recovered	-	(3,752)	-	-
Bad debts written off	123,105	118,476	-	-
Depreciation of investment property	3,200	3,200	-	-
Depreciation of property, plant and equipment	2,156,258	1,660,825	-	-
Directors' fee	235,000	224,500	235,000	224,500
Dividend income:				
- Subsidiary	-	-	-	(9,100,000)
- Other investments	(3,870)	(1,222)	-	-
Expenses arising from leases:				
- Expenses relating to short-term lease	4,044,644	2,205,161	-	-
Fair value gain on other investments	(479,533)	(143,607)	-	-
Fair value loss on derivative financial instruments	12,755	-	-	-
Gain on disposal of property, plant and equipment	(2,912,546)	(301,208)	-	-
Impairment loss on trade receivables	1,631,420	1,245,762	-	-
Impairment loss on contract assets	467,089	1,305,827	-	-
Impairment loss on other receivables	6,460	-	-	-
Impairment loss on amount due from associates	604,636	-	-	-
Inventories written down	264,838	92,100	-	-
Inventories written off	57,190	13,916	-	-
Property, plant and equipment written off	-	1	-	-
Rental income	(166,769)	(99,508)	-	-
Reversal of impairment loss on trade receivables	(816,149)	(1,588,876)	-	-
Reversal of impairment loss on contract assets	(399,615)	(379,983)	-	-
Reversal of impairment loss on other receivables	-	(900)	-	-
Reversal of provision for foreseeable losses	(1,299)	(208,153)	-	-
Reversal of inventories written down	(65,265)	(379,333)	-	-
Realised loss on foreign exchange	266,270	517,056	-	-
Unrealised loss/(gain) on foreign exchange	6,540	(97,742)	-	-
Waiver of debts	(16,984)	(10,513)	-	-

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 28. TAX EXPENSE

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<b>Current tax</b>				
- Current financial year	11,707,330	4,933,431	169,000	225,000
- Under/(Over) provision in prior financial year	406,159	(523,647)	59,676	(78,579)
	12,113,489	4,409,784	228,676	146,421
<b>Deferred tax</b>				
- Current financial year	(53,481)	(7,721)	-	-
- Over recognised in prior financial year	(25,200)	(9,730)	-	-
	(78,681)	(17,451)	-	-
	12,034,808	4,392,333	228,676	146,421

Malaysian income tax is calculated at statutory tax rate of 24% (2023: 24%) of the estimated assessable profits for the financial year.

The numerical reconciliation between the effective tax rate and the statutory tax rate of the Group and of the Company are as follows:-

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Profit before tax	34,737,314	18,145,311	174,842	9,542,701
Tax at Malaysian statutory tax rate of 24%	8,336,955	4,354,875	41,962	2,290,248
Tax effect in respect of:-				
Expenses not deductible for tax purposes	1,868,393	730,532	127,038	118,752
Income not subject to tax	(788,226)	(593,419)	-	(2,184,000)
Movement of deferred tax assets not recognised	2,236,727	433,722	-	-
Under/(Over) provision of tax expense in prior financial year	406,159	(523,647)	59,676	(78,579)
Over recognised of deferred tax liabilities in prior financial year	(25,200)	(9,730)	-	-
	12,034,808	4,392,333	228,676	146,421

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 28. TAX EXPENSE (CONT'D)

Deferred tax assets have not been recognised in respect of these items (stated as gross) as it is not probable that future taxable profits will be available against which the subsidiaries can utilise the benefits therefrom.

	Group	
	2024 RM	2023 RM
Property, plant and equipment	264,639	31,612
Inventories	511,226	311,651
Trade receivables	5,099,662	4,631,876
Advance received	6,662,100	1,342,110
Contract assets	2,062,934	1,995,460
Contract liabilities	2,250,816	991,056
Provisions	1,939,700	168,959
Unabsorbed capital allowance	1,003,480	977,858
Unutilised tax losses	102,224	126,503
	<b>19,896,781</b>	<b>10,577,085</b>

The expiry of the unutilised tax losses is as follows:-

	Group	
	2024 RM	2023 RM
Unutilised tax losses		
- expiring year of assessment 2030	102,224	102,224
- expiring year of assessment 2032	-	24,279
	<b>102,224</b>	<b>126,503</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

**29. EARNINGS PER SHARE**Basic/Diluted earnings per ordinary share

Basic earnings per share are calculated by dividing profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

Diluted earnings per ordinary share equals to basic earning per share as there are no dilutive potential ordinary shares.

***Profits attributable to equity holders of the Company***

	Group	
	2024	2023
Profit used for the computation of basic/diluted:		
- Profit attributable to equity holders of the Company (RM)	22,000,871	13,724,131
Weighted average number of ordinary shares	644,968,200	644,968,200
Basic/Diluted earnings per ordinary shares (sen)	3.41	2.13

**30. EMPLOYEE BENEFITS EXPENSE**

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries and other emoluments	29,454,712	21,871,298	1,989,666	2,669,820
Defined contribution plans	3,168,699	2,391,584	333,937	411,470
Social security contribution	275,955	202,795	3,651	4,634
	32,899,366	24,465,677	2,327,254	3,085,924

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 30. EMPLOYEE BENEFITS EXPENSE (CONT'D)

Included in the employee benefits expense is the Directors' emoluments as below:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Executive Directors:-</u>				
<b>Directors of the Company</b>				
Salaries and other emoluments	1,419,080	2,135,115	1,419,080	2,135,115
Defined contribution plans	233,158	338,851	233,158	338,851
Social security contribution	2,434	3,475	2,434	3,475
	1,654,672	2,477,441	1,654,672	2,477,441
<b>Directors of the subsidiaries</b>				
Salaries and other emoluments	2,301,203	1,681,764	-	-
Defined contribution plans	240,800	183,310	-	-
Social security contribution	8,559	6,679	-	-
	2,550,562	1,871,753	-	-
<u>Non-executive Directors:-</u>				
<b>Directors of the Company</b>				
Salaries and other emoluments	44,000	20,500	44,000	20,500
	4,249,234	4,369,694	1,698,672	2,497,941

The estimated monetary value of benefits-in-kind received by the Directors other than cash from the Group amounted to RM29,581 (2023: RMNil).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 31. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

At an Extraordinary General Meeting held on 10 October 2024, the Company's shareholders approved the establishment of ESOS for the eligible Directors and employees of the Group. The ESOS shall be in force for a period of five (5) years commencing from 2 January 2025 and will expire on 1 January 2030.

The salient features of the ESOS are as follows:-

- (i) the total number of new Pekat Shares to be issued pursuant to the exercise of the ESOS Options shall not exceed the Maximum Limit and the ESOS Committee shall not be obliged in any way to offer an Eligible Person an ESOS Option for all the specified maximum number of Pekat Shares the Eligible Person is entitled to under the Proposed ESOS;
- (ii) not more than 10% of the total number of Pekat Shares to be issued under the Proposed ESOS shall be allocated to any Eligible Person who, either singly or collectively through persons connected with them, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any);
- (iii) the Director or employee shall have attained the age of 18 years on the Date of Offer and shall neither be an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (iv) the Exercise Price shall be determined by the Board upon recommendation of the ESOS Committee based on the five (5)-day volume weighted average market price of the Pekat Shares immediately preceding the Date of Offer, with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time;
- (v) the options shall not carry any voting rights at any general meeting of the Company and shall not be entitled to any dividends, rights and/or other distributions; and
- (vi) the new shares to be allotted and issued upon exercise of any option shall upon allotment rank pari passu in all respects with the existing shares of the Company.

## 32. DIVIDENDS

	Group and Company	
	2024 RM	2023 RM
<b>In respect of the financial year ended 31 December 2023:-</b>		
First interim single tier dividend of RM0.01 per ordinary share, paid on 21 September 2023	-	6,449,682

The Directors do not recommend any final dividend payment for the current financial year.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 33. RELATED PARTY DISCLOSURES

Transactions with related parties

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Accounting fee charged to an associate	60,000	60,000	-	-
Advances from subsidiaries	-	-	-	6,280
Advances to subsidiaries	-	-	-	54,087
Advances to associates	640,000	1,729,917	-	-
Interest income charged to subsidiaries	-	-	483,105	578,904
Interest income charged to associates	32,665	58,002	-	-
Management fee charged to subsidiaries	-	-	3,024,000	3,840,000
Progress billing issued to an associate	2,228,012	-	-	-
Progress billing issued to related parties	-	90,300	-	-
Progress billing issued to a company connected to non-controlling interest	20,864,320	-	-	-
Purchase from a subsidiary's corporate shareholder	182,545	159,000	-	-
Purchase from an associate	-	7,200	-	-
Payments made on behalf to subsidiaries	-	-	656,778	-
Payments made on behalf to associates	911,172	-	-	-
Payments made on behalf to a related party	3,697	-	-	-
Payments made on behalf from a related party	33,480	-	-	-
Rental expense charged by a related party	974,400	972,000	-	-
Rental expense charged by a subsidiary	-	-	43,200	32,400
Rental expense charged to an associate	500	-	-	-
Sales to associates	13,113,330	24,649,951	-	-

The outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 6, 7, 10, 12 and 13 to the financial statements.

The Directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

#### Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly and entity that provides key management personnel services to the Group and the Company.



## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 33. RELATED PARTY DISCLOSURES (CONT'D)

## Compensation of key management personnel (cont'd)

Key management includes all the Directors of the Group and of the Company and certain members of senior management of the Group and of the Company.

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<b>Directors' remuneration:-</b>				
Directors' fee	235,000	224,500	235,000	224,500
Directors' emoluments	4,249,234	4,369,694	1,698,672	2,497,941
	4,484,234	4,594,194	1,933,672	2,722,441
<b>Key management personnel:-</b>				
Salaries and other emoluments	495,840	511,620	495,840	511,620
Defined contribution plans	75,976	72,618	75,976	72,618
Social security contribution	1,217	1,159	1,217	1,159
	573,033	585,397	573,033	585,397
	5,057,267	5,179,591	2,506,705	3,307,838

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 34. OPERATING SEGMENT

#### *General information*

The information reported to the Group's chief operating decision maker to make decisions about resources to be allocated and for assessing their performance is based on the nature of the activities of the Group. The Group's operating segments are as follows:-

- Segment I : Design, supply and installation of on-grid and off-grid solar photovoltaic systems and power plants which also includes the entire scope of work up to delivering of system or plant to customers and operations and maintenance of the systems or plants. Solar photovoltaic systems and power plants convert sunlight into electricity for use at a facility, supply to the power grid, or storage in a battery pack for later use.
- Segment II : Supply and installation of earthing and lightning protection systems for buildings, facilities and structures to protect people, property and equipment from unintended electric current as well as providing specialist subcontractors for earthing and lightning protection systems to main contractors or mechanical and electrical contractors.
- Segment III : Distribution of electrical products and accessories which includes sales and marketing of Pekat own brand and other third party brands electrical products and accessories, namely for earthing and lightning related products, solar photovoltaic related products, surge protection devices, and aviation warning light systems.
- Segment IV : Manufacturing, engineering and project activities, providing a wide range of products and services to the generation, transmission and distribution sectors of the electrical power industry.

#### *Measurement of reportable segments*

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements. Transactions between reportable segments are measured on the basis that is similar to those external customers. There are no significant changes from prior financial year in the measurement methods used to determine reported segment results.

All the Group's assets are allocated to reportable segments other than assets used centrally for the Group, associate companies and current and deferred tax assets. Jointly used assets are allocated on the basis of the revenues earned by individual segments.

All the Group's liabilities are allocated to reportable segments other than liabilities incurred centrally for the Group, current and deferred tax liabilities. Jointly incurred liabilities are allocated in proportion to the segment assets.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 34. OPERATING SEGMENT (CONT'D)

Analysis of the Group's revenue, results, assets, liabilities and other information by operating segment are shown below:-

Group	Note	Segment I RM	Segment II RM	Segment III RM	Segment IV RM	Eliminations RM	Total RM
<b>2024</b>							
<b>Revenue</b>							
External revenue		174,666,785	47,304,882	55,160,230	9,851,980	-	286,983,877
Inter-company revenue	A	712,790	253,734	41,287,573	-	(42,254,097)	-
Total revenue		175,379,575	47,558,616	96,447,803	9,851,980	(42,254,097)	286,983,877
<b>Results</b>							
Segment results	B	8,442,342	3,266,206	42,243,140	1,813,500	(31,327,667)	24,437,521
Finance income		166,854	47,193	911,915	22,756	(595,713)	553,005
Finance costs		(1,462,889)	(186,413)	(354,757)	(43,386)	595,713	(1,451,732)
Depreciation and amortisation		1,254,977	321,954	596,635	132,404	145,801	2,451,771
Share of loss of associates		-	-	-	-	(836,288)	(836,288)
Tax expense		(5,516,344)	(1,183,085)	(4,972,760)	(400,000)	37,381	(12,034,808)
Other non-cash (expense)/income	C	(248,608)	(366,168)	(562,699)	(217,693)	-	(1,395,168)
<b>Assets</b>							
Segment assets	D	193,939,124	44,248,737	263,152,894	93,618,225	(174,495,449)	420,463,531
Investment in associates		-	-	9,755,855	-	1,546,640	11,302,495
Included in segment assets are:-							
Additions to non-current assets other than deferred tax assets	E	36,411,922	412,902	2,977,872	23,155	31,059,398	70,885,249
<b>Liabilities</b>							
Segment liabilities	F	132,232,782	18,991,893	14,556,191	26,740,210	(57,669,165)	134,851,911

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 34. OPERATING SEGMENT (CONT'D)

Analysis of the Group's revenue, results, assets, liabilities and other information by operating segment are shown below (cont'd):-

Group (cont'd)	Note	Segment I RM	Segment II RM	Segment III RM	Segment IV RM	Eliminations RM	Total RM
<b>2023</b>							
<b>Revenue</b>							
External revenue		156,151,048	33,288,293	38,020,672	-	-	227,460,013
Inter-company revenue	A	12,834,857	86,158	23,642,621	-	(36,563,636)	-
Total revenue		168,985,905	33,374,451	61,663,293	-	(36,563,636)	227,460,013
<b>Results</b>							
Segment results	B	5,192,925	4,186,541	18,192,962	-	(13,285,843)	14,286,585
Finance income		219,206	28,345	1,310,811	-	(1,063,183)	495,179
Finance costs		(2,227,297)	(57,565)	(361,650)	-	1,063,183	(1,583,329)
Depreciation and amortisation		(964,671)	(286,294)	(608,243)	-	38,160	(1,821,048)
Share of profit of associates		-	-	-	-	554,543	554,543
Tax expense		(1,240,506)	(1,163,981)	(1,987,846)	-	-	(4,392,333)
Other non-cash (expense)/income	C	(408,644)	103,944	337,725	-	-	33,025
<b>Assets</b>							
Segment assets	D	78,497,516	36,182,453	169,939,384	-	(115,186,825)	169,432,528
Investment in associates		-	-	11,176,783	-	-	11,176,783
Included in segment assets are:-							
Additions to non-current assets other than deferred tax assets	E	1,138,259	238,084	1,213,844	-	(228,960)	2,361,227
<b>Liabilities</b>							
Segment liabilities	F	52,047,764	9,222,033	7,628,953	-	(29,776,729)	39,122,021

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

**34. OPERATING SEGMENT (CONT'D)**

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

- A. Intersegment revenues are eliminated on consolidation.
- B. The following items are added to/(deducted from) segment profit to arrive at “profit after tax” presented in the profit or loss:-

	2024 RM	2023 RM
Segment profit	24,437,521	14,286,585
Finance income	553,005	495,179
Finance costs	(1,451,732)	(1,583,329)
Share of (loss)/profit of associates	(836,288)	554,543
Profit after tax	22,702,506	13,752,978

- C. Other major non-cash income/(expenses) consist of the following items as presented in the respective notes to the financial statements:-

	2024 RM	2023 RM
Bad debts written off	(123,105)	(118,476)
Fair value gain on other investments	479,553	143,607
Fair value loss on derivative financial liabilities	(12,755)	-
Impairment loss on trade receivables	(1,631,420)	(1,245,762)
Impairment loss on contract assets	(467,089)	(1,305,827)
Impairment loss on other receivables	(6,460)	-
Impairment loss on amount due from associates	(604,636)	-
Inventories written down	(264,838)	(92,100)
Inventories written off	(57,190)	(13,916)
Property, plant and equipment written off	-	(1)
Reversal of impairment loss on trade receivables	816,149	1,588,876
Reversal of impairment loss on contract assets	399,615	379,983
Reversal of impairment loss on other receivables	-	900
Reversal of inventories written down	65,265	379,333
Reversal of provision for foreseeable losses	1,299	208,153
Unrealised (loss)/gain on foreign exchange	(6,540)	97,742
Waiver of debts	16,984	10,513
	(1,395,168)	33,025

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 34. OPERATING SEGMENT (CONT'D)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd).

D. The following items are added to segment assets to arrive at total assets reported in the statements of financial position:-

	2024 RM	2023 RM
Segment assets	420,463,531	169,432,528
Investment in associates	11,302,495	11,176,783
Tax recoverable	1,430,655	1,760,205
Total assets	433,196,681	182,369,516

E. Additions to non-current assets other than financial instruments and deferred tax assets consists of:-

	2024 RM	2023 RM
Property, plant and equipment	22,930,532	1,769,828
Intangible assets	46,992,717	18,206
Investment in associates	962,000	573,193
	70,885,249	2,361,227

F. The following items are added to segment liabilities to arrive at total liabilities reported in the statements of financial position:-

	2024 RM	2023 RM
Segment liabilities	134,851,911	39,122,021
Lease liabilities	17,252,594	3,440,550
Borrowings	74,696,068	1,576,595
Tax payable	4,941,557	1,177,072
Deferred tax liabilities	6,111,457	275,549
Total liabilities	237,853,587	45,591,787

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

**34. OPERATING SEGMENT (CONT'D)**Geographical information

Revenue and non-current assets are all derived from Malaysia.

Non-current assets information presented above consist of the following items as presented in the statements of financial position:-

	2024 RM	2023 RM
Property, plant and equipment	68,928,475	23,436,188
Investment property	140,800	144,000
Intangible assets	46,883,539	183,135
Investment in associates	11,302,495	11,176,783
Amount due from an associates	955,565	1,329,875
	128,210,874	36,269,981

Major customers

The Group does not have any revenue from a single external customer which represents 10% or more of the Group's revenue in current financial year.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 35. FINANCIAL INSTRUMENTS

#### 35.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

- (a) Financial assets and financial liabilities measured at amortised cost ("AC"); and
- (b) Financial assets and financial liabilities at fair value through profit or loss ("FVTPL").

	Carrying amount RM	AC RM	FVTPL RM
<b>Group</b>			
<b>2024</b>			
<b>Financial assets</b>			
Other investments	8,338,584	-	8,338,584
Trade receivables	110,319,458	110,319,458	-
Other receivables	8,509,959	8,509,959	-
Amount due from associates	3,295,413	3,295,413	-
Amount due from a related party	1,225	1,225	-
Fixed deposits with licensed banks	2,920,548	2,920,548	-
Cash and bank balances	34,339,853	34,339,853	-
	<b>167,725,040</b>	<b>159,386,456</b>	<b>8,338,584</b>
<b>Financial liabilities</b>			
Derivative financial liabilities	12,755	-	12,755
Trade payables	50,882,011	50,882,011	-
Other payables	44,398,291	44,398,291	-
Amount due to associates	13,839	13,839	-
Borrowings	74,696,068	74,696,068	-
	<b>170,002,964</b>	<b>169,990,209</b>	<b>12,755</b>



## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 35. FINANCIAL INSTRUMENTS (CONT'D)

## 35.1 Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows (cont'd):-

- (a) Financial assets and financial liabilities measured at amortised cost ("AC"); and
- (b) Financial assets and financial liabilities at fair value through profit or loss ("FVTPL").

	Carrying amount RM	AC RM	FVTPL RM
<b>Group (cont'd)</b>			
<b>2023</b>			
<b>Financial assets</b>			
Other investments	4,412,566	-	4,412,566
Trade receivables	47,587,763	47,587,763	-
Other receivables	6,539,749	6,539,749	-
Amount due from associates	5,188,794	5,188,794	-
Fixed deposits with licensed banks	3,083,633	3,083,633	-
Cash and bank balances	23,944,320	23,944,320	-
	90,756,825	86,344,259	4,412,566
<b>Financial liabilities</b>			
Trade payables	16,972,203	16,972,203	-
Other payables	9,932,095	9,932,095	-
Borrowings	1,576,595	1,576,595	-
	28,480,893	28,480,893	-

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.1 Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows (cont'd):-

- (a) Financial assets and financial liabilities measured at amortised cost ("AC"); and
- (b) Financial assets and financial liabilities at fair value through profit or loss ("FVTPL").

	Carrying amount RM	AC RM	FVTPL RM
<b>Company</b>			
<b>2024</b>			
<b>Financial assets</b>			
Amount due from subsidiaries	1,592,647	1,592,647	-
Other receivables	14,800	14,800	-
Cash and bank balances	1,341,776	1,341,776	-
	<b>2,949,223</b>	<b>2,949,223</b>	-
<b>Financial liability</b>			
Other payables	622,010	622,010	-
<b>2023</b>			
<b>Financial assets</b>			
Amount due from subsidiaries	12,189,430	12,189,430	-
Other receivables	10,800	10,800	-
Cash and bank balances	671,262	671,262	-
	<b>12,871,492</b>	<b>12,871,492</b>	-
<b>Financial liability</b>			
Other payables	488,565	488,565	-

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 35. FINANCIAL INSTRUMENTS (CONT'D)

## 35.2 Financial risk management

The Group and the Company are mainly exposed to credit risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk. The Group and the Company have formal risk management policies and guidelines, as approved by the Board of Directors, which set out its overall business strategies, its tolerance for risks and its general risk management philosophy. Such policies are monitored and undertaken by the management.

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:-

## 35.2.1 Credit risk

Credit risk refers to the risk that a counterparty will default in its contractual obligations resulting in financial loss to the Group and the Company. For other financial assets, the Group and the Company adopt the policy of dealing with reputable institutions.

Following are the areas where the Group and the Company are exposed to credit risk.

Exposure to credit risk

Maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of financial assets recognised at reporting date as summarised below:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Classes of financial assets:-</b>				
Trade receivables	110,319,458	47,587,763	-	-
Contract assets	39,203,477	29,144,525	-	-
Other receivables	8,509,959	6,539,749	14,800	10,800
Amount due from subsidiaries	-	-	1,592,647	12,189,430
Amount due from associates	3,295,413	5,188,794	-	-
Amount due from a related party	1,225	-	-	-
Fixed deposits with licensed banks	2,920,548	3,083,633	-	-
Cash and bank balances	34,339,853	23,944,320	1,341,776	671,262
	198,589,933	115,488,784	2,949,223	12,871,492

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.2 Financial risk management (cont'd)

##### 35.2.1 Credit risk (cont'd)

###### Trade receivables and contract assets

###### **Recognition and measurement of impairment loss**

In managing credit risk of trade receivables and contract assets, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group's debt recovery processes are as follows:-

- (a) Above 180 days in Segment I and III and 360 days in Segment II past due after credit term, the Group will start to initiate together with management team a structured debt recovery process which is monitored by the management team; and
- (b) The Group will commence a legal proceeding against the customers who having dispute or does not adhere to the restructure of the repayment scheme.

The Group uses provision matrix to measure ECLs for all the past due debts. Credit term which are past due more than 180 days in Segment I and III and past due more than 360 days in Segment II will be considered as credit impaired.

The Group assessed the risk of loss (including the trade balances due from associates) based on the following factors:-

- (a) Overall past trend payments of customers;
- (b) Financial performances of each individual customers; and
- (c) Sovereign credit ratings.

None of the Group's financial assets are secured by collateral or other credit enhancements.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 35. FINANCIAL INSTRUMENTS (CONT'D)

## 35.2 Financial risk management (cont'd)

## 35.2.1 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

## Recognition and measurement of impairment loss (cont'd)

Set out below is the information about the credit risk exposure and ECLs on the Group's trade receivables and contract assets:-

	Current RM	Days past due				Total RM
		1 to 30 days RM	31 to 60 days RM	61 to 90 days RM	More than 90 days RM	
<b>2024</b>						
Trade receivables	57,143,344	10,136,004	15,850,024	8,742,200	26,247,656	118,119,228
Individually impaired	-	-	-	(20,907)	(5,757,370)	(5,778,277)
Collectively impaired	(34,245)	(27,590)	(42,606)	(65,422)	(1,851,630)	(2,021,493)
Net balance	57,109,099	10,108,414	15,807,418	8,655,871	18,638,656	110,319,458
Contract assets	41,266,411	-	-	-	-	41,266,411
Individually impaired	(2,062,934)	-	-	-	-	(2,062,934)
Net balance	39,203,477	-	-	-	-	39,203,477
<b>2023</b>						
Trade receivables	16,833,638	12,343,031	9,193,800	1,783,236	11,039,013	51,192,718
Individually impaired	-	-	-	-	(3,045,485)	(3,045,485)
Collectively impaired	(94,043)	(30,115)	(17,735)	(5,848)	(411,729)	(559,470)
Net balance	16,739,595	12,312,916	9,176,065	1,777,388	7,581,799	47,587,763
Contract assets	31,139,985	-	-	-	-	31,139,985
Individually impaired	(1,995,460)	-	-	-	-	(1,995,460)
Net balance	29,144,525	-	-	-	-	29,144,525

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.2 Financial risk management (cont'd)

##### 35.2.1 Credit risk (cont'd)

###### Trade receivables and contract assets (cont'd)

###### **Recognition and measurement of impairment loss (cont'd)**

###### *Credit risk concentration profile*

The Group continuously monitors credit standing of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. External credit ratings and/or reports on customers and other counterparties may also be used.

###### Other receivables

As at the end of reporting year, there was no indication that other receivables are not recoverable except for those disclosed in Note 12 to the financial statements.

###### Intercompany balances

The Group and the Company have trade transactions and provide unsecured advances to subsidiaries, associates and related party monitors their results regularly.

As at the end of the reporting year, there was no indication that amounts due from subsidiaries, associates and related party are not recoverable except for those disclosed in Note 7 to the financial statements.

###### Other investments

As at reporting date, the Group only invested in money market fund in Malaysia. The maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

Investments are mostly in liquid securities and only with counterparties that have a credit rating equal to or better than the Group.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations.

###### Cash and cash equivalents

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable financial institutions with high quality external credit ratings and have no history of default.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 35. FINANCIAL INSTRUMENTS (CONT'D)

## 35.2 Financial risk management (cont'd)

## 35.2.1 Credit risk (cont'd)

Corporate guarantee/Performance guarantee

The Group and the Company provide unsecured corporate guarantee and performance guarantee to banks in respect of banking facilities granted to subsidiaries and customers. The maximum exposure to credit risk is disclosed in Note 35.2.2 to the financial statements as at the reporting date. The Group and the Company monitor on an ongoing basis the results and repayments made by the subsidiaries and customers. As the end of the reporting year, there was no indication that subsidiaries and customers would default on repayment and under perform.

## 35.2.2 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due to shortage of funds.

In managing its exposures to liquidity risk arising principally from its various payables, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

The summary of the maturity profile based on the contractual undiscounted repayment obligations is as follows:-

	Carrying amount RM	Total RM	Contractual cash flow		
			Current Within 1 year RM	Non-current 2 to 5 years RM	More than 5 years RM
<b>Group</b>					
<b>2024</b>					
<b>Non-derivative financial liabilities</b>					
Trade payables	50,882,011	50,882,011	50,882,011	-	-
Other payables	44,398,291	44,398,291	44,398,291	-	-
Amount due to associates	13,839	13,839	13,839	-	-
Bankers' acceptance	7,531,000	7,531,000	7,531,000	-	-
Invoice financing	13,862,827	13,862,827	13,862,827	-	-
Revolving credit	11,000,000	11,000,000	11,000,000	-	-
Trust receipt	877,772	877,772	877,772	-	-
Term loans	41,424,469	50,598,239	7,188,102	29,096,364	14,313,773
Lease liabilities	17,252,594	29,080,063	2,282,657	6,769,646	20,027,760
	187,242,803	208,244,042	138,036,499	35,866,010	34,341,533

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.2 Financial risk management (cont'd)

##### 35.2.2 Liquidity risk (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligations is as follows (cont'd):-

	Carrying amount RM	Total RM	Contractual cash flow		
			Current Within 1 year RM	Non-current 2 to 5 years RM	More than 5 years RM
<b>Group (cont'd)</b>					
<b>2024 (cont'd)</b>					
<b>Derivative financial liabilities</b>					
Forward currency contract					
- outflow	5,501,214	5,501,214	5,501,214	-	-
- inflow	(5,488,459)	(5,488,459)	(5,488,459)	-	-
	12,755	12,755	12,755	-	-
	187,255,558	208,256,797	138,049,254	35,866,010	34,341,533
Financial guarantee*	-	43,768,145	43,768,145	-	-
<b>2023</b>					
<b>Non-derivative financial liabilities</b>					
Trade payables	16,972,203	16,972,203	16,972,203	-	-
Other payables	9,932,095	9,932,095	9,932,095	-	-
Term loan	1,576,595	1,663,198	1,049,844	613,354	-
Lease liabilities	3,440,550	2,403,030	657,634	1,745,396	-
	31,921,443	30,970,526	28,611,776	2,358,750	-
Financial guarantee*	-	19,083,309	19,083,309	-	-



## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 35. FINANCIAL INSTRUMENTS (CONT'D)

## 35.2 Financial risk management (cont'd)

## 35.2.2 Liquidity risk (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligations is as follows (cont'd):-

	Carrying amount RM	Total RM	Contractual cash flow		
			Current Within 1 year RM	Non-current 2 to 5 years RM	More than 5 years RM
<b>Company</b>					
<b>2024</b>					
<b>Non-derivative financial liabilities</b>					
Other payables	622,010	622,010	622,010	-	-
Corporate guarantee*	-	90,484,194	90,484,194	-	-
<b>2023</b>					
<b>Non-derivative financial liabilities</b>					
Other payables	488,565	488,565	488,565	-	-
Corporate guarantee*	-	18,771,242	18,771,242	-	-

\* This exposure is included in liquidity risk for illustration only. No financial guarantee was called upon by the holders as at the end of the reporting year.

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of financial liabilities at the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.2 Financial risk management (cont'd)

##### 35.2.3 Interest rate risk

Interest rate risk is caused by changes in market interest rate resulting in fluctuation in fair value or future cash flow of financial instruments of the Group and of the Company. The Group's and the Company's interest rate management objective is to manage interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation.

The Group's borrowings are at fixed interest rates. The exposure to interest rates for the Group's short-term placement is considered immaterial.

The carrying amount of the Group's and of the Company's financial instruments that are exposed to interest rate risk are as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Fixed rate instruments</b>				
<u>Financial asset</u>				
Fixed deposits with licensed banks	2,920,548	3,083,633	-	-
<u>Financial liabilities</u>				
Bankers' acceptance	(7,531,000)	-	-	-
Invoice financing	(13,862,827)	-	-	-
Revolving credit	(11,000,000)	-	-	-
Trust receipt	(877,772)	-	-	-
Lease liabilities	(17,252,594)	(3,440,550)	-	-
	(50,524,193)	(3,440,550)	-	-
Net financial liabilities	(47,603,645)	(356,917)	-	-
<b>Floating rate instruments</b>				
<u>Financial assets</u>				
Amount due from associates	1,826,045	1,250,956	-	-
Amount due from a subsidiary	-	-	-	10,900,000
	1,826,045	1,250,956	-	10,900,000
<u>Financial liability</u>				
Term loans	(41,424,469)	(1,576,595)	-	-
Net financial (liabilities)/assets	(39,598,424)	(325,639)	-	10,900,000

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

**35. FINANCIAL INSTRUMENTS (CONT'D)****35.2 Financial risk management (cont'd)****35.2.3 Interest rate risk (cont'd)***Fair value sensitivity analysis for fixed rate instruments*

The Group and the Company do not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss and does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting year would not affect profit or loss and equity.

*Fair value sensitivity analysis for floating rate instruments*

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/-25 (2023: +/-25) basis points ("bp"). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each year, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Effects on profit/equity for the financial year	
	(Decrease)/Increase	
	RM	RM
<b>Group</b>		
2024 (+/-25bp)	(98,996)	98,996
2023 (+/-25bp)	(814)	814
<b>Company</b>		
2024 (+/-25bp)	-	-
2023 (+/-25bp)	27,250	(27,250)

**35.2.4 Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company are exposed to foreign currency risk mostly on its sales and purchases that are denominated in currency other than the functional currency of the Group and of the Company. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Renminbi ("RMB"), Euro ("EURO") and Japanese Yen ("JPY").

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.2 Financial risk management (cont'd)

#### 35.2.4 Foreign currency risk (cont'd)

The carrying amount of the Group's and of the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting year are as follows:-

	2024 RM	2023 RM
<b>Group</b>		
<b>RM/USD</b>		
<u>Financial assets</u>		
Trade receivables	22,621	210,259
Other receivables	-	1,139,236
Amount due from an associate	1,329,875	1,329,875
Bank balances	628,575	24,706
	1,981,071	2,704,076
<u>Financial liability</u>		
Trade payables	(5,081,056)	(1,652,491)
Net exposure	(3,099,985)	1,051,585
<b>RM/RMB</b>		
<u>Financial assets</u>		
Trade receivables	23,468	18,400
Other receivables	-	3,696,276
Bank balances	8,710	740
	32,178	3,715,416
<u>Financial liability</u>		
Trade payables	(2,886,091)	(1,000,673)
Net exposure	(2,853,913)	2,714,743
<b>RM/EURO</b>		
<u>Financial asset</u>		
Other receivables	-	1,101
<u>Financial liability</u>		
Trade payables	(41,293)	(9,061)
Net exposure	(41,293)	(7,960)

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 35. FINANCIAL INSTRUMENTS (CONT'D)

## 35.2 Financial risk management (cont'd)

## 35.2.4 Foreign currency risk (cont'd)

The carrying amount of the Group's and of the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting year are as follows (cont'd):-

	2024 RM	2023 RM
<b>Group (cont'd)</b>		
<b>RM/JPY</b>		
<u>Financial asset</u>		
Bank balances	1,017	-
<b>Company</b>		
<b>RM/RMB</b>		
<u>Financial asset</u>		
Bank balances	1,271	-

*Foreign currency sensitivity analysis*

The following table illustrates the sensitivity of profit or loss and equity with regards to the Group's and of the Company's financial assets and financial liabilities and the RM/USD, RM/RMB, RM/EURO and RM/JPY exchange rate assuming all other things being equal.

A +/-1% (2023: +/-1%) change in the RM/USD, RM/RMB, RM/EURO and RM/JPY exchange rates at the reporting date is deemed possible. Both of these percentages have been determined based on average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's and of the Company's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.2 Financial risk management (cont'd)

#### 35.2.4 Foreign currency risk (cont'd)

##### *Foreign currency sensitivity analysis (cont'd)*

If the RM had strengthened/weakened against the USD, RMB, EURO and JPY by 1% (2023: 1%), then the impact would be as follows:-

	Impact on profit/equity	
	Increase/(Decrease)	
	2024 RM	2023 RM
<b>Group</b>		
<b>RM/USD</b>		
Strengthened 1% (2023: 1%)	31,000	(10,516)
Weakened 1% (2023: 1%)	(31,000)	10,516
<b>RM/RMB</b>		
Strengthened 1% (2023: 1%)	28,539	(27,147)
Weakened 1% (2023: 1%)	(28,539)	27,147
<b>RM/EURO</b>		
Strengthened 1% (2023: 1%)	413	80
Weakened 1% (2023: 1%)	(413)	(80)
<b>RM/JPY</b>		
Strengthened 1% (2023: Nil%)	(10)	-
Weakened 1% (2023: Nil%)	10	-
<b>Company</b>		
<b>RM/RMB</b>		
Strengthened 1% (2023: Nil%)	(13)	-
Weakened 1% (2023: Nil%)	13	-

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.2 Financial risk management (cont'd)

#### 35.2.5 Equity price risk

Equity price risk is the risk that the value of an equity instrument will fluctuate as a result of changes in market prices. The Group is exposed to equity price risk mainly through the Group's investment in quoted shares.

If the unit prices quoted 'fair value through profit or loss' financial assets increased by 10% (2023: 10%), with all other variables held constant, the Group's profit for the financial year and equity at the end of the reporting year would increase approximately by RM833,858 (2023: RM441,257).

If the unit prices for quoted fair value through profit or loss financial assets decreased by 10% (2023: 10%), with all other variables being held constant, it would have the equal but opposite effect on the amounts shown above.

#### 35.2.6 Fair value of financial instruments

The carrying amounts of financial assets and financial liabilities of the Group and of the Company at the reporting date approximate their fair values due to their short-term nature, insignificant impact of discounting or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

##### Fair value measurement of financial instruments

The following table summarises the method used in determining the fair value of financial assets on a recurring basis as at 31 December 2024 and 31 December 2023:-

Financial asset	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	2024 RM	2023 RM		
Other investments	8,338,584	4,412,566	Level 1	Quoted bid prices in an active market.
Derivative financial liabilities	12,755	-	Level 2	Significant other observable input.

There were no transfers between Level 1, 2 and 3 in financial years 2024 and 2023.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 36. CAPITAL MANAGEMENT

The primary objective of the management of the Group's and of the Company's capital structure is to optimise the balance between debts and equity to achieve a low cost of capital and maximise the return to stakeholders.

The capital structure of the Group and of the Company consists of debts (comprising lease liabilities and borrowings) and equity (comprising issued ordinary shares, retained earnings/accumulated losses and other reserves). The Group and the Company monitor their capital using a gearing ratio, based on total borrowings divided by total capital. The Directors review the capital structure on a quarterly basis, and consider the cost of capital and the risks associated with each class of capital. During the current financial year, no significant changes were made in the objectives, policies or processes for managing capital.

The gearing ratio at the end of the reporting year was as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Lease liabilities	17,252,594	3,440,550	-	-
Borrowings	74,696,068	1,576,595	-	-
	91,948,662	5,017,145	-	-
Equity attributable to owners of the Company	158,663,063	136,661,761	93,887,847	93,941,681
Gearing ratio (times)	0.58	0.04	-	-

There were no changes in the Group's and the Company's approach to capital management during the financial year.

### 37. CAPITAL COMMITMENT

	Group	
	2024 RM	2023 RM
Authorised and contracted for in respect of:		
- Purchase of plant and machinery	30,515,838	6,808



# Analysis of Shareholdings

As At 2 April 2025

## STATISTICS OF ORDINARY SHAREHOLDINGS

Class of Shares	:	Ordinary shares
Total Number of Issued Shares	:	644,968,200
Number of Shareholders	:	2,920
Voting Rights	:	One (1) vote per ordinary share

## ANALYSIS BY SIZE OF HOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares Held	%
1 - 99	12	0.41	312	0.00
100 - 1,000	814	27.88	434,200	0.07
1,001 - 10,000	1,386	47.46	6,832,200	1.06
10,001 - 100,000	516	17.67	17,310,790	2.68
100,001 - 32,248,409*	190	6.51	365,218,982	56.63
32,248,410 and above**	2	0.07	255,171,716	39.56
<b>Total</b>	<b>2,920</b>	<b>100.00</b>	<b>644,968,200</b>	<b>100.00</b>

Remark: \*Less than 5% of Issued Shares

\*\*5% and above of Issued Shares

## SUBSTANTIAL SHAREHOLDERS

(This is an aggregation of securities from different securities accounts belonging to the same registered holders)

No.	Name	Direct Interest		Indirect Interest	
		No. of Shares Held	(%)	No. of Shares Held	(%)
1.	Chin Soo Mau	225,061,800	34.90	-	-
2.	Tai Yee Chee	56,776,900	8.80	-	-
3.	Wee Chek Aik	50,717,300	7.86	-	-

## DIRECTORS' SHAREHOLDINGS

(This is an aggregation of securities from different securities accounts belonging to the same registered holders)

No.	Name	Direct Interest		Indirect Interest	
		No. of Shares Held	(%)	No. of Shares Held	(%)
1.	Chin Soo Mau	225,061,800	34.90	-	-
2.	Tai Yee Chee	56,776,900	8.80	-	-
3.	Kok Kong Chin	10,150,000	1.57	-	-
4.	Ong Keng Siew	100,000	0.02	-	-
5.	Datin Shelina Binti Razaly Wahi	100,000	0.02	-	-
6.	Yeong Siew Lee	100,000	0.02	-	-

## Analysis of Shareholdings

As At 2 April 2025

### THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
1.	Chin Soo Mau	217,061,800	33.65
2.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Tai Yee Chee (PB)</i>	38,109,916	5.91
3.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wee Chek Aik (E-SS2/KDA)</i>	28,381,141	4.40
4.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd for Manulife Investment Shariah Progress Fund</i>	21,410,100	3.32
5.	Tai Yee Chee	18,666,984	2.89
6.	Wee Chek Aik	15,436,159	2.39
7.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for AIA Bhd.</i>	11,755,900	1.82
8.	Chu Beng Han	10,813,400	1.68
9.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Kok Kong Chin (PB)</i>	10,150,000	1.57
10.	CIMB Islamic Nominees (Tempatan) Sdn. Bhd. <i>CIMB Islamic Trustee Berhad – Kenanga Syariah Growth Fund</i>	9,958,500	1.54
11.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board</i>	9,442,000	1.46
12.	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>CIMB Commerce Trustee Berhad - Kenanga Growth Fund</i>	9,109,800	1.41
13.	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>CIMB Commerce Trustee Berhad for Kenanga Shariah Growth Opportunities Fund (50156 TR01)</i>	8,969,700	1.39
14.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Lembaga Tabung Haji (AIIMAN)</i>	8,247,300	1.28
15.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chin Soo Mau (7003720)</i>	8,000,000	1.24
16.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (Islamic)</i>	7,998,900	1.24
17.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Loh Chen Yook (8089132)</i>	7,759,600	1.20
18.	AmanahRaya Trustees Berhad <i>PMB Shariah Growth Fund</i>	7,700,000	1.19
19.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Maybank Trustees Berhad for Kenanga SyariahEXTRA Fund (N14011960240)</i>	6,281,100	0.97
20.	Low Kheng Heng @ Low Choon Huat	5,386,700	0.84
21.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Deutsche Trustees Malaysia Berhad for Eastspring Investments Dana Al-Ilham</i>	5,345,600	0.83
22.	Cartaban Nominees (Tempatan) Sdn Bhd <i>CN CIMB Commerce Trustee Berhad for Kenanga Growth Fund Series 2</i>	4,652,500	0.72

## Analysis of Shareholdings

As At 2 April 2025

No.	Name	Shareholdings	%
23.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Exempt AN for Aham Asset Management Berhad (TSTAC/CLNTT)</i>	4,513,100	0.70
24.	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>CIMB Commerce Trustee Berhad for Kenanga Growth Opportunities Fund (50154 TR01)</i>	4,428,700	0.69
25.	Grand Terrace Sdn. Bhd.	4,250,000	0.66
26.	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>CIMB Commerce Trustee Berhad - Kenanga Malaysian Inc Fund</i>	3,865,500	0.60
27.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wee Chek Aik (7000825)</i>	3,500,000	0.54
28.	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wee Chek Aik</i>	3,400,000	0.53
29.	AmanahRaya Trustees Berhad <i>Aham Growth Fund</i>	3,307,500	0.51
30.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Maybank Trustees Berhad for Kenanga OnePRS Growth Fund (420119)</i>	3,277,000	0.51
<b>Total</b>		<b>501,178,900</b>	<b>77.71</b>

## List of Properties

No	Address	Description/ Existing Use	Approximate Land Area/ Built-up area (Square feet)	Date of Acquisition	Tenure/ Date of Expiry of Lease	Net Book Value (RM'000)	Revaluation	Age of Building
1.	B-2-2B, Prima Klang Avenue, Jalan Kota/ KS1, 41000 Klang, Selangor	Office Unit	792 square feet	8 May 2018	99 Year (expiry 6 May 2108)	141	N/A	15 years
2.	No. 40, Jalan Horizon Perdana 1, Bukit Horizon, 79100 Iskandar Puteri, Johor	2-storey Shop Office	3,194 square feet	8 August 2024	Freehold	1,418	N/A	4 years
3.	Lot 6, Jalan Permata 2, Arab Malaysian Industrial Park, 71800 Nilai, Negeri Sembilan	Factory, Warehouse and Office	184,762 square feet	16 December 2024	Freehold	17,443	N/A	10 years
4.	Lot 8252, Arab Malaysian Industrial Park, Mukim Setul Daerah Seremban, Negeri Sembilan	Industrial Land	220,230 square feet	16 December 2024	Freehold	20,500	N/A	N/A

# Notice of the Sixth Annual General Meeting



**PEKAT GROUP BERHAD**

**[Registration No. 201901011563 (1320891-U)]**

(Incorporated in Malaysia)

**NOTICE IS HEREBY GIVEN** that the Sixth ("6<sup>th</sup>") Annual General Meeting ("AGM") of the Company will be 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. for the following purposes:-

## AGENDA

- |  |   |
|--|---|
| 1. 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.  | <b>(Please refer to Explanatory Note 1)</b> |
| 2. To re-elect the following Directors, who are due to retire pursuant to Clause 128 of the Company's Constitution, and being eligible, have offered themselves for re-election:-                        |   |
| (a) Mr. Chin Soo Mau; and  | <b>(Ordinary Resolution 1)</b>              |
| (b) Datin Shelina Binti Razaly Wahi.   | <b>(Ordinary Resolution 2)</b>              |
| 3. To approve the payment of Directors' fees amounting to RM235,000.00 for the financial year ending 31 December 2025.   | <b>(Ordinary Resolution 3)</b>              |
| 4. 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.                     | <b>(Ordinary Resolution 4)</b>              |
| 5. 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. | <b>(Ordinary Resolution 5)</b>              |

## As Special Business

To consider and if thought fit, with or without any modification, to pass the following Ordinary and Special Resolution: -

## Notice of the Sixth Annual General Meeting

### 6. Ordinary Resolution

(Ordinary Resolution 6)

#### - Authority To Issue Shares Pursuant To 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;

**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.”

### 7. Special Resolution

(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.”

### 8. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

**YEOW SZE MIN (MAICSA 7065735) (SSM PC NO. 201908003120)**

**YEE KIT YENG (MAICSA 7068292) (SSM PC NO. 202208000022)**

Company Secretaries

Kuala Lumpur

Dated: 29 April 2025

# Notice of the Sixth Annual General Meeting

## Explanatory Notes: -

### 1. Audited Financial Statements for the financial year ended 31 December 2024

This Agenda item is meant for discussion only, as the provisions of Section 340(1)(a) of the Companies Act 2016 require that the Audited Financial Statements and the Reports of the Directors and Auditors thereon be laid at the Company's AGM. Hence, this Agenda item is not a business which requires a resolution to put forward for voting.

### 2. Ordinary Resolutions 1 to 2 - Re-election of Directors

For the purpose of determining the eligibility of the Director to stand for re-election at the 6<sup>th</sup> AGM of the Company, the Board of Directors through its Nominating Committee had reviewed and assessed each of the retiring Directors from the annual assessment and evaluation of the Board of Directors for the financial year ended 31 December 2024. A fit and proper assessment was also conducted by the Nominating Committee on the Directors who are standing for re-election pursuant to Clause 128 of the Company's Constitution to ensure that they have the essential quality and integrity as well as the relevant character, experience, competence, time and commitment to discharge their roles as Directors.

Based on the results of the annual evaluations, the Board of Directors is satisfied with the performance and contributions of the retiring Directors namely, Mr. Chin Soo Mau and Datin Shelina Binti Razaly Wahi and supports the re-election based on the following considerations:

- (i) 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;
- (ii) exercised due care and carried out professional duties proficiently; and
- (iii) level of independence demonstrated by the Independent Non-Executive Director, where relevant.

The retiring Directors have consented to their re-election and abstained from deliberations and decisions on their own eligibility to stand for re-election at the meetings of the Board and Nominating Committee, where relevant.

The profiles of the Directors are set out in the Annual Report 2024.

### 3. Ordinary Resolution 3 - Payment of Directors' Fees

Pursuant to Section 230(1) of the Companies Act, 2016, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting.

The proposed resolution is to facilitate the payment of Directors' fees on a current financial year basis, calculated based on the current Board size. In the event the Directors' fees proposed are insufficient (due to enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

### 4. Ordinary Resolution 4 - Payment of Directors' benefits

This resolution is to facilitate payment of Directors' benefits from 1 July 2025 until the next AGM of the Company in 2026. In the event the Directors' benefits proposed are insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

Directors' benefits include meeting allowance for directors and other emoluments payable to Directors. In determining the total estimated amount, the Board had considered various factors, including the number of scheduled meetings for the Board and Board Committees, covering the period from 1 July 2025 until the next AGM of the Company.

## Notice of the Sixth Annual General Meeting

### 5. Ordinary Resolution 5 - Re-appointment of Grant Thornton Malaysia PLT as Auditors of the Company

The Audit and Risk Management Committee (“**ARMC**”) have assessed the suitability, objectivity and independence of the External Auditors and recommended the re-appointment of Grant Thornton Malaysia PLT as External Auditors of the Company for the financial year ending 31 December 2025. The Board has in turn reviewed the recommendation of the ARMC and recommended the same be tabled to the shareholders for approval at the forthcoming 6<sup>th</sup> AGM of the Company under Ordinary Resolution 5. The evaluation criteria adopted as well as the process of assessment by the ARMC and Board, respectively, have been duly elaborated in the Corporate Governance Overview Statement of the Annual Report 2024 of the Company.

### 6. Ordinary Resolution 6 - Authority to Issue Shares pursuant to the Companies Act 2016

The Company had been granted a general mandate on the authority to issue shares pursuant to the Act by its shareholders at the Fifth AGM of the Company held on 11 June 2024 (hereinafter referred to as the “Previous Mandate”). The Company wishes to renew the Previous Mandate at the 6<sup>th</sup> AGM of the Company (hereinafter referred to as the “New Mandate”) and seek for waiver of pre-emptive rights under Section 85 of the Act read together with Clause 15 of the Constitution of the Company.

The Previous Mandate granted by the shareholders of the Company had not been utilised and hence no proceed was raised therefrom.

The purpose of seeking the New Mandate is to provide flexibility to the Company for allotment of shares for any possible fundraising activities to fund working capital without convening a general meeting as it would be both time and cost-consuming to organise a general meeting.

Pursuant to Section 85 of the Act read together with Clause 15 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other securities.

The proposed Resolution 6, if passed, the shareholders of the Company shall agree to waive their statutory pre-emptive right and thus, would allow the Directors to issue new shares to any person under authority to issue shares pursuant to the Act without having to offer new shares to be issued equally to all existing shareholders of the Company prior to issuance.

### 7. Special Resolution - Proposed Amendments to the Constitution of the Company

The proposed amendments to the Constitution of the Company are to enhance administrative efficiency and provide greater flexibility and clarity in the Constitution of the Company.

The proposed amendments to the Constitution of the Company, shall take effect once the special resolution has been passed by a majority of not less than seventy-five percent (75%) of the members or by proxy who are entitled to vote at the 6<sup>th</sup> AGM of the Company.

#### Notes to the Notice of the 6<sup>th</sup> AGM:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 11 June 2025 (*General Meeting Record of Depositors*) shall be eligible to attend, speak and vote at this Meeting.
2. A member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead. A member may appoint not more than two (2) proxies in relation to a meeting, provided that the member specifies the proportion of the member’s shareholdings to be represented by each proxy.



## Notice of the Sixth Annual General Meeting

3. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the members to attend, participate, speak and vote at the Meeting and upon appointment a proxy shall be deemed to confer authority to demand or join in demanding a poll.
4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. Where a member or the authorised nominee appoints more than two (2) proxies, or when an exempt authorised nominee appoints more than one (1) proxy in respect of each omnibus account it holds to attend and vote at the Meeting, the appointment shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised in writing.
7. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjournment thereof.

The lodging of the Form of Proxy does not preclude a member from attending and voting at the 6<sup>th</sup> AGM should he subsequently decides to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time stipulated for holding the 6<sup>th</sup> AGM or any adjournment thereof.

8. For a corporate member who has appointed a representative, please deposit the ORIGINAL OR DULY CERTIFIED certificate of appointment with the share registrar in accordance with Note (7) above. The certificate of appointment should be executed in the following manner:
  - a. If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
  - b. If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
    - i. at least two (2) authorised officers, of whom one (1) shall be a director; or
    - ii. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

# Appendix 1

## DETAILS OF THE PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

The clauses of the Constitution of the Company are proposed to be amended in the following manner:

Clause No.	Existing provision	Proposed amendments
5(s)	"Listing Requirements" means the ACE Listing Requirements of the Exchange as may be modified or amended from time to time.	"Listing Requirements" means the ACE <b>or Main</b> Market Listing Requirements of the Exchange <b>(as the case may be)</b> as may be modified or amended from time to time.
30	The Company's lien on shares and dividends from time to time declared in respect of such shares, shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay and has paid in respect of the shares of the Member or deceased Member and if shares were acquired under an Employee Share Scheme, amounts which are owed to the Company for acquiring them. In each such case the lien extends to reasonable interest and expenses incurred on the unpaid calls because the amount is not paid.	<b>Subject to the provisions of the Listing Requirements,</b> the Company's lien on shares and dividends from time to time declared in respect of such shares, shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay and has paid in respect of the shares of the Member or deceased Member and if shares were acquired under an Employee Share Scheme, amounts which are owed to the Company for acquiring them. In each such case the lien extends to reasonable interest and expenses incurred on the unpaid calls because the amount is not paid.
132	The tenure of an independent director shall not exceed a term 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, annual shareholders' approval is required. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.	The tenure of an independent director shall not exceed a term 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, annual shareholders' approval is required. <del>If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.</del>  <b><u>However, the tenure of an independent director in the Company or any related corporation of the Company shall not exceed a cumulative term limit of twelve years from the date of his first appointment as an independent director.</u></b>







**PEKAT GROUP BERHAD**  
**[Registration No. 201901011563 (1320891-U)]**  
(Incorporated in Malaysia)

**PROXY FORM**

Number of Ordinary Shares Held	CDS Account No.

Contact No.	Email Address

I /We, .....  
(FULL NAME AND NRIC / PASSPORT NO. / REGISTRATION NO.)

of .....  
(FULL ADDRESS)

being a member of **PEKAT GROUP BERHAD** hereby appoint:-

**\*First Proxy "A"**

Full Name (in Block):-	NRIC/ Passport No.:-	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address:-			

\*and

**\*Second Proxy "B"**

Full Name (in Block):-	NRIC/ Passport No.:-	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address:-			

100%

\*or failing him/her, the CHAIRMAN OF THE MEETING, as \*my / our proxy to attend and vote for \*me / us and on \*my / our behalf at the Sixth Annual General Meeting ("**AGM**") of Pekat Group Berhad to be 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. and at any adjournment thereof.

Mark X under 'For' or 'Against' for each Resolution if you wish to direct the proxy on how to vote. If no mark is made, the proxy may vote on the resolution or abstain from voting as the proxy thinks fit. If you appoint two (2) proxies and wish them to vote differently, this should be specified.

My / our proxy / proxies is / are to vote as indicated below:

No.	Agenda	Resolution	For	Against
1.	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.			(Note 1)
2(a).	To re-elect Mr. Chin Soo Mau who is due to retire pursuant to Clause 128 of the Company's Constitution.	Ordinary Resolution 1		
2(b).	To re-elect Datin Shelina Binti Razaly Wahi who is due to retire pursuant to Clause 128 of the Company's Constitution.	Ordinary Resolution 2		
3.	To approve the payment of Directors' fees amounting to RM235,000.00 for the financial year ending 31 December 2025.	Ordinary Resolution 3		
4.	To approve the payment of Directors' benefits 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.	Ordinary Resolution 4		
5.	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.	Ordinary Resolution 5		
<b>Special Business</b>				
6.	<b>Ordinary Resolution:</b> Authority to Issue Shares pursuant to the Companies Act 2016.	Ordinary Resolution 6		
7.	<b>Special Resolution:</b> Proposed amendments to the Constitution of the Company.	Special Resolution		

\* Strike out whichever not applicable

Signed this .....day of ..... 2025

.....  
\* Signature of Member/Common Seal

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 11 June 2025 (*General Meeting Record of Depositors*) shall be eligible to attend, speak and vote at this Meeting.
2. A member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead. A member may appoint not more than two (2) proxies in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.
3. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the members to attend, participate, speak and vote at the Meeting and upon appointment a proxy shall be deemed to confer authority to demand or join in demanding a poll.
4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. Where a member or the authorised nominee appoints more than two (2) proxies, or when an exempt authorised nominee appoints more than one (1) proxy in respect of each omnibus account it holds to attend and vote at the Meeting, the appointment shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised in writing.

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STAMP

**The Share Registrar of  
PEKAT GROUP BERHAD**  
**Registration No.: 201901011563 (1320891-U)**  
c/o Securities Services (Holdings) Sdn. Bhd.  
Level 7, Menara Milenium, Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur,  
Wilayah Persekutuan

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7. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjournment thereof.

The lodging of the Form of Proxy does not preclude a member from attending and voting at the 6<sup>th</sup> AGM should he subsequently decides to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time stipulated for holding the 6<sup>th</sup> AGM or any adjournment thereof.

8. For a corporate member who has appointed a representative, please deposit the ORIGINAL OR DULY CERTIFIED certificate of appointment with the share registrar in accordance with Note (7) above. The certificate of appointment should be executed in the following manner:
  - a. If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
  - b. If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
    - i. at least two (2) authorised officers, of whom one (1) shall be a director; or
    - ii. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.





Pekat Group Berhad  
Registration No.: 201901011563 (1320891-U)

3A, 5 & 6, Cubic Space, No. 6, Jalan Teknologi 3/4,  
Taman Sains Selangor 1, Kota Damansara,  
47810 Petaling Jaya, Selangor

Phone Number :  
+603 2300 8010  
+603 6157 3939

Website :  
[www.pekat.com.my](http://www.pekat.com.my)