

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

**01**

## **POWER GENERATION**

Integrated Solar,  
BESS and Power  
Generation

**02**

## **POWER DISTRIBUTION**

Power distribution  
equipment and  
systems for resilient  
infrastructure

**04**

## **OPERATIONS & MAINTENANCE**

Maximising system  
performance, reliability and  
lifespan through proactive  
monitoring and lifecycle  
support

**03**

## **POWER PROTECTION**

Protecting people and assets  
with advanced earthing,  
lightning and surge  
protection solutions



### Cover Rationale

#### ENGINEERED FOR A BRIGHTER & SUSTAINABLE FUTURE

In 2025, Pekat Group Berhad strengthens its position as a key enabler of Malaysia’s energy transition, driven by disciplined execution across solar photovoltaic solutions, power infrastructure, and energy protection systems. The Group has grown into an integrated platform, delivering scalable, reliable, and sustainable energy solutions that support national decarbonisation ambitions and long-term growth.

The cover concept captures this progression through a continuous flow of energy—originating from a natural source and moving seamlessly through Pekat’s integrated ecosystem of power generation, power distribution, power protection, and operations & maintenance. Together, these pillars form a resilient and interconnected system that ensures stability and continuity in powering tomorrow.

#### AI-IMAGES DISCLOSURE

Certain visuals used within this report have been generated or digitally enhanced using AI-based tools.

# 7<sup>th</sup>

## Annual General Meeting

Thursday, 4 June 2026  
at 10:00 a.m.

#### Venue:

Sofitel Kuala Lumpur Damansara,  
Wau Bulan 3, No. 6, Jalan Damanlela,  
Bukit Damansara, 50490 Kuala Lumpur,  
Wilayah Persekutuan, Malaysia



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direction.

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# 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 2025 (“FY2025”) 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 2025 to 31 December 2025. It encompasses all key operating segments of Pekat, including the provision of solar photovoltaic (PV) systems, power distribution equipment, earthing and lightning protection (ELP) systems and trading of electrical products segments. 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 FY2025, 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 29 of this AR.

## ASSURANCE

Our FY2025 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.


## 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

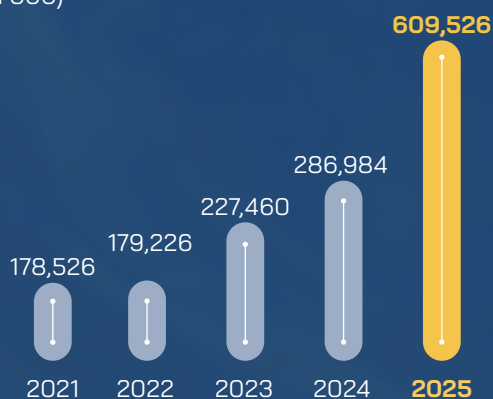


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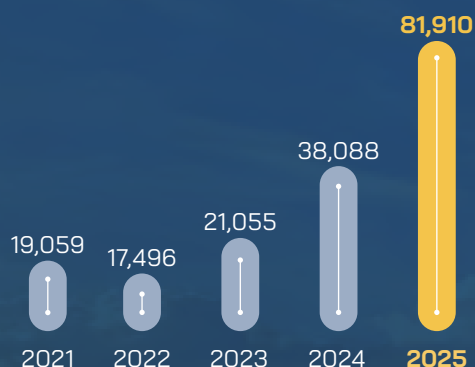
# PEKAT at a Glance

## KEY FINANCIAL HIGHLIGHTS

### REVENUE (RM'000)



### Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") (RM'000)



### Profit After Tax and Minority Interests ("PATAMI") (RM'000)



## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

### TOTAL ASSETS (RM'000)

2025  
**735,334**  
2024: 433,197

### TOTAL LIABILITIES (RM'000)

2025  
**392,814**  
2024: 237,854

### NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS (RM'000)

2025  
**45,051**  
2024: 22,001

### BASIC EARNINGS PER SHARE (Sen)

2025  
**6.85**  
2024: 3.41

### SHAREHOLDERS' EQUITY (RM'000)

2025  
**301,936**  
2024: 158,663

### GEARING RATIO (TIMES)

2025  
**0.59**  
2024: 0.58



#### 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 earthing and lightning protection (“ELP”) products

## Diversified Revenue Streams

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

#### ENVIRONMENTAL



Cumulative Capacity of Completed Solar PV Systems

**230.7 MWp**



Indirect Annual Avoidance in Carbon Dioxide Emission

**260,727 tonnes**



Electricity Consumption Intensity

**13.2% Improvement**

#### SOCIAL



Lost Time Injury Frequency Rate

**0.1**



Attended HSE Awareness Training

**66 Employees**



Cash Contribution to Local Community

**RM43,040**

#### GOVERNANCE



Bribery and Corruption Cases

**ZERO**



Complaint Received via Whistle Blowing Platform

**ZERO**



Case of Breaches of Data Privacy and Security

**ZERO**

# Who We Are

A journey from protection at the ground level to powering complete energy ecosystems.

From its beginnings in 1999 as a modest trading company specialising in earthing and lightning protection products, Pekat has steadily evolved into a full-fledged engineering, procurement, construction and commissioning (EPCC) player. Anchored by deep engineering expertise, the Group expanded into solar photovoltaic solutions in 2006, marking its entry into the renewable energy space and broadening its role within Malaysia's energy landscape.

Today, Pekat Group operates as a dynamic and interconnected ecosystem, where the convergence of engineering excellence and innovation is anchored on four complementary business pillars – Power Generation, Power Distribution, Power Protection and Operations and Maintenance (O&M) – reflecting our evolution into a fully integrated energy solutions provider.

Our Power Generation division delivers clean energy through solar photovoltaic solutions, while Power Distribution ensures the efficient and reliable flow of electricity via robust electrical infrastructure and systems. Power Protection safeguards people and critical assets through advanced earthing, lightning, and surge protection solutions. Supporting these, our O&M division ensures optimal performance, reliability, and longevity through continuous monitoring and lifecycle support.

Listed on the ACE Market of Bursa Malaysia Securities Berhad on 23 June 2021, Pekat achieved a 76 times oversubscription, underscoring strong investor confidence in our growth trajectory.

Driven by innovation and digitalisation, we continue to enhance our capabilities while embedding sustainability across our operations. Guided by our commitment to long-term value creation, Pekat remains focused on delivering integrated solutions that protect, power, and sustain the future.



## 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.

### What it means to be P.E.K.A.T.

At Pekat, our values are not statements - they are the way we think, act and deliver every day. They shape how we innovate, collaborate and build lasting impact across the power landscape.

**P** – Passion: We bring energy and purpose into everything we do.

**E** – Excellence: We deliver quality that speaks for itself.

**K** – Knowledgeable: We innovate with insight and expertise.

**A** – Accountability: We take ownership and deliver with integrity.

**T** – Teamwork: We succeed together as one team.



# What We Do

At Pekat Group, we power a fully integrated energy ecosystem across diverse industries - where engineering, innovation and execution converge to deliver safer, more reliable and more sustainable energy solutions. We don't just support the energy transition, we help drive it forward.

## Power Generation

We specialise in the design, supply and installation of on-grid, off-grid and hybrid solar PV systems across commercial, industrial and residential segments. Our end-to-end capabilities span engineering, procurement, construction, testing, commissioning and maintenance, ensuring optimal system performance and regulatory compliance.

Complementing this, our battery energy storage systems ("BESS") enhance energy resilience and efficiency by supporting hybrid and off-grid solutions, load balancing, backup power for critical facilities, and grid stabilisation.

The Group also invests in and operates solar power generation assets under long-term power purchase agreements ("PPA"), including CGPP projects, supporting recurring income and Malaysia's energy transition.

Together, these capabilities enable seamless integration of renewable energy while optimising energy usage and reducing reliance on conventional sources.

## Power Distribution

We provide power distribution equipment and systems for industrial and utility applications, including medium-voltage switchgear and custom-engineered solutions designed to enhance grid reliability and operational efficiency.

Backed by our in-house manufacturing capabilities through EPE Switchgear, we deliver integrated solutions across the electrical infrastructure value chain.

## Power Protection

Pekat started as trusted specialist in earthing and lightning protection (ELP) systems, providing design, supply and installation services for buildings, infrastructure and critical facilities. Our solutions are engineered to safeguard people, assets and electrical systems from voltage surges and lightning-related risks. We work closely with contractors, consultants, and stakeholders to deliver standards-compliant protection systems, ensuring safety and reliability across all project environments.

## Operations & Maintenance (O&M)

Our dedicated O&M arm ensure the long-term performance, safety and reliability of energy systems.

Through proactive monitoring, preventive maintenance and technical support, we maximise system uptime and lifecycle value across our solutions.

## Integrated Trading & Product Distribution

Complementing our core segments, our trading division supplies electrical protection systems and solar PV components, distributing internationally recognised brands alongside Pekat's own product range. This strengthens our ability to deliver integrated, end-to-end solutions while supporting stakeholders with reliable, high-quality supply.



# Corporate Structure

As At 31 December 2025



**Pekato Group Berhad** (201901011563) (1320891-U)

Investment Holding  
(Listed on ACE Market on 23 June 2021)

**Pekato Teknologi Sdn Bhd** (199901015679) (490579-A)

**100%** Investment holding activities, trading of electrical engineering products and operates as a general contractor, environment, safety and health consultancy and training provider

## Subsidiaries

**100%** **Pekato Solar Sdn Bhd** (201001038864) (922788-W)  
Design, supply and installation of solar PV systems and power plants and related services

**100%** **Pekato Engineering Sdn Bhd** (201001038837) (922761-K)  
Distribution of electrical products and accessories and provision of training and consultancy services

**100%** **Pekato E&LP Sdn Bhd** (201001038875) (922799-H)  
Supply and installation of earthing and lightning protection systems

**100%** **E&LP Engineering Sdn Bhd** (200701023462) (781479-U)  
Distribution of electrical products and accessories (In liquidation)

**100%** **Solaroo Systems Sdn Bhd** (200601000779) (720526-P)  
Design, supply and install smaller scale solar PV systems for residential, commercial and industrial projects

**70%** **Pnexsoft Sdn Bhd** (201801033283) (1295310-T)  
Development and distribution of software applications

**100%** **Solaroo RE Sdn Bhd** (202101029498) (1429798-W)  
Operation of generation facilities that produce electric energy

**54%** **Pekato RE Maintenance Sdn Bhd** (202101044532) (1444832-H)  
Energy supply services and maintenance and to administer, manage and transfer, facilitator for trading of renewable energy certificate (REC)

**100%** **Solaroo EV Sdn Bhd** (202301012235) (1506157-D)  
Electric vehicle charging one stop provider

**100%** **Pekato Solar Tronoh Sdn Bhd** (202301037796) (1531718-U)  
Design, build, own, operate and maintain solar photovoltaic power plant and related activities

**100%** **Solaroo RE (Maldives) Pvt Ltd** (C16632024)  
Dormant

**100%** **Solaroo EV (Maldives) Pvt Ltd** (C24472024)  
Dormant

**60%** **Apex Power Industry Sdn Bhd** (200901024441) (867541-D)  
Investment holding company

**100%** **EPE Switchgear (M) Sdn Bhd** (199501025085) (354290-D)  
Manufacturing, engineering, and project activities, providing wide range of products and services to the generation, transmission and distribution sectors of the electrical power industry

**70%** **UP Solar Sdn Bhd** (202001043742) (1400064-D)  
To undertake solar photovoltaic business activities

**91%** **Solaroo Green Tech (Labuan) Ltd** (LL21464)  
Investment holding company

**100%** **Solaroo Middle East Ltd** (ICC20250477)  
Sale, maintenance and repair of motorcycle and related parts and accessories

**100%** **Pentas RE Sdn Bhd** (202501038752) (1640161-W)  
Operation of generation facilities that produce electric energy

## Associates

**49%** **Pekato Energy (Sarawak) Sdn Bhd** (201601030269) (1201210-V)  
Design, supply and installation of solar PV systems and power plants in Sarawak

**40%** **Sunway Pekato Solar Sdn Bhd** (201901022491) (1331820-M)  
Installation of non-electric solar energy collectors

**49%** **J8K Energy Sdn Bhd** (201901019545) (1328874-W)  
Engineering services and operation of generation facilities that produce electric energy

**45%** **MFP Solar Sdn Bhd** (201901031134) (1340464-D)  
Build, own and operate solar PV power plants

**45%** **MFP Solar International Limited** (1654928)  
Investment holding company

# 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

## Employees' Share Option Scheme Committee

### Yeong Siew Lee

Chairperson

### Chin Soo Mau

Member

### Tai Yee Chee

Member

## 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 2691 5229

## Company Secretaries

### Yeow Sze Min

(License No.: MAICSA 7065735)  
(SSM PC No.: 201908003120)

### Yee Kit Yeng

(License No.: MAICSA 7068292)  
(SSM PC No.: 202208000022)

## Principal Bankers

- Affin Bank Berhad
- 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

## Audit And Risk Management Committee

### Ong Keng Siew

Chairman

### Datin Shelina Binti Razaly Wahi

Member

### Yeong Siew Lee

Member

## 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,  
+603 2095 0292

**Email :** info@sshbsb.com.my

## Nominating Committee

### Datin Shelina Binti Razaly Wahi

Chairperson

### Yeong Siew Lee

Member

### Ong Keng Siew

Member

## 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,  
+603 2095 0292

**Email :** info@sshbsb.com.my

## Remuneration Committee

### Yeong Siew Lee

Chairperson

### Datin Shelina Binti Razaly Wahi

Member

### Ong Keng Siew

Member

## Stock Exchange

Listed on ACE Market of  
Bursa Malaysia Securities Berhad  
Stock Name: PEKAT  
Stock Code: 0233

## Website

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  
Malaysia

## Investor Relations

Contact person: Siew Ling

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

**Email :** enquiries@pekatgroup.com

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## Building Momentum in an Evolving Energy Landscape

FY2025 was a standout year for the Group, marked by strong growth and disciplined execution despite an increasingly competitive operating environment.

We accelerated the expansion of our solar business, strengthened our capabilities in power distribution, and captured rising demand for renewable energy solutions across Malaysia.

Amid industry pressures, the Group remained focused on selective project participation, operational discipline, and strengthening order book visibility. At the same time, we deepened our capabilities across our four core business pillars – Power Generation, Power Distribution, Power Protection, and Operations & Maintenance – reinforcing our position as a fully integrated, end-to-end energy solutions provider.

These perspectives reflect how the Group continues to capture opportunities, manage challenges, and strengthen its role in supporting Malaysia's energy transition while delivering sustainable value to stakeholders.

# Chairman's Statement



**Dear Valued Shareholders,**

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Pekat Group Berhad and its subsidiaries for the financial year ended 31 December 2025.

FY2025 was a stellar year for Pekat. Despite a highly competitive landscape and ongoing industry challenges, the Group delivered strong performance, supported by disciplined execution, strategic expansion, and continued innovation.

## Overview of the Year's Performance

The global transition towards cleaner and more sustainable energy continues to gain momentum, supported by policy initiatives, technological progress, and rising energy demand. Malaysia is advancing this transition through programmes aimed at accelerating renewable energy adoption and reducing carbon intensity.

Against this backdrop, Pekat remains committed to supporting the nation's energy transition. Guided by our vision of "Engineered for a Brighter and Sustainable Future," we continue to strengthen our position as an integrated engineering and renewable energy solutions provider.

REVENUE

**RM 609.5** million

PROFIT AFTER TAX AND  
MINORITY INTERESTS

**RM 45.1** million

For FY2025, the Group recorded revenue of RM609.5 million and profit after tax and minority interests ("PATAMI") of RM45.1 million, reflecting strong growth and resilience in a challenging market.

The Group maintained a healthy financial position through prudent cost management and financial discipline, while strengthening earnings visibility with a healthy unbilled order book that supports future growth.

Our diversified portfolio remains a key strength, spanning Power Generation, Power Distribution, Power Protection and Operations & Maintenance. This integrated energy ecosystem enables the Group to deliver end-to-end energy solutions across residential, commercial, and industrial sectors, reinforcing our position within Malaysia's evolving energy landscape.

# Chairman’s Statement

## Key Achievements and Milestones

During the year, the Group achieved several key milestones:

- Solar Project Wins**  
 Secured 178.1MWp of EPCC projects across Commercial and Industrial and Large-Scale Solar segments, reinforcing strong execution capabilities.
- Residential Solar Growth**  
 Surpassed 6,000 cumulative residential installations, reflecting strong market adoption.
- Energy Storage Progress**  
 Advanced initiatives in BESS to support renewable integration and energy resilience.
- Growth in O&M Portfolio**  
 Expanded operations and maintenance services, strengthening recurring income streams.



## Challenges and Opportunities

During the year, the Group faced margin pressures from competitive EPCC tenders, as well as supply chain disruptions and cost volatility.

Despite these challenges, the structural shift towards energy transition continues to create meaningful opportunities. Demand for solar PV, hybrid energy systems, and energy storage solutions is increasing as businesses and consumers focus on cost efficiency and sustainability.

In response, the Group adopted a disciplined and selective bidding strategy, supported by value-based engineering to protect margins while maintaining quality. Procurement strategies and supplier partnerships were also strengthened to enhance resilience and operational efficiency.

## Strategic Direction and Vision

Pekat’s long-term vision continues to guide its strategic direction as the Group positions itself to benefit from the global energy transition.

The Group aims to build an integrated clean energy ecosystem spanning generation, protection, distribution, and operations and maintenance.

Moving forward, Pekat will focus on strengthening core segments, expanding through strategic partnerships, accelerating innovation and digitalisation, and investing in talent and organisational capabilities.

## Corporate Governance and Risk Management

Strong corporate governance remains fundamental to the Group's long-term sustainability. The Board continues to ensure that operations are conducted with transparency, accountability, and in compliance with regulatory and ethical standards.

The Group maintains robust risk management practices, with close monitoring of project execution, financial exposure, operational safety, and supply chain risks. Cybersecurity and data governance frameworks have also been strengthened.

## Sustainability and ESG Initiatives

Sustainability remains central to the Group's long-term value creation. During the year, Pekat strengthened its ESG initiatives through employee training, community engagement, and the continued expansion of the #PekatCares programme.

## Market Outlook and Future Prospects

Malaysia's renewable energy sector is expected to remain resilient, supported by initiatives such as NETR, MyRER, Solar ATAP, and CRESS.

Demand for solar PV, hybrid solutions, and energy storage is expected to grow steadily across all segments. With its diversified capabilities, strong project pipeline, and disciplined execution, Pekat is well positioned to sustain its growth trajectory and capitalise on emerging opportunities.

## Appreciation

On behalf of the Board, I extend our sincere appreciation to our shareholders, customers, business partners, and stakeholders for their continued trust and support.

I also thank our management team and employees for their dedication and contribution to delivering a strong year of performance. Pekat remains committed to building a brighter and more sustainable future.

**Kok Kong Chin**

Independent Non-Executive Chairman



# Management Discussion and Analysis



## Executive Summary

The financial year ended **31 December 2025 (“FY2025”)** marked a milestone of accelerated growth, operational expansion, and enhanced strategic execution for Pekat Group Berhad (“**Pekat**” or “**the Group**”). The Group delivered one of its strongest performances since listing, driven by robust revenue growth in the solar division and power distribution equipment division.

## Financial Performance

### Revenue and Profitability

In FY2025, the Group delivered a record-breaking financial performance, achieving its highest-ever revenue and profit after tax and minority interests (“**PATAMI**”). Revenue increased significantly to RM609.5 million, representing a 112.4% year-on-year (“**YoY**”) growth, while PATAMI profit attributable to shareholders increased by 104.8% to RM45.1 million, translating into basic earnings per share (“**EPS**”) of 6.85 sen, compared with 3.41 sen in FY2024, reflecting a 100.9% improvement.

This strong performance underscores the Group’s execution capabilities, expanding market presence, and ability to capitalise on growing opportunities within Malaysia’s renewable energy and electrical infrastructure sectors. Over the past five years, the Group has consistently delivered strong growth, achieving a compound annual growth rate (“**CAGR**”) of 37.2% for revenue and 27.1% for PATAMI. This demonstrates the sustainability of the Group’s business model and the successful execution of its strategic expansion initiatives.

The solar division was the primary driver of growth, mainly attributed to the progress of a large-scale solar engineering, procurement, construction and commissioning (“**EPCC**”) project under the Corporate Green Power Programme (“**CGPP**”). The acquisitions of Apex Power Industry Sdn Bhd and EPE

Switchgear (M) Sdn Bhd (collectively referred to as “**Apex Power**”) on 16 December 2024 also contributed significantly to the Group’s financial performance. Meanwhile, the Earthing & Lightning Protection (“**ELP**”) and Trading divisions continued to deliver solid performances, supported by improved project execution and higher trading sales volumes.

The Group’s gross profit margin moderated to 22.8% in FY2025 from 28.5% in FY2024. This decline was primarily attributable to the varying margin profiles of projects undertaken during the financial year, particularly the higher contribution from large-scale solar EPCC projects which typically carry comparatively lower margins due to their scale and competitive bidding environment.

Nevertheless, the overall margin remained within management’s expectations, supported by disciplined cost management, effective project execution and the Group’s continued focus on operational efficiency. As the project mix evolves and the Group expands its capabilities across the renewable energy and electrical infrastructure value chain, management will continue to prioritise sustainable margins while pursuing revenue growth opportunities.

## Key Financial Highlights

For the Financial Year Ended 31 December	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000
Revenue	<b>609,526</b>	286,984	227,460	179,226	178,526
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	<b>81,910</b>	38,088	21,055	17,496	19,059
Profit After Tax	<b>49,103</b>	22,703	13,753	10,025	12,642
Profit After Tax and Minority Interests (PATAMI)	<b>45,051</b>	22,001	13,724	10,036	12,659
Shareholders' Equity	<b>301,936</b>	158,663	136,662	129,387	119,351
Total Assets	<b>735,334</b>	433,197	182,370	189,609	200,499
Total Liabilities	<b>392,814</b>	237,854	45,592	60,135	81,050
Total Borrowings (Including Lease Liabilities)	<b>178,803</b>	91,949	5,017	24,032	28,972
Gearing Ratio (times)	<b>0.59</b>	0.58	0.04	0.19	0.24
Current Ratio (times)	<b>2.01</b>	1.71	3.47	2.77	2.20
Quick Ratio (times)	<b>1.56</b>	1.18	2.88	2.31	1.76
Net Asset Per Share (RM)	<b>0.43</b>	0.25	0.21	0.20	0.19*
Basic Earnings Per Share (sen)	<b>6.85</b>	3.41	2.13	1.56	1.96*
Diluted Earnings Per Share (sen)	<b>6.69</b>	3.41	2.13	1.56	1.96*
Dividend Per Share (sen)	<b>1.00</b>	-	1.00	-	-

\* For comparison purposes, these 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

As at 31 December 2025, the Group's total assets increased significantly to RM735.3 million, representing an increase of RM302.1 million or 69.7% from RM433.2 million recorded a year earlier. This growth was mainly due to proceeds of RM100.8 million raised from the private placement of 60,000,000 new ordinary shares ("**Private Placement**") during the financial year. In addition, contract assets increased substantially to RM114.5 million as of 31 December 2025 compared to RM39.2 million a year ago, further contributing to the increase in total assets.

Total liabilities increased by RM154.9 million to RM392.8 million from RM237.9 million previously, primarily due to an increase in borrowings of RM86.9 million. This was attributed to borrowings drawdown of RM88.4 million to partially finance our own 29.99 MWac solar farm investment in Tronoh under CGPP.

The Group's total equity grew by 75.3% to RM342.5 million, up from RM195.3 million a year earlier, mainly driven by the increase in share capital resulting from the Private Placement in FY2025. In addition, retained earnings increased by RM38.7 million or 33.6%, reflecting profits generated during FY2025.

### ▶ TOTAL ASSETS (RM'000)

2025

**735,334**

2024: 433,197

### ▶ TOTAL LIABILITIES (RM'000)

2025

**392,814**

2024: 237,854

### ▶ SHAREHOLDERS' EQUITY (RM'000)

2025

**301,936**

2024: 158,663

# Management Discussion and Analysis

Consequently, equity attributable to the Company's shareholders increased to RM301.9 million, translating into net assets per ordinary share of 43 sen, up from 25 sen a year ago.

The Group's gearing ratio increased marginally to 0.59 times, compared to 0.58 times previously, primarily due to borrowings drawdown to partially finance our own 29.99 MWac solar farm investment. Management remains committed to maintaining a healthy debt-to-equity balance and will continue to monitor gearing levels to ensure long-term financial stability.

## Cash Flow and Liquidity

Operating cash flow remained robust, with a net cash inflow of RM41.9 million, reinforcing Pekat's financial stability. The Group's investing cash flow recorded an outflow of RM71.1 million, mainly attributed to the purchase of other investments which amounted to RM69.0 million. Financing activities contributed a net inflow of RM81.8 million, primarily due to proceeds from private placement and drawdown of borrowings during FY2025.

The current ratio improved to 2.01 times from 1.71 times in FY2024, mainly due to higher placements in money market and higher contract assets. Similarly, the quick ratio improved to 1.56 times from 1.18 times a year ago. These 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 during the financial year, generating revenue of RM344.1 million and segment operating profit of RM30.1 million, representing increases of 97.0% and 256.2% respectively compared with the previous year. The solar division's strong performance was primarily driven by the progress of a large-scale solar EPCC project under the CGPP.

During FY2025, the Group secured an EPCC contract worth RM85.68 million for the design, engineering, procurement, construction, testing and commissioning of a 63 MWac large-scale solar photovoltaic energy generating facility in Kulai, Johor.

This project, together with the Group's own CGPP investment of similar capacity as an asset owner, further strengthens its renewable energy portfolio and supports the Group's strategy of expanding participation across both solar EPCC services and renewable energy asset ownership.

#### Power Distribution Equipment Division

Following the acquisition of Apex Power in December 2024, the power distribution equipment ("PDE") division made a significant contribution to the Group during the financial year, generating revenue of RM136.9 million compared with RM9.9 million in FY2024.

Segment operating profit increased to RM12.8 million compared with RM1.8 million in the previous financial year mainly due to the full twelve-month contribution from the newly acquired business in FY2025, whereas only one month of results was consolidated in the previous financial year.

During the financial year, the PDE division strengthened its order book through several contracts secured from Tenaga Nasional Berhad ("TNB") by the Group's subsidiary, EPE Switchgear (M) Sdn Bhd. These include a RM97.26 million contract for the supply of 11kV single busbar circuit breakers for TNB's distribution network, a RM135.24 million contract for the supply, installation, testing and commissioning of 33kV and 11kV gas insulated switchgear, a RM31.32 million contract for maintenance, servicing and repair works for air insulated and gas insulated switchgear, and a RM113.31 million contract for the supply of 11kV motorised ring main units with interconnector and remote control box of various configurations. These projects are expected to contribute positively to the PDE division's earnings over their respective contract periods.

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

#### Earthing & Lightning Protection Division

The ELP division recorded revenue growth of 42.4% year-on-year, reaching RM67.4 million in FY2025. The increase was mainly driven by improved project execution, supported by the execution of several new projects undertaken during the financial year.

Segment operating profit increased significantly from RM3.3 million to RM9.1 million, primarily attributable to a higher proportion of higher-margin projects compared with the previous financial year.

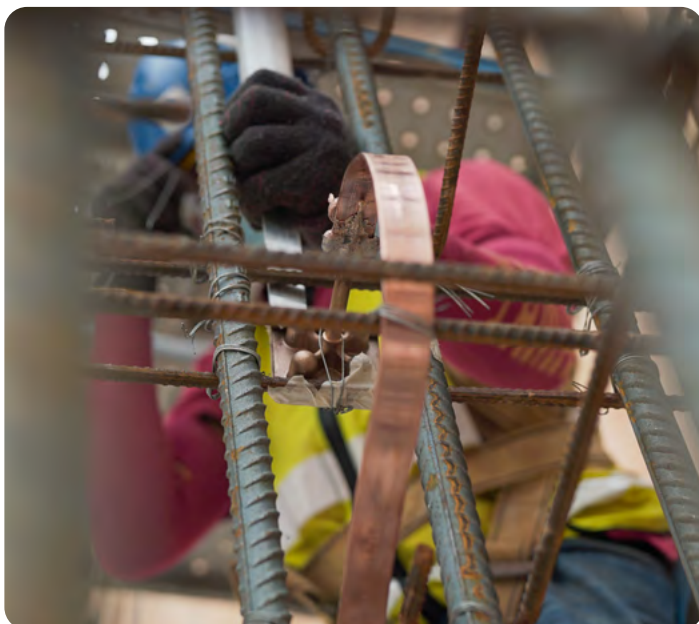
The division remains integral to the Group’s business, given Malaysia’s increasing role as a regional data centre hub. During FY2025, the division secured over RM70.0 million in new projects, including a RM33.8 million contract from Gamuda Engineering Sdn Bhd to undertake the construction, completion, testing, commissioning and setting-to-work of earthing and lightning protection systems for the Hyperscale Data Centre at Eco Business Park V, Puncak Alam, Selangor.

These achievements reinforce the Group’s strong positioning in the rapidly expanding data centre infrastructure market.

**Trading Division**

The trading division achieved steady growth during the financial year, with revenue increasing by 10.9% year-on-year to RM61.2 million. This performance was supported by a dynamic trading environment and stronger customer demand during FY2025.

The division remains committed to continuous improvement, with a strong focus on maintaining high 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 products that meet stringent quality and safety requirements.



**Cost Management and Efficiency**

As the Group continues to expand, operational costs have inevitably increased. Nevertheless, the Group remains proactive in implementing cost management strategies aimed at enhancing operational efficiency.

One key initiative has been the bulk purchasing of raw materials, which has helped reduce transportation, logistics and freight costs. In addition, the Group closely monitors price trends for critical raw materials such as solar panels and copper tapes, enabling strategic procurement and effective inventory management to mitigate cost fluctuations.

Administrative expenses increased to RM72.2 million in FY2025 compared with RM47.9 million in FY2024, mainly due to workforce expansion and the consolidation of Apex Power’s operational costs. Despite this increase, the Group continues to identify cost optimisation opportunities and ensure efficient resource utilisation.

Other operating expenses including impairment gain/(loss) on financial assets reduced to RM1.2 million compared with RM2.5 million recorded a year ago. In the previous financial year, the net impairment loss on financial assets amounted to RM1.4 million, which was included in other operating expenses.

Finance costs increased to RM6.1 million in FY2025 from RM1.5 million in FY2024, primarily due to additional financing facilities obtained to fund the acquisition of Apex Power as well as to finance the Group’s 29.99 MWac solar farm investment in Tronoh under the CGPP.

# Management Discussion and Analysis

## Key Trends Impacting the Industry

Malaysia's renewable energy and electrical infrastructure sectors continue to experience structural growth, supported by the country's energy transition agenda, increasing electricity demand and expansion of digital infrastructure.

The adoption of renewable energy, particularly solar photovoltaic, continues to accelerate as Malaysia advances its long-term decarbonisation targets under the National Energy Transition Roadmap. Government programmes such as the Large-Scale Solar ("LSS") initiative and corporate renewable energy procurement schemes are expected to drive continued investments in solar generation capacity, supporting demand for engineering, procurement, construction and commissioning ("EPCC") services.

At the same time, the integration of battery energy storage systems ("BESS") is gaining importance as higher levels of renewable energy penetration require greater grid stability and energy management solutions. The deployment of solar projects integrated with energy storage is expected to become increasingly common as the industry evolves towards more flexible and reliable energy systems.

Malaysia is also witnessing strong growth in digital infrastructure, particularly hyperscale data centres, driven by increasing demand for cloud computing and artificial intelligence technologies. The rapid development of such facilities is expected to drive higher electricity consumption while increasing demand for reliable electrical infrastructure solutions, including power distribution, earthing and lightning protection ("ELP") systems.

In addition, rising electricity demand from industrial activities and digital infrastructure is prompting investments in grid expansion and modernisation. These developments are expected to support sustained demand across the renewable energy and electrical engineering value chain.

## Strategic Growth Initiatives

The Group continues to focus on expanding its position in Malaysia's renewable energy and electrical infrastructure sectors through a diversified business model encompassing solar PV engineering, procurement, construction and commissioning ("EPCC"), power distribution equipment and earthing and lightning protection.



The solar division remains a key growth driver for the Group. During the financial year, the Group secured several significant EPCC contracts, including a large-scale solar project in Johor, which strengthened the Group's order book and earnings visibility. In addition, the Group has expanded its involvement in renewable energy asset ownership through long-term power generation initiatives, including the development of a 25 MWac solar photovoltaic facility integrated with BESS in Kuantan, Pahang under a long-term power purchase arrangement entered by the Group in January 2026. This initiative reflects the Group's strategy to build recurring income streams from renewable energy assets.

The Group also continues to strengthen its capabilities in power infrastructure following the acquisition of Apex Power, which marked its entry into the power distribution equipment segment. This expansion allows the Group to participate in a broader segment of the electrical infrastructure value chain, including grid modernisation and power distribution projects, while creating cross-selling opportunities with its existing engineering businesses.

At the same time, demand for earthing and lightning protection solutions remains supported by the rapid expansion of industrial and digital infrastructure, particularly data centre developments in Malaysia. These projects require reliable electrical protection systems, positioning the Group to benefit from continued investments in digital and energy infrastructure.

Moving forward, the Group will continue to pursue opportunities in renewable energy development, power infrastructure and sustainable energy solutions, while strengthening its project pipeline and renewable energy asset portfolio to support long-term growth and earnings sustainability.

## Sustainability & ESG Initiatives

Pekat continues to embed sustainability principles across its strategy and operations, aligning business practices with long-term value creation for stakeholders. The Group supports Malaysia's transition to a low-carbon economy through renewable energy and engineering solutions, particularly solar photovoltaic systems.

Guided by environmental, social and governance ("ESG") considerations, Pekat seeks to minimise environmental impact, enhance responsible business practices, and deliver positive outcomes for employees, customers, and the broader community. ESG considerations are progressively integrated into operational processes, decision-making, and governance, with the Board providing oversight and employees receiving ongoing training to strengthen sustainability capabilities.

A detailed discussion of the Group's sustainability initiatives can be found in the Sustainability Statement on pages 19 to 71 of this Annual Report.

### Managing Risks to Support Growth

Pekat remains proactive in managing risks arising from the evolving business environment. The Group continuously identifies and assesses key operational and market risks, and implements appropriate mitigation measures to enhance resilience and support sustainable growth.

## Supply Chain Disruptions and Material Cost Fluctuations

Supply chain disruptions may affect delivery timelines and operational efficiency. To mitigate these risks, the Group works closely with key suppliers, enhances demand forecasting, and maintains strategic inventory buffers. Bulk purchasing and long-term supplier arrangements are also leveraged to manage material cost volatility and maintain cost efficiency.

## Foreign Exchange Rate Fluctuations

The Group's transactions with international suppliers expose it to foreign exchange risks, particularly in relation to the United States Dollar (USD) and Renminbi (RMB). Fluctuations in these currencies can affect the cost of imported materials

and, consequently, the Group's profit margins. To mitigate these risks, Pekat adopts a combination of proactive hedging strategies and careful contract negotiations to transact in local currencies wherever feasible. Foreign exchange exposures are regularly monitored and the effectiveness of mitigation measures is reviewed periodically to ensure financial stability while maintaining the flexibility and efficiency of the Group's global supply chain.

## Talent Retention and Management

The Group's performance is underpinned by its experienced workforce, comprising executive leadership and technical specialists. During the year, Pekat continued to focus on strengthening its human capital through targeted talent development, effective recruitment strategies, and competitive remuneration structures to attract and retain skilled personnel. The Group also regularly reviews its hiring processes and employee engagement initiatives to ensure a capable, motivated, and high-performing workforce that supports operational effectiveness and the Group's long-term growth.

## Competitive Industry Environment

The renewable energy sector is characterised by intensifying competition, rapidly evolving technologies, and shifting regulatory and market dynamics. To maintain and strengthen its market position, Pekat actively pursues growth opportunities in new segments, forms strategic partnerships, and drives innovation across its operations. These initiatives enable the Group to differentiate its offerings, respond effectively to market changes, and sustain a competitive advantage over the long term.

## Technological Disruption and Cybersecurity Threats

Rapid technological advancements present both opportunities and risks to the Group's operations, including potential disruption to systems and sensitive data. To safeguard business continuity and maintain operational resilience, Pekat engages external IT specialists to strengthen its IT infrastructure and implements comprehensive cybersecurity measures, such as routine vulnerability assessments and penetration testing. These initiatives collectively ensure that the Group is well-prepared to respond to emerging technological challenges while protecting its information assets and supporting long-term business sustainability.

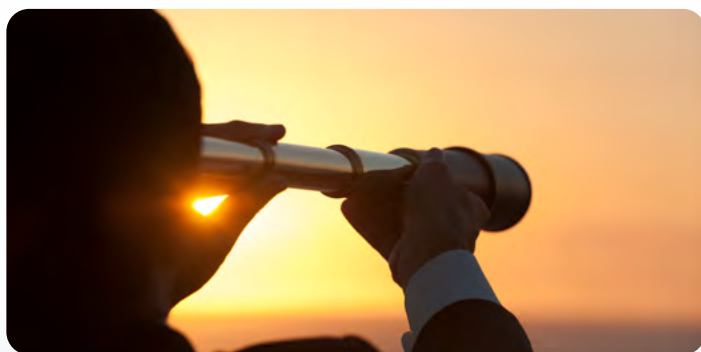
# Management Discussion and Analysis

## Capital Expenditure and Investments

During the financial year, Pekat's major capital expenditures were focused on expanding its renewable energy portfolio, reflecting the Group's strategic commitment to sustainable energy solutions. Key investments included the development of a 29.99 MWac solar power plant as an asset owner under the CGPP scheme, as well as additional investments in other solar energy projects.

These initiatives align with Pekat's role as a provider of engineering and energy solutions, enabling the Group to strengthen its position in Malaysia's transition toward a low-carbon economy. The capital outlays support both the construction and deployment of solar infrastructure and the operational readiness of new assets, while enhancing the Group's long-term revenue streams and energy-generation capacity.

By investing in these projects, Pekat not only contributes to national renewable energy goals, including the National Energy Transition Roadmap ("NETR"), but also positions itself to capture opportunities in emerging clean energy segments. The Group continues to prioritise efficient project execution, risk management, and operational sustainability to maximise returns and deliver long-term value to stakeholders.



## Dividend

In FY2025, Pekat declared and paid a single-tier interim dividend of 1.0 sen per share, amounting to approximately RM6.5 million. This distribution reflects the Group's strong financial performance and healthy cash flow position during the year. It also demonstrates the Board's commitment to maintaining a balanced capital management approach, while delivering consistent returns to shareholders and supporting the Group's long-term growth objectives.

## Future Outlook

Looking ahead, Pekat anticipates a sustained period of growth supported by robust industry fundamentals and evolving market dynamics across the renewable energy and engineering sectors. Malaysia's renewable energy landscape is entering a multi-year expansion phase, particularly within the solar power segment, which remains central to national energy transition goals. Government targets under the NETR continue to prioritise renewable capacity expansion, with solar expected to play an increasingly significant role in the country's long-term power mix.

The rollout of successive LSS programmes including LSS5, LSS5+ and the anticipated LSS6 programme combined with Corporate Renewable Energy Supply Scheme ("CRESS") opportunities, is expected to generate substantial engineering, procurement, construction and commissioning ("EPCC") activity and demand for integrated renewable energy solutions. Ongoing growth in rooftop solar adoption, self-consumption frameworks, and energy storage integration further underpin long-term prospects for solar-plus-storage projects, aligning with emerging industry standards for grid stability and low-carbon generation.

In parallel, broader energy sector trends indicate rising electricity demand across commercial, industrial and digital infrastructure segments, including data centres, driven by electrification and technological adoption. Businesses in Malaysia are increasingly prioritising cleaner energy solutions to manage costs, reliability and decarbonisation objectives - trends that support greater uptake of on-site renewable systems and energy-management services.

We note that the opportunities, competition and execution challenges in the renewable energy market are expected to intensify, emphasising the importance of disciplined project delivery, cost optimisation and continued innovation. Pekat will remain focused on strengthening its engineering capabilities, expanding strategic partnerships, and leveraging its technical expertise to capitalise on market demand while maintaining financial discipline.

Pekat will continue to align its investment priorities and operational readiness with industry developments to support resilient growth and deliver shareholder value in a transforming energy environment.

# Sustainability Statement

## About This Sustainability Statement

The year in review marked another meaningful year for **Pekato Group Berhad (“the Group” or “Pekato”)** as we continued to strengthen our sustainability practices while supporting Malaysia’s transition towards a low-carbon economy. As a provider of solar energy, earthing and lightning protection services and power distribution equipment in Malaysia, the Group recognises the growing importance of integrating sustainability considerations into our business strategy and operations.

This Sustainability Statement outlines the Group’s performance and initiatives across **environmental, economic and social (“EES”)** dimensions, while progressively incorporating **climate-related disclosures** that may influence our operations, risks and long-term business resilience. Through this disclosure, the Group seeks to enhance transparency on how sustainability principles and climate-related risks and opportunities are considered within our governance framework, operational practices and decision-making processes.

During the year, the Group’s efforts and capabilities in the renewable energy sector were recognised with the “Leading Solar Solutions Provider” award at the Energy Box 2025 Solar Energy Storage Future Malaysia Conference. This recognition reflects Pekato’s growing role in delivering integrated solar energy solutions and contributing to the advancement of Malaysia’s renewable energy ecosystem.

FY2025 also marked a significant corporate milestone with Pekato’s inclusion in the Forbes Asia’s 2025 Best Under A Billion list, recognising high-performing publicly listed companies across the Asia-Pacific region. This recognition underscores the Group’s commitment to operational excellence, disciplined growth and the delivery of sustainable engineering solutions that generate long-term value.

Looking ahead, the Group remains optimistic about the opportunities presented by Malaysia’s accelerating energy transition. Pekato will continue to strengthen its sustainability governance, expand its renewable energy capabilities and explore new opportunities in clean energy solutions that support national decarbonisation ambitions while creating sustainable value for our stakeholders.

## Reporting Scope and Boundaries

This Sustainability Statement covers the reporting period from 1 January 2025 to 31 December 2025 (“**FY2025**”). The scope of this Statement encompasses the sustainability initiatives and performance of Pekato Group Berhad and its subsidiaries (collectively referred to as “the Group”) for entities in Malaysia where the Group holds more than 50% ownership and operational control. This includes the Group’s headquarters in Petaling Jaya, Malaysia, as well as its operating subsidiaries whose activities significantly contribute to the Group’s overall performance.

## Reporting Framework

The Statement complies with Bursa Malaysia’s Malaysia Securities Berhad’s ACE Market Listing Requirements (AMLR). Our ESG disclosures have been prepared with reference to the Sustainability Reporting Guide (3rd Edition), the GRI Standards and the UNSDGs.

While greenhouse gas (“**GHG**”) emissions disclosures have been introduced this year, the Group’s climate-related disclosures are still in the process of progressing towards full alignment with International Financial Reporting Standard S2 (“**IFRS S2**”) Climate-related Disclosures.

## Statement of Assurance

To uphold the consistent accuracy and reliability of this Sustainability Statement, the Group has engaged an independent assurance provider, UHY Malaysia PLT, to perform external assurance on selected disclosures presented in this Statement for FY2025 (details can be found on pages 67 to 71). The limited assurance covers key sustainability matters, including sustainability performance data and disclosures reported for the current reporting period.

In addition, Pekato conducted an internal review of our sustainability reporting processes to further strengthen data collection and reporting practices. This review involved identifying potential reporting gaps and inconsistencies, while ensuring that the information and data disclosed in this Statement remain reliable, consistent and credible.

## Feedback

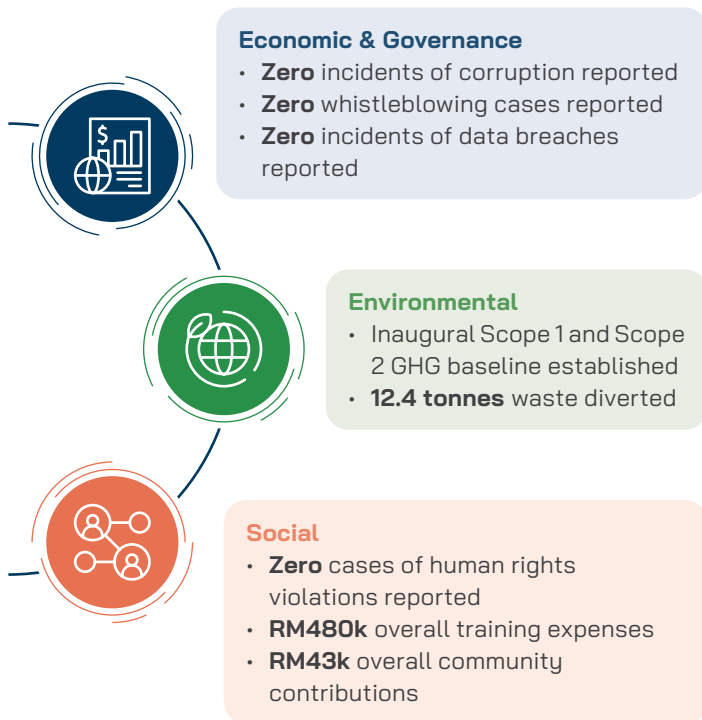
The Group welcomes stakeholder feedback to enhance our practices, performance and reporting. For any suggestions or comments on this statement, please contact us using the details below:

Telephone : +603 – 2300 8010  
Email : enquiries@pekatgroup.com

# Sustainability Statement

## Highlights

In 2025, the Group recorded **several key achievements across environmental, social and governance (ESG) areas**. Our long-term sustainable growth is reflected in the Group’s accomplishments during the year.



## Our Commitment to Sustainability

Pekat remains committed to integrating sustainability principles into its business strategy and operations, recognising the importance of responsible business practices in creating long-term value for stakeholders. As a provider of renewable energy and engineering solutions, the Group plays a role in supporting Malaysia’s transition towards a more sustainable, low-carbon economy. In line with the National Energy Transition Roadmap (“NETR”), the Group continues to contribute to the development and deployment of clean energy solutions, particularly in solar photovoltaic systems and related energy infrastructure.

The Group’s sustainability efforts are guided by a balanced approach across environmental, economic and social (“EES”) dimensions. Through these initiatives, Pekat seeks to minimise environmental impact, strengthen responsible business practices and generate positive value for employees, customers and the wider community. Sustainability considerations are progressively embedded within the Group’s operational processes and strategic decision-making.

At the governance level, Pekat’s leadership remains committed to strengthening the Group’s sustainability agenda. The Board of Directors provides oversight on sustainability matters, ensuring that ESG considerations are appropriately integrated into the Group’s overall governance framework and risk management practices. At the operational level, the Group continues to build internal capabilities through employee awareness initiatives and training programmes to enhance understanding of ESG-related matters and support effective sustainability implementation across the organisation.

In response to evolving sustainability reporting expectations, including recent developments under the National Sustainability Reporting Framework (“NSRF”) relating to the adoption of IFRS Sustainability Disclosure Standards, the Group has begun strengthening its sustainability reporting processes. As part of this transition, Pekat has initiated efforts to monitor and track GHG emissions for Scope 1 and Scope 2, while progressively enhancing its data management practices to support more comprehensive climate-related disclosures in the future.

The Group also undertook a materiality assessment in 2024 to identify and prioritise the sustainability topics that are most relevant to its business operations and stakeholders. The newly identified material topics have since been incorporated into the FY2025 Sustainability Statement, enabling Pekat to focus its sustainability efforts on areas with the most significant environmental, economic and social impacts.

Moving forward, Pekat is committed to progressively adapting its sustainability governance, data management practices, and climate-related disclosures to support its transition towards the adoption of ISSB standards, beginning with a climate-first reporting approach aligned with IFRS S2 in accordance with the NSRF.

## Sustainability Approach

Pekat adopts a holistic sustainability approach centred on Economic & Governance, Environmental and Social (“EES”). Our sustainability approach aligns with relevant UNSDGs while supporting national initiatives such as the NETR.

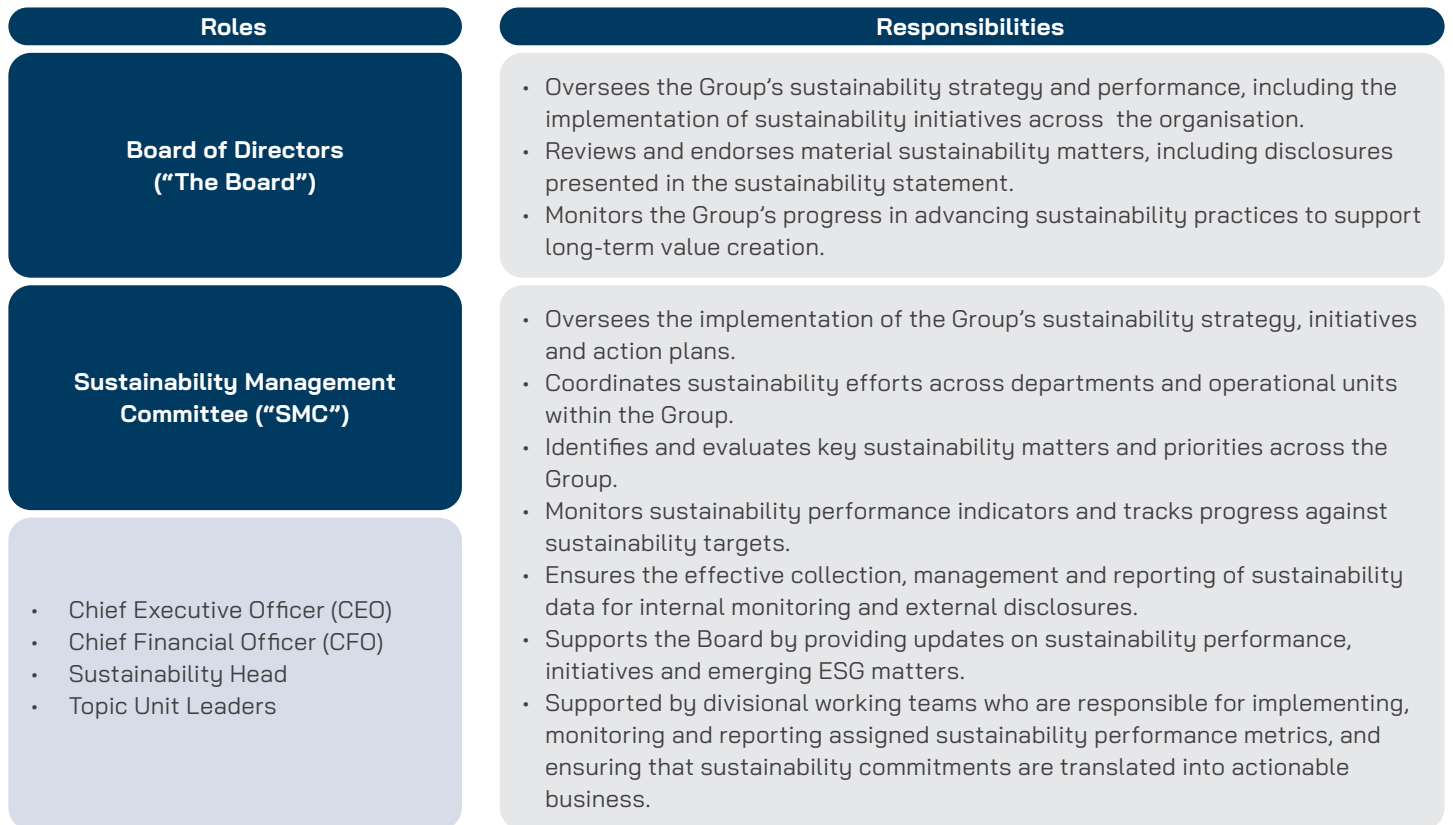
<b>Our Vision</b>	Engineered for a Brighter and Sustainable Future		
<b>Our Missions</b>	Continuously excel in creating and enhancing stakeholder values and trust with best-in-class teamwork, innovation and quality.		
<b>Sustainability Approach</b>	<b>Economic &amp; Governance</b>	<b>Environmental</b>	<b>Social</b>
<b>Material Matters</b>	<ul style="list-style-type: none"> <li>• Corporate Governance and Ethics</li> <li>• Business Performance and Developments</li> <li>• Business Model Resilience</li> <li>• Technology Advancement and Digital Transformation</li> <li>• Systematic Risk Management</li> <li>• Supply Chain Management</li> <li>• Data Privacy and Security</li> </ul>	<ul style="list-style-type: none"> <li>• Business Impacts to Environment</li> <li>• Material Sourcing</li> <li>• Waste Management</li> <li>• Energy and water Consumption</li> <li>• GHG Emissions</li> <li>• Product Design and Lifecycle</li> </ul>	<ul style="list-style-type: none"> <li>• Employee Training and Talent Retention</li> <li>• Community Engagement</li> <li>• Diversity and Equal Opportunity</li> <li>• Labour Practices and Standards</li> <li>• Product Safety, Accessibility and Customer Welfare</li> <li>• Occupational Health and Safety</li> </ul>
<b>Alignment with UNSDGs</b>			
<b>Strategic Stakeholders</b>			

# Sustainability Statement

## Sustainability Governance

Pekati integrates sustainability considerations into its governance and decision-making processes to promote responsible business conduct and long-term value creation. The Group’s sustainability governance structure defines clear roles and responsibilities at both the Board and management levels, ensuring effective oversight, accountability and implementation of sustainability initiatives across the organisation.

### Sustainability Management Structure



## 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 their expectations.

We engage with key stakeholders through various communication channels, ensuring 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:

Stakeholders	Why They Matter	Key Area of Concerns	Engagement Methods	How We Respond
<b>Capital Providers (Financiers and Shareholders)</b>	<ul style="list-style-type: none"> <li>Play a crucial role in supporting Pekat’s growth and long-term sustainability.</li> <li>Their investments enable business expansion, innovation, and financial resilience.</li> <li>Maintaining trust and transparency is key to ensuring continued access to funding and shareholder confidence.</li> </ul>	<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 reports</li> <li>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 instill shareholder confidence.</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Customers are central to Pekat’s business success, driving demand for our products and services.</li> <li>Understanding customer needs and expectations helps us enhance product offerings, service quality, and customer experience.</li> <li>Maintaining customer trust and satisfaction strengthens brand loyalty, market competitiveness, and long-term business growth.</li> </ul>	<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, 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

Stakeholders	Why They Matter	Key Area of Concerns	Engagement Methods	How We Response
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Suppliers play a critical role in ensuring the reliability, quality and sustainability of Pekat’s supply chain.</li> <li>Strong supplier relationships contribute to operational efficiency, cost management, and business continuity.</li> <li>Collaboration with suppliers enables Pekat to drive responsible procurement practices and integrate sustainability into the supply chain.</li> </ul>	<ul style="list-style-type: none"> <li>Relationship management and favourable contract/payment terms</li> <li>Fair and transparent procurement process</li> <li>Product quality and deliverables</li> <li>Supply chain resilience and risk management</li> <li>Sustainable and responsible sourcing practices</li> </ul>	<ul style="list-style-type: none"> <li>Direct engagement</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>
<b>Government Regulators/ Authorities</b>	<ul style="list-style-type: none"> <li>Government and regulatory authorities set the legal and compliance framework that governs Pekat’s business operations.</li> <li>Compliance with laws, regulations, and industry standards ensures business continuity and risk mitigation.</li> <li>Engaging with regulators helps shape policies, improve industry standards, and support national sustainability goals.</li> </ul>	<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>

Stakeholders	Why They Matter	Key Area of Concerns	Engagement Methods	How We Respond
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Employees are the driving force behind Pekat’s success, contributing to innovation, productivity, and overall business performance.</li> <li>• Providing a supportive, inclusive, and engaging work environment helps attract, retain, and develop top talent.</li> <li>• Ensuring fair employment practices, career development opportunities, and well-being fosters employee satisfaction and commitment.</li> </ul>	<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>
<b>Media/ Analysts</b>	<ul style="list-style-type: none"> <li>• Media and analysts play a crucial role in shaping public perception, market sentiment, and shareholder confidence in Pekat.</li> <li>• Transparent and timely communication helps build trust, credibility, and brand reputation.</li> <li>• Engaging with media and analysts ensures that stakeholders receive accurate and relevant insights about Pekat’s business performance.</li> </ul>	<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>

# Sustainability Statement

Stakeholders	Why They Matter	Key Area of Concerns	Engagement Methods	How We Response
Local communities	<ul style="list-style-type: none"> <li>Local communities are integral to Pekat’s social responsibility.</li> <li>Supporting local development helps create positive social impact, strengthen relationships, and enhance brand reputation.</li> <li>Engaging with communities ensures that Pekat contributes to economic empowerment, education, and social well-being.</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Social Responsibilities (“CSR”)</li> <li>Employment and business opportunities</li> <li>Community health, safety, and wellbeing</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>



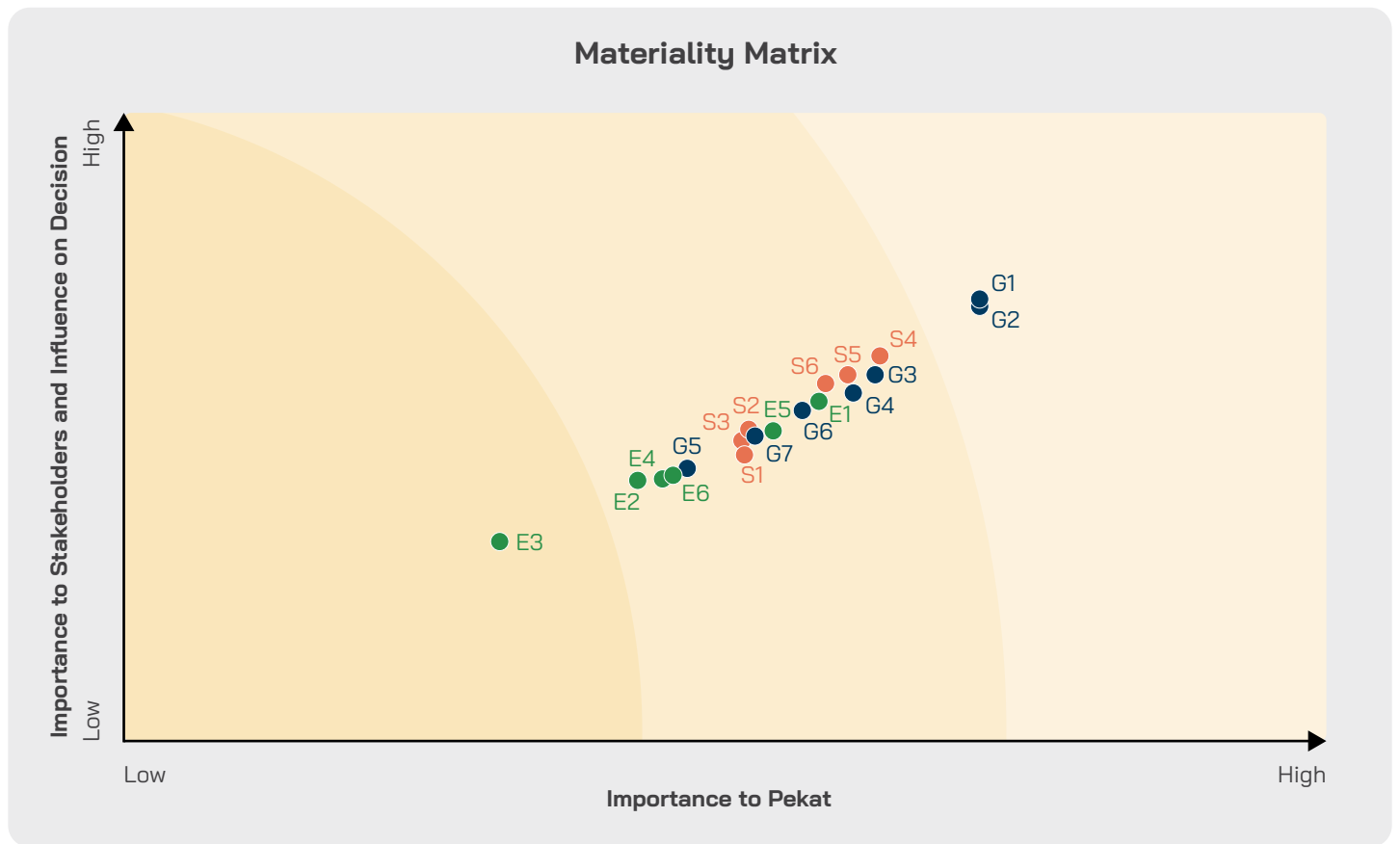
### Materiality Assessment

Pekat conducted a comprehensive materiality assessment in FY2024 in accordance with Bursa Malaysia’s Sustainability Toolkit: Materiality Assessment (3rd Edition) and identified nineteen (19) sustainability topics, reflecting the matters most significant to the Group and its stakeholders.

For FY2025, the Group has maintained the Materiality Matrix established in FY2024, as the identified material topics continue to relevant to the Group’s business operations and stakeholder priorities.

Among the nineteen (19) material topics, six (6) topics have been identified in FY2024 but have yet to be assessed. During FY2025, the Group has undertaken an assessment of these topics and included the relevant disclosures in this Sustainability Statement. The six (6) topics are:

1. Product safety, accessibility and customer welfare
2. Systematic risk management
3. Business model resilience
4. Product design and lifecycle
5. Material sourcing
6. Greenhouse gas (“GHG”) emissions



# Sustainability Statement

High Priority	Material Topic
G1	Corporate Governance and Ethics
G2	Business Performance and Developments
Medium Priority	Material Topic
G3	Business Model Resilience
G4	Technology Advancement and Digital Transformation
G5	Systematic Risk Management
G6	Supply Chain Management
G7	Data Privacy and Security
E1	Business Impacts to Environment
E2	Material Sourcing
E4	Energy and Water Consumption
E5	GHG Emissions
E6	Product Design and Lifecycle
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
Low Priority	Material Topic
E3	Waste Management

 **Economic & 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

## Combined Material Matters

To enhance reporting clarity and better represent the interconnectedness of our operations, certain material topics identified in our 2025 Materiality Assessment have been combined. This approach aligns with the Bursa Malaysia Sustainability Reporting Guide's recommendation for cohesive narrative reporting.

Combined Material Topics	Sustainability Pillar
G2 Business Performance and Developments	Economic & Governance
G3 Business Model Resilience	
G6 Supply Chain Management	
E2 Material Sourcing	
S5 Product Safety, Accessibility and Customer Welfare	Social
E6 Product Design and Lifecycle	



### Economic & Governance

- G2 Business Performance and Developments
- G3 Business Model Resilience

Combined to reflect the Group's integrated approach to financial stability and long-term strategic adaptability.

- G6 Supply Chain Management
- E2 Material Sourcing

Combined to highlight our commitment to ESG due diligence throughout the value chain and our focus on responsible procurement.



### Social

- S5 Product Safety, Accessibility and Customer Welfare
- E6 Product Design and Lifecycle

Combined to reflect our commitment to quality, ensuring that our products are engineered for maximum operational efficiency and long-term reliability while upholding the highest standards of safety for our customers and the public.



# Sustainability Statement

## Advancing Global Goals

The UNSDGs serve as a global framework for addressing economic, environmental and social issues. Pekat aligns its initiatives with these goals to ensure that our efforts support the broader sustainability agenda.

UN SDG	Targets	FY2025 Performance
	5.5: Ensure women’s full and effective participation and equal opportunities for leadership	<ul style="list-style-type: none"> <li>Maintained 33% women representation on the Board in FY2025</li> </ul>
	7.2: By 2030, increase substantially the share of clean energy in the global energy mix	<ul style="list-style-type: none"> <li>Solar PV projects bringing total cumulative capacity to 230.7 MWp across various markets, underscoring Pekat’s role in the clean energy transition</li> </ul>
	8.7: Eliminate forced labour, modern slavery, human trafficking and the worst forms of child labour  8.8: Protection of labour rights and promotion of safe and secure working environments for all	<ul style="list-style-type: none"> <li>Recorded zero substantiated instances of human rights violations and no fines or penalties were imposed for non-compliance for FY2025</li> </ul>
	9.4: By 2030, upgrade infrastructure and industries for sustainability through improved resource efficiency and wider adoption of clean, environmentally sound technologies	<ul style="list-style-type: none"> <li>Implementation of digital workflow automation to reduce manual process and improve operational efficiency</li> </ul>
	10.3: Ensure equal opportunity and reduce inequalities by eliminating discrimination and promoting inclusion	<ul style="list-style-type: none"> <li>Maintained zero substantiated human rights violations</li> <li>Implemented fair and non-discriminatory recruitment, promotion and compensation practices</li> <li>Candidates with disabilities are given fair and equitable consideration throughout the recruitment process</li> </ul>
	11.3: Reduce the environmental impact of cities	<ul style="list-style-type: none"> <li>Cumulative installed capacity of approximately 230.7 MWp solar PV systems avoided estimated 260,727 tonnes of CO2e emissions</li> <li>Installation of Solar PV systems at own premises avoided 334,150 tonnes of CO2e emissions</li> </ul>
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	<ul style="list-style-type: none"> <li>Waste diverted was recorded at 12.4 tonnes in FY2025</li> <li>Established categorised recycling stations on every office floor to facilitate the proper sorting of waste</li> <li>Provided a FoodCycler technology bin to process food waste</li> </ul>
	15.1: Conserve, restore and sustainably manage ecosystems affected by our operations, aligned with international commitments	<ul style="list-style-type: none"> <li>Mangrove tree planting at Kuala Selangor Nature Park to restore the biodiversity and ecosystem</li> </ul>
	16.5: Substantially reduce corruption and bribery in all their forms	<ul style="list-style-type: none"> <li>Continued to strengthen anti-bribery practices in line with MACC Act requirements</li> <li>Maintained zero confirmed cases of corruption for the third consecutive year</li> </ul>

# Economic and Governance

**Material Matters:**

- Corporate Governance and Ethics
- Business Performance and Developments
- Business Model Resilience
- Technology Advancement and Digital Transformation
- Systematic Risk Management
- Supply Chain Management
- Material Sourcing
- Data Privacy and Security

**Key Stakeholder Groups:**

- Capital Providers
- Customers
- Suppliers
- Government Regulators/Authorities
- Employees
- Media/Analyst



🔗 **Corporate Governance & Ethics**

Maintaining strong, responsible, and ethical governance is essential to managing risks, strengthening stakeholder confidence, supporting investment decisions, and driving sustainable business performance. Pekat’s governance framework is built on the Group’s core codes and policies, developed in line with current best practices and guidance, including the Malaysian Code on Corporate Governance (“MCCG”) 2021. The key codes and policies below form the cornerstone of our corporate governance structure:

- Board Charter
- Code of Conduct and Ethics
- The Anti-Bribery and Corruption Policy & Procedures
- Fit and Proper Policy
- Whistleblowing Policy

All policies are readily accessible on our corporate website at <https://www.pekat.com.my/>.

**Anti-Bribery and Corruption Training and Assessment**

In FY2025, we intensified our efforts to promote these ethical standards across the Group. A focused Anti-Bribery and Corruption (“ABC”) training session was launched, with 23 key personnel in attendance, including members of Senior Management, the Sustainability Committee, and the Sustainability Working Group.

Simultaneously, EPE Switchgear (M) Sdn Bhd (“EPE”) conducted a dedicated ABC training session facilitated by the Malaysian Anti-Corruption Commission (MACC/SPRM), with 97 employees from across the workforce in attendance, excluding those deployed at project sites.

Moving forward, we plan to implement Group-wide training and mandatory assessments for all employees, ensuring consistent understanding of our ethical expectations.

**Compliance Performance**

No cases of non-compliance with applicable laws and regulations were reported in FY2025. No legal claims were recorded during the reporting period. These outcomes reflect the continued effectiveness of the Group’s internal controls and compliance practices. The Group aims to sustain zero instances of non-compliance in FY2026.

# Sustainability Statement

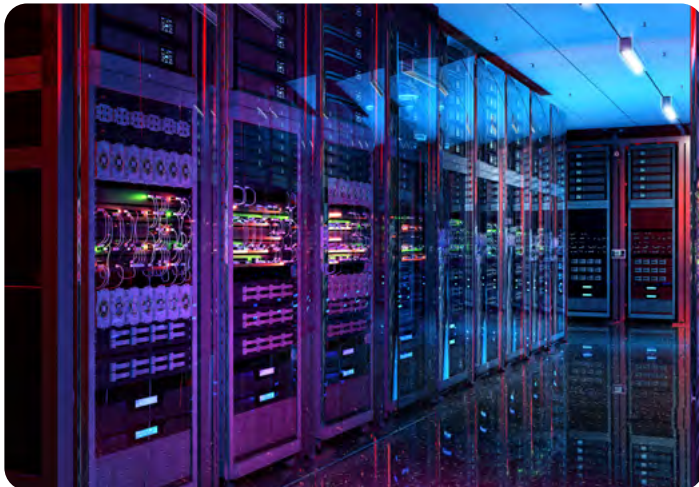
## Business Performance Development

### Business Model Resilience

In FY2025, Pekat delivered strong business performance, underpinned by growing demand for renewable energy solutions, electrical infrastructure development and increasing investments in Malaysia’s digital and energy transition sectors. The Group’s diversified business portfolio continues to strengthen operational resilience while enabling Pekat to capture emerging opportunities across the energy value chain.

The Group recorded revenue of RM609.5 million in FY2025, representing a significant increase compared to FY2024. In line with the strong revenue growth, Profit after tax and minority interest (“**PATAMI**”) rose to RM45.1 million, reflecting a 104.8% year-on-year growth. The improved financial performance demonstrates the Group’s ability to scale operations, execute projects efficiently and leverage strategic business expansion initiatives. 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.

In FY2025, Pekat significantly bolstered its business resilience through a diversified project portfolio spanning power infrastructure, renewable energy, and high-growth technology sectors. Key milestones include:



### Power Infrastructure Dominance



EPE secured several contracts from Tenaga Nasional Berhad (“**TNB**”) in FY2025 spanning switchgear supply, installation, and maintenance works. The top five contracts accounted for approximately **RM355.3 million** in combined value (excluding SST).

### Expansion into Data Centers



We achieved a strategic breakthrough in the high-tech sector with an **RM33.8 million** subcontract from Gamuda Engineering Sdn. Bhd. for specialised earthing and lightning protection at a hyperscale data centre.

### Solar Growth



Our renewable energy arm secured an **RM85.68 million** EPCC contract for a 63 MWac solar facility in Johor, ensuring a robust pipeline of large-scale green energy projects through 2026.

## Technology Innovation & Digital Transformation

Pekat recognises that technology innovation and digital transformation play an increasingly important role in supporting operational efficiency, strengthening governance processes and enhancing overall organisational productivity.

### Digital Workflow Automation

To improve administrative efficiency and reduce reliance on manual processes, Pekat has progressively digitalised key organisational workflows by implementing automated processes in SharePoint platform. These workflows streamline internal approvals, documentation management and administrative tasks, enabling more efficient coordination across departments.

The automation of internal workflows helps to reduce processing time, minimise the risk of human error and enhance transparency in organisational processes. In addition, the digitalisation of governance-related procedures supports better record management and traceability of approvals, thereby strengthening internal controls.

As at FY2025, a total of 23 digital workflows has been implemented, covering both corporate governance processes and employee administrative functions.



## Digital Workplace and Collaboration

Pekat continues to enhance workplace productivity by implementing a centralised digital collaboration platform. The SharePoint platform serves as a digital hub where employees can access corporate policies, operational documentation and organisational announcements in a structured and accessible manner.

This digital workplace environment promotes knowledge sharing and facilitates collaboration across departments by providing employees with a single platform to access important information and resources. The integration of SharePoint with Microsoft 365 applications such as Microsoft Teams, OneDrive and corporate email further supports seamless communication and file sharing among employees.

By strengthening digital collaboration capabilities, the Group is able to foster a more connected and efficient working environment while improving information accessibility across the organisation.

<b>Daily Active SharePoint Users</b>	165
<b>Adoption Rate</b>	55%*
<b>Employee Information Access</b>	100% coverage

\* Industry benchmark 30–40%, 55% adoption rate indicating strong utilisation.

### Technology Cost Optimisation

Pekat adopts enterprise-grade open-source technologies as part of its technology strategy, to maintain robust system capabilities while managing technology-related expenditures.

By utilising open-source platforms for system monitoring, infrastructure management and cybersecurity monitoring, the Group is able to reduce reliance on expensive proprietary software licences while maintaining reliable system performance.

As a result of these initiatives, Pekat achieved an estimated RM1.18 million in annual cost avoidance during FY2025 compared to the estimated licensing costs of equivalent commercial software solutions.

# Sustainability Statement

## Systematic Risk Management

Pekat has identified Systematic Risk Management (“SRM”) as a key material sustainability matter. SRM represents the Group’s commitment to managing sustainability-related risks through our Enterprise Risk Management (“ERM”) framework. By leveraging our existing ERM infrastructure, we ensure that ESG risks are not managed in isolation but are integrated into the Group’s core governance, capital, and earnings protection strategies.

All material sustainability topics are assessed using the Group’s standardised 5x5 Likelihood vs. Impact Matrix. This matrix allows the Board to prioritise resources toward “High” and “Significant” risks while monitoring “Medium” and “Low” risks through routine operational controls.

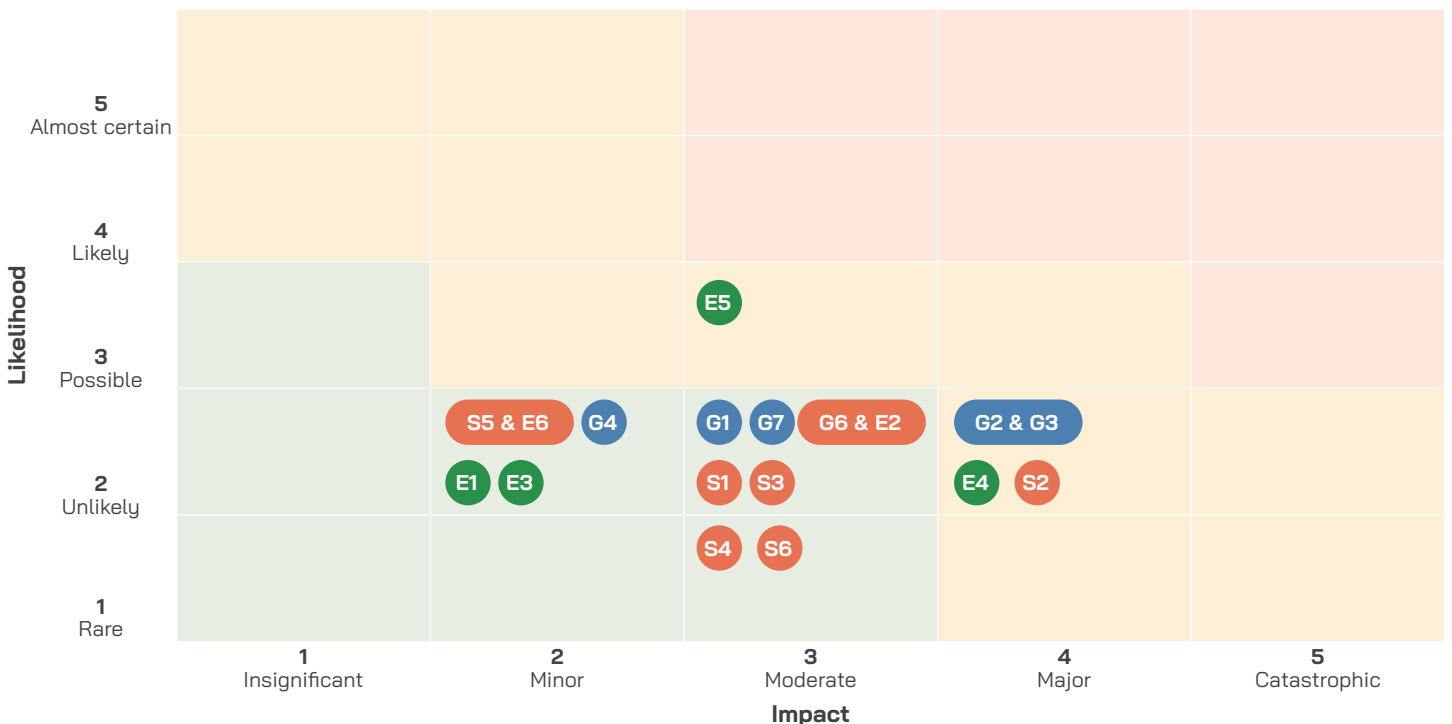
### The Risk Assessment Framework

The Group follows a disciplined three-step process to evaluate and mitigate the risks associated with our material topics:

- **Evaluate Risks** - We assess the overall risk level to determine whether the existing status is tolerable or whether further treatment actions is required to bring the risk to an acceptable level.
- **Treat Risks** - We examine treatment options, such as reducing the likelihood, cause, consequence and impact, ensuring treatment plans are cost-effective.
- **Monitor and Review** - Risk owners are responsible for regularly updating risk information to maintain relevance.

Based on this assessment, we have identified specific risk implications, defined as the potential event, cause, and impact on our strategic objectives, and established a corresponding mitigation focus for each category.

This structured approach ensures that resources are prioritised toward risks with the highest potential impact, while maintaining robust controls for routine operational matters in alignment with the Pekat Risk Manual.



Material Topic	Likelihood	Impact	Risk Level	Risk Implication	Mitigation Focus
G1 – Corporate Governance and Ethics	Unlikely	Moderate	Medium	Governance lapses may affect regulatory compliance and stakeholder trust.	Strengthen internal controls, compliance monitoring, and adherence to corporate governance standards.
G2 – Business Performance and Developments G3 – Business Model Resilience	Unlikely	Major	High	Strategic or operational risks may affect financial performance and business continuity.	Strengthen strategic planning, operational oversight, and regular management review.
G4 – Technology Advancement	Unlikely	Minor	Low	Failure to keep pace with technological developments may affect operational efficiency and competitiveness.	Monitor industry trends and adopt appropriate technological solutions to enhance operational efficiency.
G6 – Supply Chain Management E2 - Material Sourcing	Unlikely	Moderate	Medium	Supply disruptions, price volatility, or reliance on overseas suppliers may affect project timelines, operational efficiency, and supply chain sustainability performance.	Strengthen vendor assessment and monitoring, diversify sourcing where feasible, and promote responsible sourcing practices among suppliers.
G7 – Data Privacy and Security	Unlikely	Moderate	Medium	Cybersecurity breaches may disrupt operations or compromise sensitive information.	Enhance IT security controls, implement data protection policies, and conduct cybersecurity awareness training.
E3 – Waste Management	Unlikely	Minor	Low	Improper waste handling may result in minor environmental impacts or regulatory non-compliance.	Implement standard waste management procedures and engage licensed waste disposal contractors.
E4 – Energy and Water Consumption	Unlikely	Major	High	Increased resource consumption may raise operational costs and environmental footprint.	Monitor energy and water usage and implement efficiency improvement initiatives.
E5 – GHG Emissions	Possible	Major	High	Increasing climate disclosure requirements and potential future carbon pricing mechanisms may increase regulatory compliance obligations and operational costs.	Strengthen internal monitoring of energy consumption and fuel usage while improving emissions data tracking and staying informed of climate-related regulatory developments.
S1 – Employee Training and Retention	Unlikely	Moderate	Medium	High employee turnover may affect operational continuity and organisational knowledge.	Provide employee training, career development programmes, and competitive employment practices.
S2 – Community Engagement	Unlikely	Major	High	Insufficient stakeholder engagement may lead to community concerns that affect project implementation.	Maintain open communication with stakeholders and conduct engagement activities where necessary.
S3 – Diversity and Equal Opportunity	Unlikely	Moderate	Medium	Lack of inclusive practices may affect employee engagement and talent attraction.	Promote fair recruitment, equal opportunity policies, and inclusive workplace practices.
S4 – Labour Practices and Standards	Rare	Moderate	Medium	Non-compliance with labour standards could result in legal or reputational consequences.	Maintain fair labour practices, comply with labour laws, and provide grievance channels for employees.
S5 - Product Safety, Accessibility and Customer Welfare E6 - Product Design and Lifecycle	Unlikely	Minor	Low	Potential for project delays, incorrect material specifications, or sub-standard deliverables that affect customer trust.	Maintenance of ISO 9001 (QMS) certifications, rigorous Quality Control (QC) protocols at all project stages, and ensuring prompt corrective actions are taken to address any deviations.
S6 – Occupational Health and Safety	Rare	Moderate	Medium	Workplace incidents may disrupt operations and pose risks to employee safety.	Strengthened training programmes, ISO 45001 (OH&S) certification maintenance, and strict adherence to the Employment Act.

# Sustainability Statement

## Supply Chain Management

### Material Sourcing

Pekat is committed to responsible supply chain management to ensure operational efficiency, ethical sourcing, and long-term sustainability. In FY2025, the Supply Chain Department has strengthened its practices in line with ESG principles through:

- responsible sourcing
- operational efficiency
- supply chain resilience

### Vendor Governance and Compliance

All vendors engaged by Pekat are required to comply with the Group’s ethical standards, including the signing of the Anti-Bribery and Corruption (ABC) declaration, and Non-Disclosure Agreements (NDA).

Vendor registration assessments are conducted prior to approval, evaluating criteria such as quality, delivery performance, supply reliability, pricing competitiveness, compliance with health, safety and environmental requirements, and overall business suitability. Vendors are required to meet minimum evaluation standards before being approved. In addition, the Group conducts regular performance monitoring of existing vendors based on factors including quality, delivery performance, cost efficiency, responsiveness, and the ability to implement corrective actions when required.

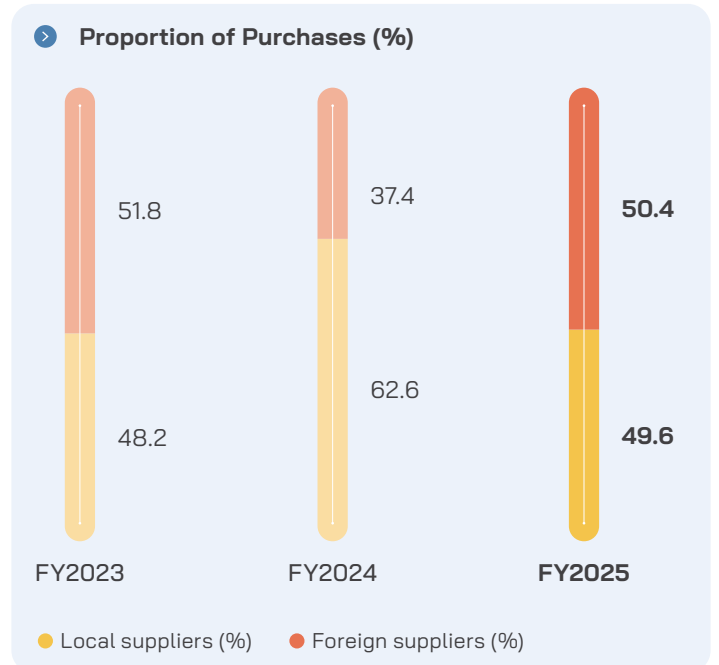
Moving forward, the Group plans to strengthen its vendor assessment framework by incorporating ESG-related criteria including environmental certifications, occupational safety standards, and responsible labour practices.



### Strategic Procurement & Local Participation

The Group maintains a strategic balance between supporting the domestic economy and ensuring technical excellence.

While we prioritise local procurement, Pekat’s foreign spending (50.4% in FY2025) reflects our commitment to quality, durability and safety. Following the acquisition of EPE, our procurement of specialised components from foreign countries increased to satisfy TNB-mandated requirements and type-tested specifications which are critical for ensuring product reliability and long-term performance. These requirements necessitate sourcing from established foreign suppliers with proven technical capabilities.



## Operational Excellence & Environmental Stewardship

The Group actively mitigates its environmental impact through optimised logistics practices and a focus on circularity:



### Logistics Optimisation

We maximise efficiency and reduce transport-related emissions by consolidating shipments and maintaining a centralized logistical oversight.



### Fleet Carbon Management

We enforce a strict **regular maintenance schedule** for our fleet to ensure safety and minimise fuel wastage. Fuel consumption is systematically logged and analysed to identify further opportunities for emission reductions.



### Downstream Responsibility

Our sustainability commitment extends beyond procurement. We engage licensed disposal vendors specifically for the recycling of solar panels, ensuring that end-of-life materials are managed responsibly and kept out of landfills.

## Supply Chain Resilience & Continuity

To ensure supply continuity, the Group monitors critical materials based on supply availability and contractual requirements. Most key materials have alternative sourcing options available, and to date, the Group has not experienced any significant supply chain interruptions arising from socio-political factors.

### 🔍 Data Security & Privacy

As a listed entity in an increasingly complex digital landscape, Pekat views data security and privacy as fundamental to our corporate governance and stakeholder trust. We maintain a zero-Breach objective through a multi-layered security framework that integrates advanced threat detection, rigorous access controls, and transparent audit trails. Our security posture is designed to comply with the Personal Data Protection Act (PDPA) and the Malaysia Cybersecurity Act 2024 (Act 854).

## Key Initiatives:

- **3-Layer Data Governance Architecture:** We govern a comprehensive digital footprint through a structured architecture encompassing M365 Cloud, on-premises Active Directory, and a high-availability Network Attached Storage cluster. This framework ensures data redundancy and auditable access control for all corporate records.
- **Infrastructure Resilience & Availability:** Our Synology High-Availability (HA) cluster ensures business continuity with a verified 99.95% uptime. The system features heartbeat monitoring and automatic failover in under 10 seconds to protect against unplanned downtime.
- **Data Leak Prevention (DLP) & Exit Controls:** We enforce strict DLP policies protecting 23 sensitive data types, including financial statements and board papers. We monitor and control 9 data exit points such as USB media and cloud uploads to mitigate the risk of unauthorised exfiltration.
- **Proactive Threat Defence:** We utilise the Wazuh SIEM platform for real-time threat detection across 240+ endpoints and 8 production servers. This is supplemented by network-level DNS filtering which blocks approximately 12,500 malicious or tracking domains monthly.

## Cybersecurity Incident Management

The Group maintains strict monitoring and incident management procedures to safeguard its systems against cybersecurity threats. Continuous monitoring mechanisms are in place to detect potential security incidents and ensure appropriate response actions are taken promptly.

During the reporting period, Pekat recorded zero cybersecurity incidents, reflecting the effectiveness of the Group's cybersecurity monitoring and protection measures.

**Zero incidents of data breaches**

## Future Outlook: Strategic Milestones

As part of its continuous cybersecurity improvement efforts, Pekat targets to obtain ISO 27001:2022 certification by December 2026 to formalise and strengthen its Information Security Management System (ISMS).

# Sustainability Statement

## Environmental

### Material Matters:

- Business Impacts to Environment
- Material Sourcing
- Waste Management
- Energy and Water Consumption
- GHG Emissions
- Product Design and Lifecycle

### Key Stakeholder Groups:

- Capital Providers
- Customers
- Suppliers
- Government Regulators/Authorities
- Employees
- Media/Analyst
- Local Communities

### Business Impact to Environment

Pekat continues to solidify its role as a key driver of Malaysia's energy transition by expanding access to solar technology, enabling a shift from conventional energy to clean power and contributing to industrial decarbonisation.

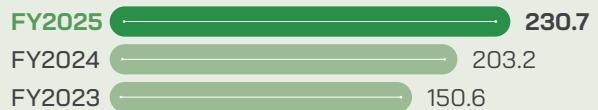
By the end of the financial year, total installed capacity reached 230.7 MWp, representing a 13.5% growth over the previous year. This expanded infrastructure is expected to generate 336,857 MWh of clean electricity annually, displacing carbon-intensive power sources and enhancing the resilience of the national grid.

In FY2025, our solar solutions helped avoid 260,727 tonnes of CO<sub>2</sub> emissions, equivalent to the CO<sub>2</sub> absorbed by more than 4.3 million tree seedlings grown over 10 years. This continuous growth reflects increasing operational efficiency and strengthening client trust in our renewable energy expertise.

Looking ahead, we are actively refining our service offerings and exploring emerging technologies to further reduce the carbon footprint of the sectors we serve, ensuring that our growth continues to align with global net-zero aspirations.



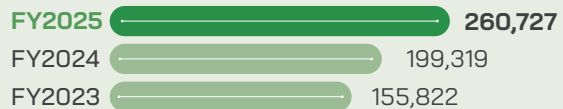
### Cumulative Capacity of Completed Solar PV Systems (MWp)



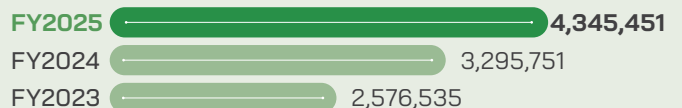
### Estimated Annual Electricity Generated by the Solar PV Systems (MWh)<sup>1</sup>



### Avoidance In CO<sub>2</sub> Emission (Tonne)



### Number of Tree Seedlings Grown for 10 Years<sup>2</sup>



Notes:

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

<sup>2</sup> Conversion based on reference from the U.S. Environmental Protection Agency (EPA). The number of tree seedlings grown for 10 years is a standardised carbon equivalency metric based on the U.S. EPA methodology, which translates avoided emissions into the equivalent number of urban trees grown over a 10-year period, taking into account growth rates and survival factors.

## Waste Management

Pekat manages waste in accordance with its Waste Management Policy, which emphasises waste reduction at source and the application of the 3R principles - Reduce, Reuse and Recycle. The Group aims to minimise its environmental impact by promoting responsible waste-handling practices across its operations.

To support the effective implementation of these practices, the Group has established an Emission and Waste Management Committee to oversee environmental initiatives related to emissions and waste management. The Committee monitors waste generation trends, reviews environmental performance, and ensures that waste management practices remain aligned with the Group’s environmental objectives.

In FY2025, the Group recorded a waste diversion rate of 79.8%, primarily driven by waste recycling initiatives implemented at the Group’s solar farm operations and by the recovery of industrial stretch films. The introduction of monthly waste data tracking has further strengthened the Group’s ability to monitor waste generation patterns and identify opportunities for continuous improvement.

Waste Category (FY2025)	Quantity (Tonnes)
Waste Diverted (Recycling & Reuse)	12.4
Waste Directed to Disposal (Landfill)	3.2
Total Group Recorded Waste	15.6



While Pekat has established visibility over waste generated at its corporate offices and project sites, EPE, our subsidiary, is currently strengthening its internal waste-tracking mechanisms to further improve waste data monitoring.

## Compliance and Scheduled Waste Status

We remain committed to complying with applicable environmental regulations, including the Environmental Quality (Scheduled Wastes) Regulations 2005. Following an inspection by the Department of Environment Malaysia, EPE confirmed that its operations do not generate scheduled waste and are therefore not subject to the PPKAS (BT) 2025 requirements.



## Sustainable Waste Initiatives

- 1 In partnership with Alam Flora Environmental Solutions, we conducted a Group-wide Recycling and Awareness Programme. This event included a 2-hour intensive waste-collection drive and the distribution of reusable lunchboxes to all participating staff to discourage single-use plastic.
- 2 We have placed categorised recycling stations on every office floor to facilitate the proper sorting of paper, plastics, metals, glass, food waste and general waste.
- 3 The Group has implemented a Food Cycler technology system in selected office pantry areas to process food waste into nutrient-rich fertiliser. This initiative helps reduce food waste sent to general waste streams while promoting responsible waste management practices within the workplace.

The Group will continue to enhance its waste management practices by improving waste monitoring, promoting recycling initiatives, and encouraging responsible waste practices across its operations in support of its environmental sustainability commitments.

# Sustainability Statement

## Energy & Water Consumption

We recognise the importance of responsible energy and water management in minimising environmental impact and improving operational efficiency. The Group continues to implement initiatives aimed to reduce resource consumption and promote greater environmental awareness among employees.

As a company operating within the renewable energy sector, Pekat continues to demonstrate its commitment to sustainable energy solutions by installing solar photovoltaic systems at selected facilities, with plans to progressively expand these installations to additional buildings in the future. These initiatives not only reduce reliance on grid electricity but also reflect the Group’s leadership in advancing clean energy adoption.

To further encourage responsible resource use, awareness signage has been placed at strategic locations across office premises to remind employees to switch off electrical appliances and turn off taps when not in use. These simple behavioural initiatives support the Group’s broader efforts to promote resource conservation in the workplace.

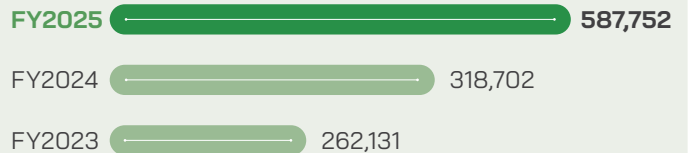
In FY2025, the increase in total energy and water consumption was mainly attributed to the integration of EPE’s manufacturing and operational facilities, which expanded the Group’s physical footprint and industrial energy requirements and workforce expansion to support our rapid business growth. Water consumption was further impacted by a leakage incident identified at EPE’s facilities during the year. The issue has since been rectified, with proper monitoring and periodic checks implemented to prevent recurrence.

Despite the rise in total consumption, our energy intensity has improved, representing an improvement of approximately 16.4% since FY2023.

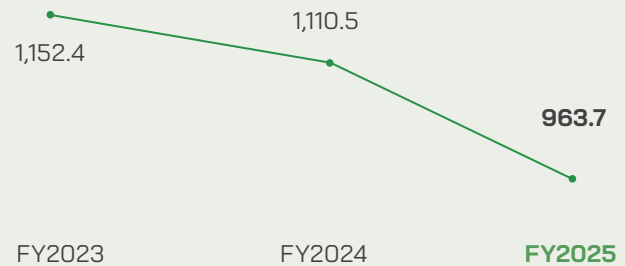


## Electricity Consumption

### Total Electricity Consumption (kWh/year)

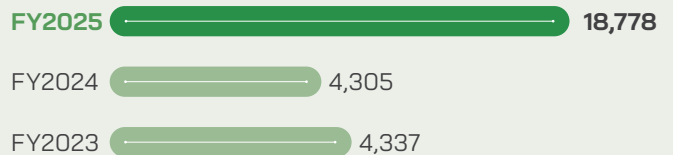


### Electricity Consumption Per Revenue (kWh/year/Mil Revenue)

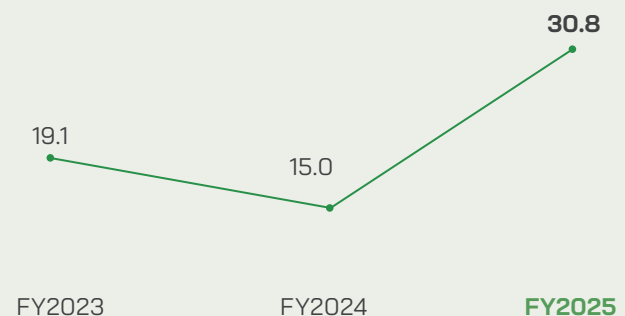


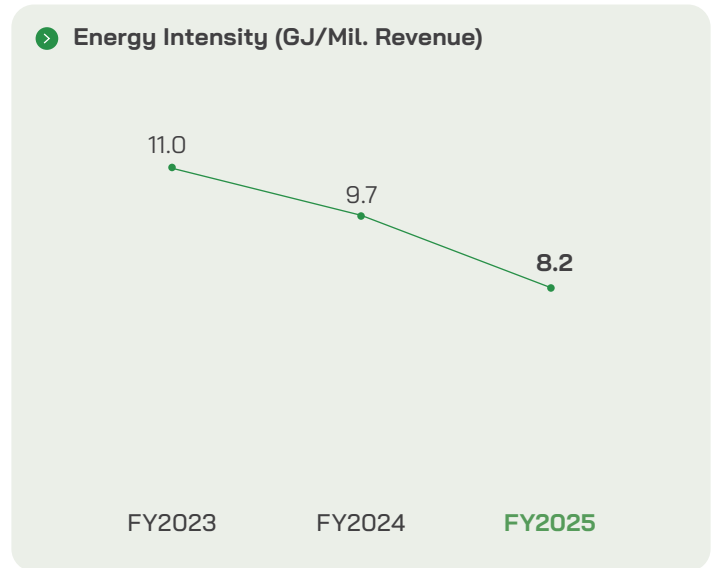
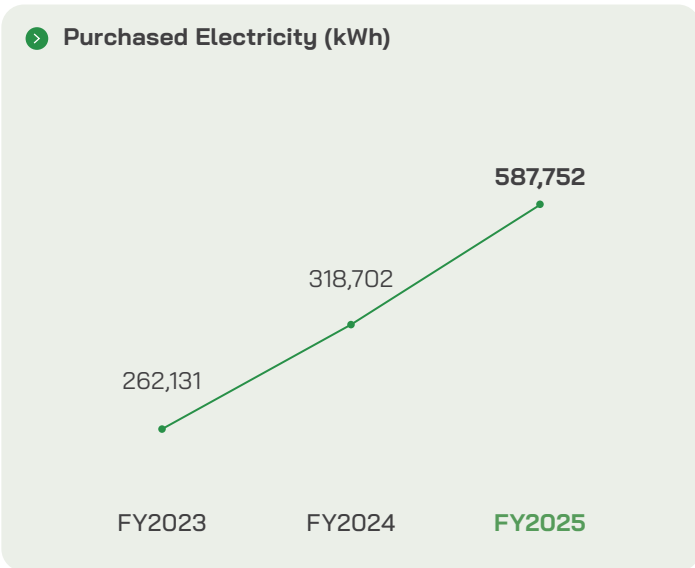
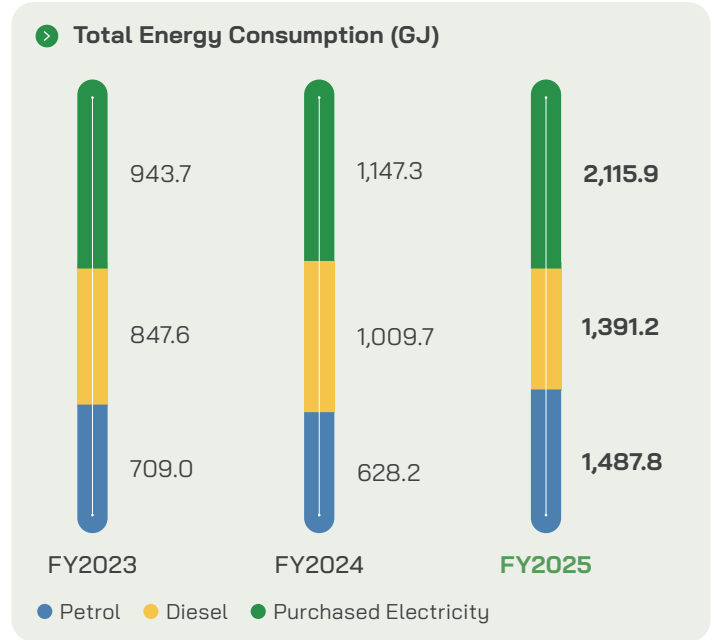
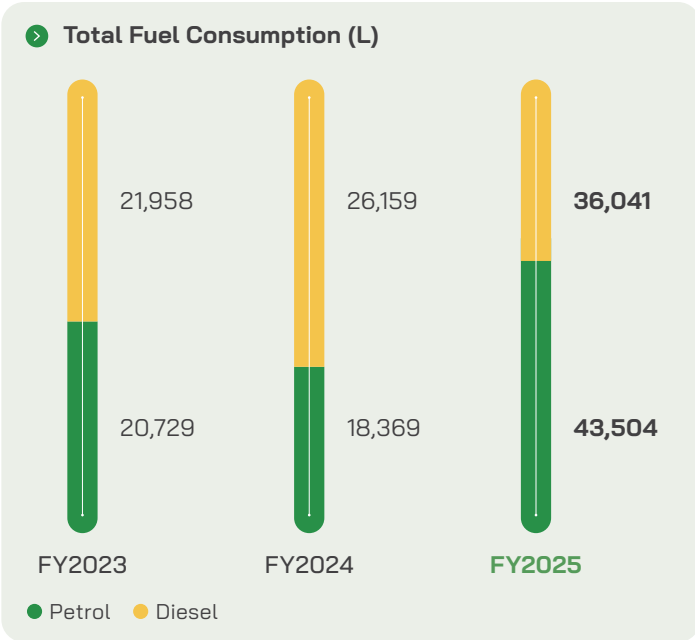
## Water Consumption

### Water Consumption (M³)



### Water Consumption Per Revenue (m³/year/Mil Revenue)





Looking ahead, the Group is exploring additional initiatives to improve resource efficiency. These include the implementation of rainwater harvesting systems to reduce potable water consumption, as well as the use of heat-resistant curtains, tinted windows or double-glazed insulation during future building renovations to minimise indoor heat gain and reduce cooling energy requirements. In addition, the Group plans to expand electric vehicle (“EV”) charging infrastructure at its premises to encourage greater EV adoption.

Through these ongoing initiatives, Pekat aims to continuously strengthen its energy and water management practices while supporting broader environmental sustainability objectives.

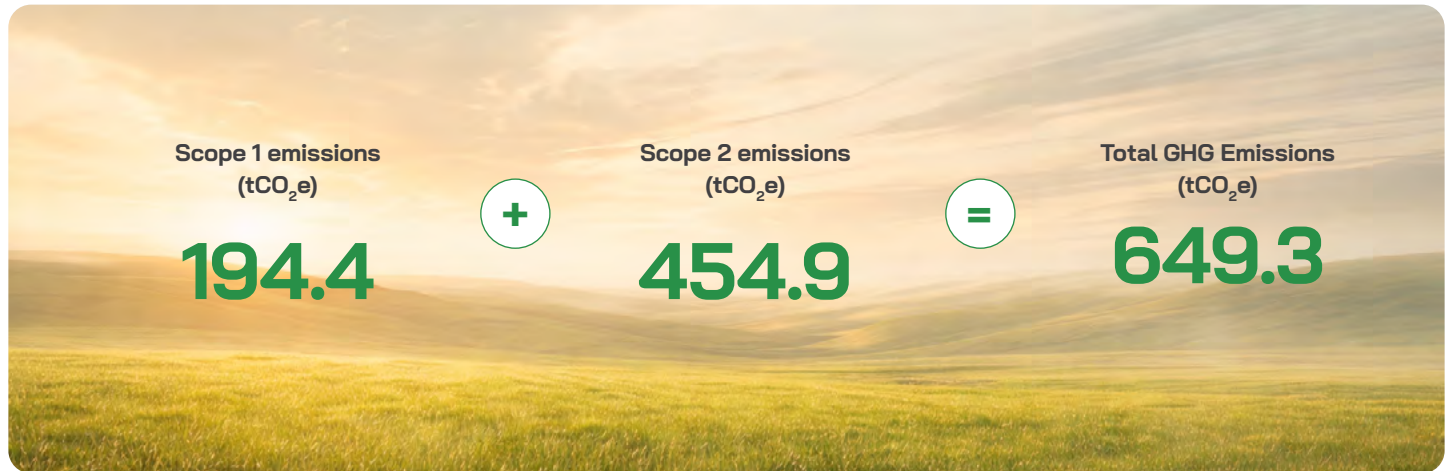
# Sustainability Statement

## GHG Emissions

Pekat recognises the importance of managing greenhouse gas (“GHG”) emissions as part of its commitment to environmental sustainability and climate change mitigation. In FY2025, the Group conducted its first assessment of GHG emissions covering Scope 1 and Scope 2 emissions arising from operational activities.

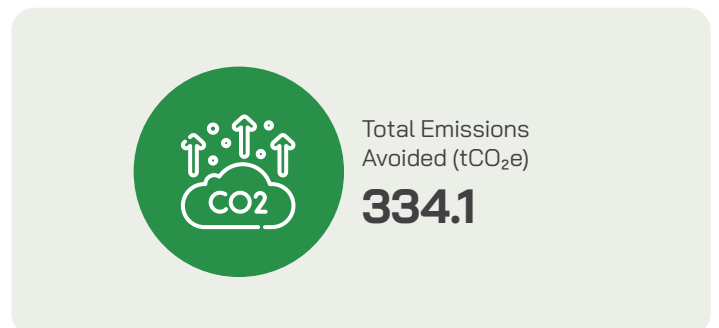
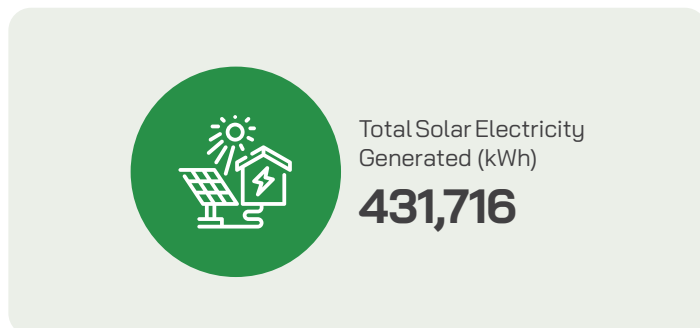
Scope 1 emissions represent direct GHG emissions from fuel combustion in the Group’s company-owned vehicles, including petrol and diesel consumption. Scope 2 emissions are indirect GHG emissions from the electricity consumed in our operations.

As FY2025 marks the first year of GHG emissions disclosure, the reported data serves as a baseline for future monitoring and performance benchmarking as the Group continues to strengthen its climate-related data management and emissions reduction initiatives.



Note:

1. Our calculation methodology follows the GHG Protocol Corporate Accounting and Reporting Standard.
2. Scope 1 Emission Factors use the conversion rate retrieved from the Department for Environment Food and Rural Affairs UK (“DEFRA”).
3. Scope 2 Emission Factors use the conversion rate obtained from the Malaysia Grid Emission Factor (2017-2022) (“GEF”).



As a renewable energy solutions provider, Pekat contributes to climate change mitigation through the deployment and operation of solar photovoltaic (“PV”) systems. Electricity generated by these installations helps reduce reliance on conventional fossil-fuel-based electricity generation, thereby avoiding associated greenhouse gas emissions.

In FY2025, the Group generated 431,716 kWh of solar electricity, resulting in an estimated avoidance of 334.1 tCO<sub>2</sub>e of emissions, based on the Malaysia grid emission factor. This reflects Pekat’s continued contribution towards reducing reliance on conventional energy sources and supporting the transition to cleaner electricity generation.

# Social

## Material Matters:

- Employee Training and Talent Retention
- Community Engagement
- Diversity and Equal Opportunity
- Labour Practices and Standards
- Product Safety, Accessibility and Customer Welfare
- Occupational Health and Safety

## Key Stakeholder Groups:

- Capital Providers
- Customers
- Suppliers
- Government Regulators/Authorities
- Employees
- Media/Analyst
- Local Communities



## Employee Training and Talent Retention

### Cultivating a Culture of Continuous Learning

Pekat fosters a culture of continuous learning by investing in a comprehensive suite of development programmes designed to equip our employees with the knowledge and skills needed to thrive in an ever-evolving business environment. We leverage both internal expertise and external subject-matter experts to deliver leadership development, technical skills training, and soft skills workshops, ensuring our workforce remains competitive and adaptable in a rapidly evolving environment. These programmes address current and emerging skills trends, ensuring our employees gain valuable knowledge relevant to our core business and broader sustainability goals.

In FY2025, we reaffirmed this commitment by offering a range of programmes including leadership development and upskilling courses aligned with job functions. To support our expanded workforce following the acquisition of EPE, we significantly increased our investment in human capital.

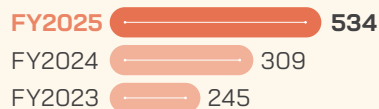
Our total training expenditure reached RM420,812, representing an average investment of RM788 per employee, a 20.7% increase from the RM653 per employee recorded in FY2024. This ensures that even as the Group grows to 534 employees, the quality and accessibility of training remain a top priority.

### Training Expenses

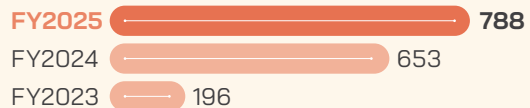
#### Training expenses (RM)



#### Number of employees



#### Training expenses per employee (RM)



# Sustainability Statement

A summary of FY2025 employee training programmes is presented below:

List of Training /Seminars Provided by the Group In FY2025	Programme Training Hours	No. of Employees Attended
11KV Substation Maintenance & Testing	28	1
2025 Commuting Safety : Road Safety Heroes	14	4
4th Conference on Innovation & Intervention For QHSZE Continual Improvement: Prevention Through Design	14	1
Air Selangor-NIOSH Safety Passport	28	6
Analytic Thinking & Creative Problem Solving	35	3
Applied Project Management Training	21	19
AutoCAD Electrical Essential Training	21	2
Basic Occupational First Aid	14	2
Basic Occupational First Aid, CPR & AED Course	14	1
Basic Occupational First Aid, CPR & AED Training	14	29
Bim Coordinator Part 1: Setup	21	2
Bim Coordinator Part 2 : Coordination	28	2
Budget Tax Conference 2026	7	1
Certified Construction Project Manager (CCPM) Training Package 1	49	1
Construction Project Manager (CPM) Programme - Method 2 Interview Preparedness Training	21	1
Construction Project Manager (CPM) Programme Method 2 Preparedness Training	1	3
Construction Work Design & Management (CDM) Trained Person	14	20
Curious To Confident: Transforming Managerial Productivity With AI & ChatGPT	14	37
Cybersecurity Wizards: Mastering The Basics	7	97
Drone-Based Ir Solar PV Inspection Using Droneeye	21	1
Ergonomic Trained Person For Initial Ergonomics Risk Assessment	14	1
ESG Consultant	14	10
ESG Master Class	21	5
ESG Scope 3 & 4	14	7
Everyday AI For HR	7	1
Expressway Operations Safety Passport	49	13
Forklift Operator Habitual Safety	14	24
GCPV For Wireman And Chargeman	35	1
Industrial First Aid And CPR AED	14	23
ISO 9001:2015 Internal Auditor Training	14	15
Iwk Safety Passport	4	14

List of Training /Seminars Provided by the Group In FY2025	Programme Training Hours	No. of Employees Attended
Kursus Etika Dalam Sektor Pembinaan Dan Kejuruteraan-Zoom	14	1
Kursus Kesedaran Awam Siri 53/2025	14	15
Kursus Modul Enakmen Bekalan Elektrik	14	1
Kursus Modular Talian Atas Voltan Rendah	70	1
Kursus Pengurusan Kontrak Pembinaan	14	3
Kursus Penilaian Pengurusan Risiko- Zoom	14	2
Kursus Sistem Solar Fotovolta (PV) Tersambung Grid Untuk Penjaga Jentera Elektrik Dan Pendawai	35	1
Lifting Planning And Management	28	30
Nebosh International General Certificate In Occupational Health And Safety	56	1
New Requirements Of OSHA1994 And Its Impacts To The Industries In Managing Risks Based On OSHPOP	14	4
NIOSH- Tenaga Safety Passport (Inhouse)	7	23
NIOSH-Tenaga Safety Leader Pasport	14	4
Oil And Gas Safety Passport	7	1
Penyelaras Keselamatan Dan Kesihatan Pekerjaan	21	29
Permit To Work & Operational Safety Improvement (PTOS)	21	1
Permit To Work And Operational Safety Improvement (PTOS)	21	3
PMP Certification Exam Preparation Course	35	1
Presentation Skills (Speak With Confident)	14	1
Procurement, Contract Management	14	13
Project Based Management	14	17
Project Management & Team Leadership	14	1
QC Inspector (Online)	14	6
Safe Handling Of Forklift Truck Training	7	7
Sarawak Energy Safety Passsport	7	2
SEDA Malaysia Grid -Connected Photovoltaic (GCPV) For Wireman & Chageman	35	1
Seda Malaysia Grid-Connected Photovoltaic PV Systems Design Course	224	5
SEDA Malaysia Off-Grid Photovoltaic (PV) Systems Design Course	70	1
Seminar KKP 2025	14	2
Seminar Pengurusan Pekerja & Pemahaman Akta Kerja 1955	7	2
Steering Effective Organisational Development (OD)	14	2
Strategic Human Resources Management	14	1
The Future Of OSH : Trends And Transformation In Occupational Health (OH) (Ergonomic Hazard)	14	1
World Osh Day 2025 Seminar	14	1
World Osh Day 2025 Seminar: The Impacts Of Digitalization And Artificial Intelligence (AI) On Workers Safety And Health	14	1

# Sustainability Statement

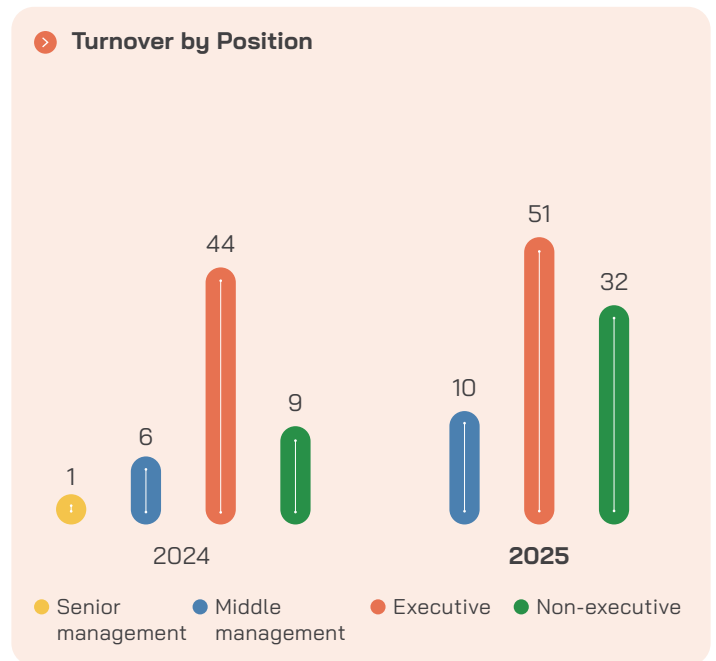
## Talent Retention and Organisational Stability

We believe that a well-supported and fairly compensated workforce is essential to ensuring equal opportunities for all employees to grow. Our success in talent retention is evidenced by a Group average employee tenure of 6.5 years, reflecting high levels of satisfaction with our benefits and career development pathways.

While our total new hires increased to 133 and turnover reached 93 in FY2025, these figures primarily reflect the integration of EPE into our reporting framework. Despite the increase in headcount, our turnover rate remains healthy, indicating strong organisational loyalty and a stable work environment.



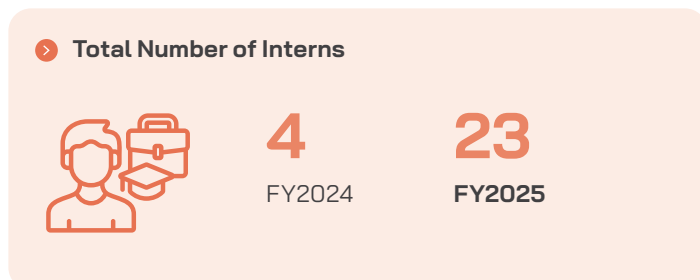
**Employee tenure**  
**6.5 years**



## Internship Programme

In FY2025, the Group significantly expanded its Internship Programme, offering 23 placements across various functions. These internships provide participants with hands-on exposure to professional workflows, technical problem-solving and organisational practices, enabling them to better understand the dynamics of a real-world business environment.

By integrating interns into active projects and daily operations, the Group equips them with practical experience and industry-relevant knowledge while nurturing the next generation of professionals.



## Community Engagement

In 2025, Pekat reaffirmed its commitment to being more than just a provider of clean energy and protection solutions; the Group acted as a catalyst for positive change. Our community outreach strategy is built on the belief that true sustainability must benefit both the environment and people who inhabit it. By integrating our core technical expertise with social responsibility, we aim to build a resilient future for all Malaysians.

This commitment is institutionalised through #PekatCares, our continuous dedication to creating meaningful impact through community-driven initiatives that reflect our Environmental, Social, and Governance (ESG) values. At the core of #PekatCares is CARES, the principle that inspires our commitment to community and impact.

<b>Caring &amp; Responsible Pekatian</b>	Fostering a supportive environment where employees feel valued and empowered.
<b>Accountability in Governance &amp; Practices</b>	Operating with integrity, transparency, and responsibility.
<b>Resilient Environmental Leadership</b>	Actively promoting eco-conscious actions to protect our planet.
<b>Engaged Communities, Enriched Lives</b>	Building stronger communities through volunteerism, outreach, and education.
<b>Sustainable Growth for a Better Tomorrow</b>	Aligning business goals with long-term societal and environmental benefits.



In FY2025, Pekat implemented a rigorous assessment process to select partner organisations and community projects. This ensures that every initiative we support resonates with the #PekatCares pillars and our core values of sustainability.

### Gopeng KITA Project



Pekat deployed solar-powered LED and Pico Solar PV technology to provide renewable energy solutions for indigenous villages. By providing reliable lighting, the project directly enhanced community safety, enabled night activities, and improved the overall wellbeing and livelihoods of low-income families.

**No. of beneficiaries:**

- Around **100 villagers** (Solar Light Installation)
- 5 families** (Pico Solar PV Technology)
- 10 female villagers** (Chili Agricultural initiative)

**Amount invested:**

**RM 3,000**

# Sustainability Statement

## Sungai Kayu Ara River Clean Up



Pekat’s commitment to environmental preservation in 2025 was demonstrated through a dual-action initiative focusing on water health and waste upcycling. Employees (“**Pekatiens**”) conducted a physical river clean-up activity at Sungai Kayu Ara on 14 June 2025, clearing approximately 1km of the waterway to waste in collaboration with EcoKnights. Through this collective effort, Pekat has successfully removed 50.8kg of plastic, 5kg of aluminium, 2.3kg of Tetra Pak, and 30kg of textiles. All collected waste was handed over to licensed waste collectors for proper recycling and disposal.

**Total Waste Diverted:**

**88.1kg** of waste removed from the river ecosystem.

**Amount invested:**

**RM 9,000**

## Biodiversity & Climate Action: Mangrove Planting at Kuala Selangor



Recognising the critical role of mangroves in coastal protection and carbon sequestration, Pekat participated in mangrove planting initiative in Kuala Selangor Nature Park in collaboration with Malaysia Nature Society on 26 July 2025. During the rehabilitation project, Pekatiens planted 100 mangrove trees to restore degraded areas and conserve natural biodiversity. This project serves as a long-term climate action initiative, as these trees will actively absorb atmospheric CO<sub>2</sub> throughout their growth cycle.

Following six months of planting, the trees recorded a 98% survival rate. Based on an estimated carbon absorption rate of 12.3 kg CO<sub>2</sub> per tree annually, the initiative is expected to achieve an estimated carbon sequestration potential of approximately 1.21 tCO<sub>2</sub> per year.

**Environmental Impact Trees Planted:**

**100 trees** with a 98% survival rate after 6 months

**Sequestration Potential:**  
Estimated

**1.21** tCO<sub>2</sub> per year

**Amount invested:**

**RM 5,940**

### Social Welfare: Food Distribution to Homeless



In an effort to address immediate social needs within urban areas, Pekat collaborated with the Lions Club to organise a food distribution drive at Jalan Sayur. This initiative provided essential nutrition and basic necessities to the homeless population, reflecting the core value of #PekatCares.

**Number of Beneficiaries:**  
300 individuals

**Amount invested:**  
**RM3,600**

### Social Welfare: Daily Essentials Contribution to Cancer Patients



On 24 December 2025, Pekat focused on supporting essential needs by contributing to the Jing Yuan Home for Cancer Patients. Funded through employee self-contributions, the initiative provided daily essentials to aid patients during their daycare treatment. This grassroots effort highlights the strong culture of volunteerism and social responsibility fostered among Pekatians.

**Number of Beneficiaries:**  
1 organisation

**Amount invested:**  
**RM1,500**

### Health Awareness: Blue Cap Run 2025 Sponsorship



In 2025, Pekat demonstrated its commitment to community health and wellbeing by serving as a Silver Sponsor for the Blue Cap Run 2025. The event is organised by Universiti Malaya (UM) and supported by the Yayasan MR D.I.Y. Foundation, and aims to bridge the gap in prostate cancer awareness in Malaysia. Pekat's sponsorship contributed to a collective fund dedicated to advancing medical research, enhancing patient care, and facilitating early screening programs for those in need.

**Number of Beneficiaries:**  
1 organisation

**Amount invested:**  
**RM 20,000**

# Sustainability Statement

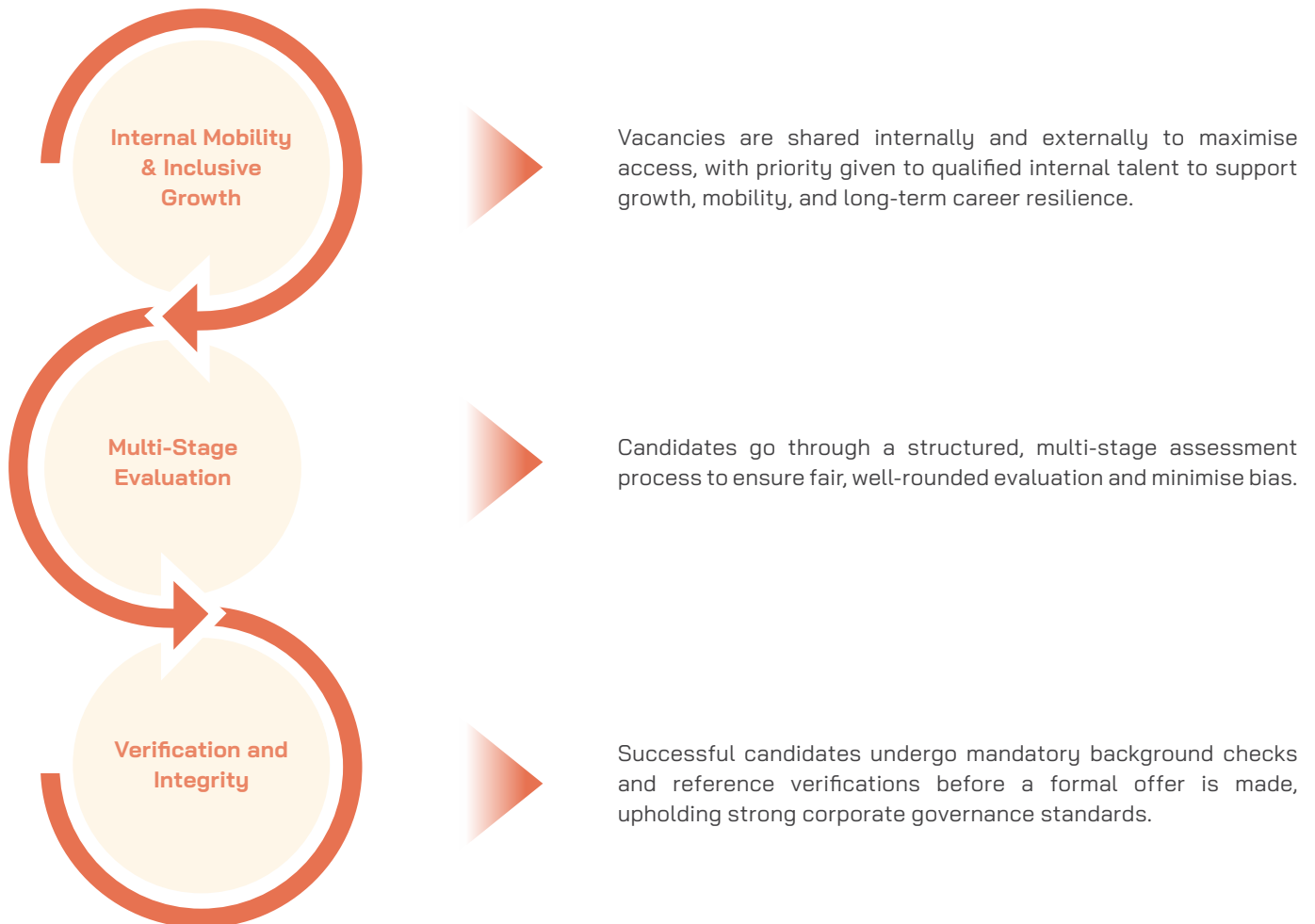
## 🕒 Diversity and Equal Opportunity

We are committed to upholding fair and transparent employment practices that promote equal opportunity, merit-based recruitment and career progression. The Group’s hiring, selection and promotion practices are governed by internal Human Capital policies to ensure consistency, fairness and alignment with the Group’s values.

### Fair and Inclusive Workplace

Pekat is committed to fostering an inclusive workplace by promoting equal employment opportunities for all candidates. We are committed to inclusive hiring practices, ensuring individuals with disabilities are given equal opportunities and considered fairly throughout the recruitment process, with roles aligned to their strengths and capabilities.

### Interview and Selection Framework

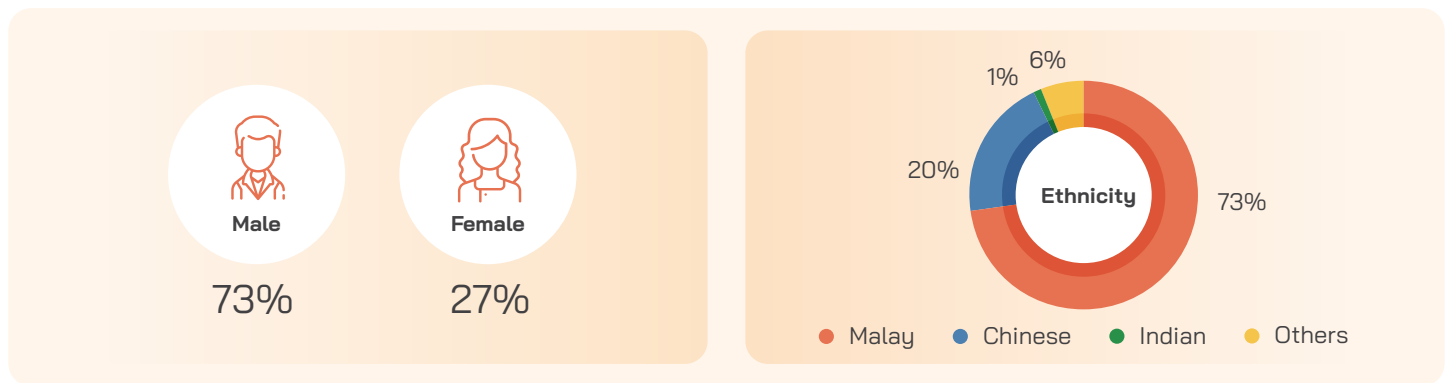


### Merit-Based Career Advancement

We view internal promotion as a critical instrument for talent retention and leadership stability. Our advancement framework is strictly meritocratic, where eligibility for higher-level roles is determined by objective performance appraisals and the achievement of outstanding work ratings. By empowering Department Heads to recommend candidates based on technical suitability and demonstrated competency, we ensure that every employee has an equitable trajectory for professional growth.

Pekat is committed to fostering a diverse and inclusive workplace. The Group values diversity across gender, age, ethnicity and job roles, recognising that a diverse workforce contributes to innovation, balanced decision-making and sustainable organisational growth.

As of FY2025, the Group employed a total of 534 individuals from diverse backgrounds. The demographic profiles of our staff are outlined below:



FY2025					
Gender	Non-Executive	Executive	Middle Management	Senior Management	Total
Male	144	195	46	7	392
Female	23	103	16	-	142
	167	298	62	7	534

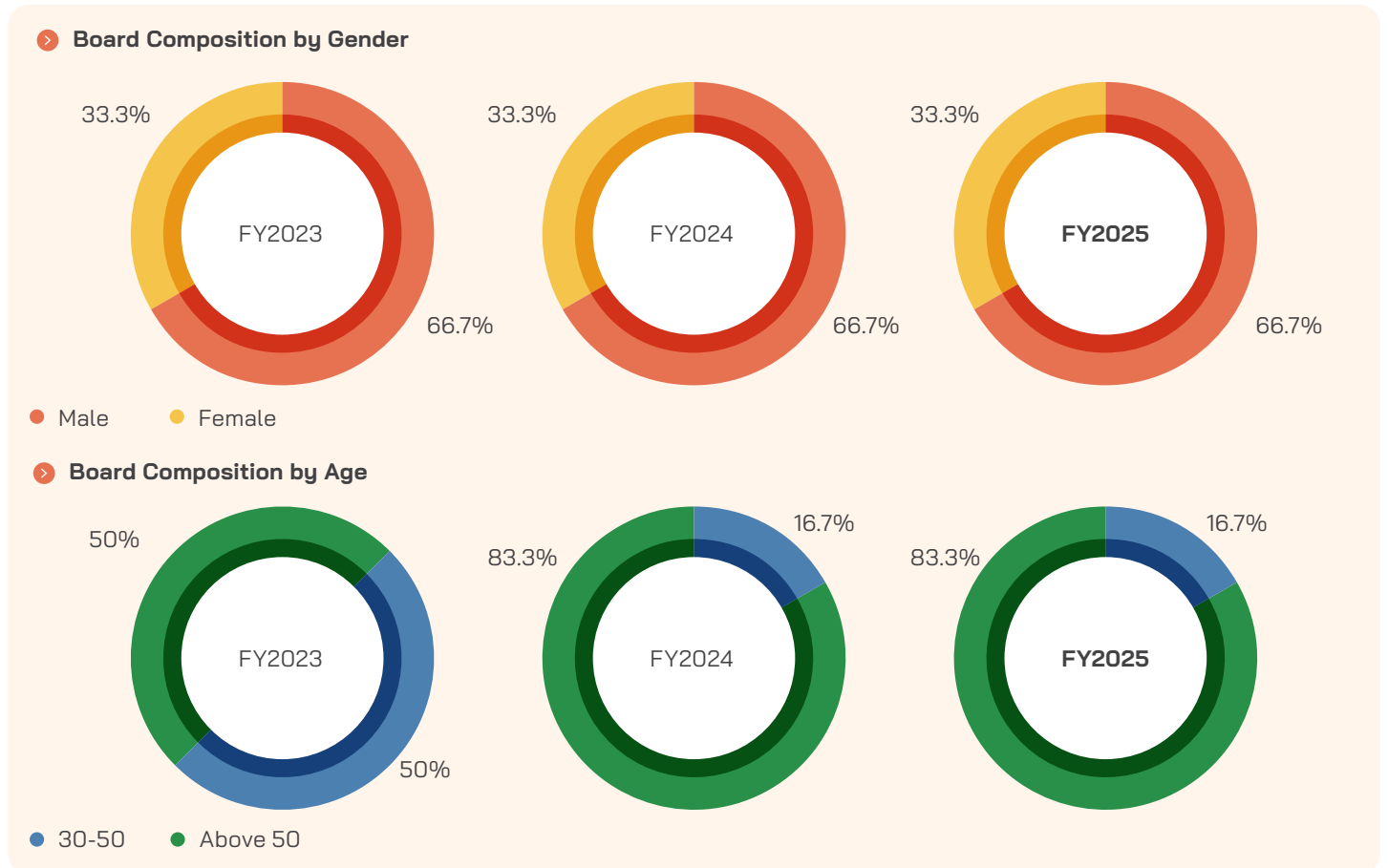
FY2024					
Gender	Non-Executive	Executive	Middle Management	Senior Management	Total
Male	45	128	27	12	212
Female	8	75	14	-	97
	53	203	41	12	309

FY2025					
Gender	Non-Executive	Executive	Middle Management	Senior Management	Total
< 30 years old	70	148	1	-	219
30-50 years old	65	136	51	-	252
> 50 years old	32	14	10	7	63
	167	298	62	7	534

FY2024					
Gender	Non-Executive	Executive	Middle Management	Senior Management	Total
< 30 years old	29	86	1	-	116
30-50 years old	20	113	39	9	181
> 50 years old	4	4	1	3	12
	53	203	41	12	309

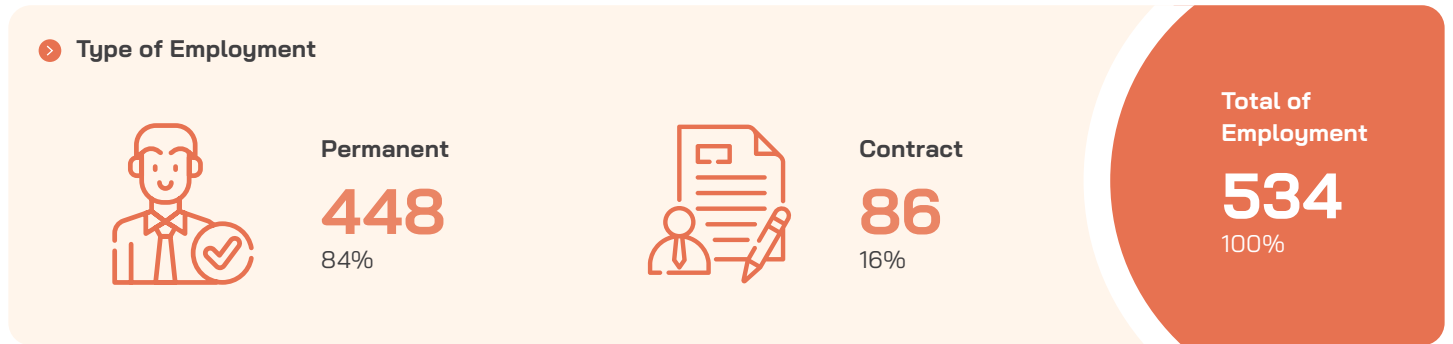
# Sustainability Statement

The Board diversity continues to meet the Malaysian Code on Corporate Governance (MCCG) recommendation of maintaining at least 30% women representation.



### 📌 Labour Practices and Standards

Pekat continue to prioritise fair and ethical employment practices, safeguarding the human and labour rights of all employees. Below is the breakdown of type of employment of Pekat in FY2025:



Our dedicated Human Capital department oversees compliance with relevant laws and regulations, ensuring adherence goes beyond minimum wage and maximum working hours. We strictly prohibit child and forced labour, adhering to all employment regulations and local laws wherever we operate. During FY2025, the Group recorded zero instances of human rights violations within our operations.



**ZERO** human rights violations

For our foreign workforce, Pekat strictly employs individuals with valid work permits and prohibits the illegal withholding of wages, passports, or personal documents. We do not require monetary deposits or charge recruitment fees, and we fully comply with minimum wage mandates while refraining from disciplinary wage deductions. All foreign employees are provided with comprehensive contracts and benefits equal to those of local employees.

Pekat is also committed to maintaining a safe, respectful and inclusive workplace. The Group enforces a zero-tolerance policy towards sexual harassment and workplace misconduct, recognising that such behaviour undermines employee wellbeing and workplace harmony. Any form of inappropriate behaviour, including verbal, physical or visual harassment, is strictly prohibited under the Group's employment policies.

Pekat continues to foster a workplace culture that promotes fairness, integrity and mutual respect, contributing to a safe and equitable working environment for all employees.



# Sustainability Statement

## Employee Wellbeing and Engagement

Pekat recognises that employee wellbeing and engagement are essential to building a resilient, productive and motivated workforce. The Group is committed to fostering a supportive work environment that promotes physical health, mental wellbeing and positive employee relationships. Through various initiatives and engagement programmes, Pekat encourages employees to maintain a healthy work-life balance while strengthening teamwork and organisational culture.

### Sports Activities



### Wellness Programme



### Employee Appreciation



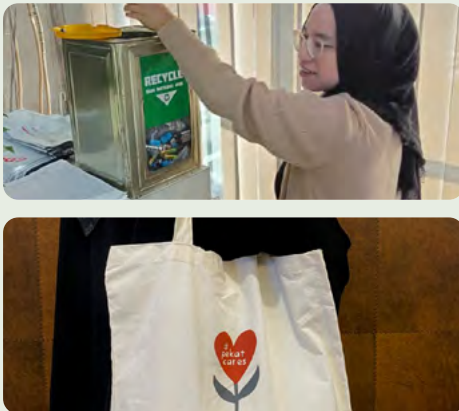
In FY2025, Pekat partnered with the National Kidney Foundation to conduct an annual health screening programme for employees. The initiative aims to promote preventive healthcare and encourage healthy lifestyle practices among employees, with 83 employees participating in the programme.

Employee Cultural Programme



The #PekatCares Community Passport is an internal initiative designed to encourage employee engagement in corporate social responsibility (CSR) activities. Throughout the year, employees 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.

Plastic-free July Campaign



Pekat actively promotes environmental awareness among employees through internal initiatives such as the Plastic Free July campaign. The campaign encourages employees to reduce single-use plastics in their daily routines by adopting simple practices such as bringing reusable water bottles, using reusable food containers, and avoiding plastic cutlery and straws. Through this initiative, employees are empowered to make environmentally responsible choices both at work and in their personal lives.

Product Safety, Accessibility and Customer Welfare

Product Design and Lifecycle

Pekat is committed to delivering products and services that meet the highest standards of quality, safety, and reliability. Our operations comply fully with industry standards and are supported by an extensive range of licenses and certifications, including:

- G7 Contractor CIDB
- G7 Contractor with TNB
- Registered PV Service Provider (RPVSP) with SEDA Malaysia
- Registered Vendor and Service Contractor with TNB
- Registered as Work Contractor with TNB
- Registered Electrical Service Contactor with Energy Commission Malaysia
- Registered Electrical Contractor with Energy Commission Malaysia
- Registered Switchboard Manufacturer with Energy Commission Malaysia
- International Organization for Standardization (ISO) Certifications:
  1. ISO 14001:2015 Environmental Management Systems
  2. ISO 45001:2018 Occupational Health and Safety Management Systems
  3. ISO 9001:2015 Quality Management Systems
  4. ISO 50001:2018 Energy Management System

Pekat has achieved an 87% customer satisfaction rate, reflecting the high quality and reliability of our solutions. This rating is derived from customer survey covering key dimensions such as product and service performance, staff responsiveness, after-sales service, price competitiveness and overall expectation fulfilment.

Separately, EPE ensures rigorous system safety and operational quality through a formal Corrective Action Request (“CAR”) process. Any complaint logged under EPE is investigated thoroughly, and corrective actions are implemented promptly.

Our commitment to customers extends beyond project delivery. We provide comprehensive after-sales support and warranty services, along with detailed manuals for clients. A dedicated customer service team is always available to assist with inquiries, ensuring optimal performance and ongoing satisfaction with our products and services.

# Sustainability Statement

## Occupational Health & Safety

Pekat prioritises the safety and wellbeing of its workforce through a structured governance framework overseen by a dedicated Health and Safety Committee. The committee meets on a regular basis to review safety performance, discuss emerging Occupational Health and Safety (“OHS”) issues, and update protocols to ensure a harmonious and safe working environment. Our commitment is further reinforced by comprehensive certifications, including ISO 45001 for Occupational Health and Safety Management Systems, ISO 9001 for Quality Management Systems (QMS), and ISO 14001 for Environmental Management Systems (EMS).

### Hazard Identification and Risk Control

To proactively safeguard our employees, we have institutionalised the Hazard Identification, Risk Assessment and Risk Control (HIRARC) methodology. This systematic approach allows us to:

- Identify potential workplace hazards before they result in accidents.
- Evaluate associated risks and their impact on employee safety.
- Implement effective control measures to eliminate or minimise risks.

### Safety Training and Awareness

To further strengthen safety awareness and preparedness among employees, Pekat conducts various OHS-related training and awareness programmes throughout the year. These include safety briefings, specialised safety training programmes, and emergency preparedness exercises such as fire drills. These initiatives aim to equip employees with the knowledge and competencies required to identify hazards, respond effectively to emergencies, and maintain a safe working environment.

**Mandatory Fire Drills:** Conducted annually to ensure emergency preparedness.



### FY2025 Health & Safety Programme

- Penyelaras Keselamatan Dan Kesihatan Pekerjaan (OSH-C)
- World OSH Day Seminar
- Lifting Planning and Management (In-House)
- NEBOSH International General Certificate in OHS
- Basic Occupational First Aid, CPR and AED Training
- Occupational Safety and Health Revolution In Construction
- Safe Handling of Forklift Truck Training
- Industrial First Aid and CPR AED
- Kursus Kesedaran Awam - ERT
- Simulation Fire, Evacuation and First Aider with BOMBA Nilai
- Hearing Protection, Wearing Glove and Ergonomics

### Occupational Health and Safety Performance

Pekat Group Berhad is committed to maintaining a safe and healthy working environment for all employees, contractors and stakeholders through the effective implementation of its Health, Safety and Environment (“HSE”) policies and procedures. The Group continues to promote a proactive safety culture by requiring employees to comply with established safety protocols, utilise appropriate Personal Protective Equipment (“PPE”), and promptly report any unsafe conditions or incidents at the workplace.

In FY2025, the Group maintained transparency in reporting workplace safety performance in accordance with the requirements of the Occupational Safety and Health Act 1994. The table below summarises the Group’s work-related injury performance for the financial year.

	FY2023	FY2024	FY2025
Number of work-related fatalities	-	-	1
Number of high consequences work-related injuries	-	-	-
Number of recorded work-related injuries	-	-	2
Lost Time Incident Rate*	-	-	0.1
Number of employees trained on Health and Safety standards	160	60	66

Note:

\* LTIR is calculated based on the Bursa Malaysia Sustainability Reporting Guide, per 200,000 hours worked annually.

In FY2025, the Group recorded several workplace safety incidents which were reported to the relevant authorities in accordance with the requirements of the Occupational Safety and Health Act 1994. The Group conducted investigations for each incident and implemented corrective measures to prevent recurrence.

Incident Category	Description	Consequence	Corrective Action Taken
Fatality	A foreign worker on site was struck by lightning	<ul style="list-style-type: none"> <li>1 Fatality</li> <li>Reported to DOSH</li> </ul>	<ul style="list-style-type: none"> <li>Immediate investigation conducted.</li> <li>Enhanced on-site weather monitoring and lightning.</li> <li>Protection protocols implemented.</li> </ul>
Lost Time Injury (LTI)	Employee fell while climbing stairs at the main security post	<ul style="list-style-type: none"> <li>5 Days medical leave</li> <li>Reported to DOSH</li> </ul>	<ul style="list-style-type: none"> <li>Immediate investigation conducted.</li> <li>Safety briefing on stairwell safety.</li> <li>Installed additional anti-slip grip/signage at high-traffic points.</li> </ul>
Medical Treatment	Worker’s elbow hit a sharp cover edge	<ul style="list-style-type: none"> <li>2 Days medical leave</li> <li>Reported to DOSH</li> </ul>	<ul style="list-style-type: none"> <li>Conducted HIRARC assessment for the area.</li> <li>Installed protective padding/filing on sharp equipment edges.</li> </ul>

### Occupational Illness

Pekat also monitors occupational health risks arising from workplace exposure to physical hazards such as noise. In FY2025, one employee from EPE was diagnosed with Noise-Induced Hearing Loss (NIHL). The case was reported to the relevant authorities in accordance with the requirements of the Occupational Safety and Health Act 1994.

Occupational Health Indicator	Performance Data	Corrective & Preventive Actions Taken
Recordable Ill-Health Cases	1	Conducted a formal Noise Risk Assessment at the production facility.
Medical Surveillance	Complete	Provided professional diagnosis and medical treatment for the affected staff.
Zone Enforcement	100% Compliance	Strictly enforced mandatory “Hearing Protection Zones” requiring hearing protection equipment.

# Sustainability Performance Prescribed Table

PEKAT GROUP BERHAD BMLR Transition Period		Date & Time: 2026-04-24_11:39:44 FYE 31/12/2025				
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Corporate Governance and Ethics	Anti-Bribery and Corruption (ABC) Training	Number of employees	120	Not Applicable	External (Limited)	
Corporate Governance and Ethics	Cases of Non-compliance with Laws and Regulations	Number of cases	0	Not Applicable	External (Limited)	
Business Performance and Developments	Group Revenue	MYR million	609.5	Not Applicable	External (Limited)	
Business Performance and Developments	Profit After Tax and Minority Interest ("PATAMI")	MYR million	45.1	Not Applicable	External (Limited)	
Business Performance and Developments	Profit After Tax and Minority Interest ("PATAMI") Growth	Percentage	104.8	Not Applicable	External (Limited)	
Supply Chain Management	Proportion of Spending on Local Suppliers	Percentage	49.6	Not Applicable	External (Limited)	
Supply Chain Management	Proportion of Spending on Foreign Suppliers	Percentage	50.4	Not Applicable	External (Limited)	
Data Security and Privacy	Incidents of Data Breaches	Number of cases	0	Not Applicable	External (Limited)	
Business Impact to Environment	Cumulative Capacity of Completed Solar PV Systems	Megawatt-peak	230.7	Not Applicable	External (Limited)	
Business Impact to Environment	Estimated Annual Electricity Generated by the Solar PV Systems	Megawatt-hour	338,857	Not Applicable	External (Limited)	
Business Impact to Environment	Avoidance In CO <sub>2</sub> Emission	Tonnes	260,727	Not Applicable	External (Limited)	
Business Impact to Environment	Number of Tree Seedlings Grown for 10 Years	Number	4,345,451	Not Applicable	External (Limited)	
Energy and Water Consumption	Total Electricity Consumption	Kilowatt-hour	587,52	Not Applicable	External (Limited)	
Energy and Water Consumption	Water Consumption	Cubic meter	18,778	Not Applicable	External (Limited)	

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Energy and Water Consumption	Revenue	MYR million	609.5	Not Applicable	External (Limited)	
Energy and Water Consumption	Electricity Consumption per Revenue	Kilowatt-hour per year per MYR million revenue	963.7	Not Applicable	External (Limited)	
Energy and Water Consumption	Water Consumption per Revenue	Cubic meter per year per MYR million revenue	30.8	Not Applicable	External (Limited)	
Energy and Water Consumption	Total Fuel Consumption	Litre	79,545.0	Not Applicable	No assurance	
Energy and Water Consumption	Total Energy Consumption	Gigajoule	4,994.9	Not Applicable	No assurance	
Energy and Water Consumption	Purchased Electricity	Kilowatt-hour	58752	Not Applicable	No assurance	
Energy and Water Consumption	Energy Intensity	Gigajoule per MYR million revenue	8.2	Not Applicable	No assurance	
Waste Management	Waste Diverted (Recycling & Reuse)	Tonnes	12.4	Not Applicable	External (Limited)	
Waste Management	Waste Directed to Disposal (Landfill)	Tonnes	3.2	Not Applicable	External (Limited)	
Waste Management	Total Group Recorded Waste	Tonnes	15.6	Not Applicable	External (Limited)	
GHG Emissions	Scope 1 GHG Emissions	Tonnes of carbon dioxide equivalent	194.4	Not Applicable	No assurance	
GHG Emissions	Scope 2 GHG Emissions	Tonnes of carbon dioxide equivalent	454.9	Not Applicable	No assurance	
GHG Emissions	Total Solar Electricity Generated	Kilowatt-hour	431,716	Not Applicable	No assurance	
GHG Emissions	Total Emissions Avoidance	Tonnes of carbon dioxide equivalent	3341	Not Applicable	No assurance	

# Sustainability Performance Prescribed Table

PEKAT GROUP BERHAD BMLR Transition Period		Date & Time: 2026-04-24_11:39:44 FYE 31/12/2025				
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Employee Training and Talent Retention	Training Expenses	MYR per employee	788	Not Applicable	External (Limited)	
Employee Training and Talent Retention	Training Expenses	MYR	420,812	Not Applicable	External (Limited)	
Employee Training and Talent Retention	Number of Employees	Number of employees	534	Not Applicable	External (Limited)	
Employee Training and Talent Retention	Total Training Hours by All Employees	Hours	4,365	Not Applicable	External (Limited)	
Employee Training and Talent Retention	Number of Employees Attended	Number of employees	161	Not Applicable	External (Limited)	
Employee Training and Talent Retention	New Hires by Position	Number of employees	133	Not Applicable	External (Limited)	
Employee Training and Talent Retention	Turnover by Position	Number of employees	93	Not Applicable	External (Limited)	
Employee Training and Talent Retention	Group Average Tenure	Years	6.5	Not Applicable	External (Limited)	
Employee Training and Talent Retention	Number of Interns	Number of interns	23	Not Applicable	External (Limited)	
Community Engagement	Total Amount Invested in Community	MYR	43,040	Not Applicable	External (Limited)	
Community Engagement	Total Number of Beneficiaries	Number	417	Not Applicable	External (Limited)	Beneficiaries include number of persons, organisations and families
Diversity and Equal Opportunity	Total Employees by Gender- Male	Percentage	73	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Total Employees by Gender- Female	Percentage	27	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Total Employees by Gender- Male	Number of employees	392	Not Applicable	External (Limited)	

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity and Equal Opportunity	Total Employees by Gender- Female	Number of employees	142	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Total Employees by Ethnicity- Malay	Percentage	73	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Total Employees by Ethnicity- Chinese	Percentage	20	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Total Employees by Ethnicity- Indian	Percentage	1	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Total Employees by Ethnicity- Others	Percentage	6	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Number of Employees by Gender by Level- Male Non-Executive	Number of employees	144	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Number of Employees by Gender by Level- Male Executive	Number of employees	195	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Number of Employees by Gender by Level- Male Middle Management	Number of employees	46	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Number of Employees by Gender by Level- Male Senior Management	Number of employees	7	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Number of Employees by Gender by Level- Female Non-Executive	Number of employees	23	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Number of Employees by Gender by Level- Female Executive	Number of employees	103	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Number of Employees by Gender by Level- Female Middle Management	Number of employees	16	Not Applicable	External (Limited)	

# Sustainability Performance Prescribed Table

PEKAT GROUP BERHAD BMLR Transition Period		Date & Time: 2026-04-24_11:39:44 FYE 31/12/2025				
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity and Equal Opportunity	Number of Employees by Gender by Level- Female Senior Management	Number of employees	0	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Board Composition by Gender- Male	Percentage	66.7	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Board Composition by Gender- Female	Percentage	33.3	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Board Composition by Age- 30-50	Percentage	16.7	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Board Composition by Age- Above 50	Percentage	83.3	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Number of Employees by Position by Age- < 30 Non-Executive	Number of employees	70	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Number of Employees by Position by Age- < 30 Executive	Number of employees	148	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Number of Employees by Position by Age- < 30 Middle Management	Number of employees	1	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Number of Employees by Position by Age- < 30 Senior Management	Number of employees	0	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Number of Employees by Position by Age- 30-50 Non-Executive	Number of employees	65	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Number of Employees by Position by Age- 30-50 Executive	Number of employees	136	Not Applicable	External (Limited)	

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity and Equal Opportunity	Number of Employees by Position by Age- 30-50 Middle Management	Number of employees	51	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Number of Employees by Position by Age- 30-50 Senior Management	Number of employees	0	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Number of Employees by Position by Age- > 50 Non-Executive	Number of employees	32	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Number of Employees by Position by Age- > 50 Executive	Number of employees	14	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Number of Employees by Position by Age- > 50 Middle Management	Number of employees	10	Not Applicable	External (Limited)	
Diversity and Equal Opportunity	Number of Employees by Position by Age- > 50 Senior Management	Number of employees	7	Not Applicable	External (Limited)	
Labour Practices and Standards	Type of Employment Permanent	Percentage	84	Not Applicable	External (Limited)	
Labour Practices and Standards	Type of Employment Contract	Percentage	16	Not Applicable	External (Limited)	
Labour Practices and Standards	Type of Employment Permanent	Number of employees	448	Not Applicable	External (Limited)	
Labour Practices and Standards	Type of Employment Contract	Number of employees	86	Not Applicable	External (Limited)	
Labour Practices and Standards	Number of Cases of Human Rights Violations	Number of cases	0	Not Applicable	External (Limited)	
Product Safety, Accessibility and Customer Welfare	Customer Satisfaction	Percentage	87	Not Applicable	External (Limited)	

# Sustainability Performance Prescribed Table

**PEKAT GROUP BERHAD**  
BMLR Transition Period

Date & Time: 2026-04-24\_11:39:44  
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Occupational Health and Safety	Number of Work-related Fatalities	Number	1	Not Applicable	External (Limited)	
Occupational Health and Safety	Number of High Consequences Work-related Injuries	Number	0	Not Applicable	External (Limited)	
Occupational Health and Safety	Number of Recorded Work-related Injuries	Number	2	Not Applicable	External (Limited)	
Occupational Health and Safety	Lost Time Incident Rate	Rate	0.1	Not Applicable	External (Limited)	
Occupational Health and Safety	Number of Employees Trained on Health and Safety Standards	Number of employees	66	Not Applicable	External (Limited)	

# GRI Content Index

<b>Statement of use</b>	Pekati has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>LOCATION (PAGE)</b>
<b>GRI 2: General Disclosures 2021</b>	2-1 Organisational details	19
	2-2 Entities included in the organisation’s sustainability reporting	19
	2-3 Reporting period, frequency and contact point	19
	2-4 Restatements of information	No restatement of information in this report
	2-5 External assurance	19, 67-71
	2-6 Activities, value chain and other business relationships	19
	2-7 Employees	50-52
	2-9 Governance structure and composition	22
	2-10 Nomination and selection of the highest governance body	Corporate Governance Overview Statement (“CGOS”) (77-89)
	2-11 Chair of the highest governance body	CGOS (77-89)
	2-12 Role of the highest governance body in overseeing the management of impacts	22
	2-13 Delegation of responsibility for managing impacts	22
	2-14 Role of the highest governance body in sustainability reporting	22
	2-16 Communication of critical concerns	23-26
	2-17 Collective knowledge of the highest governance body	CGOS (77-89)
	2-18 Evaluation of the performance of the highest governance body	CGOS (77-89)
	2-19 Remuneration policies	CGOS (77-89)
	2-20 Process to determine remuneration	CGOS (77-89)
	2-22 Statement on sustainable development strategy	Management Discussion and Analysis (12-18)
	2-23 Policy commitments	CGOS (82-83)
2-24 Embedding policy commitments	CGOS (77-89)	
2-26 Mechanisms for seeking advice and raising concerns	23-26	
2-27 Compliance with laws and regulations	31	
2-29 Approach to stakeholder engagement	23-26	
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	27
	3-2 List of material topics	27-29
	3-3 Management of material topic	27-29
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	32
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	36

# GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
<b>GRI 205: Anti-corruption 2016</b>	205-2 Communication and training about anti-corruption policies and procedures	31
	205-3 Confirmed incidents of corruption and actions taken	31
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organisation	40-41
	302-3 Energy intensity	41
	302-4 Reduction of energy consumption	40-41
<b>GRI 303: Water and Effluents 2018</b>	303-5 Water consumption	40
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	42
	305-2 Energy indirect (Scope 2) GHG emissions	42
	305-5 Reduction of GHG emissions	42
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	39
	306-2 Management of significant waste-related impacts	39
	306-3 Waste generated	39
	306-4 Waste diverted from disposal	39
	306-5 Waste directed to disposal	39
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	46
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	56
	403-2 Hazard identification, risk assessment, and incident investigation	56
	403-4 Worker participation, consultation, and communication on occupational health and safety	56
	403-5 Worker training on occupational health and safety	56-57
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	57
	403-9 Work-related injuries	57
	403-10 Work-related ill health	57
<b>GRI 404: Training and Education 2016</b>	404-2 Programmes for upgrading employee skills and transition assistance programmes	44-45
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	50-52
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	53
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	53
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programmes	47-49
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	37



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 Malaysia

**Independent Limited Assurance Report on Subject Matter Information in Pekati Group Berhad’s Sustainability Statement 2025**

We, UHY Malaysia PLT (“UHY”) were engaged by Pekati Group Berhad (“Pekati Group”) to provide limited assurance on selected sustainability indicators (“Subject Matter Information”) as reported by Pekati Group in its Sustainability Statement for the year ended 31 December 2025 (“Sustainability Statement”).

The scope of our work was limited to the selected 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 sustainability indicators reported in the Pekati Group’s Sustainability Statement, as presented below.

<b>Underlying Subject Matter</b>	<b>Units</b>
<b>Corporate Governance and Ethics</b>	
Anti-Bribery and Corruption (ABC) Training	Number of employees
Confirmed incidents of corruption and action taken	Number of Cases
<b>Community Engagement</b>	
Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR
Total number of beneficiaries of the investment in communities	Number



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### Independent Limited Assurance Report on Subject Matter Information in Pekat Group Berhad's Sustainability Statement 2025 (cont'd)

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

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

Underlying Subject Matter	Units
<b>Business Impact on the Environment</b>	
Cumulative capacity of completed solar PV systems for our customers	MWp
Estimated annual electricity generated by the PV systems installed for our customers	MWh
Avoidance in carbon dioxide emissions through the PV systems installed for our customers	tCO <sub>2</sub> e
Equivalent number of Tree Seedlings Grown for 10 years	Number
<b>Energy and Water Consumption</b>	
Electricity consumption	kWh
Water consumption	m <sup>3</sup>
Revenue	RM in million
Electricity consumption per revenue	kWh per RM million
Water consumption per revenue	m <sup>3</sup> per RM million
<b>Diversity and Equal Opportunity</b>	
Employee by gender and age group, for each employee category	Percentage % and Number
Directors by gender and age group	Percentage %
<b>Occupational Health and Safety</b>	
Number of work-related fatalities	Number
Number of high consequences work-related injuries	Number
Number of recorded work-related injuries	Number
Lost time incident rate	Rate
Number of employees trained on health and safety standards	Number
<b>Labour Practices and Standards</b>	
Number of employees by type of employment	Percentage % and Number
Substantial complaints concerning human rights violations	Number of cases
<b>Supply chain management</b>	
Proportion of spending on local suppliers	Percentage %
Proportion of spending on foreign suppliers	Percentage %
<b>Data privacy and security</b>	
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number
<b>Waste Management</b>	
Total waste generated, and breakdown of the following:	
Total waste diverted from disposal	Metric tonnes
Total waste directed to disposal	Metric tonnes



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**Independent Limited Assurance Report on Subject Matter Information in Pekat Group Berhad’s Sustainability Statement 2025 (cont’d)**

*Subject Matter Information (cont’d)*

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

<b>Underlying Subject Matter</b>	<b>Units</b>
<b>Product Safety, Accessibility and Customer welfare</b>	
Customer satisfaction	Percentage
<b>Employee Trainings and Talent Retention</b>	
Training expenses, number of employees and expenses per employee	RM, Number, RM per employee
Total training hours and employee attendance	Hours and Number of employees
Group average tenure	Number of years
New hires by position	Number of employees
Turnover by position	Number of employees
Number of interns	Number of interns
<b>Business Performance and Developments</b>	
Group Revenue	RM in million ^
Profit After Tax and Minority Interest (“PATAMI”)	RM in million ^
Profit After Tax and Minority Interest (“PATAMI”) Growth	Percentage ^

^ indicates that the subject matters disclosed has been assured by another assurance provider.

Our assurance is with respect to the year ended 31 December 2025 Subject Matter Information only and we have not performed any procedures with respect to earlier periods or any other information included in the Pekat Group’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 Group is solely responsible for selecting and applying.

The reporting criteria adopted for reporting the Subject Matter Information are based on Pekat Group’s application of sustainability reporting frameworks, standards and 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 Group 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.



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### **Independent Limited Assurance Report on Subject Matter Information in Pekat Group Berhad's Sustainability Statement 2025 (cont'd)**

#### *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 Group.

#### *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 Group 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;



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**Independent Limited Assurance Report on Subject Matter Information in Pekat Group Berhad's Sustainability Statement 2025 (cont'd)**

*Work performed (cont'd)*

- performing analytical procedures for consistency of data with trends and our expectation;
- 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 Group to prepare the Subject Matter Information including by reference to widely recognised and established conversion factors;
- considering the organisational boundary of Pekat Group 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 Group in accordance with the terms of the letter of engagement between us. Our work has been undertaken so that we might state to Pekat Group 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 Group for our work or this report, or for the conclusion we have reached.

Our report is released to Pekat Group on the basis that it shall not be copied, referred to or disclosed, in whole (save for inclusion in the Pekat Group's Sustainability Statement 2025) or in part, without our prior written consent.

**UHY Malaysia PLT**  
 Firm Number: 202406000040 (LLP41391-LCA) & AF 1411  
 Chartered Accountants

Kuala Lumpur

Date: 22 April 2026

# COMMITTED TO STRONG GOVERNANCE

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## Strengthening Oversight in a Growing and Evolving Business Landscape

As Pekat Group expands its operations and technical capabilities, robust governance remains fundamental to sustaining resilience, accountability and long-term value creation. This section highlights how the Board and Management continue to exercise structured oversight across strategic execution, risk governance and operational integrity.

Throughout the year, governance priorities focused on strengthening internal controls, improving risk management across key areas such as project delivery and financial management, while reinforcing strict adherence to regulatory and ethical standards. Cybersecurity and data governance have also become increasingly critical as the Group accelerates its digitalisation agenda.

Anchored by a clear governance framework and disciplined risk management approach, Pekat continues to safeguard stakeholder interests while ensuring that growth is pursued responsibly, transparently and in alignment with sustainable long-term objectives.



## Board of Directors' Profile

### KOK KONG CHIN

Independent Non-Executive Chairman



**Date of Appointment:**

17 September 2020

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

8/8

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 the Schulich School of Business, York University, Canada. He also completed the Advanced Leadership Programme at Judge Business School, University of Cambridge.

Mr. Kok has more than 30 years of experience in corporate and investment banking, private equity, strategy and general management. During his career in the banking industry, he held various senior management positions within CIMB Investment Bank Berhad and CIMB Group Berhad. He previously served as an Independent Non-Executive Director of Ping Petroleum Ltd and as Group Managing Director of Tropicana Corporation Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

He currently serves as a Non-Independent Non-Executive Director of ENRA Group Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad, and as an Independent Non-Executive Director of ECKEM Holdings Berhad, a public company seeking for listing on the ACE Market of Bursa Malaysia Securities Berhad.

He does not serve on 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:**

7/8

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. He reassumed his role as a MD on 22 August 2023 to provide stewardship to the Group's long-term strategic planning and direction, after successfully implemented part 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**"), now known as the Malaysian Photovoltaic Sustainable Energy Association ("**MPSEA**"), 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 MPSEA.

## Board of Directors' 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:**  
8/8

Mr. Tai Yee Chee ("**Mr. Tai**") is responsible for administering and managing 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 Engineering from the 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. Upon acquiring EPE Switchgear (M) Sdn. Bhd. at the end of 2024, he expanded his leadership portfolio to oversee its strategic direction, driving integration, operational synergies, and growth alongside Pekat Group's broader energy and engineering ambitions.

### 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:**  
8/8

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 Advanced 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).

## 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:**  
 8/8

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 the Association of Chartered Certified Accountants (ACCA), 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 progressed through the ranks and was appointed 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 AppAsia Berhad, PMCK Berhad and Rivertree STF Synergies Berhad (formerly known as Sinmah Capital Berhad), all of which are 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:**  
 8/8

Datin Shelina Binti Razaly Wah (**"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, was part of the pioneer team that started an airline, and has managed a food and 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

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:

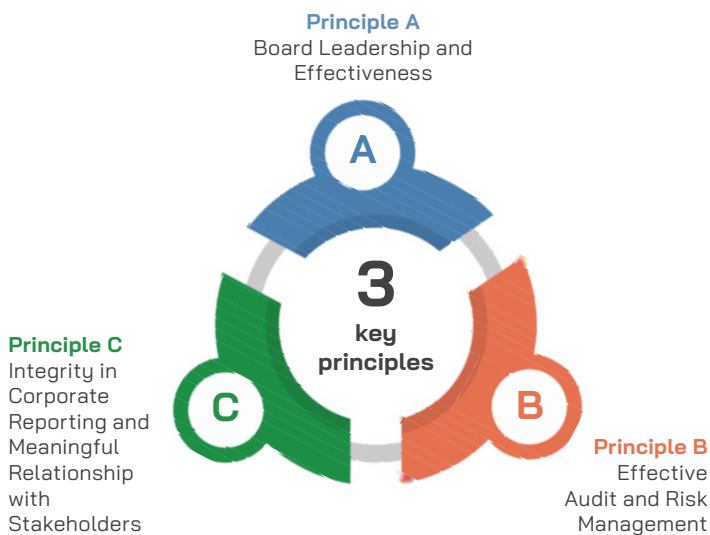
Save as disclosed above, none of the Key Senior Management has:-

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 growth.

This Corporate Governance Overview Statement (“**CG Overview Statement**”) articulates the application of the Group’s corporate governance practices following the three (3) key principles set out in the Malaysian Code on Corporate Governance (“**MCCG**”) during the financial year ended 31 December 2025 (“**FY2025**”):



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 2025 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 mindful of its responsibilities, diligently ensuring that the Company provides sustainable value and secures long-term success for its shareholders and stakeholders through its 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 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**”);
- (iii) Remuneration Committee (“**RC**”); and
- (iv) Employees’ Share Option Scheme (“**ESOS**”) Committee.

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>.

# Corporate Governance Overview Statement

## 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 interests 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 their 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 as approved by the Board;
- Managing the day-to-day operations of the Group;
- Identifying potential beneficial opportunities for the Group or collaborations with other companies; and
- Leading the senior management in decision-making, implementation and supervising 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 are registered with the Companies Commission of Malaysia. The Company Secretaries are external company secretaries from Securities Services (Holdings) Sdn. Bhd. with vast knowledge and experience from being in public practice and are supported by a dedicated team of company secretarial personnel.

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

The Company Secretaries also ensure that there is effective information flow between the Board, Board Committees and Key Senior Management. Every Board member has unrestricted access at all times to the advice and services of the Company Secretaries to ensure the effective functioning of the Board and its Board Committees, adherence to Board policies and procedures, as well as compliance with regulations and governance practices.

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>.

### 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 Chairs of the respective Board Committees, with the assistance of the Company Secretaries, have reviewed all agendas set out in the notices of meetings before circulating them 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 ease of reference. Management is invited to attend Board and Board Committees meetings to provide explanations on issues relating to the meeting agendas.

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 expense of the Company, if necessary, in order to discharge its 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 FY2025 is as follows:

Number of Meetings Attended					
Name of Directors	Board	ARMC	NC	RC	ESOS
Kok Kong Chin	8/8	-	-	-	-
Chin Soo Mau	7/8	-	-	-	1/1
Tai Yee Chee	8/8	-	-	-	1/1
Ong Keng Siew	8/8	6/6	1/1	1/1	-
Yeong Siew Lee	8/8	6/6	1/1	1/1	1/1
Datin Shelina Binti Razaly Wahi	8/8	6/6	1/1	1/1	-

*Notes:*

*Total number of meetings in FY2025*

*Board meeting : 8*

*ARMC meeting : 6*

*NC meeting : 1*

*RC meeting : 1*

*ESOS meeting : 1*

# 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.

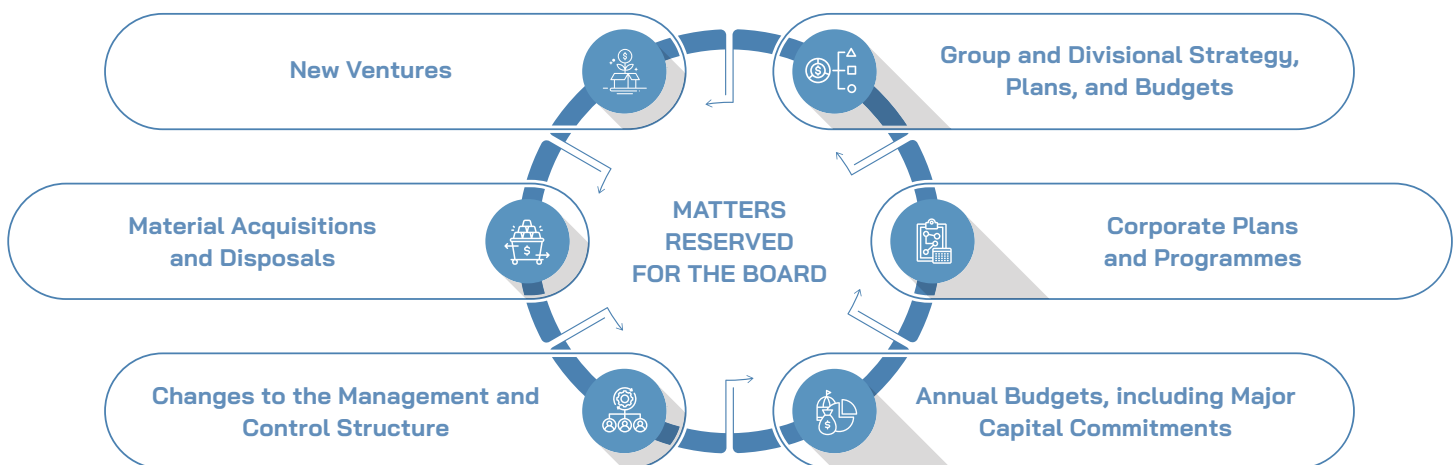
The training programmes attended by the Board for FY2025 are as follows:

Directors	Training(s) Attended
<b>Kok Kong Chin</b>	<ul style="list-style-type: none"> <li>• Bursa PLCs IR4U Series 1: Brace Up for a Volatile Year</li> <li>• Trump Tariffs: How Has the World Changed</li> <li>• A snapshot of Chapter 9 and 10 of Bursa Malaysia Securities Berhad ACE Market Listing Requirements</li> <li>• Johor – Singapore Special Economic Zone Forum 2025</li> <li>• Investor Day Webinar (5/2025) – Demystifying Family Office in Malaysia</li> <li>• Strategic Oversight in Strategy Implementation – Getting Execution Right at the Board Level</li> <li>• Budget 2026: An Exclusive Virtual Session with YBhg Datuk Johan Mahmood Merican, Secretary, General of Treasury, MOF Malaysia</li> <li>• Asian Business &amp; Investment Summit</li> <li>• Forbes Asia's Best Under A Billion 2025 Forum &amp; Awards</li> </ul>
<b>Chin Soo Mau</b>	<ul style="list-style-type: none"> <li>• The 4th Songshan Lake Seminar Executive Program</li> <li>• A snapshot of Chapter 9 and 10 of Bursa Malaysia Securities Berhad ACE Market Listing Requirements</li> <li>• Forbes Asia's Best Under A Billion 2025 Forum &amp; Awards</li> </ul>
<b>Tai Yee Chee</b>	<ul style="list-style-type: none"> <li>• Beyond Fire Walls: A Director's Guide to Cybersecurity in an Uncertain World</li> <li>• The 4th Songshan Lake Seminar Executive Program</li> <li>• Level 3 – The Way to Success</li> <li>• A snapshot of Chapter 9 and 10 of Bursa Malaysia Securities Berhad ACE Market Listing Requirements</li> <li>• Forbes Asia's Best Under A Billion 2025 Forum &amp; Awards</li> <li>• ESG Consultation Session 3: Scope 3 emissions categories analysis</li> <li>• ESG Consultation Session 4: IFRS S1 and S2 guidance</li> </ul>
<b>Ong Keng Siew</b>	<ul style="list-style-type: none"> <li>• Beyond Fire Walls: A Director's Guide to Cybersecurity in an Uncertain World</li> <li>• M&amp;A Mastery 2025: Cracking the Code of Corporate Power Plays in Shifting Global Landscape</li> <li>• The dos and don'ts of KPIs And Performance Monitoring: From the Board's Lens</li> <li>• A snapshot of Chapter 9 and 10 of Bursa Malaysia Securities Berhad ACE Market Listing Requirements</li> <li>• Star Outstanding Business Awards 2025</li> <li>• The 48th Federation of ASEAN Economic Associations Conference (FAEA 2025)</li> <li>• Forbes Asia's Best Under A Billion 2025 Forum &amp; Awards</li> </ul>

Directors	Training(s) Attended
<b>Yeong Siew Lee</b>	<ul style="list-style-type: none"> <li>• E-Invoice Implementation for Property developers, Contractors and Related Industries</li> <li>• A snapshot of Chapter 9 and 10 of Bursa Malaysia Securities Berhad ACE Market Listing Requirements</li> <li>• Towards a Sustainable Future – Corporate Reporting with MFRSs and IFRS S1 &amp; S2</li> <li>• Tax Seminar on Budget 2026</li> <li>• Audit Oversight Board’s Conversation with Audit Committees</li> <li>• Enterprise Risk Management</li> </ul>
<b>Datin Shelina Binti Razaly Wahi</b>	<ul style="list-style-type: none"> <li>• Beyond Fire Walls: A Director’s Guide to Cybersecurity in an Uncertain World</li> <li>• Innovate Her: Championing, Inspiring, Bridging the Gap in STEM Professionals</li> <li>• Business Aviation Asia Forum and Expo (BAAFEx)</li> <li>• A snapshot of Chapter 9 and 10 of Bursa Malaysia Securities Berhad ACE Market Listing Requirements</li> <li>• Langkawi International Maritime and Aerospace Exhibition (LIMA) 2025</li> <li>• Global Leaders Corporate M&amp;A Forum</li> <li>• UK Economic Outlook and Policy Briefing Session</li> <li>• Updates on the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001</li> <li>• Strategic Approach to Cyber Resilience and Compliance for Boards of Directors</li> <li>• Selangor ASEAN Business Conference</li> <li>• Boardroom Under Fire – D&amp;O Protection &amp; Director’s Liability in Malaysia’s Evolving Risk Landscape</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 Director and 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 interests of shareholders and stakeholders, the Code governs the business conduct and ethical behaviour 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 uphold high standards of business integrity, ethical conduct and accountability, 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>.

## Conflict of Interest Policy

The Board also acknowledges that managing conflict of interest is crucial in safeguarding the Group from any personal, financial, non-financial, or other interests that may affect or compromise the objectivity, judgement or impartiality, while promoting transparency, integrity, and accountability at all levels of the Group. The Board has adopted a Conflict of Interest Policy on 22 August 2025, which sets out the disclosure obligations and provides guidance to assist the Directors, senior management and employees of the Group in identifying, disclosing and managing any potential, actual or perceived conflict of interest situation. This policy aims to ensure that any conflict of interest situation is appropriately disclosed and managed, thereby promoting transparency, and fostering a culture of honesty, accountability and good governance within the Group.

## Sustainability Risk & Opportunities

The Board, together with Management, is responsible for the governance of sustainability to ensure it is 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 approved 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 meetings held on 20 May 2025 and 22 August 2025, 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.

To maintain sustainability momentum within the Group, the Company has engaged an external ESG consultant firm to provide guidance in strengthening its ESG practices and enhancing its integration into operational activities at the subsidiary level. A three (3)-year ESG roadmap, with targets for the financial years ending 2026 to 2028 was tabled to and approved by the Board on 22 August 2025.

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 2025, the Board attended various training programmes including those related to corporate governance, sustainability, ESG matters, cybersecurity and 2026 Budget, to stay updated with recent developments and best practices in the field.

▶▶▶ 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 requirements of one-third (1/3) of the Board to be independent as stated under Rule 15.02(1) of the 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 to comprise of 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>

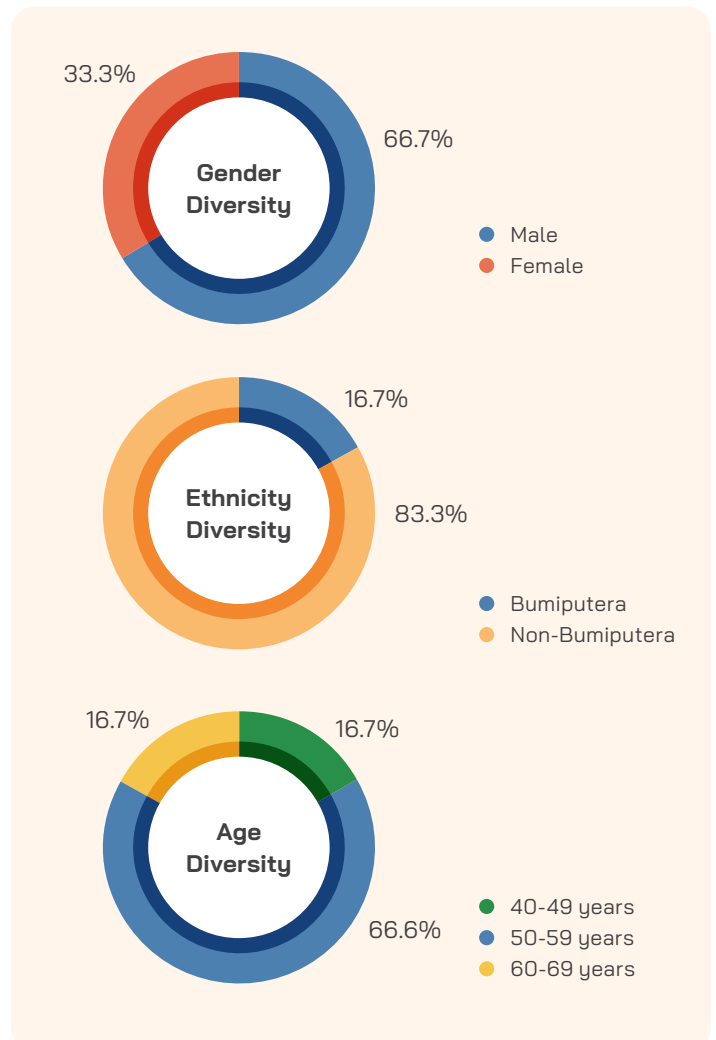
None of the Independent Directors has served on the Board for more than nine (9) consecutive years, in compliance with Practice 5.3 of the MCGG.

**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 experiences 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 Diversity Policy to outline a framework for enhancing diversity at the Board and senior management level. The Diversity Policy is available on the Company’s website at <https://ir2.chartnexus.com/pekat/corporate-governance>.

As of 31 December 2025, 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 73 to 75 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 Wah (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 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 FY2025, the NC conducted one (1) meeting, with full attendance from all committee members at the NC meeting.

## Nominating Function

### (i) Board Assessment

The NC assessed and evaluated the performance and effectiveness of the Board and Board Committees as a whole and the 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 has been maintained 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. The Board is satisfied that the Independent Directors continue to provide independent and objective judgements in their deliberations on the Board and Board Committees.

Based on the outcome of the abovementioned assessment conducted by the NC for FY2025, 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 FY2025, it was highlighted that 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 results of the annual assessment of the Board and the fit and proper assessments for FY2025, the Board concurred with the NC’s recommendation and recommended to shareholders for approval of the re-election of Mr. Kok Kong Chin and Mr. Tai Yee Chee, who are due to retire in accordance with Clause 128 of the Company’s Constitution at the Seventh Annual General Meeting (“AGM”).

The justifications for the re-election of Mr. Kok Kong Chin and Mr. Tai Yee Chee were clearly stated in the explanatory notes of the resolutions in the Notice of the Seventh 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 Seventh 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 board meeting and the AGM, respectively.

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 review the remuneration packages of the Non-Executive Directors, Executive Directors, and Key Senior Management prior to recommending them to the Board for its approval, and if necessary, the Board will recommend the same to the shareholders for approval. During FY2025, 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 Seventh 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 FY2025 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	7.0	-	-	-	-	80.0	7.0	-	-	-	-	87.0
Chin Soo Mau	-	126.0	534.8	133.7	24.0	128.5	-	126.0	534.8	133.7	24.0	128.5	947.0
Tai Yee Chee	-	120.0	511.8	127.9	24.0	122.9	-	120.0	511.8	127.9	24.0	122.9	906.6
Ong Keng Siew	53.0	8.5	-	-	-	-	53.0	8.5	-	-	-	-	61.5
Yeong Siew Lee	51.0	8.5	-	-	-	-	51.0	8.5	-	-	-	-	59.5
Datin Shelina Binti Razaly Wahi	51.0	8.5	-	-	-	-	51.0	8.5	-	-	-	-	59.5
<b>Total</b>	<b>235.0</b>	<b>278.5</b>	<b>1,046.6</b>	<b>261.6</b>	<b>48.0</b>	<b>251.4</b>	<b>235.0</b>	<b>278.5</b>	<b>1,046.6</b>	<b>261.6</b>	<b>48.0</b>	<b>251.4</b>	<b>2,121.1</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 FY2025, on an aggregated basis as follows:

Range of Remuneration	Number of KSM
RM550,001 to RM600,000	1
Total	1



**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 allowing 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 Wah (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 its responsibilities and duties effectively, the ARMC 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 including their 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 External Auditors’ performance for FY2025.

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

The ARMC had obtained written assurance from the External Auditors 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 External Auditors for shareholders’ approval at the Seventh 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 audit 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 to the Board 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 94 to 99 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 have 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 for shareholders and stakeholders to directly send in any enquiry, provide feedback and complaints, and communicate with the Company.

Details of stakeholder engagement for FY2025 are set out in the Sustainability Statement from pages 23 to 26 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 Sixth AGM was held physically on 18 June 2025, and all members of the Board, together with the Company Secretary, Chief Financial Officer and the audit partner of Grant Thornton Malaysia PLT, the Company's external auditors, were physically present at the meeting venue.

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 were also accompanied in 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 submit questions prior to the AGM and were also given the opportunity to raise questions during the AGM. All questions posted and raised by shareholders were addressed before the declaration of the poll results.

During the AGM, Mr. Oh Keng Jin, the Chief Financial Officer, presented the Group's financial highlights for FY2024. 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.

For the benefit of shareholders who did not have the opportunity to attend the AGM, the Company's responses to the questions raised by the MSWG and shareholders have also been published on the Company's website together with the minutes of AGM at <https://ir2.chartnexus.com/pekat/agm.php> within thirty (30) business days following the AGM.

#### **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 26 March 2026.

# 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 their 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 2025 and of the financial performance and cash flows for the financial year ended on the same date.

During the preparation of the financial statements for the financial year ended 31 December 2025, the Directors have:

- i. adopted accounting policies which are appropriate and which have been consistently applied;
- ii. made judgements 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 departures 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 detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 22 April 2026.

# Audit and Risk Management Committee Report

The Audit and Risk Management Committee (“**ARMC**”) is entrusted with assisting the Board in fulfilling its oversight responsibilities, including monitoring the integrity of the Group’s financial statements, reviewing the effectiveness of internal controls and risk management and ensuring compliance with applicable laws, regulations and corporate governance standards. This ARMC Report outlines the activities carried out by the ARMC in discharging its roles and responsibilities during the financial year ended 31 December 2025 (“**FY2025**”).

## COMPOSITION

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors and meet the criteria for independence as set out under the ACE Market Listing Requirements (“**ACE LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). No Alternate Director has been appointed to act as a member of the ARMC. All ARMC members are financially literate and capable of analysing and interpreting financial statements, enabling them to effectively discharge their duties and responsibilities as members of the ARMC.

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

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.

For FY2025, the Company has complied with the following requirements and best practices recommended under the Malaysian Code on Corporate Governance (“**MCCG**”):-

Requirements/Best Practices	Practices of the Company
<b>ACE LR of Bursa Securities</b>	
<b>Rule 15.09</b>	<ul style="list-style-type: none"> <li>✓ Not less than three (3) members.</li> <li>✓ All ARMC members are Independent Non-Executive Directors.</li> <li>✓ All ARMC members are financially literate.</li> <li>✓ No Alternate Director was appointed to act as a member of the ARMC.</li> </ul>
<b>MCCG</b>	
<b>Practice 9.1</b>	✓ Mr. Ong Keng Siew is not the Chairman of the Board.
<b>Practice 9.2</b>	✓ The Terms of Reference (“ <b>TOR</b> ”) of the ARMC include a provision requiring a former key audit partner of the external audit firm to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC. During the financial year under review, none of the ARMC members is a former partner of the Company’s External Auditors.
<b>Practice 9.3</b>	✓ The ARMC has policies and procedures to assess the suitability, objectivity and independence of the External Auditors.
<b>Practice 9.4 (Step-Up)</b>	✓ The ARMC comprises solely Independent Directors.
<b>Practice 9.5</b>	✓ All members are financially literate, competent and are able to understand matters under the purview of the ARMC including the financial reporting process.

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 THE ARMC**

The primary responsibilities of the 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>.

### **MEETINGS**

During FY2025, the ARMC held a total of six (6) 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 meetings to provide input and clarifications on audit matters and other relevant issues pertaining to the Group’s operations. Other senior management members may also be invited to brief the ARMC on specific matters from time to time. Additionally, the ARMC has an explicit right to convene meetings with the Internal Auditors and External Auditors without the presence of other directors and employees.

The ARMC met with the External Auditors, Grant Thornton Malaysia PLT (“**Grant Thornton**”) 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, allowing open discussions between both parties.

The External Auditors of the Company, Grant Thornton are invited to attend the ARMC meetings to present their audit plan and audit completion memorandum, as well as to provide clarification on audit issues, the audited financial statements and other related matters. The Company’s outsourced Internal Auditors, Resolve IR Sdn. Bhd. are also invited to attend the ARMC meetings to present their internal audit reports and internal audit follow-up reports.

The ARMC Chairman reported to the Board on matters deliberated at the ARMC meetings and presented the ARMC’s recommendations in respect of the Group’s annual financial statements, quarterly financial reports and any proposals requiring the Board’s approval at the Board meetings. The ARMC Chairman also conveyed to the Board any significant matters requiring its attention, including those raised by the External Auditors and Internal Auditors. Minutes of each ARMC meeting were properly recorded and tabled for confirmation at the subsequent ARMC meeting, and thereafter presented to the Board for notation.

The notices of meeting, management reports and ARMC meeting papers were circulated via email at least five (5) business days prior to each meeting. Hard copies were also made available to the Directors upon request for ease of 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 FY2025 includes the following:

#### **1. Financial Reporting**

- Reviewed all unaudited quarterly financial reports and audited financial statements before recommending them to the Board for approval and release 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 communication with Management based on the External Auditors’ performance in auditing the Company’s financial statements for FY2025.

# Audit and Risk Management Committee Report

- Obtained written assurance from the External Auditors confirming their independence and compliance with ethical requirements throughout the audit engagement.
- Reviewed the External Auditors' performance for FY2025, taking into consideration their technical competencies, audit quality, manpower resource sufficiency to perform the audit of the Group and the ARMC made a recommendation to the Board on the reappointment of Grant Thornton as the External Auditors of the Company, for the Board recommendation to the shareholders for approval at the Seventh Annual General Meeting.

### 3. External Audit

- Reviewed and approved the External Auditors' proposed Audit Planning Memorandum for FY2025, 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 Standards Board and other relevant technical pronouncements.
- Reviewed the statutory audit fees and non-audit service fees for FY2025.
- Monitored and approved the non-audit services provided/ to be provided by the External Auditors and their affiliates to the Group. After considering the nature, scope and quantum of the non-audit fees, the ARMC was satisfied that the provision of such services did not impair the independence and objectivity of the External Auditors. The details of the audit and non-audit services rendered for FY2025 are disclosed in the Additional Compliance Information section of this Annual Report.
- Reviewed the External Auditors' audit completion memorandum of the Group for FY2025, 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 FY2025, the ARMC held two (2) private sessions with the External Auditors without the presence of Executive Directors and Management in February 2025 and April 2025, 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 reports 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 Auditors' 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.
- Evaluated the performance of the Internal Auditors based on the adequacy of the scope, functions, resources and competency to carry out internal audit engagement works. The overall performance of the Internal Auditors has met the ARMC's expectations.

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

- Reviewed recurrent RPT reported by Management on a quarterly basis to ensure that such transactions were conducted on an arm's length basis and on normal commercial terms.

### 6. Review of Conflict of Interest

- Reviewed and monitored any conflict of interest ("COI") situation that arose, persists 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 FY2025, 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 Conflict of Interest Policy and recommended it to the Board for approval and adoption.
- Reviewed the aging report presented by Management on a quarterly basis to assess outstanding balances and financial performance.
- Reviewed the key financial ratios, summary of order books and other relevant financial indicators on a quarterly basis to assess and monitor the Group's financial position and overall financial health.
- Reviewed and discussed the proposed Group's budget for the financial year ending 31 December 2026 ("FY2026") to ensure alignment with the Company's financial objectives and operational goals.

### SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Group's internal audit function, which is outsourced to a professional service firm, Resolve IR Sdn. Bhd., to assist the Board and the ARMC in providing an 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:

- i) Project management;
- ii) Inventory management;
- iii) Repair and maintenance and billing management; and
- iv) Supply chain management.

The ARMC had also reviewed and discussed the Internal Control Assessment Report in relation to EPE Switchgear (M) Sdn. Bhd. ("EPE"), the newly acquired subsidiary company, to assess the adequacy and effectiveness of its internal control framework. The review was undertaken to gain an understanding of EPE's existing control environment and to ensure that appropriate internal controls and processes are in place and aligned with the Group's policies and standard operating procedures.

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 for improvement, along with 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 reviews in each internal audit report, ensuring that all significant risks and control deficiencies were adequately managed.

The internal audit review carried out during FY2025 did not reveal any 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 FY2026 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 FY2025 amounted to RM80,000.

This report was reviewed by the ARMC and approved by the Board on 22 April 2026.

# Statement on Risk Management and Internal Control

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 (collectively, “the Group”) for the financial year ended 31 December 2025 (“FY2025”). This Statement has been prepared in accordance with Paragraph 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“AMLR”) and the Malaysian Code on Corporate Governance, with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

The disclosures in this Statement does not apply to associated companies in which the Group does not have full management control.



## Board Responsibility

The Board acknowledges its responsibility for establishing and maintaining an effective risk management and internal control framework to safeguard shareholders’ interests and the Group’s assets. The Board also regularly reviews the adequacy and effectiveness of this framework to support the Group in meeting its business objectives.

The Board recognises that the risk management and internal control framework is designed to manage and minimise risks to an acceptable level rather than to eliminate them entirely. As such, the risk management and internal control framework provides reasonable, but not absolute assurance against material misstatements, losses, fraud or unforeseen circumstances.

The Board is supported by the Audit and Risk Management Committee (“**ARMC**”), which comprises solely of Independent Non-Executive Directors, in overseeing risk management and internal control framework. This involves an ongoing process of identifying, assessing, managing, and monitoring key risks that may impede the Group from achieving its business objectives. Management is accountable to the Board and responsible for the effective implementation and maintenance of the policies, procedures and controls established to address emerging risks and areas of control deficiencies.

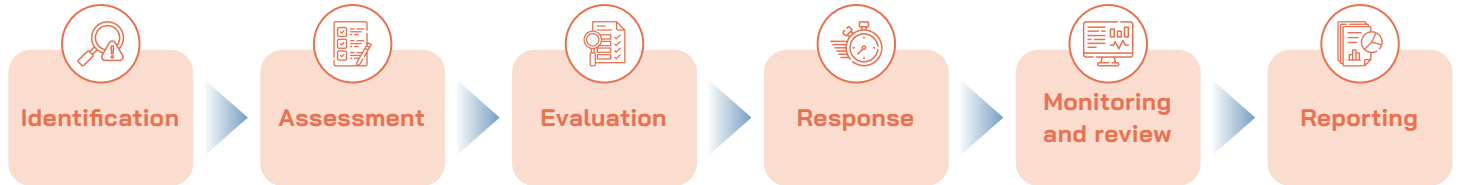
The Board is satisfied that the process has been in place throughout the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

## Risk Management

The Board recognises that effective risk management is integral to the Group’s continued operations and long-term sustainability. A comprehensive risk management framework has been established to ensure an ongoing process of identifying, evaluating, managing, and monitoring key risks. This framework defines the Group’s risk profile, maintains the risk register, and sets out appropriate mitigation measures. To ensure risks remain within acceptable parameters, Management and Heads of Departments (“**HODs**”) continuously update the corporate risk register.

Risk identification involves the assessment of both external business conditions and internal operations. Risks are evaluated using both quantitative and qualitative measures, taking into account their likelihood and potential impact, to facilitate the prioritisation of appropriate control measures. The Group continuously monitors and reviews its risk profile to ensure timely and effective responses to emerging risks.

### Risk Management Process



### Risk Governance Structure

#### Board of Directors

- Ensure the maintenance of a robust risk management and internal control system through effective oversight.
- Review of ARMC reports on the effectiveness of risk management and internal control.

#### ARMC

- Support the Board in its oversight of risk management and internal control, particularly regarding financial, operational, and integrity risks.

#### Management and HODs

- Effectively manage identified risks within established parameters.
- Convene periodic Management meetings to discuss critical operational issues, business performance matters, and corresponding mitigating controls.

#### Internal Auditors

- Assess the adequacy and effectiveness of the Group's risk management and internal control system.

#### Risk Owners Across Departments

- Identify potential and emerging key risks facing the Group's respective operating units.
- Manage the identified risks on an ongoing basis, adhering to the established risk strategies, frameworks, and policies.

# 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
<b>Operational Risk</b>	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>
<b>Financial Risk</b>	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 (e.g. derivatives) 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>
<b>Compliance Risk</b>	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>
<b>Economic, Regulatory, and Political Risk</b>	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>
<b>IT and Cybersecurity Risk</b>	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>
<b>Human Capital Risk</b>	Risk of loss due to disruptions from key personnel departures affecting operations and business relationships.	<ul style="list-style-type: none"> <li>Offer attractive 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> </ul>

During FY2025, the ARMC, in collaboration with Management, held six (6) meetings to review emerging risks and the corresponding mitigation measures. The outcomes were subsequently presented to the Board for acknowledgment.

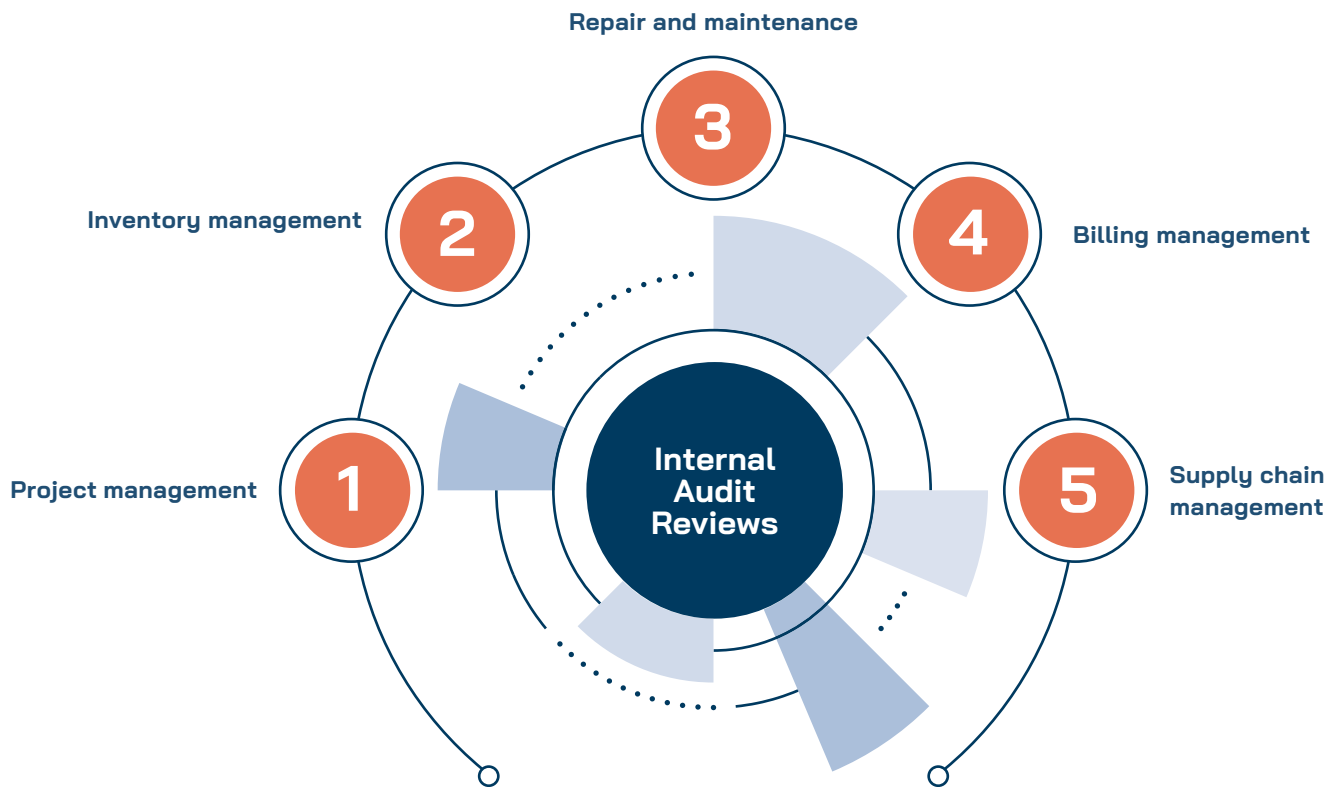
The Board is satisfied that a robust risk management system remains in place to effectively manage the Group's key risks and support the achievement of its business objectives throughout the financial year under review and up to the approval date of this Annual Report.

**Internal Audit Function**

The Group outsourced its internal audit function to an independent professional firm, Resolve IR Sdn. Bhd., which reports directly to ARMC on a quarterly basis. This reporting structure ensures its objectivity, independence, and freedom from conflicts of interest. The internal auditors conduct independent assessments of the adequacy and effectiveness of the Group’s risk management and internal control system.

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 objectives. This plan is reviewed quarterly to ensure its continued relevance in light of the evolving business environment and risk landscape.

During FY2025, four (4) internal audit reviews were conducted, focusing on the following areas:



These reviews covered the Group’s major subsidiaries and included follow-ups on previously raised audit findings. The internal auditors were granted unrestricted access to the Group’s records, personnel, and information necessary for the discharge of their duties, and they independently evaluated the control procedures implemented by Management.

Findings from the internal audit reviews were discussed with respective persons in charge and management before being presented to the ARMC during quarterly meetings.

# Statement on Risk Management and Internal Control

## 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:

### Board Committees and Oversight

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.

### Business Plan and Financial Budgeting

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.

### Ethical Guidance

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.

### 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.

### Defined Roles and Responsibilities

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.

### 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.

### Limits of Authority

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.

### IT/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.

### Operational Standards and Procedures

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.

### Employees' Training and Development

The Group invests in ongoing training and development programs 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

The external auditors have reviewed this Statement as required pursuant to Paragraph 15.23 of the AMLR for inclusion in the Annual Report of the Company for FY2025. The limited assurance review was performed in accordance with Malaysian Approved Standards on Assurance Engagement, ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 (“AAPG 3”) Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report. AAPG 3 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control systems.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

### 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 adequately and effectively in all material respects throughout the financial year under review and up to the date of approval of this Statement.

### Conclusion

The Board, through the ARMC, has reviewed the adequacy and effectiveness of the Group’s risk management and internal control system for FY2025 and up to the date of approval of this Statement. Based on this review, the Board is satisfied that the Group’s risk management and internal control system have operated adequately and effectively, in all material respects. There were no significant failings or weaknesses identified that could result in material losses, contingencies or uncertainties that require separate disclosure in this Annual Report.

The Board remains committed to the ongoing monitoring of all risks affecting the Group and will take appropriate measures to mitigate them. The Board will also continue to pursue continuous improvement initiatives to further enhance the adequacy and effectiveness of the Group’s risk management and internal control systems.

This Statement was approved by the Board on 22 April 2026.



## Additional Compliance Information

### Utilisation of Proceeds

The Company has completed its Private Placement exercise upon issuance and allotment of 60,000,000 new ordinary shares at an issue price of RM1.68 per ordinary share on 16 October 2025 in accordance with the general mandate granted by the shareholders of the Company at its Sixth Annual General Meeting (“6<sup>th</sup> AGM”) held on 18 June 2025 for the authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016. The total proceeds raised from the Private Placement was RM100.80 million.

The status of the utilisation of the proceeds raised from the Private Placement as at 31 December 2025 is disclosed as follow:-

Purposes of utilisation	Approved utilisation of proceeds RM'000	Actual utilisation RM'000	Percentage of utilisation of proceeds	Balance to be utilised RM'000	Estimated timeframe for utilisation from the receipts of proceeds
Working capital for commercial and industrial solar photovoltaic (“PV”) projects	44,481	(2,090)	4.70%	42,391	Within 12 months
Working capital for the development of future solar PV projects	46,119	(24,633)	53.41%	21,486	Within 24 months
Working capital for the secured Corporate Green Power Programme (“CGPP”) project	10,000	(10,000)	100.00%	-	Within 6 months
Estimated expenses for the Proposed Private Placement	200	(200)	100.00%	-	Within 1 month
<b>Total</b>	<b>100,800</b>	<b>(36,923)</b>		<b>63,877</b>	

### 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 2025 (“FY2025”) are as follows:

	Company (RM)	Group (RM)
<b>Audit services rendered</b>		
Statutory audit in respect of FY2025	32,000	339,940
<b>Non-audit services rendered</b>		
Review of the Statement on Risk Management and Internal Control for Annual Report for FY2025	3,000	3,000
Other non-audit services	-	38,948
<b>Total</b>	<b>35,000</b>	<b>381,888</b>

### Material Contracts Involving Directors' and Substantial Shareholders' Interests

There was no material contract 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 FY2025 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, entailing the issuance of up to 10% of the total issued shares to the eligible persons of the Group (excluding dormant subsidiaries, if any). The Scheme is effective for a period of five (5) years and shall expire on 1 January 2030 in accordance with the by-laws governing the Scheme and administered by the ESOS Committee appointed and duly authorised by the Board.

The Company had on 2 May 2025 allocated 16,600,000 ESOS options at an exercise price of RM1.17 per share to eligible employees of the Group. There was a total of 1,305,000 new ordinary shares being exercised during FY2025.

The details of the number of ESOS options offered and exercised during FY2025 are listed as follows:

Offer date	No. of ESOS options offered	Exercise Price (RM)	Eligible Directors and employees	No. of ESOS options offered	No. of participants (offered)	Percentage allocation (%)	No. of ESOS options exercised	No. of participants (exercised)	No. of ESOS options outstanding as of 31 December 2025
2 May 2025	16,600,000	1.17	Executive Directors	-	-	-	-	-	-
			Independent Non-Executive Directors	-	-	-	-	-	-
			Senior Management	11,000,000	10	66%	(650,000)	3	10,350,000
			Middle Management	5,600,000	13	34%	(655,000)	9	4,945,000
			Executives	-	-	-	-	-	-

## Additional Compliance Information

### Recurrent Related Party Transaction 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 34 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.

### Disclosure Of Financial Data for Shariah Screening

Pursuant to Rule 9.25A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

#### (a) Group Total Income and Total Assets

	Group	
	2025 (RM)	2024 (RM)
<b>Total Income</b>		
Revenue	609,525,873	286,983,877
Other income	6,681,832	4,994,192
Interest/Finance income	961,823	553,005
Share of profit/(loss) of associates	1,093,386	(836,288)
<b>Total</b>	<b>618,262,914</b>	<b>291,694,786</b>
<b>Total Assets</b>	<b>735,334,066</b>	<b>433,196,681</b>

#### (b) Business Activities

	Group	
	2025 (RM)	2024 (RM)
<b>Shariah Non-Compliant Activities</b>		
Interest income	808,273	520,340
<b>Total</b>	<b>808,273</b>	<b>520,340</b>

(c) Component of Financial Position

(i) Cash Component

	Remarks	Group	
		2025 (RM)	2024 (RM)
<b>Islamic Account/Instruments</b>			
Cash and bank balances (exclude cash in hand)		4,507,336	697,057
Money market instruments		2,816,414	8,338,584
<b>Total Cash</b>		<b>7,323,750</b>	<b>9,035,641</b>

	Remarks	Group	
		2025 (RM)	2024 (RM)
<b>Conventional Account/Instruments</b>			
Cash and bank balances (exclude cash in hand)		84,151,222	36,490,885
Other cash equivalents	<b>Cash in hand</b>	138,771	72,459
Money market instruments		67,960,066	-
<b>Total Cash</b>		<b>152,250,059</b>	<b>36,563,344</b>

(ii) Debt Component

	Remarks	Group	
		2025 (RM)	2024 (RM)
<b>Islamic Financing</b>			
<b>Current</b>			
Bank borrowings		16,151,618	8,444,699
<b>Non-Current</b>			
Bank borrowings		114,617,818	34,945,301
<b>Total Financing</b>		<b>130,769,436</b>	<b>43,390,000</b>

	Remarks	Group	
		2025 (RM)	2024 (RM)
<b>Conventional Borrowing</b>			
<b>Current</b>			
Bank borrowings		24,813,837	28,485,055
<b>Non-Current</b>			
Bank borrowings		5,979,265	2,821,013
<b>Total Debt</b>		<b>30,793,102</b>	<b>31,306,068</b>

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# 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 2025.

## 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 for the financial year	49,103,177	7,813,329
Attributable to:-		
Owners of the Company	45,050,629	7,813,329
Non-controlling interests	4,052,548	-
	<b>49,103,177</b>	<b>7,813,329</b>

## DIVIDENDS

The amount of dividends paid and declared since the end of the previous financial year were as follows:-

	RM
<b>In respect of the financial year ended 31 December 2025</b>	
Single tier interim dividend of RM0.01 per ordinary share, paid on 25 September 2025	<b>6,460,882</b>

The Directors do not recommend any final dividend payment for the current financial year.

## RESERVES AND PROVISIONS

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

## Directors' Report

### 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.*

In accordance with Clause 128 of the Company's Constitution, Kok Kong Chin and Tai Yee Chee 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:-

Goh Chin San  
Johann Sze Wei Qiang  
Khoo Teng Keat  
Mohamed Shadhahu Shahid  
Nazary Bin Ahmad  
Oh Keng Jin  
See Heng Chun  
Tan Kwang San  
Tee Lian Hong  
Tong Pau Liong  
Wong Boon Kwang  
Yong Boon Chuan  
Tan Siong Lin (Appointed on 18 July 2025)  
Chan Chein Liang (Appointed on 18 September 2025)  
Lim Jun Lin (Resigned on 2 May 2025)  
Peh Kean Hock (Resigned on 2 May 2025)  
Chong Lena (Resigned on 13 February 2026)  
Sim Yee Fuan (Appointed on 2 May 2025 and resigned on 18 September 2025)

## 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 31.12.2025
	At 1.1.2025	Bought	Sold	
<b>Interests in the Company</b>				
<u>Direct interests</u>				
Kok Kong Chin	10,150,000	-	-	10,150,000
Chin Soo Mau	225,061,800	-	-	225,061,800
Tai Yee Chee	56,776,900	-	-	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' 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:-

	Incurred by the Company RM	Incurred by the subsidiaries RM	Total RM
Directors' fee	235,000	-	235,000
Salaries and other emoluments	1,586,740	3,669,363	5,256,103
Defined contribution plans	248,675	462,172	710,847
Social security contribution	2,784	10,811	13,595
	2,073,199	4,142,346	6,215,545

The estimate monetary value of benefits-in-kind received by Directors other than cash from the Group and the Company amounted to RM48,000.

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.

## Directors' Report

### DIRECTORS' EMOLUMENTS AND BENEFITS (CONT'D)

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than as disclosed in Notes 28 and 31 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company of which Director has a substantial financial interest.

### ISSUE OF SHARES AND DEBENTURES

On 16 October 2025, the Company issued 60,000,000 new ordinary shares under the Company's Private Placement exercise at RM1.68 per ordinary share for a total cash consideration of RM100,800,000 for working capital purposes.

During the financial year, the Company issued 1,305,000 new ordinary shares under the Company's Employees' Share Option Scheme at an exercise price of RM1.17 per ordinary shares.

There were no issuance of debentures during the financial year.

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

The Company's Employees' Share Option Scheme ("ESOS") is governed by the By-Laws which were approved by the shareholders on 10 October 2024. The ESOS was implemented on 2 May 2025 and will expire on 1 May 2029. The movements of options over unissued ordinary shares granted to eligible Directors and employees of the Group during the financial year are as follows:-

Year	Grant date	Exercise price	Option over number of ordinary shares				As at 31.12.2025
			As at 1.1.2025	Granted	Exercised	Forfeited	
1	2 May 2025	RM1.17	-	3,320,000	(1,305,000)	-	2,015,000
2	2 May 2025	RM1.17	-	3,320,000	-	-	3,320,000
3	2 May 2025	RM1.17	-	3,320,000	-	-	3,320,000
4	2 May 2025	RM1.17	-	6,640,000	-	-	6,640,000

The salient features of the ESOS are disclosed in Note 32 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 RM20,000,000 and RM21,600 respectively.

## 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.



# Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 117 to 196 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 2025 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.

\_\_\_\_\_  
**CHIN SOO MAU**

Kuala Lumpur  
22 April 2026

\_\_\_\_\_  
**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 117 to 196 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         )  
22 April 2026                                    )

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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 2025 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 policy information, as set out on pages 117 to 196.

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 2025, 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.

## 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 25 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.

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.

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

### 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.
- 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 for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate 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 identify during our audit.

## 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)

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: 03223/12/2027(J))  
CHARTERED ACCOUNTANT

Kuala Lumpur  
22 April 2026

# Statements of Financial Position

As at 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3	169,106,026	68,928,475	-	-
Investment property	4	137,600	140,800	-	-
Intangible assets	5	44,093,707	46,883,539	-	-
Investment in subsidiaries	6	-	-	97,670,040	91,579,980
Investment in associates	7	12,375,335	11,302,495	-	-
Amount due from associates	7	1,041,070	955,565	-	-
<b>Total non-current assets</b>		<b>226,753,738</b>	128,210,874	<b>97,670,040</b>	91,579,980
<b>Current assets</b>					
Other investments	8	70,776,480	8,338,584	67,032,856	-
Inventories	9	114,149,685	94,564,206	-	-
Trade receivables	10	94,056,008	110,319,458	-	-
Contract assets	11	114,487,856	39,203,477	-	-
Other receivables	12	21,984,103	11,527,953	20,800	14,800
Amount due from subsidiaries	6	-	-	19,411,652	1,592,647
Amount due from associates	7	3,105,652	2,339,848	-	-
Amount due from a related party	13	-	1,225	-	-
Tax recoverable		1,223,215	1,430,655	15,273	-
Fixed deposits with licensed banks	14	1,174,723	2,920,548	-	-
Cash and bank balances	15	87,622,606	34,339,853	16,270,709	1,341,776
<b>Total current assets</b>		<b>508,580,328</b>	304,985,807	<b>102,751,290</b>	2,949,223
<b>TOTAL ASSETS</b>		<b>735,334,066</b>	433,196,681	<b>200,421,330</b>	94,529,203

## Statements of Financial Position

As at 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	16	196,109,771	93,515,918	196,109,771	93,515,918
Merger deficit	17	(50,079,980)	(50,079,980)	-	-
Reserves	18	1,999,473	431	1,957,036	-
Retained earnings		153,906,510	115,226,694	1,724,376	371,929
		<b>301,935,774</b>	158,663,063	<b>199,791,183</b>	93,887,847
Non-controlling interests	6	40,584,222	36,680,031	-	-
Total equity		<b>342,519,996</b>	195,343,094	<b>199,791,183</b>	93,887,847
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Lease liabilities	19	15,613,185	15,883,707	-	-
Borrowings	20	120,597,083	37,766,314	-	-
Deferred tax liabilities	21	3,038,900	6,111,457	-	-
Total non-current liabilities		<b>139,249,168</b>	59,761,478	-	-
<b>Current liabilities</b>					
Trade payables	22	117,884,560	50,882,011	-	-
Contract liabilities	11	41,291,302	38,736,704	-	-
Other payables	23	44,656,032	45,206,602	630,147	622,010
Amount due to associates	7	-	13,839	-	-
Lease liabilities	19	1,627,767	1,368,887	-	-
Borrowings	20	40,965,455	36,929,754	-	-
Derivative financial liabilities	24	311,362	12,755	-	-
Tax payable		6,828,424	4,941,557	-	19,346
Total current liabilities		<b>253,564,902</b>	178,092,109	<b>630,147</b>	641,356
Total liabilities		<b>392,814,070</b>	237,853,587	<b>630,147</b>	641,356
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>735,334,066</b>	433,196,681	<b>200,421,330</b>	94,529,203

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 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	25	609,525,873	286,983,877	-	-
Cost of sales		(470,419,199)	(205,086,710)	-	-
Gross profit		139,106,674	81,897,167	-	-
Other income		6,681,832	4,994,192	13,012,856	3,024,000
Administration expenses		(72,234,607)	(47,935,959)	(5,145,747)	(3,311,475)
Net impairment gain/(loss) on financial assets		188,180	(1,426,367)	-	-
Other expenses		(1,380,608)	(1,056,704)	-	-
Operating profit/(loss)		72,361,471	36,472,329	7,867,109	(287,475)
Finance income	26	961,823	553,005	123,403	498,618
Finance costs	27	(6,094,709)	(1,451,732)	(50,000)	(36,301)
Share of profit/(loss) of associates	7	1,093,386	(836,288)	-	-
Profit before tax	28	68,321,971	34,737,314	7,940,512	174,842
Tax expense	29	(19,218,794)	(12,034,808)	(127,183)	(228,676)
Profit/(Loss) for the financial year		49,103,177	22,702,506	7,813,329	(53,834)
<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		43,393	431	-	-
Total comprehensive income/(loss) for the financial year		49,146,570	22,702,937	7,813,329	(53,834)
<b>Profit/(Loss) for the financial year attributable to:-</b>					
Owners of the Company		45,050,629	22,000,871	7,813,329	(53,834)
Non-controlling interests		4,052,548	701,635	-	-
		49,103,177	22,702,506	7,813,329	(53,834)
<b>Total comprehensive income/(loss) attributable to:-</b>					
Owners of the Company		45,092,635	22,001,302	7,813,329	(53,834)
Non-controlling interests		4,053,935	701,635	-	-
		49,146,570	22,702,937	7,813,329	(53,834)
<b>Basic and diluted earnings per share (sen)</b>					
- Basic	30	6.85	3.41		
- Diluted	30	6.69	3.41		

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

# Statements of Changes In Equity

For the Financial Year Ended 31 December 2025

Note	Attributable to owners of the Company							Total equity RM
	Non-distributable			Distributable			Non-controlling interests RM	
	Share capital RM	Merger deficit RM	Translation reserve RM	ESOS reserve RM	Retained earnings RM	Total RM		
<b>Group</b>								
At 1 January 2024	93,515,918	(50,079,980)	-	-	93,225,823	136,661,761	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	22,000,871	701,635	22,702,506
Other comprehensive income for the financial year	-	-	431	-	-	431	-	431
Total comprehensive income for the financial year	-	-	431	-	22,000,871	22,001,302	701,635	22,702,937
At 31 December 2024	93,515,918	(50,079,980)	431	-	115,226,694	158,663,063	36,680,031	195,343,094
<b>Transaction with owners:-</b>								
Dividends	-	-	-	-	(6,460,882)	(6,460,882)	-	(6,460,882)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,200,000)	(1,200,000)
Share option granted	-	-	-	2,224,039	-	2,224,039	-	2,224,039

Transaction with owners:- (cont'd)	Attributable to owners of the Company								
	Note	Non-distributable			Distributable				
		Share capital RM	Merger deficit RM	Translation reserve RM	ESOS reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Issuance of shares pursuant to:									
- Private placement		-	-	-	-	100,800,000	-	100,800,000	
- Exercise of share option		-	-	(267,003)	-	1,526,850	-	1,526,850	
Acquisition of subsidiaries		-	-	-	90,069	90,069	1,050,256	1,140,325	
Profit for the financial year		-	-	-	45,050,629	45,050,629	4,052,548	49,103,177	
Other comprehensive income for the financial year		-	42,006	-	-	42,006	1,387	43,393	
Total comprehensive income for the financial year		-	42,006	-	45,050,629	45,092,635	4,053,935	49,146,570	
At 31 December 2025		196,109,771	(50,079,980)	42,437	1,957,036	153,906,510	301,935,774	40,584,222	342,519,996

## Statements of Changes In Equity

For the Financial Year Ended 31 December 2025

	Note	Non-distributable		Distributable	Total equity RM
		Share capital RM	ESOS reserve RM	Retained earnings RM	
<b>Company</b>					
At 1 January 2024		93,515,918	-	425,763	93,941,681
Total comprehensive loss for the financial year		-	-	(53,834)	(53,834)
At 31 December 2024		93,515,918	-	371,929	93,887,847
<b>Transaction with owners:-</b>					
Dividends	33	-	-	(6,460,882)	(6,460,882)
Share option granted		-	2,224,039	-	2,224,039
Issuance of shares pursuant to:					
- Private placement		100,800,000	-	-	100,800,000
- Exercise of share option		1,793,853	(267,003)	-	1,526,850
Total comprehensive income for the financial year		-	-	7,813,329	7,813,329
At 31 December 2025		196,109,771	1,957,036	1,724,376	199,791,183

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

# Statements of Cash Flows

For the Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>OPERATING ACTIVITIES</b>					
Profit before tax		<b>68,321,971</b>	34,737,314	<b>7,940,512</b>	174,842
<b>Adjustments for:-</b>					
Amortisation of intangible assets		<b>2,987,770</b>	292,313	-	-
Bad debts written off		<b>15,331</b>	123,105	-	-
Depreciation of investment property		<b>3,200</b>	3,200	-	-
Depreciation of property, plant and equipment		<b>5,463,801</b>	2,156,258	-	-
Dividend income		<b>(15,520)</b>	(3,870)	<b>(9,010,912)</b>	-
Fair value gain on other investments		<b>(994,391)</b>	(479,553)	<b>(570,746)</b>	-
Fair value loss on derivative financial instruments		<b>298,607</b>	12,755	-	-
Gain on disposal of property, plant and equipment		<b>(18,844)</b>	(2,912,546)	-	-
Gain on early termination of lease contracts		<b>(498,758)</b>	-	-	-
Impairment loss on trade receivables		<b>2,401,258</b>	1,631,420	-	-
Impairment loss on contract assets		<b>89,964</b>	467,089	-	-
Impairment loss on other receivables		-	6,460	-	-
Impairment loss on amount due from associates		-	604,636	-	-
Interest expenses		<b>6,094,709</b>	1,451,732	<b>50,000</b>	36,301
Interest income		<b>(961,823)</b>	(553,005)	<b>(123,403)</b>	(498,618)
Inventories written down		<b>2,709,635</b>	264,838	-	-
Inventories written off		<b>1,329</b>	57,190	-	-
Property, plant and equipment written off		<b>10,717</b>	-	-	-
Provision for foreseeable loss		<b>239,122</b>	-	-	-
Reversal of impairment loss on trade receivables		<b>(2,589,438)</b>	(816,149)	-	-
Reversal of impairment loss on contract assets		<b>(250,863)</b>	(399,615)	-	-
Reversal of inventories written down		<b>(43,784)</b>	(65,265)	-	-
Reversal of provision for foreseeable losses		-	(1,299)	-	-
Share of (profit)/loss of associates		<b>(1,093,386)</b>	836,288	-	-
Share option expenses		<b>2,224,039</b>	-	<b>133,979</b>	-
Unrealised (gain)/loss on foreign exchange		<b>(361,644)</b>	6,540	-	-
Waiver of debts		<b>(10,800)</b>	(16,984)	-	-
Operating profit/(loss) before working capital changes		<b>84,022,202</b>	37,402,852	<b>(1,580,570)</b>	(287,475)

## Statements of Cash Flows

For the Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Changes in working capital:-					
Inventories		(22,252,659)	(34,167,332)	-	-
Receivables		5,918,407	(34,730,919)	(6,000)	56,000
Payables		66,817,633	38,323,720	(12,570)	133,445
Contract assets/liabilities		(72,808,004)	16,520,378	-	-
Associates		(771,816)	1,877,813	-	-
Cash generated from/(used in) operations		60,925,763	25,226,512	(1,599,140)	(98,030)
Interest received		693,286	295,514	59,961	15,513
Tax refunded		898,096	-	-	-
Tax paid		(20,650,928)	(9,575,024)	(161,802)	(290,556)
Net cash from/(used in) operating activities		41,866,217	15,947,002	(1,700,981)	(373,073)
<b>INVESTING ACTIVITIES</b>					
Acquisition of subsidiaries, net of cash paid	6	(232,105)	(88,948,515)	-	-
Additional investment in subsidiaries		-	-	(4,000,000)	(10,000,000)
Additional investment in associates		(900,000)	(962,000)	-	-
Advances to associates		(79,493)	(589,068)	-	-
Dividend received		10,912	3,870	9,010,912	-
Interest received		199,559	123,561	63,442	483,105
(Advances to)/Repayment from subsidiaries		-	-	(17,819,005)	10,596,783
Repayment from/(Advances to) a related party		1,225	(1,225)	-	-
Placement of designated account		(1,593,045)	-	-	-
Proceeds from disposal of other investments		7,541,063	6,508,855	9,063	-
Proceeds from disposal of property, plant and equipment		18,845	20,813,983	-	-
Purchase of other investments		(68,950,467)	(6,313,600)	(66,450,466)	-
Purchase of intangible assets		(47,347)	(84,781)	-	-
Purchase of property, plant and equipment	A	(7,052,199)	(6,888,917)	-	-
Net cash (used in)/from investing activities		(71,083,052)	(76,337,837)	(79,186,054)	1,079,888

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>FINANCING ACTIVITIES</b>					
Drawdown of bankers' acceptance		22,807,902	9,491,000	-	-
Drawdown of invoice financing		18,136,656	20,531,073	-	-
Drawdown of onshore foreign currency loan		8,418,362	-	-	-
Drawdown of revolving credit		93,100,000	17,600,000	-	-
Drawdown of term loans		-	38,400,000	-	-
Drawdown of trust receipt		10,691,734	2,646,711	-	-
Dividend paid		(6,460,882)	-	(6,460,882)	-
Dividend paid to non-controlling interest		(1,200,000)	-	-	-
Fixed deposits pledged with licensed banks		2,876,951	3,031,598	-	-
Interest paid		(8,373,111)	(1,451,732)	(50,000)	(36,301)
Interest received		68,978	133,930	-	-
Proceeds from issuance of shares pursuant to private placement		100,800,000	-	100,800,000	-
Proceeds from issuance of shares pursuant to exercise of share option		1,526,850	-	1,526,850	-
(Repayment to)/Advances from associates		(13,839)	13,839	-	-
Repayment of bankers' acceptance		(27,718,902)	(1,960,000)	-	-
Repayment of invoice financing		(27,859,404)	(6,668,246)	-	-
Repayment of revolving credit		(94,900,000)	(6,600,000)	-	-
Repayment of lease liabilities		(1,588,377)	(1,022,571)	-	-
Repayment of term loans		(4,062,376)	(1,590,295)	-	-
Repayment of trust receipt		(4,405,925)	(1,768,939)	-	-
Net cash from/(used in) financing activities		81,844,617	70,786,368	95,815,968	(36,301)
<b>CASH AND CASH EQUIVALENTS</b>					
Net changes		52,627,782	10,395,533	14,928,933	670,514
Brought forward		34,339,853	23,944,320	1,341,776	671,262
Carried forward	B	86,967,635	34,339,853	16,270,709	1,341,776

## Statements of Cash Flows

For the Financial Year Ended 31 December 2025

### NOTES TO THE STATEMENTS OF CASH FLOWS

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Total purchase of property, plant and equipment	111,475,629	22,930,532	-	-
Less: Financed by lease liabilities	(16,059,094)	(14,834,615)	-	-
Less: Financed by term loan	(88,364,336)	(1,207,000)	-	-
	7,052,199	6,888,917	-	-

#### B. CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	87,622,606	34,339,853	16,270,709	1,341,776
Fixed deposits with licensed banks	1,174,723	2,920,548	-	-
	88,797,329	37,260,401	16,270,709	1,341,776
Less: Designated accounts	(1,786,097)	-	-	-
Less: Fixed deposits pledged with licensed banks	(43,597)	(2,920,548)	-	-
	86,967,635	34,339,853	16,270,709	1,341,776

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

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1 January 2025 RM	Drawdown RM	Repayment RM	Early termination of lease contracts RM	Acquisition of a subsidiary RM	31 December 2025 RM
<b>Group</b>						
Amount due to associates	13,839	-	(13,839)	-	-	-
Bankers' acceptance	7,531,000	22,807,902	(27,718,902)	-	-	2,620,000
Invoice financing	13,862,827	18,136,656	(27,859,404)	-	-	4,140,079
Lease liabilities	17,252,594	16,059,094	(1,588,377)	(14,482,359)	-	17,240,952
Onshore foreign currency loan	-	8,418,362	-	-	-	8,418,362
Revolving credit	11,000,000	93,100,000	(94,900,000)	-	-	9,200,000
Term loans	41,424,469	88,364,336	(4,062,376)	-	4,294,087	130,020,516
Trust receipt	877,772	10,691,734	(4,405,925)	-	-	7,163,581
	91,962,501	257,578,084	(160,548,823)	(14,482,359)	4,294,087	178,803,490

	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
Revolving credit	-	17,600,000	(6,600,000)	-	11,000,000
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
	5,017,145	104,724,238	(19,610,051)	1,831,169	91,962,501

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

# Notes to the Financial Statements

31 December 2025

## 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 22 April 2026.

## 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.

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

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

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.

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 2025.

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.

# Notes to the Financial Statements

31 December 2025

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

### 2.4 MFRSs (cont'd)

#### 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.

#### *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
Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments - Disclosures - Contracts Referencing Nature - Dependent Electricity
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
MFRS 19	Subsidiaries without Public Accountability - Disclosures
Amendments to MFRS 19	Subsidiaries without Public Accountability - Disclosures
Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates - Translation to a Hyperinflationary Presentation Currency

#### *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 are not expected to have material financial impact to the financial statements of the Group and the Company.

### 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.

##### 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.

## 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)

##### 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 2025

## 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 judgement 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 judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making these judgements, 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.

## 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

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.

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 2025

## 3. PROPERTY, PLANT AND EQUIPMENT

Group Cost	Freehold land RM	Freehold building RM	Freehold land and building RM	Solar photovoltaic 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
At 1 January 2024	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	-	-	1,420,000	-	10,020	829,758	-	5,934	32,480	13,438,793	1,436,311	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	9,485,166	8,650,452	915,827	7,570,663	15,819,272	5,578,729	5,757,236	98,964,283
Acquisition of a subsidiary	-	-	-	5,802,046	-	-	-	-	-	-	-	591,327	6,393,373
Additions	-	-	-	-	16,144	2,905,043	402,857	101,122	402,860	14,962,077	1,379,350	91,306,176	111,475,629
Disposals	-	-	-	-	-	-	-	-	-	-	(71,058)	-	(71,058)
Written off	-	-	-	-	-	(17,832)	-	-	-	-	-	-	(17,832)
Termination of lease contracts	-	-	-	-	-	-	-	-	-	(15,690,800)	-	-	(15,690,800)
Expiration of lease contract	-	-	-	-	-	-	-	-	-	(128,472)	-	-	(128,472)
Borrowing costs capitalised	-	-	-	-	-	-	-	-	-	-	-	2,278,402	2,278,402
Reclassification	-	-	-	2,053,876	-	-	-	-	-	-	-	(2,053,876)	-
Foreign exchange differences	-	-	-	-	-	(11,124)	(10,661)	-	-	(88,574)	-	(7,619)	(117,978)
At 31 December 2025	20,500,000	20,857,749	1,420,000	9,410,636	870,619	12,361,253	9,042,648	1,016,949	7,973,523	14,873,503	6,887,021	97,871,646	203,085,547

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

	Freehold land RM	Freehold building RM	Freehold land and building RM	Solar photovoltaic 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 in progress RM	Capital work RM	Total RM
<b>Group (cont'd) Accumulated depreciation</b>													
At 1 January 2024	-	-	-	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
Acquisition of a subsidiary	-	-	-	414,213	-	-	-	-	-	-	-	-	414,213
Charge for the financial year	-	564,022	28,400	331,404	52,606	1,070,232	977,008	76,366	179,916	1,190,930	992,917	-	5,463,801
Disposals	-	-	-	-	-	-	-	-	-	-	(71,057)	-	(71,057)
Written off	-	-	-	-	-	(7115)	-	-	-	-	-	-	(7,115)
Termination of lease contracts	-	-	-	-	-	-	-	-	-	(1707199)	-	-	(1,707,199)
Expiration of lease contract	-	-	-	-	-	-	-	-	-	(128,472)	-	-	(128,472)
Foreign exchange differences	-	-	-	-	-	(106)	(76)	-	-	(20,276)	-	-	(20,458)
At 31 December 2025	-	3,978,452	30,767	2,196,314	777,960	8,718,528	5,717,961	799,772	7,357,659	692,786	3,709,322	-	33,979,521
<b>Net carrying amount</b>													
At 31 December 2025	20,500,000	16,879,297	1,389,233	7,214,322	92,659	3,642,725	3,324,687	217,117	615,864	14,180,717	3,117,699	97,871,646	169,106,026
At 31 December 2024	20,500,000	17,443,319	1,417,633	104,017	129,121	1,829,649	3,909,423	192,421	392,920	14,461,469	2,791,267	5,757,236	68,928,475

## Notes to the Financial Statements

31 December 2025

## 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 2024	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	15,819,272	3,909,445	19,728,717
Additions	14,962,077	1,379,350	16,341,427
Disposal	-	(62,609)	(62,609)
Termination of lease contracts	(15,690,800)	-	(15,690,800)
Expiration of lease contract	(128,472)	-	(128,472)
Transfer to property, plant and equipment	-	(189,894)	(189,894)
Foreign exchange difference	(88,574)	-	(88,574)
At 31 December 2025	<b>14,873,503</b>	<b>5,036,292</b>	<b>19,909,795</b>
<b>Accumulated depreciation</b>			
At 1 January 2024	839,922	644,922	1,484,844
Charge for the financial year	517,881	589,857	1,107,738
Disposal	-	(36,958)	(36,958)
At 31 December 2024	1,357,803	1,197,821	2,555,624
Charge for the financial year	1,190,930	980,776	2,171,706
Disposal	-	(62,609)	(62,609)
Termination of lease contracts	(1,707,199)	-	(1,707,199)
Expiration of lease contract	(128,472)	-	(128,472)
Transfer to property, plant and equipment	-	(165,410)	(165,410)
Foreign exchange difference	(20,276)	-	(20,276)
At 31 December 2025	<b>692,786</b>	<b>1,950,578</b>	<b>2,643,364</b>
<b>Net carrying amount</b>			
At 31 December 2025	<b>14,180,717</b>	<b>3,085,714</b>	<b>17,266,431</b>
At 31 December 2024	14,461,469	2,711,624	17,173,093

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

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

#### 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.

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% - 2.86%
Freehold land and building	2%
Solar photovoltaic 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% - 33%
Motor vehicles	20%

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

Capital work-in-progress consists of solar photovoltaic systems and office interior designing work 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 and the Company have 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 and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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	
	2025 RM	2024 RM
Freehold land	20,500,000	20,500,000
Freehold building	16,879,297	17,443,319
Freehold land and building	1,389,233	1,417,633
Solar photovoltaic systems	3,665,861	-
	<b>42,434,391</b>	39,360,952

## Notes to the Financial Statements

31 December 2025

## 4. INVESTMENT PROPERTY

	Leasehold building RM
<b>Group</b>	
<b>Cost</b>	
At 1 January 2024/31 December 2024/31 December 2025	160,000
<b>Accumulated depreciation</b>	
At 1 January 2024	16,000
Charge for the financial year	3,200
At 31 December 2024	19,200
Charge for the financial year	3,200
At 31 December 2025	22,400
<b>Net carrying amount</b>	
At 31 December 2025	137,600
At 31 December 2024	140,800

**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 2025 RM	Level 3 2024 RM
Leasehold building	188,000	180,000

The fair value of investment property of the Group as at 31 December 2025 and 31 December 2024 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.

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

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

	Group	
	2025 RM	2024 RM
Rental income from investment property	-	2,400
Direct operating expenses:		
- Income generating investment property	-	(46,566)
- Non-income generating investment property	(47,458)	-

#### 5. INTANGIBLE ASSETS

	Software licenses RM	Contract order book RM	Goodwill RM	Total RM
<b>Group</b>				
<b>Cost</b>				
At 1 January 2024	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	1,139,869	4,701,578	42,206,358	48,047,805
Acquisition of a subsidiary	-	-	150,591	150,591
Additions	47,347	-	-	47,347
At 31 December 2025	<b>1,187,216</b>	<b>4,701,578</b>	<b>42,356,949</b>	<b>48,245,743</b>
<b>Accumulated amortisation</b>				
At 1 January 2024	779,203	-	-	779,203
Amortisation for the financial year	136,557	155,756	-	292,313
At 31 December 2024	915,760	155,756	-	1,071,516
Amortisation for the financial year	55,879	2,931,891	-	2,987,770
At 31 December 2025	<b>971,639</b>	<b>3,087,647</b>	<b>-</b>	<b>4,059,286</b>
<b>Accumulated impairment loss</b>				
At 1 January 2024/31 December 2024/31 December 2025	92,750	-	-	92,750
<b>Net carrying amount</b>				
At 31 December 2025	<b>122,827</b>	<b>1,613,931</b>	<b>42,356,949</b>	<b>44,093,707</b>
At 31 December 2024	131,359	4,545,822	42,206,358	46,883,539

# Notes to the Financial Statements

31 December 2025

## 5. INTANGIBLE ASSETS (CONT'D)

### 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.

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 of the electrical power 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.

## 5. INTANGIBLE ASSETS (CONT'D)

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

The recoverable amount of the CGU amounting to RM212,306,000 (2024: RM185,124,000) 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% (2024: 5%) per annum;
- (iii) Discount rate based on the weighted average cost of capital of the company at a rate of 9% (2024: 10%) per annum; and
- (iv) Terminal value based on the fifth year cash flow with 2% (2024: 2%) 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	
	2025 RM	2024 RM
Unquoted shares, at cost	95,579,980	91,579,980
Options granted to employees of subsidiaries	2,090,060	-
	<b>97,670,040</b>	91,579,980

## Notes to the Financial Statements

31 December 2025

### 6. SUBSIDIARIES (CONT'D)

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

#### Material accounting policy information

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

Details of the subsidiaries are as follows:-

Name of company	Principal place of business	Effective interest		Principal activities
		2025 %	2024 %	
<b>Held by the Company:-</b>				
Pekat Teknologi Sdn. Bhd.	Malaysia	100	100	Investment holding activities, trading of electrical engineering products and operates as a general contractor, environment, safety and health consultancy and training provider.
<b>Held by Pekat Teknologi Sdn. Bhd.:-</b>				
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	54.32	100	Energy supply services and maintenance and trading of Renewable Energy Certificates.

## 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
		2025 %	2024 %	
<b>Held by Pekat Teknologi Sdn. Bhd (cont'd):-</b>				
Pekat Solar Tronoh Sdn. Bhd.	Malaysia	100	100	Design, build, own, operate and maintain solar photovoltaic power plant and related activities.
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	100	Dormant.
Solaroo EV (Maldives) Pvt. Ltd.^	Maldives	100	100	Dormant.
Apex Power Industry Sdn. Bhd.	Malaysia	60	60	Investment holding company.
UP Solar Sdn. Bhd.	Malaysia	70	-	To undertake solar photovoltaic business activities.
Solaroo Green Tech (Labuan) Ltd.	Labuan	91	-	Investment holding company.
Pentas RE Sdn. Bhd.*	Malaysia	100	-	Operation of generation facilities that produce electric energy.
<b>Held by Apex Power Industry Sdn. Bhd.:-</b>				
EPE Switchgear (M) Sdn. Bhd.	Malaysia	100	100	Manufacturing, engineering and project activities, providing a wide range of products and services to the generation, transmission and distribution of the electrical power industry.
<b>Held by Solaroo Green Tech (Labuan) Ltd.:-</b>				
Solaroo Middle East Ltd.^	United Arab Emirates	100	-	Sale, maintenance and repair of motorcycle and related parts and accessories.

^ Not audited by Grant Thornton Malaysia PLT.

\* No statutory audit required as at the reporting date, as the subsidiary remained dormant throughout the financial year. The Directors have consolidated the results of this subsidiary based on its management financial statements.

## Notes to the Financial Statements

31 December 2025

### 6. SUBSIDIARIES (CONT'D)

2025

#### Acquisition/Incorporation of subsidiaries

- (i) On 29 April 2025, a wholly-owned subsidiary of the Company, Pekat Teknologi Sdn. Bhd. acquired 750,000 ordinary shares representing 30% equity interest in UP Solar Sdn. Bhd. for a total cash consideration of RM841,000. After acquisition, UP Solar Sdn. Bhd. became 70% owned subsidiary of Pekat Teknologi Sdn. Bhd..
- (ii) On 29 April 2025, Pekat Solar Tronoh Sdn. Bhd. issued 5,150,000 new ordinary shares which was acquired by a wholly-owned subsidiary of the Company, Pekat Teknologi Sdn. Bhd. for a cash consideration of RM5,150,000.
- (iii) On 9 May 2025, a wholly-owned subsidiary of the Company, Pekat Teknologi Sdn. Bhd. had incorporated Solaroo Green Tech (Labuan) Ltd., with an issued and paid-up capital of USD910 comprising of 910 ordinary shares.
- (iv) On 19 May 2025, Pekat RE Maintenance Sdn. Bhd. issued 434,549 new ordinary shares which was acquired by a wholly-owned of the Company, Pekat Teknologi Sdn. Bhd. for a cash consideration of RM434,549 representing 54.32% equity interest.
- (v) On 16 June 2025, Solaroo Green Tech (Labuan) Ltd. had incorporated a wholly-owned subsidiary, Solaroo Middle East Ltd., with an issued and paid-up capital of USD1,000 comprising of 1,000 ordinary shares.
- (vi) On 3 July 2025, Solaroo RE (Maldives) Pvt. Ltd. issued 49,900 new ordinary shares which was acquired by a wholly-owned subsidiary of the Company, Pekat Teknologi Sdn. Bhd. for a cash consideration of RM221,746.
- (vii) On 3 July 2025, Solaroo EV (Maldives) Pvt. Ltd. issued 9,900 new ordinary shares which was acquired by a wholly-owned subsidiary of the Company, Pekat Teknologi Sdn. Bhd. for a cash consideration of RM42,241.
- (viii) On 15 August 2025, a wholly-owned subsidiary of the Company, Pekat Teknologi Sdn. Bhd. had incorporated Pentas RE Sdn. Bhd. with an issue and paid-up capital of RM100 comprising of 100 ordinary shares.
- (ix) On 23 December 2025, the Company acquired for 4,000,000 new ordinary shares in Pekat Teknologi Sdn. Bhd. for a total cash consideration of RM4,000,000.

## 6. SUBSIDIARIES (CONT'D)

2025 (cont'd)

### Acquisition/Incorporation of subsidiaries (cont'd)

The fair value of the identifiable assets and liabilities of the subsidiary as at the date of acquisition were as follows:-

	Group 2025 RM
Plant and equipment	5,979,160
Deferred tax assets	32,596
Trade receivables	109,361
Other receivables	10,200
Fixed deposits with a licensed bank	366,685
Bank balances	435,262
<b>Total assets</b>	<b>6,933,264</b>
Other payables	335,428
Borrowings	4,294,087
Tax payable	2,384
<b>Total liabilities</b>	<b>4,631,899</b>
<b>Total identifiable net assets and liabilities</b>	<b>2,301,365</b>
Less: Non-controlling interests	(690,410)
Goodwill	150,591
<b>Net assets acquired by the Group</b>	<b>1,761,546</b>
Total cash consideration	841,000
Less: Cash and cash equivalents	
Fixed deposits with a licensed bank	(366,685)
Bank balances	(242,210)
<b>Net cash outflows arising from acquisition of a subsidiary</b>	<b>232,105</b>

## Notes to the Financial Statements

31 December 2025

### 6. SUBSIDIARIES (CONT'D)

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 Solar 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.
- (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.

## 6. SUBSIDIARIES (CONT'D)

2024 (cont'd)

### Acquisition/Incorporation of subsidiaries (cont'd)

The fair value of the identifiable assets and liabilities of the subsidiaries as at the date of acquisition were as follows:-

	<b>Group 2024 RM</b>
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>
Total identifiable net assets and liabilities	89,656,070
Less: Non-controlling interests	(35,862,428)
Goodwill	42,206,358
Total cash consideration	96,000,000
Less: Cash and cash equivalents	(7,051,485)
<b>Net cash outflows arising from acquisition of subsidiaries</b>	<b>88,948,515</b>

### 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.

## Notes to the Financial Statements

31 December 2025

## 6. SUBSIDIARIES (CONT'D)

## Non-controlling interests

The Group's subsidiaries that has non-controlling interests are as follows:-

2025	Apex Power Industry Sdn. Bhd. and its subsidiary	UP Solar Sdn. Bhd	Other immaterial subsidiaries	Total
Percentage of ownership interest and voting interest (%)	40	30	9 - 45.68	
Carrying amount of non-controlling interests (RM)	39,271,264	671,162	641,796	40,584,222
Profit/(Loss) allocated to non-controlling interests (RM)	3,953,373	(19,248)	118,423	4,052,548
Total comprehensive income/(loss) allocated to non-controlling interests (RM)	3,953,373	(19,248)	119,810	4,053,935

2024	Apex Power Industry Sdn. Bhd. and its subsidiary	Pnexsoft Sdn. Bhd.	Total
Percentage of ownership interest and voting interest (%)		40	30
Carrying amount of non-controlling interests (RM)		36,517,891	162,140
Total comprehensive income allocated to non-controlling interests (RM)		655,463	46,172
			701,635

## 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:-

	Apex Power Industry Sdn. Bhd. and its subsidiary RM	UP Solar Sdn. Bhd. RM
<b>2025</b>		
<b>Summary of financial position as at 31 December</b>		
Non-current assets	43,302,493	7,055,675
Current assets	85,339,526	1,084,796
Non-current liabilities	(6,789,481)	(3,308,180)
Current liabilities	(23,674,379)	(2,595,085)
<b>Equity attributable to owners of the Company</b>	<b>98,178,159</b>	<b>2,237,206</b>
<b>Non-controlling interests</b>	<b>39,271,264</b>	<b>671,162</b>
Revenue	136,895,881	777,466
Other income	3,513,526	-
Expenses	(124,459,841)	(591,790)
Finance income	168,347	4,111
Finance costs	(571,572)	(222,697)
Tax expense	(5,662,910)	(31,249)
<b>Profit/(Loss) and other comprehensive income/(loss) for the financial year</b>	<b>9,883,431</b>	<b>(64,159)</b>
Profit/(Loss) and other comprehensive income/(loss) attributable to owners of the Company	5,930,058	(44,911)
Profit/(Loss) and other comprehensive income/(loss) attributable to non-controlling interests	3,953,373	(19,248)
<b>Profit/(Loss) and other comprehensive income/(loss) for the financial year</b>	<b>9,883,431</b>	<b>(64,159)</b>
<b>Summary of cash flows for the financial year ended 31 December</b>		
Net cash flows from operating activities	5,466,676	620,451
Net cash flows used in investing activities	(962,335)	(1,458,438)
Net cash flows (used in)/from financing activities	(854,018)	447,556
Net cash inflows/(outflows)	3,650,323	(390,431)

## Notes to the Financial Statements

31 December 2025

## 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):-

	Apex Power Industry Sdn. Bhd. and its subsidiary RM	Pnexsoft Sdn. Bhd. RM
<b>2024</b>		
<b>Summary of financial position as at 31 December</b>		
Non-current assets	47,020,186	1,466
Current assets	79,864,121	550,848
Non-current liabilities	(7,509,778)	-
Current liabilities	(28,079,801)	(11,848)
<b>Equity attributable to owners of the Company</b>	<b>91,294,728</b>	<b>540,466</b>
<b>Non-controlling interests</b>	<b>36,517,891</b>	<b>162,140</b>
Revenue	9,851,980	790,592
Expenses	(7,830,073)	(597,797)
Finance income	22,756	20
Finance costs	(43,386)	-
Tax expense	(362,619)	(38,908)
<b>Profit and other comprehensive income for the financial year</b>	<b>1,638,658</b>	<b>153,907</b>
Profit and other comprehensive income attributable to owners of the Company	983,195	107,735
Profit and other comprehensive income attributable to non-controlling interests	655,463	46,172
<b>Profit and other comprehensive income for the financial year</b>	<b>1,638,658</b>	<b>153,907</b>
<b>Summary of cash flows for the financial year ended 31 December</b>		
Net cash flows used in operating activities	(1,714,116)	(150,777)
Net cash flows used in investing activities	(399)	-
Net cash flows from financing activities	703,208	-
Net cash outflows	(1,011,307)	(150,777)

## 6. SUBSIDIARIES (CONT'D)

### Amount due from subsidiaries

	Company	
	2025 RM	2024 RM
Amount due from subsidiaries	19,411,652	1,592,647

The amount due from subsidiaries are non-trade related, unsecured, interest free and repayable on demand except for RM8,770,652 (2024: RMNil) bear interest rate ranging from 4.65% to 4.77% (2024: Nil).

## 7. ASSOCIATES

### Investment in associates

	Group	
	2025 RM	2024 RM
Unquoted shares, at cost	9,693,650	9,793,650
Share of post-acquisition profits	2,681,685	1,508,845
	12,375,335	11,302,495

Details of the Group's associate are as follows:-

Name of company	Principal place of business	Effective interest		Principal activities
		2025 %	2024 %	
<b>Held by Pekat Teknologi Sdn. Bhd.:-</b>				
Pekat Energy (Sarawak) Sdn. Bhd.	Malaysia	49	49	Design, supply and installation of solar PV systems and power plants in Sarawak.
Sunway Pekat Solar Sdn. Bhd.^	Malaysia	40	40	Installation of non-electric solar energy collectors.
MFP Solar Sdn. Bhd.^	Malaysia	45	45	Build, own and operate solar PV power plants.
J8K Energy Sdn. Bhd.^	Malaysia	49	49	Engineering services and operation of generation facilities that produce electric energy.
UP Solar Sdn. Bhd.^	Malaysia	-	40	To undertake solar photovoltaic business activities.
MFP Solar International Limited^	British Virgin Islands	45	45	Investment holding company.

^ Associates not audited by Grant Thornton Malaysia PLT.

## Notes to the Financial Statements

31 December 2025

### 7. ASSOCIATES (CONT'D)

#### **Acquisition/Incorporation of associates**

##### **2025**

- (i) On 29 April 2025, a wholly-owned subsidiary of the Company, Pekat Teknologi Sdn. Bhd. acquired 750,000 ordinary shares, representing a 70% equity interest in UP Solar Sdn. Bhd., for a total cash consideration of RM841,000. Following the acquisition, UP Solar Sdn. Bhd. became a subsidiary of the Company.
- (ii) On 30 December 2025, a wholly-owned subsidiary of the Company, Pekat Teknologi Sdn. Bhd. acquired 900,000 ordinary shares, representing a 45% equity interest in MFP Solar Sdn. Bhd., for a total cash consideration of RM900,000.

##### **2024**

- (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.

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. RM	Sunway Pekat Solar Sdn. Bhd. RM	J8K Energy Sdn. Bhd. RM	MFP Solar Sdn. Bhd. RM	MFP Solar International Limited RM	Total RM
<b>Summary of financial position as at 31 December 2025</b>						
Non-current assets	1,184,136	-	-	70,599,662	142,135	71,925,933
Current assets	3,160,137	541,037	2,893	4,620,870	2,937,172	11,262,109
Non-current liabilities	(279,908)	-	-	(47,683,469)	-	(47,963,377)
Current liabilities	(2,899,944)	(116,057)	(56,563)	(1,682,001)	(3,245,506)	(8,000,071)
Net assets/(liabilities)	1,164,421	424,980	(53,670)	25,855,062	(166,199)	27,224,594
<b>Summary of financial performance for the financial year ended 31 December 2025</b>						
Revenue	3,842,094	-	-	11,199,468	-	15,041,562
Total comprehensive income/(loss)	447,381	27,841	(8,040)	1,917,851	208,109	2,593,142
<b>Reconciliation of net assets to carrying amount as at 31 December 2025</b>						
Carrying amount of proportion of the Group's ownership	570,566	169,992	-	11,634,777	-	12,375,335
<b>Group's share of results for the financial year ended 31 December 2025</b>						
Group's share of post-acquisition profit	219,217	11,136	-	863,033	-	1,093,386

## Notes to the Financial Statements

31 December 2025

## 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	Pekata Energy (Sarawak) Sdn. Bhd.		Sunway Pekata Solar Sdn. Bhd.		J8K Energy Sdn. Bhd.		MFP Solar Sdn. Bhd.		UP Solar Sdn. Bhd.		MFP Solar International Limited		Total RM
	RM	RM	RM	RM	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)						

## 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 Limited RM3,940 and RMNil (2024: RM4,631 and RM44,622) and cumulatively RM26,249 and RM73,933 (2024: RM22,309 and RM167,582) since the Group has no obligation in respect of these losses.

### Amount due from/(to) associates

	Group	
	2025 RM	2024 RM
<b>Non-current asset</b>		
Non-trade balances	1,415,380	1,329,875
Less: Allowance for ECLs	(374,310)	(374,310)
	<b>1,041,070</b>	955,565
<b>Current assets</b>		
Trade balances	2,365,423	1,593,607
Non-trade balances	970,555	976,567
Less: Allowance for ECLs	(230,326)	(230,326)
	<b>3,105,652</b>	2,339,848
	<b>4,146,722</b>	3,295,413
<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	
	2025 RM	2024 RM
At 1 January/31 December	<b>604,636</b>	604,636

The trade amount due from associates are unsecured, interest free and subject to credit term ranging from cash term to 90 days (2024: cash term to 90 days).

The non-trade amount due from/(to) associates are unsecured, interest free and repayable on demand except for RM1,820,860 (2024: RM1,826,045) bears interest rates ranging from 3.30% to 5.16% (2024: 3.30% to 5.16%) per annum.

## Notes to the Financial Statements

31 December 2025

## 8. OTHER INVESTMENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Money market funds in Malaysia</b>				
At fair value:-				
Financial assets at FVTPL	70,776,480	8,338,584	67,032,856	-
Fair value of quoted investment (Level 1)	70,776,480	8,338,584	67,032,856	-

## 9. INVENTORIES

	Group	
	2025 RM	2024 RM
Consumables	28,135,870	27,544,993
Input materials	41,504,652	40,401,654
Trading goods	30,188,465	13,346,459
Work-in-progress	14,320,698	13,271,100
	114,149,685	94,564,206
<b>Recognised in profit or loss:-</b>		
Inventories recognised as cost of sales	439,816,547	166,249,565
Inventories written down	2,709,635	264,838
Inventories written off	1,329	57,190
Reversal of inventories written down	(43,784)	(65,265)

**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.

## 10. TRADE RECEIVABLES

	Group	
	2025 RM	2024 RM
Trade receivables	88,958,435	105,954,189
Retention sum	12,709,163	12,165,039
Less: Allowance for ECLs	(7,611,590)	(7,799,770)
	<b>94,056,008</b>	110,319,458

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 (2024: cash term to 180 days). Other credit terms are assessed and approved on a case-by-case basis.

In prior financial year, included in trade receivables of the Group is an amount of RM9,564,320 due from a company connected to non-controlling interest 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 2024	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
Additions	2,390,363	10,895	2,401,258
Reversal	(1,184,575)	(1,404,863)	(2,589,438)
<b>At 31 December 2025</b>	<b>6,984,065</b>	<b>627,525</b>	<b>7,611,590</b>

## Notes to the Financial Statements

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## 11. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2025 RM	2024 RM
<b>Contract assets</b>		
Accrued billings	116,640,674	41,278,072
Less: Provision for foreseeable losses	(250,783)	(11,661)
Less: Allowances for ECLs	(1,902,035)	(2,062,934)
	<b>114,487,856</b>	<b>39,203,477</b>
<b>Contract liabilities</b>		
Deposits received	41,291,302	38,736,704

Contract assets primarily relate to the Group's rights to billings or payment 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 billings or payment 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 (2024: 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 RM353,142,857 (2024: RM297,668,542). The Group expected to recognise this revenue over the next 1 to 48 months (2024: 1 to 48 months).

The movements in the allowance for ECLs in respect of contract assets are as follows:-

	Group	
	2025 RM	2024 RM
At 1 January	2,062,934	1,995,460
Additions	89,964	467,089
Reversal	(250,863)	(399,615)
At 31 December	<b>1,902,035</b>	<b>2,062,934</b>

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.

## 12. OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-trade receivables	2,729,281	2,570,989	-	4,000
Less: Allowance for ECLs	(6,460)	(6,460)	-	-
	2,722,821	2,564,529	-	4,000
Staff advances	81,047	65,302	-	-
Deposits	1,678,315	1,078,739	10,800	10,800
Deposits for purchase of inventories	16,456,240	4,801,389	-	-
Prepayments	1,015,511	2,972,494	10,000	-
Goods and services tax recoverable	30,169	45,500	-	-
	21,984,103	11,527,953	20,800	14,800

The movements in the allowance for ECLs in respect of other receivables are as follows:-

	Group	
	2025 RM	2024 RM
At 1 January	6,460	-
Additions	-	6,460
At 31 December	6,460	6,460

Included in deposits of the Group is rental deposit paid to a related party and a company connected to non-controlling interest amounted to RM482,201 (2024: RM243,000).

## 13. AMOUNT DUE FROM A RELATED PARTY

Related party refer to company in which a Director has interest.

In prior financial year, 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 interest rates of fixed deposits with licensed banks of the Group ranging from 1.65% to 2.55% (2024: 2.00% to 2.35%) per annum and maturity period ranging from 30 days to 365 days (2024: 30 days to 365 days).

The fixed deposits with licensed banks of the Group amounting to RM43,597 (2024: RM2,920,548) have been pledged for banking facilities granted to the Group.

In prior financial year, included in fixed deposits amounting to RM605,338 was held in trust by a third party.

## Notes to the Financial Statements

31 December 2025

### 15. CASH AND BANK BALANCES

Included in bank balances is an amount of RM1,786,097 (2024: RMNil) which were held under designated accounts and pledged as securities for borrowings granted to the Company.

### 16. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2025 Unit	2024 Unit	2025 RM	2024 RM
<b>Issued and fully paid with no par value:-</b>				
At 1 January	644,968,200	644,968,200	93,515,918	93,515,918
Issuance of share pursuant to:				
- Issuance of ordinary shares	60,000,000	-	100,800,000	-
- Exercise of share options	1,305,000	-	1,793,853	-
At 31 December	706,273,200	644,968,200	196,109,771	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.

### 17. MERGER DEFICIT

The merger deficit arises as and when the business 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.

### 18. RESERVES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Foreign currency translation reserve	42,437	431	-	-
ESOS reserve	1,957,036	-	1,957,036	-
	1,999,473	431	1,957,036	-

#### Foreign currency translation reserve

The foreign currency translation reserve arose from the exchange differences on the translation of foreign operations.

## 18. RESERVES (CONT'D)

### ESOS reserve

	Group and Company	
	2025 RM	2024 RM
At 1 January	-	-
Additions	2,224,039	-
Share - based payment transaction	(267,003)	-
At 31 December	1,957,036	-

The ESOS reserve represents the equity-settled share options granted to Directors and employees of the Group. The ESOS reserve is made up of the cumulative value of services received from Directors and employees of the Group recorded over the vesting period commencing from the grant date of the share options and is reduced by the expiry or exercise of the share options. The salient terms and key assumptions in deriving the fair values of the ESOS are disclosed in Note 32 to the financial statements.

## 19. LEASE LIABILITIES

	Group	
	2025 RM	2024 RM
Non-current	15,613,185	15,883,707
Current	1,627,767	1,368,887
	17,240,952	17,252,594

The maturity analysis of lease liabilities is disclosed in Note 36 to the financial statements.

The total cash outflows for leases of the Group amounted to RM9,012,560 (2024: RM5,385,899).

The effective interest rates of lease liabilities of the Group are ranging from 3.07% to 9.14% (2024: 4.14% to 9.14%) per annum.

## Notes to the Financial Statements

31 December 2025

## 20. BORROWINGS

	Group	
	2025 RM	2024 RM
<b>Non-current</b>		
<b><u>Secured</u></b>		
Term loans	5,964,237	2,812,414
<b><u>Unsecured</u></b>		
Term loans	114,632,846	34,953,900
Total non-current	120,597,083	37,766,314
<b>Current</b>		
<b><u>Secured</u></b>		
Term loans	738,043	212,055
<b><u>Unsecured</u></b>		
Bankers' acceptance	2,620,000	7,531,000
Invoice financing	4,140,079	13,862,827
Onshore foreign currency loan	8,418,362	-
Revolving credit	9,200,000	11,000,000
Trust receipt	7,163,581	877,772
Term loans	8,685,390	3,446,100
	40,227,412	36,717,699
Total current	40,965,455	36,929,754
	161,562,538	74,696,068

The borrowings of the Group are secured by the followings:-

- (i) A legal charge over Group's freehold land, freehold building, freehold land and building and solar photovoltaic systems as disclosed in Note 3 to the financial statements;
- (ii) A legal charge over land and building of a third party;
- (iii) Fixed deposits of the Group as disclosed in Note 14 to the financial statements;
- (iv) Legal charge over registered land lease agreement;
- (v) Debenture over fixed and floating charge over all present and future assets of a subsidiary;
- (vi) Deed of assignment of contract proceeds;
- (vii) Facility agreement;
- (viii) Against letter of earmark;
- (ix) Against assignment future income;
- (x) Against assignment and charge over designated accounts;
- (xi) Against the subsidiary's share pledged;
- (xii) Against the deed of assignment of lease agreement;

## 20. BORROWINGS (CONT'D)

The borrowings of the Group are secured by the followings (cont'd):-

- (xiii) Against the deed of assignment of takaful, insurance and bonds;
- (xiv) Letter of subordination of debts;
- (xv) As assignment and a fixed charge over receivables;
- (xvi) Negative pledge;
- (xvii) Corporate guarantee by the Company and certain subsidiaries;
- (xviii) Corporate guarantee by third party company;
- (xix) Corporate guarantee by a non-controlling interest;
- (xx) Joint and several guarantee by a subsidiary's Director; and
- (xxi) Joint and several guarantee by third parties.

The interest rates of the Group's borrowings are as follows:-

	Group	
	2025 %	2024 %
Bankers' acceptance	4.49 - 4.81	4.71 - 5.10
Invoice financing	2.77 - 6.10	3.92 - 5.10
Revolving credit	4.75 - 4.90	4.76
Trust receipt	4.71 - 8.07	8.07
Onshore foreign currency loan	8.07	-
Term loans	2.00 - 5.27	2.38 - 7.84

## 21. DEFERRED TAX LIABILITIES

	Group	
	2025 RM	2024 RM
At 1 January	6,111,457	275,549
Acquisition of a subsidiary	(32,596)	5,914,589
Recognised in profit or loss	(3,039,961)	(78,681)
At 31 December	3,038,900	6,111,457

## Notes to the Financial Statements

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### 21. DEFERRED TAX LIABILITIES (CONT'D)

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 2024	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
Acquisition of a subsidiary	(32,596)	-	-	(32,596)
Recognised in profit or loss	(2,329,207)	(710,754)	-	(3,039,961)
At 31 December 2025	<b>2,635,656</b>	<b>404,944</b>	<b>(1,700)</b>	<b>3,038,900</b>

### 22. TRADE PAYABLES

The normal trade credit terms granted to the Group by the suppliers ranging from cash term to 90 days (2024: cash term to 90 days).

Included in trade payables of the Group are amount of RM138,899 due from a company connected to non-controlling interest is unsecured, interest free and subject to normal credit term.

### 23. OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-trade payables	5,218,446	7,611,801	8,656	1,058
Deposits received	327,265	750	-	-
Accruals of expenses	37,383,786	36,785,740	621,491	620,952
Sales and service tax payable	1,726,535	808,311	-	-
	<b>44,656,032</b>	45,206,602	<b>630,147</b>	622,010

Included in non-trade payables of the Group are amount of RM480,189 (2024: RMNil) due to a company connected to non-controlling interest.

Included in deposits received of the Group is rental deposit received from an associate amounted to RM400 (2024: RMNil).

## 24. DERIVATIVE FINANCIAL LIABILITIES

	Contract/ Notional amount RM	Assets RM	Liabilities RM	Net RM
<b>Forward currency contracts</b>				
2025	15,886,955	15,886,955	(16,198,317)	(311,362)
2024	5,488,459	5,488,459	(5,501,214)	(12,755)

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.

## 25. REVENUE

	Group	
	2025 RM	2024 RM
<b>Revenue from contracts with customers in Malaysia</b>		
Installation of earthing and lightning protection systems	67,851,159	47,304,882
Installation of on-grid and off-grid photovoltaic systems	278,919,956	109,649,118
Sales from development and distribution of software applications	762,241	790,592
Installation, trading, maintenance services and others	124,319,170	129,239,285
Sales from solar photovoltaic generation	777,466	-
Sales of goods and services	136,895,881	-
	<b>609,525,873</b>	<b>286,983,877</b>
<b>Timing of recognition</b>		
- At a point in time	262,754,758	130,029,877
- Over time	346,771,115	156,954,000
	<b>609,525,873</b>	<b>286,983,877</b>

# Notes to the Financial Statements

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## 25. REVENUE (CONT'D)

### 25.1 Performance obligations

Information about the Group's performance obligations is 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 (2024: 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 ranging from cash term to 90 days (2024: 7 to 90 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 (2024: cash term to 60 days) from delivery of services.

#### 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 180 days (2024: cash term to 180 days) from delivery of goods and services.

#### Sales of solar photovoltaic generation

Revenue from sales of solar photovoltaic generation is 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 services and acceptance by customer. The payment is generally due within cash term to 30 days (2024: cash term to 30 days) from delivery of goods and services.

#### Sales of goods and services

Revenue from sales of goods and services 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 services and acceptance by customer. The payment is generally due within 30 to 90 days (2024: 30 to 90 days) from delivery of goods and services.

## 26. FINANCE INCOME

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest income:				
- Associates	121,893	32,665	-	-
- Bank balances	693,286	295,514	59,961	15,513
- Fixed deposits	68,978	133,930	-	-
- Money market	-	67,842	-	-
- Overnight deposits	77,666	23,054	-	-
- Subsidiaries	-	-	63,442	483,105
	<b>961,823</b>	553,005	<b>123,403</b>	498,618

## 27. FINANCE COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest expenses:				
- A company connected to non-controlling interest	1,787	-	-	-
- Bank guarantees	992,711	469,114	-	-
- Bank overdraft	56,322	47,835	50,000	36,301
- Bankers' acceptance	224,043	192,024	-	-
- Invoice financing	630,273	-	-	-
- Lease liabilities	1,063,998	318,684	-	-
- Letter of credit	405,699	195,549	-	-
- Revolving credit	683,727	65,127	-	-
- Term loans	1,963,450	149,095	-	-
- Trust receipt	72,699	14,304	-	-
	<b>6,094,709</b>	1,451,732	<b>50,000</b>	36,301

## Notes to the Financial Statements

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**28. PROFIT BEFORE TAX**

Profit before tax has been determined after charging/(crediting), amongst other, the following:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Auditors' remuneration:				
- Statutory audit	339,940	215,000	32,000	28,000
- Others services	3,000	239,000	3,000	3,000
- Others auditors	13,531	-	-	-
Affiliate of Grant Thornton Malaysia PLT				
- Others members firm	38,948	30,000	-	30,000
Amortisation of intangible assets	2,987,770	292,313	-	-
Bad debts written off	15,331	123,105	-	-
Depreciation of investment property	3,200	3,200	-	-
Depreciation of property, plant and equipment	5,463,801	2,156,258	-	-
Directors' fee	235,000	235,000	235,000	235,000
Dividend income:				
- Subsidiary	-	-	(9,000,000)	-
- Other investments	(15,520)	(3,870)	(10,912)	-
Expenses arising from leases:				
- Expenses relating to short-term lease	6,360,185	4,044,644	43,200	43,200
Fair value gain on other investments	(994,391)	(479,533)	(570,746)	-
Fair value loss on derivative financial instruments	298,607	12,755	-	-
Gain on disposal of property, plant and equipment	(18,844)	(2,912,546)	-	-
Gain on early termination of lease contracts	(498,758)	-	-	-
Impairment loss on trade receivables	2,401,258	1,631,420	-	-
Impairment loss on contract assets	89,964	467,089	-	-
Impairment loss on other receivables	-	6,460	-	-
Impairment loss on amount due from associates	-	604,636	-	-
Inventories written down	2,709,635	264,838	-	-
Inventories written off	1,329	57,190	-	-
Property, plant and equipment written off	10,717	-	-	-
Provision of foreseeable loss	239,122	-	-	-
Rental income	(475,193)	(166,769)	-	-
Reversal of impairment loss on trade receivables	(2,589,438)	(816,149)	-	-
Reversal of impairment loss on contract assets	(250,863)	(399,615)	-	-
Reversal of inventories written down	(43,784)	(65,265)	-	-
Reversal of provision for foreseeable loss	-	(1,299)	-	-
Realised loss on foreign exchange	1,455,102	266,270	3	-
Share of (profit)/loss of associates	(1,093,386)	836,288	-	-
Share options expenses	2,224,039	-	133,979	-
Unrealised (gain)/loss on foreign exchange	(361,644)	6,540	-	-
Waiver of debts	(10,800)	(16,984)	-	-

## 29. TAX EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Current tax</b>				
- Current financial year	<b>22,456,770</b>	11,707,330	<b>112,800</b>	169,000
- (Over)/Under provision in prior financial year	<b>(198,015)</b>	406,159	<b>14,383</b>	59,676
	<b>22,258,755</b>	12,113,489	<b>127,183</b>	228,676
<b>Deferred tax</b>				
- Current financial year	<b>(3,614,157)</b>	(53,481)	-	-
- Under/(Over) recognised in prior financial year	<b>574,196</b>	(25,200)	-	-
	<b>(3,039,961)</b>	(78,681)	-	-
	<b>19,218,794</b>	12,034,808	<b>127,183</b>	228,676

Malaysian income tax is calculated at statutory tax rate of 24% (2024: 24%) of the estimated assessable profits for the financial year.

Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdiction.

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	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	<b>68,321,971</b>	34,737,314	<b>7,940,512</b>	174,842
Tax at Malaysian statutory tax rate of 24%	<b>16,397,273</b>	8,336,955	<b>1,905,723</b>	41,962
Tax effect in respect of:-				
Expenses not deductible for tax purposes	<b>2,781,516</b>	1,868,393	<b>506,675</b>	127,038
Income not subject to tax	<b>(318,667)</b>	(788,226)	<b>(2,299,598)</b>	-
Movement of deferred tax assets not recognised	<b>(106,760)</b>	2,236,727	-	-
(Over)/Under provision of tax expense in prior financial year	<b>(198,015)</b>	406,159	<b>14,383</b>	59,676
Under/(Over) recognised of deferred tax liabilities in prior financial year	<b>574,196</b>	(25,200)	-	-
Different tax rates in other countries	<b>89,251</b>	-	-	-
	<b>19,218,794</b>	12,034,808	<b>127,183</b>	228,676

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### 29. 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	
	2025 RM	2024 RM
Property, plant and equipment	251,186	267,705
Inventories	3,177,077	511,226
Trade receivables	7,604,603	5,799,504
Advance received	1,957,754	6,662,100
Contract assets	2,152,817	2,074,594
Contract liabilities	925,677	2,250,816
Unabsorbed capital allowance	280,340	164,958
Unutilised tax losses	1,216,316	279,700
	<b>17,565,770</b>	<b>18,010,603</b>

The expiry of the unutilised tax losses is as follows:-

	Group	
	2025 RM	2024 RM
Unutilised tax losses		
- expiring year of assessment 2030	102,224	102,224
- foreign subsidiaries	1,114,092	177,476
	<b>1,216,316</b>	<b>279,700</b>

### 30. EARNINGS PER SHARE

#### (a) Basic

Basic earnings per share is calculated by dividing the Group's profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year and excluding treasury shares.

	Group	
	2025 RM	2024 RM
Profit for the financial year attributable to owners of the Company	45,050,629	22,000,871
Weighted average number of ordinary shares	658,052,447	644,968,200
Basic earnings per ordinary shares (sen)	<b>6.85</b>	3.41

### 30. EARNINGS PER SHARE (CONT'D)

#### (b) Diluted

For purpose of calculation of diluted earnings per share, the Group's profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares arising from the assumed exercise of the share options under the Employees' Share Option Scheme.

	Group	
	2025 RM	2024 RM
Profit for the financial year attributable to owners of the Company	45,050,629	22,000,871
Weighted average number of ordinary shares	658,052,447	644,968,200
Effect of dilution from assumed exercise of share options	15,295,000	-
Adjusted weighted average number of ordinary shares in issue	673,347,447	644,968,200
Diluted earnings per ordinary shares (sen)	6.69	3.41

### 31. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries and other emoluments	52,078,236	29,454,712	2,333,459	1,989,666
Defined contribution plans	6,337,032	3,168,699	346,635	333,937
Social security contribution	450,784	275,955	4,177	3,651
	58,866,052	32,899,366	2,684,271	2,327,254

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**31. EMPLOYEE BENEFITS EXPENSE (CONT'D)**

Included in the employee benefits expense is the Directors' emoluments as below (cont'd):-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Executive Directors:-</u>				
<b>Directors of the Company</b>				
Salaries and other emoluments	1,554,240	1,419,080	1,554,240	1,419,080
Defined contribution plans	248,675	233,158	248,675	233,158
Social security contribution	2,784	2,434	2,784	2,434
	<b>1,805,699</b>	1,654,672	<b>1,805,699</b>	1,654,672
<b>Directors of the subsidiaries</b>				
Salaries and other emoluments	3,669,363	2,301,203	-	-
Defined contribution plans	462,172	240,800	-	-
Social security contribution	10,811	8,559	-	-
	<b>4,142,346</b>	2,550,562	-	-
<u>Non-executive Directors:-</u>				
<b>Directors of the Company</b>				
Salaries and other emoluments	32,500	44,000	32,500	44,000
	<b>5,980,545</b>	4,249,234	<b>1,838,199</b>	1,698,672

The estimate monetary value of benefits-in-kind received by Directors other than cash from the Group and the Company amounted to RM48,000 and RM48,000 (2024: RM29,581 and RMNil).

**32. 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 four (4) years commencing from 2 May 2025 ("Date of Offer") and will expire on 1 May 2029.

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);

### 32. EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

The salient features of the ESOS are as follows (cont'd):-

- (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.

The movements in the number of options granted during the financial year over unissued ordinary shares and the weighted average exercise prices are as follows:-

Year	Grant date	Exercise price	Option over number of ordinary shares				As at 31.12.2025
			As at 1.1.2025	Granted	Exercised	Forfeited	
1	2 May 2025*	RM1.17	-	3,320,000	(1,305,000)	-	2,015,000
2	2 May 2025	RM1.17	-	3,320,000	-	-	3,320,000
3	2 May 2025	RM1.17	-	3,320,000	-	-	3,320,000
4	2 May 2025	RM1.17	-	6,640,000	-	-	6,640,000

\* Vesting period of 3 months

The fair values of the share options granted were measured using the binomial option pricing model at grant date and the key inputs to that model used to measure the fair value were as follows:-

	Group and Company
Grant date (RM)	2 May 2025
Share price at grant date (RM)	1.20
Exercise price (RM)	1.17
Expected volatility (%)	32.94 - 36.99
Risk-free interest rate (% per annum)	3.13 - 3.29

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**33. DIVIDENDS**

	Group and Company	
	2025 RM	2024 RM
<b>In respect of the financial year ended 31 December 2025:-</b>		
Single tier interim dividend of RM0.01 per ordinary share, paid on 25 September 2025	<b>6,460,882</b>	-

The Directors do not recommend any final dividend payment for the current financial year.

**34. RELATED PARTY DISCLOSURES**

Transactions with related parties

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Accounting fee charged to an associate	<b>60,000</b>	60,000	-	-
Advances to subsidiaries	-	-	<b>22,434,970</b>	-
Advances to associates	<b>230,000</b>	640,000	-	-
Dividend received from a subsidiary	-	-	<b>9,000,000</b>	-
Interest income charged to subsidiaries	-	-	<b>63,442</b>	483,105
Interest expenses charged by a company connected to non-controlling interest	<b>1,787</b>	-	-	-
Interest income charged to associates	<b>121,893</b>	32,665	-	-
Management fee charged to subsidiaries	-	-	<b>3,420,000</b>	3,024,000
Progress billing issued to an associate	<b>430,930</b>	2,228,012	-	-
Progress billing issued to a company connected to non-controlling interest	<b>86,174,930</b>	20,864,320	-	-
Purchase from a subsidiary's corporate shareholder	<b>99,360</b>	182,545	-	-
Purchase from an associate	<b>137,991</b>	-	-	-
Purchase of plant and equipment from a company connected to non-controlling interest	<b>138,899</b>	-	-	-
Payments made on behalf from a subsidiary	-	-	<b>4,491</b>	-
Payments made on behalf to subsidiaries	-	-	<b>133,050</b>	656,778
Payments made on behalf to associates	<b>589,854</b>	911,172	-	-
Payments made on behalf to related parties	<b>19,509</b>	3,697	-	-
Payments made on behalf from a related party	-	33,480	-	-
Rental expense charged by related parties	<b>1,951,336</b>	974,400	-	-
Rental expense charged by a subsidiary	-	-	<b>43,200</b>	43,200
Rental expense charged to an associate	-	500	-	-
Rental income charged to an associate	<b>1,800</b>	-	-	-
Sales to associates	<b>6,845,761</b>	13,113,330	-	-

### 34. RELATED PARTY DISCLOSURES (CONT'D)

Transactions with related parties (cont'd)

The outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 6, 7, 10, 12, 13, 22 and 23 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.

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	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Directors' remuneration:-</b>				
Directors' fee	235,000	235,000	235,000	235,000
Directors' emoluments	5,980,545	4,249,234	1,838,199	1,698,672
	<b>6,215,545</b>	4,484,234	<b>2,073,199</b>	1,933,672
<b>Key management personnel:-</b>				
Salaries and other emoluments	524,320	495,840	524,320	495,840
Defined contribution plans	81,388	75,976	81,388	75,976
Social security contribution	1,393	1,217	1,393	1,217
	<b>607,101</b>	573,033	<b>607,101</b>	573,033
	<b>6,822,646</b>	5,057,267	<b>2,680,300</b>	2,506,705

The estimate monetary value of benefits-in-kind received by Directors and key management personnel other than cash from the Group and the Company amounted to RM56,000 and RM56,000 (2024: RM29,581 and RMNil).

## Notes to the Financial Statements

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### 35. OPERATING SEGMENTS

#### *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 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.

### 35. OPERATING SEGMENTS (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>2025</b>							
<b>Revenue</b>							
External revenue		344,079,886	67,351,616	61,198,490	136,895,881	-	609,525,873
Inter-company revenue	A	330,705	616,761	80,019,862	-	(80,967,328)	-
Total revenue		344,410,591	67,968,377	141,218,352	136,895,881	(80,967,328)	609,525,873
<b>Results</b>							
Segment profit	B	30,071,820	9,072,821	40,035,862	12,778,709	(38,816,535)	53,142,677
Finance income		574,854	80,381	458,270	167,602	(319,284)	961,823
Finance costs		(3,151,255)	(369,032)	(2,322,134)	(571,572)	319,284	(6,094,709)
Depreciation and amortisation		2,668,190	442,709	601,939	1,601,844	3,140,089	8,454,771
Share of profit of associates		-	-	-	-	1,093,386	1,093,386
Tax expense		(7,807,159)	(2,894,188)	(5,413,708)	(6,441,896)	3,338,157	(19,218,794)
Other non-cash (expense)/income	C	923,610	(196,782)	440,679	(2,263,127)	(2,144,704)	(3,240,324)
<b>Assets</b>							
Segment assets	D	413,218,858	50,006,479	446,403,733	98,610,023	(286,503,577)	721,735,516
Investment in associates		-	-	9,735,309	-	2,640,026	12,375,335
Included in segment assets are:-							
Additions to non-current assets other than deferred tax assets	E	131,999,594	627,883	2,105,435	1,129,937	(23,289,282)	112,573,567
<b>Liabilities</b>							
Segment liabilities	F	240,245,818	15,014,332	56,068,161	21,329,797	(128,514,852)	204,143,256

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**35. OPERATING SEGMENTS (CONT'D)**

Analysis of the Group's revenue, results, assets, liabilities and other information by operating segment are shown below (cont'd):-

<b>Group (cont'd)</b>	<b>Note</b>	<b>Segment I RM</b>	<b>Segment II RM</b>	<b>Segment III RM</b>	<b>Segment IV RM</b>	<b>Eliminations RM</b>	<b>Total RM</b>
<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

### 35. OPERATING SEGMENTS (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:-

	2025 RM	2024 RM
Segment profit	53,142,677	24,437,521
Finance income	961,823	553,005
Finance costs	(6,094,709)	(1,451,732)
Share of profit/(loss) of associates	1,093,386	(836,288)
Profit after tax	49,103,177	22,702,506

C. Other major non-cash income/(expenses) consist of the following items as presented in the respective notes to the financial statements:-

	2025 RM	2024 RM
Bad debts written off	(15,331)	(123,105)
Fair value gain on other investments	994,391	479,553
Fair value loss on derivative financial liabilities	(298,607)	(12,755)
Gain on early termination of lease contracts	498,758	-
Impairment loss on trade receivables	(2,401,258)	(1,631,420)
Impairment loss on contract assets	(89,964)	(467,089)
Impairment loss on other receivables	-	(6,460)
Impairment loss on amount due from associates	-	(604,636)
Inventories written down	(2,709,635)	(264,838)
Inventories written off	(1,329)	(57,190)
Property, plant and equipment written off	(10,717)	-
Provision for foreseeable loss	(239,122)	-
Reversal of impairment loss on trade receivables	2,589,438	816,149
Reversal of impairment loss on contract assets	250,863	399,615
Reversal of inventories written down	43,784	65,265
Reversal of provision for foreseeable loss	-	1,299
Share option expenses	(2,224,039)	-
Unrealised gain/(loss) on foreign exchange	361,644	(6,540)
Waiver of debts	10,800	16,984
	(3,240,324)	(1,395,168)

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### 35. OPERATING SEGMENTS (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:-

	2025 RM	2024 RM
Segment assets	721,735,516	420,463,531
Investment in associates	12,375,335	11,302,495
Tax recoverable	1,223,215	1,430,655
<b>Total assets</b>	<b>735,334,066</b>	<b>433,196,681</b>

E. Additions to non-current assets other than financial instruments and deferred tax assets consists of:-

	2025 RM	2024 RM
Property, plant and equipment	111,475,629	22,930,532
Intangible assets	197,938	46,992,717
Investment in associates	900,000	962,000
	<b>112,573,567</b>	<b>70,885,249</b>

F. The following items are added to segment liabilities to arrive at total liabilities reported in the statements of financial position:-

	2025 RM	2024 RM
Segment liabilities	204,143,256	134,851,911
Lease liabilities	17,240,952	17,252,594
Borrowings	161,562,538	74,696,068
Tax payable	6,828,424	4,941,557
Deferred tax liabilities	3,038,900	6,111,457
<b>Total liabilities</b>	<b>392,814,070</b>	<b>237,853,587</b>

### 35. OPERATING SEGMENTS (CONT'D)

#### Geographical information

The Group's revenue and non-current assets information based on geographical location are as follows:-

	Revenue		Non-current assets	
	2025 RM	2024 RM	2025 RM	2024 RM
Malaysia*	609,525,873	286,983,877	224,846,763	128,210,874
Maldives	-	-	1,742,809	-
United Arab Emirates	-	-	164,166	-
	<b>609,525,873</b>	286,983,877	<b>226,753,738</b>	128,210,874

\* Company's home country

Non-current assets information presented above consist of the following items as presented in the statements of financial position:-

	2025 RM	2024 RM
Property, plant and equipment	169,106,026	68,928,475
Investment property	137,600	140,800
Intangible assets	44,093,707	46,883,539
Investment in associates	12,375,335	11,302,495
Amount due from associates	1,041,070	955,565
	<b>226,753,738</b>	128,210,874

#### Major customers

The following are major customers with revenue equal or more than 10 percent of the Group's revenue:-

	RM	%	Operating Segment
<b>Group</b>			
<b>2025</b>			
Customer A	89,272,424	15	Segment IV
Customer B	82,266,473	13	Segment I

## Notes to the Financial Statements

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## 36. FINANCIAL INSTRUMENTS

## 36.1 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>2025</b>			
<b>Financial assets</b>			
Other investments	70,776,480	-	70,776,480
Trade receivables	94,056,008	94,056,008	-
Other receivables	20,938,423	20,938,423	-
Amount due from associates	4,146,722	4,146,722	-
Fixed deposits with licensed banks	1,174,723	1,174,723	-
Cash and bank balances	87,622,606	87,622,606	-
	<b>278,714,962</b>	<b>207,938,482</b>	<b>70,776,480</b>
<b>Financial liabilities</b>			
Derivative financial liabilities	311,362	-	311,362
Trade payables	117,884,560	117,884,560	-
Other payables	42,929,497	42,929,497	-
Borrowings	161,562,538	161,562,538	-
	<b>322,687,957</b>	<b>322,376,595</b>	<b>311,362</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>

## 36. FINANCIAL INSTRUMENTS (CONT'D)

### 36.1 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>2024 (cont'd)</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	-
	170,002,964	169,990,209	12,755
<b>Company</b>			
<b>2025</b>			
<b>Financial assets</b>			
Other investment	67,032,856	-	67,032,856
Other receivables	20,800	20,800	-
Amount due from subsidiaries	19,411,652	19,411,652	-
Cash and bank balances	16,270,709	16,270,709	-
	102,736,017	35,703,161	67,032,856
<b>Financial liability</b>			
Other payables	630,147	630,147	-
<b>2024</b>			
<b>Financial assets</b>			
Other receivables	14,800	14,800	-
Amount due from subsidiaries	1,592,647	1,592,647	-
Cash and bank balances	1,341,776	1,341,776	-
	2,949,223	2,949,223	-
<b>Financial liability</b>			
Other payables	622,010	622,010	-

## Notes to the Financial Statements

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### 36. FINANCIAL INSTRUMENTS (CONT'D)

#### 36.2 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:-

##### 36.2.1 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	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Classes of financial assets:-</b>				
Trade receivables	<b>94,056,008</b>	110,319,458	-	-
Contract assets	<b>114,487,856</b>	39,203,477	-	-
Other receivables	<b>20,938,423</b>	8,509,959	<b>20,800</b>	14,800
Amount due from subsidiaries	-	-	<b>19,411,652</b>	1,592,647
Amount due from associates	<b>4,146,722</b>	3,295,413	-	-
Amount due from a related party	-	1,225	-	-
Fixed deposits with licensed banks	<b>1,174,723</b>	2,920,548	-	-
Cash and bank balances	<b>87,622,606</b>	34,339,853	<b>16,270,709</b>	1,341,776
	<b>322,426,338</b>	198,589,933	<b>35,703,161</b>	2,949,223

## 36. FINANCIAL INSTRUMENTS (CONT'D)

### 36.2 Financial risk management (cont'd)

#### 36.2.1 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, III and IV 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, III and IV 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.

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>2025</b>						
Trade receivables	39,082,720	16,693,080	14,083,056	5,600,774	26,207,968	101,667,598
Individually impaired	-	-	-	-	(6,984,065)	(6,984,065)
Collectively impaired	(18,904)	(44,278)	(40,550)	(28,227)	(495,566)	(627,525)
Net balance	39,063,816	16,648,802	14,042,506	5,572,547	18,728,337	94,056,008
Contract assets	116,389,891	-	-	-	-	116,389,891
Individually impaired	(1,902,035)	-	-	-	-	(1,902,035)
Net balance	114,487,856	-	-	-	-	114,487,856

## Notes to the Financial Statements

31 December 2025

### 36. FINANCIAL INSTRUMENTS (CONT'D)

#### 36.2 Financial risk management (cont'd)

##### 36.2.1 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 (cont'd):-

	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

###### *Credit risk concentration profile*

As at the reporting date, 16% (2024: Nil) of the Group's trade receivables is due from 1 (2024: Nil) customer.

As at the reporting date, 35% (2024: Nil) of the Group's contract assets is due from 1 (2024: Nil) customer.

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.

###### Intercompany balances

The Group and the Company have trade transactions and provide unsecured advances to subsidiaries, associates and a 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 a related party are not recoverable except for those disclosed in Note 7 to the financial statements.

## 36. FINANCIAL INSTRUMENTS (CONT'D)

### 36.2 Financial risk management (cont'd)

#### 36.2.1 Credit risk (cont'd)

##### 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.

##### Other investments

As at reporting date, the Group and the Company 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 and the Company.

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.

##### 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, an associate and customers. The maximum exposure to credit risk is disclosed in Note 36.2.2 to the financial statements as at the reporting date. All the performance guarantee contract is considered to be performing, have low risk of default and historically there were no instances where this performance guarantee contract was called upon by the parties to which the performance guarantee contract were issued.

The Company monitor on an ongoing basis the results and repayments made by the subsidiaries and an associate. As the end of the reporting year, there was no indication that subsidiaries would default on repayment and under perform.

#### 36.2.2 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.

## Notes to the Financial Statements

31 December 2025

## 36. FINANCIAL INSTRUMENTS (CONT'D)

## 36.2 Financial risk management (cont'd)

## 36.2.2 Liquidity risk (cont'd)

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>2025</b>					
<i>Non-derivative financial liabilities</i>					
Trade payables	117,884,560	117,884,560	117,884,560	-	-
Other payables	42,929,497	42,929,497	42,929,497	-	-
Bankers' acceptance	2,620,000	2,620,000	2,620,000	-	-
Invoice financing	4,140,079	4,140,079	4,140,079	-	-
Onshore foreign currency loan	8,418,362	8,418,362	8,418,362	-	-
Revolving credit	9,200,000	9,200,000	9,200,000	-	-
Trust receipt	7,163,581	7,163,581	7,163,581	-	-
Term loans	130,020,516	186,396,841	28,418,757	68,753,213	89,224,871
Lease liabilities	17,240,952	28,374,928	2,591,978	7,125,264	18,657,686
	<b>339,617,547</b>	<b>407,127,848</b>	<b>223,366,814</b>	<b>75,878,477</b>	<b>107,882,557</b>
<i>Derivative financial liabilities</i>					
Forward currency contract					
- outflow	16,198,317	16,198,317	16,198,317	-	-
- inflow	(15,886,955)	(15,886,955)	(15,886,955)	-	-
	<b>311,362</b>	<b>311,362</b>	<b>311,362</b>	<b>-</b>	<b>-</b>
	<b>339,928,909</b>	<b>407,439,210</b>	<b>223,678,176</b>	<b>75,878,477</b>	<b>107,882,557</b>
Financial guarantee*	-	87,571,684	87,571,684	-	-

## 36. FINANCIAL INSTRUMENTS (CONT'D)

### 36.2 Financial risk management (cont'd)

#### 36.2.2 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</b>					
<i>Non-derivative financial liabilities</i>					
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
<i>Derivative financial liabilities</i>					
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*	-	46,440,216	46,440,216	-	-

## Notes to the Financial Statements

31 December 2025

## 36. FINANCIAL INSTRUMENTS (CONT'D)

## 36.2 Financial risk management (cont'd)

## 36.2.2 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>2025</b>					
<i>Non-derivative financial liabilities</i>					
Other payables	630,147	630,147	630,147	-	-
Corporate guarantee*	-	216,937,474	216,937,474	-	-
<b>2024</b>					
<i>Non-derivative financial liabilities</i>					
Other payables	622,010	622,010	622,010	-	-
Corporate guarantee*	-	92,201,829	92,201,829	-	-

\* 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.

## 36. FINANCIAL INSTRUMENTS (CONT'D)

### 36.2 Financial risk management (cont'd)

#### 36.2.3 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	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Fixed rate instruments</b>				
<u>Financial asset</u>				
Fixed deposits with licensed banks	1,174,723	2,920,548	-	-
<u>Financial liabilities</u>				
Bankers' acceptance	(2,620,000)	(7,531,000)	-	-
Invoice financing	(4,140,079)	(13,862,827)	-	-
Revolving credit	(9,200,000)	(11,000,000)	-	-
Onshore foreign currency loan	(8,418,362)	-	-	-
Trust receipt	(7,163,581)	(877,772)	-	-
Lease liabilities	(17,240,952)	(17,252,594)	-	-
	(48,782,974)	(50,524,193)	-	-
Net financial liabilities	(47,608,251)	(47,603,645)	-	-
<b>Floating rate instruments</b>				
<u>Financial assets</u>				
Amount due from a subsidiary	-	-	8,770,652	-
Amount due from associates	1,820,860	1,826,045	-	-
	1,820,860	1,826,045	8,770,652	-
<u>Financial liability</u>				
Term loans	(130,020,516)	(41,424,469)	-	-
Net financial (liabilities)/assets	(128,199,656)	(39,598,424)	8,770,652	-

## Notes to the Financial Statements

31 December 2025

### 36. FINANCIAL INSTRUMENTS (CONT'D)

#### 36.2 Financial risk management (cont'd)

##### 36.2.3 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 (2024: +/-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			
	Group		Company	
	RM	RM	RM	RM
2025 (+/-25bp)	(320,499)	320,499	21,927	(21,927)
2024 (+/-25bp)	(98,996)	98,996	-	-

##### 36.2.4 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").

## 36. FINANCIAL INSTRUMENTS (CONT'D)

### 36.2 Financial risk management (cont'd)

#### 36.2.4 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:-

	2025 RM	2024 RM
<b>Group</b>		
<b>RM/USD</b>		
<u>Financial assets</u>		
Trade receivables	25,755	22,621
Amount due from subsidiaries	1,059,193	-
Amount due from an associate	1,415,380	1,329,875
Bank balances	54,707	628,575
	<b>2,555,035</b>	<b>1,981,071</b>
<u>Financial liability</u>		
Trade payables	(11,313,508)	(5,081,056)
Net exposure	<b>(8,758,473)</b>	<b>(3,099,985)</b>
<b>RM/RMB</b>		
<u>Financial assets</u>		
Trade receivables	16,437	23,468
Bank balances	9,099	8,710
	<b>25,536</b>	<b>32,178</b>
<u>Financial liability</u>		
Trade payables	(44,982,107)	(2,886,091)
Net exposure	<b>(44,956,571)</b>	<b>(2,853,913)</b>
<b>RM/EURO</b>		
<u>Financial liability</u>		
Trade payables	-	(41,293)
<b>RM/JPY</b>		
<u>Financial asset</u>		
Bank balances	891	1,017
<b>Company</b>		
<b>RM/RMB</b>		
<u>Financial asset</u>		
Bank balances	1,554	1,271

# Notes to the Financial Statements

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## 36. FINANCIAL INSTRUMENTS (CONT'D)

### 36.2 Financial risk management (cont'd)

#### 36.2.4 Foreign currency risk (cont'd)

##### *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% (2024: +/-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 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.

If the RM had strengthened/weakened against the USD, RMB, EURO and JPY by 1% (2024: 1%), then the impact would be as follows:-

	Impact on profit/equity Increase/(Decrease)	
	2025 RM	2024 RM
<b>Group</b>		
<b>RM/USD</b>		
Strengthened 1% (2024: 1%)	87,585	31,000
Weakened 1% (2024: 1%)	(87,585)	(31,000)
<b>RM/RMB</b>		
Strengthened 1% (2024: 1%)	449,566	28,539
Weakened 1% (2024: 1%)	(449,566)	(28,539)
<b>RM/ EURO</b>		
Strengthened 1% (2024: 1%)	-	413
Weakened 1% (2024: 1%)	-	(413)
<b>RM/JPY</b>		
Strengthened 1% (2024: 1%)	(9)	(10)
Weakened 1% (2024: 1%)	9	10
<b>Company</b>		
<b>RM/RMB</b>		
Strengthened 1% (2024: 1%)	(16)	(13)
Weakened 1% (2024: 1%)	16	13

## 36. FINANCIAL INSTRUMENTS (CONT'D)

### 36.2 Financial risk management (cont'd)

#### 36.2.5 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 and the Company is exposed to equity price risk mainly through the Group's and the Company's investment in quoted shares.

If the unit prices quoted 'fair value through profit or loss' financial assets increased by 10% (2024: 10%), with all other variables held constant, the Group's and the Company's profit for the financial year and equity at the end of the reporting year would increase approximately by RM7,077,648 and RM6,703,285 (2024: RM833,858 and RMNil).

If the unit prices for quoted fair value through profit or loss financial assets decreased by 10% (2024: 10%), with all other variables being held constant, it would have the equal but opposite effect on the amounts shown above.

#### 36.2.6 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 instruments on a recurring basis as at 31 December 2025 and 31 December 2024:-

Group Financial instruments	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	2025 RM	2024 RM		
Other investments	70,776,480	8,338,584	Level 1	Quoted bid prices in an active market.
Derivative financial liabilities	311,362	12,755	Level 2	Significant other observable input.

Company Financial instruments	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	2025 RM	2024 RM		
Other investments	67,032,856	-	Level 1	Quoted bid prices in an active market.

There were no transfers between Level 1, 2 and 3 in financial years 2025 and 2024.

## Notes to the Financial Statements

31 December 2025

### 37. 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 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Lease liabilities	17,240,952	17,252,594	-	-
Borrowings	161,562,538	74,696,068	-	-
	178,803,490	91,948,662	-	-
Equity attributable to owners of the Company	301,935,774	158,663,063	199,791,183	93,887,847
Gearing ratio (times)	0.59	0.58	-	-

There were no changes in the Group's and the Company's approach to capital management during the financial year.

### 38. CAPITAL COMMITMENT

	Group	
	2025 RM	2024 RM
Authorised and contracted for in respect of:		
- Purchase of plant and machinery	13,305,561	30,515,838

# Analysis of Shareholdings

As at 31 March 2026

## STATISTICS OF ORDINARY SHAREHOLDINGS

Class of Shares : Ordinary shares  
 Total Number of Issued Shares : 706,653,200  
 Number of Shareholders : 3,547  
 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	34	0.96	548	0.00
100 - 1,000	974	27.46	519,754	0.07
1,001 - 10,000	1,628	45.90	7,804,800	1.10
10,001 - 100,000	673	18.97	22,309,400	3.16
100,001 - 35,332,659 (*)	236	6.65	420,846,982	59.56
35,332,660 and above (**)	2	0.06	255,171,716	36.11
<b>Total</b>	<b>3,547</b>	<b>100.00</b>	<b>706,653,200</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	31.85	-	-
2.	Tai Yee Chee	56,776,900	8.03	-	-
3.	Wee Chek Aik	47,995,800	6.79	-	-

## 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	31.85	-	-
2.	Tai Yee Chee	56,776,900	8.03	-	-
3.	Kok Kong Chin	10,150,000	1.44	-	-
4.	Ong Keng Siew	100,000	0.01	-	-
5.	Datin Shelina Binti Razaly Wahi	100,000	0.01	-	-
6.	Yeong Siew Lee	100,000	0.01	-	-

## Analysis Of Shareholdings

As at 31 March 2026

### THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
1.	Chin Soo Mau	217,061,800	30.72
2.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Tai Yee Chee (PB)</i>	38,109,916	5.39
3.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for AIA Bhd.</i>	31,184,800	4.41
4.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wee Chek Aik (E-SS2/KDA)</i>	25,659,641	3.63
5.	Tai Yee Chee	18,666,984	2.64
6.	Wee Chek Aik	15,436,159	2.18
7.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd for Manulife Investment Shariah Progress Fund</i>	14,239,700	2.02
8.	CIMB Islamic Nominees (Tempatan) Sdn. Bhd. <i>CIMB Islamic Trustee Berhad – Kenanga Syariah Growth Fund</i>	11,477,800	1.62
9.	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>CIMB Commerce Trustee Berhad - Kenanga Growth Fund</i>	10,977,100	1.55
10.	Chu Beng Han	10,790,000	1.53
11.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Loh Chen Yook (8089132)</i>	10,633,300	1.50
12.	Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt AN for Citibank New York (Norges Bank 14)</i>	10,203,900	1.44
13.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Kok Kong Chin (PB)</i>	10,150,000	1.44
14.	Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt AN for Citibank New York (Norges Bank 19)</i>	9,639,000	1.36
15.	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>CIMB Commerce Trustee Berhad for Kenanga Shariah Growth Opportunities Fund (50156 TR01)</i>	9,106,700	1.29
16.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Lembaga Tabung Haji (AII MAN)</i>	8,491,900	1.20
17.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chin Soo Mau (7003720)</i>	8,000,000	1.13
18.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Great Eastern Life Assurance (Malaysia) Berhad (LPF)</i>	6,800,000	0.96
19.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Maybank Trustees Berhad for Kenanga Syariah EXTRA Fund (N14011960240)</i>	6,218,300	0.88
20.	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>CN CIMB Commerce Trustee Berhad for Kenanga Growth Fund Series 2</i>	5,858,900	0.83

No.	Name	Shareholdings	%
21.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd for Zurich Life Insurance Malaysia Berhad (Vulture Fund)</i>	5,183,200	0.73
22.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board</i>	5,099,900	0.72
23.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (Islamic)</i>	5,030,500	0.71
24.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Lembaga Tabung Haji (Eastspring)</i>	5,017,700	0.71
25.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (ARIM)</i>	4,483,700	0.63
26.	Grand Terrace Sdn. Bhd.	4,180,000	0.59
27.	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>CIMB Commerce Trustee Berhad - Kenanga Malaysian Inc Fund</i>	4,060,200	0.57
28.	Amanahraya Trustees Berhad <i>PMB Shariah Growth Fund</i>	4,000,000	0.57
29.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd for Manulife Investment Progress Fund (4082)</i>	3,806,400	0.54
30.	CIMB Islamic Nominees (Tempatan) Sdn. Bhd. <i>CIMB Islamic Trustee Berhad - Kenanga Islamic Balanced Fund</i>	3,512,900	0.50
<b>Total</b>		<b>523,080,400</b>	<b>74.02</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)	138	N/A	16 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	1,389	N/A	5 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	16,879	N/A	11 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 Seventh Annual General Meeting



**PEKAT GROUP BERHAD**  
**(Registration No. 201901011563 (1320891-U))**  
(Incorporated in Malaysia)

**NOTICE IS HEREBY GIVEN** that the Seventh (“7<sup>th</sup>”) Annual General Meeting (“**AGM**”) of Pekat Group Berhad (“**the Company**” or “**Pekato**”) will be held at Sofitel Kuala Lumpur Damansara, Wau Bulan 3, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Thursday, 4 June 2026 at 10:00 a.m. for the following purposes:-

## AGENDA

- |  |   |
|--|---|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 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. Kok Kong Chin; and   | <b>(Ordinary Resolution 1)</b>              |
| (b) Mr. Tai Yee Chee.  | <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 2026.   | <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 5 June 2026 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 Resolution: -

## Notice of the Seventh 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 preemptive 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. 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 2026

## Explanatory Notes: -

### 1. Audited Financial Statements for the financial year ended 31 December 2025

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 7<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 2025. 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. Kok Kong Chin and Mr. Tai Yee Chee 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 2025.

### 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 5 June 2026 until the next AGM of the Company in 2027. In the event the Directors' benefits proposed are insufficient (e.g. due to additional 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 5 June 2026 until the next AGM of the Company in 2027.

## Notice of the Seventh 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**”) has 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 2026. 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 7<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 2025 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 Sixth AGM of the Company held on 18 June 2025 (hereinafter referred to as the “**Previous Mandate**”).

As at the date of the Notice of this Meeting, the Company had issued 60,000,000 new ordinary shares at an issue price of RM1.68 per ordinary share, representing approximately ten per centum (10%) of the total number of issued shares of the Company pursuant to the Previous Mandate (“**Private Placement**”). Details of the total proceeds raised from the Private Placement and the utilisation of the proceeds are disclosed under Additional Compliance Information section of the Annual Report 2025.

The Company wishes to renew the Previous Mandate at the 7<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 purpose of seeking the New Mandate is to provide flexibility to the Company for allotment of shares for any possible fundraising activities for the purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

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 Ordinary 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.

#### Notes to the Notice of the 7<sup>th</sup> AGM:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 29 May 2026 (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.
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 7<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 7<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.

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**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 Seventh Annual General Meeting ("AGM") of Pekat Group Berhad to be held at Sofitel Kuala Lumpur Damansara, Wau Bulan 3, No. 6, Jalan Damanela, Bukit Damansara, 50490 Kuala Lumpur, Wilayah Persekutuan on Thursday, 4 June 2026 at 10:00 a.m. or 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 (1) 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 2025 together with the Reports of the Directors and the Auditors thereon. (Note 1)			
2(a).	To re-elect Mr. Kok Kong Chin who is due to retire pursuant to Clause 128 of the Company's Constitution.	Ordinary Resolution 1		
2(b).	To re-elect Mr. Tai Yee Chee 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 2026.	Ordinary Resolution 3		
4.	To approve the payment of Directors' benefits up to an amount of RM60,000.00 for the period from 5 June 2026 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		

\* Strike out whichever not applicable

Signed this ..... day of ..... 2026

.....  
\* Signature of Member/Common Seal

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 29 May 2026 (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

Please fold here

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 7<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 7<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)

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47810 Petaling Jaya, Selangor

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