

Pekat Group Berhad (201901011563 (1320891-U))
Interim Financial Report on Consolidated Results
for the Third Quarter Ended 30 September 2024



Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Three Months Ended		Nine Months Ended	
		30.09.2024 Unaudited RM'000	30.09.2023 Unaudited RM'000	30.09.2024 Unaudited RM'000	30.09.2023 Unaudited RM'000
Revenue		82,638	62,898	196,837	169,168
Cost of sales		<u>(58,669)</u>	<u>(48,748)</u>	<u>(141,325)</u>	<u>(130,051)</u>
Gross profit		23,969	14,150	55,512	39,117
Other income		4,031	(10)	4,709	684
Administrative expenses		(17,357)	(10,288)	(36,724)	(25,558)
Other expenses		<u>(972)</u>	<u>440</u>	<u>(972)</u>	<u>(338)</u>
Operating profit		9,671	4,292	22,525	13,905
Finance income		142	74	443	348
Finance costs		(341)	(519)	(618)	(1,429)
Share of profit/(loss) in associates		<u>84</u>	<u>183</u>	<u>(565)</u>	<u>236</u>
Profit before tax		9,556	4,030	21,785	13,060
Tax expense	B5	<u>(3,281)</u>	<u>(465)</u>	<u>(7,049)</u>	<u>(2,823)</u>
Profit for the period		6,275	3,565	14,736	10,237
Other comprehensive income for the period, net of tax		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>6,275</u>	<u>3,565</u>	<u>14,736</u>	<u>10,237</u>

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**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
(continued)**

	Note	Three Months Ended		Nine Months Ended	
		30.09.2024 Unaudited RM'000	30.09.2023 Unaudited RM'000	30.09.2024 Unaudited RM'000	30.09.2023 Unaudited RM'000
Profit attributable to:					
Owners of the Company		6,250	3,561	14,673	10,200
Non-controlling interests		25	4	63	37
		<u>6,275</u>	<u>3,565</u>	<u>14,736</u>	<u>10,237</u>
Total comprehensive income attributable to:					
Owners of the Company		6,250	3,561	14,673	10,200
Non-controlling interests		25	4	63	37
		<u>6,275</u>	<u>3,565</u>	<u>14,736</u>	<u>10,237</u>
Earnings per share:					
Basic (sen)	B10	<u>0.97</u>	<u>0.55</u>	<u>2.27</u>	<u>1.58</u>
Diluted (sen)	B10	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

*N/A denotes not applicable.

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Condensed Consolidated Statement of Financial Position

	Note	30.09.2024 Unaudited RM'000	31.12.2023 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		7,180	23,436
Investment property		142	144
Intangible assets		145	183
Investment in associates		11,412	11,177
Amount due from an associate		1,330	1,330
Total non-current assets		<u>20,209</u>	<u>36,270</u>
Current assets			
Other investments		29,248	4,413
Inventories		33,647	24,874
Trade receivables		65,885	47,433
Contract assets		39,845	29,144
Other receivables		11,863	7,434
Amount due from associates		4,346	4,014
Tax recoverable		1,777	1,760
Fixed deposits with licensed banks		80	3,084
Cash and bank balances		24,879	23,944
Total current assets		<u>211,570</u>	<u>146,100</u>
TOTAL ASSETS		<u>231,779</u>	<u>182,370</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		93,516	93,516
Merger reserve		(50,080)	(50,080)
Retained earnings		107,899	93,226
		<u>151,335</u>	<u>136,662</u>
Non-controlling interests		179	116
Total equity		<u>151,514</u>	<u>136,778</u>

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Condensed Consolidated Statement of Financial Position (continued)

	Note	30.09.2024 Unaudited RM'000	31.12.2023 Audited RM'000
EQUITY AND LIABILITIES (continued)			
Liabilities			
Non-current liabilities			
Lease liabilities		2,206	2,589
Borrowings	B7	-	600
Deferred tax liabilities		276	276
Total non-current liabilities		<u>2,482</u>	<u>3,465</u>
Current liabilities			
Trade payables		32,961	16,972
Contract liabilities		19,350	12,091
Other payables		12,907	10,059
Lease liabilities		1,217	852
Borrowings	B7	7,880	976
Tax payable		3,468	1,177
Total current liabilities		<u>77,783</u>	<u>42,127</u>
Total liabilities		<u>80,265</u>	<u>45,592</u>
TOTAL EQUITY AND LIABILITIES		<u>231,779</u>	<u>182,370</u>
Net assets per share attributable to owners of the Company (RM)		<u>0.23</u>	<u>0.21</u>

(1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

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Unaudited Condensed Consolidated Statement of Changes in Equity

	< -----Non-Distributable----- >		Distributable Retained Earnings	Attributable to Owners of the Company	Non- Controlling Interests	Total Equity
	Share Capital	Merger Reserve				
<u>Period ended 30 September 2024</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	93,516	(50,080)	93,226	136,662	116	136,778
Total comprehensive income for the period	-	-	14,673	14,673	63	14,736
At 30 September 2024	93,516	(50,080)	107,899	151,335	179	151,514

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

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Unaudited Condensed Consolidated Statement of Changes in Equity (continued)

	< -----Non-Distributable----- >		Distributable Retained Earnings	Attributable to Owners of the Company	Non- Controlling Interests	Total Equity
	Share Capital	Merger Reserve				
<u>Period ended 30 September 2023</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	93,516	(50,080)	85,951	129,387	87	129,474
Dividend paid	-	-	(6,449)	(6,449)	-	(6,449)
Total comprehensive income for the period	-	-	10,200	10,200	37	10,237
At 30 September 2023	93,516	(50,080)	89,702	133,138	124	133,262

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Unaudited Condensed Consolidated Statement of Cash Flows

	Nine Months Ended	
	30.09.2024	30.09.2023
	Unaudited	Unaudited
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	21,785	13,060
Adjustments for:		
Amortisation of intangible assets	123	107
Depreciation of investment property	2	3
Depreciation of property, plant and equipment	1,392	1,236
Dividend income	(3)	(1)
Fair value gain on other investment	(241)	(106)
Gain on disposal of property, plant and equipment	(3,207)	(301)
Impairment loss on inventories	212	11
Interest expenses	618	1,429
Interest income	(423)	(348)
Reversal of provision for foreseeable losses	(1)	(146)
Share of loss / (profit) in associates	565	(236)
Unrealised (gain) / loss on foreign exchange	(524)	25
Written off of plant and equipment	80	-
Written off of trade receivables	230	(13)
Operating profit before working capital changes	20,608	14,720
Changes in working capital:		
Inventories	(8,985)	3,759
Receivables	(13,511)	5,111
Payables	19,361	13,742
Contract assets or liabilities	(3,441)	(14,520)
Associates	(332)	1,844
Cash generated from operations	13,700	24,656
Interest received	400	303
Tax paid	(4,775)	(3,921)
Net cash from operating activities	9,325	21,038
INVESTING ACTIVITIES		
Acquisition of intangible assets	(85)	(8)
Acquisition of property, plant & equipment	(2,374)	(762)
Additional investment in an associate	(800)	-
Dividend received	3	1

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Unaudited Condensed Consolidated Statement of Cash Flows (continued)

	Nine Months Ended	
	30.09.2024	30.09.2023
	Unaudited	Unaudited
	RM'000	RM'000
INVESTING ACTIVITIES (CONTINUED)		
Dividend received from an associate	-	687
Deposit paid for acquisition of a subsidiary	(9,600)	-
Interest received	23	32
(Acquisition) / Disposal of other investment	(24,594)	549
Proceeds from disposal of property, plant and equipment	21,029	303
Net cash (used in) / from investing activities	(16,398)	802
FINANCING ACTIVITIES		
Dividend paid to shareholders	-	(6,449)
Withdrawal of fixed deposits pledged with licensed banks	3,004	11,837
Interest paid	(618)	(1,429)
Net drawdown / (repayment) of bankers' acceptances	7,880	(18,508)
Net repayment of lease liabilities	(682)	(514)
Net repayment of term loan	(1,576)	(666)
Net cash from / (used) in financing activities	8,008	(15,729)
Net increase in cash and cash equivalents	935	6,111
Cash and cash equivalents at beginning of financial period	23,944	14,214
Cash and cash equivalents at end of financial period	24,879	20,325
Cash and cash equivalents included in the statement of cash flows comprise the followings:		
Cash and bank balances	24,879	20,325
Fixed deposits with licensed banks	80	3,070
	24,959	23,395
Less: Fixed deposits with licensed banks pledged as security for bank facilities	(80)	(3,070)
	24,879	20,325

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial report of Pekat Group Berhad (“Pekat” or “the Company”) and its subsidiaries (collectively known as “the Group”) have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. This interim financial report also complied with IAS 34: *Interim Financial Reporting* issued by the International Accounting Standard Board (“IASB”).

This interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes are an integral part of this interim financial report.

A2. Significant Accounting Policies

Significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those as disclosed in the audited financial statements for the financial year ended 31 December 2023 of the Group.

Adoption of Amendments to MFRSs and IC Interpretations

On 1 January 2024, the Group adopted the following Amendments to MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2024:

Effective for annual periods commencing on or after 1 January 2024

- Amendments to MFRS 16: *Lease: Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101: *Presentation of Financial Statements: Non-current Liabilities with Covenants*
- Amendments to MFRS 101: *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107 and MFRS 7: *Statement of Cash Flows and Financial Instruments: Disclosures - Supplier Finance Arrangements*

The adoption of the above amendments to MFRSs are either not relevant or did not have any significant effects on the interim financial report upon their initial application.

MFRSs and Amendments to MFRSs issued but not yet effective

At the date of authorisation of this interim financial report, the Group has not applied in advance the following accounting standards and interpretations that have been issued by the MASB but not yet effective:-

Effective for annual periods commencing on or after 1 January 2025

- Amendments to MFRS 121: *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONTINUED)

A2. Significant Accounting Policies (continued)

MFRSs and Amendments to MFRSs issued but not yet effective (continued)

Deferred (date to be determined by MASB)

- 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*

The Group intends to adopt these new standards, amendments to the published standards and interpretations, if applicable, when they become effective. The initial application of the MFRSs and amendments to the published standards and interpretations is not expected to have any material impact on the financial statements of the Group and of the Company.

A3. Auditors' Report on Preceding Annual Financial Statements

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2023.

A4. Seasonal or Cyclical Factors

Save for certain business activities that were affected by international copper price and solar photovoltaic module price, the Group does not experience any material seasonality.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial period under review.

A6. Changes in Estimates

There were no changes in estimates that have a material effect on the current financial period under review.

A7. Debt and Equity Securities

There were no significant issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period under review.

A8. Dividend Paid

There was no dividend paid during the current financial period under review.

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A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONTINUED)

A9. Segmental Reporting

Segmental information in respect of the Group's business activities is as follow:-

Period Ended 30 September 2024 Revenue	Solar Photovoltaics RM'000	Earthing and Lightning Protection RM'000	Trading RM'000	Adjustments/ eliminations RM'000	Total RM'000
Sales to external customers	124,170	32,631	40,036	-	196,837
Inter-segment sales	14,485	151	30,905	(45,541)	-
	<u>138,655</u>	<u>32,782</u>	<u>70,941</u>	<u>(45,541)</u>	<u>196,837</u>

	RM'000
Results	
Segment profit	22,525
Finance income	443
Finance costs	(618)
Share of loss in associates	(565)
Tax expense	(7,049)
Profit after tax	<u>14,736</u>

Period Ended 30 September 2023 Revenue	Solar Photovoltaics RM'000	Earthing and Lightning Protection RM'000	Trading RM'000	Adjustments/ eliminations RM'000	Total RM'000
Sales to external customers	117,512	24,658	26,998	-	169,168
Inter-segment sales	8,225	40	17,868	(26,133)	-
	<u>125,737</u>	<u>24,698</u>	<u>44,866</u>	<u>(26,133)</u>	<u>169,168</u>

	RM'000
Results	
Segment profit	13,905
Finance income	348
Finance costs	(1,429)
Share of profit in associates	236
Tax expense	(2,823)
Profit after tax	<u>10,237</u>

A10. Material Events Subsequent to the End of Current Financial Period

There were no other material events subsequent to the end of current financial period under review that have not been reflected in this interim financial report.

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONTINUED)

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial period under review.

A12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent assets at the date of this interim financial report. Contingent liabilities of the Group were as follows:-

<u>Group</u>	30.09.2024 RM'000	31.12.2023 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	13,585	430
Bank guarantee for tender bond, performance bond and warranty bond provided to third parties	<u>17,271</u>	<u>16,836</u>
	<u><u>30,856</u></u>	<u><u>17,266</u></u>

A13. Capital Commitments

There were no capital commitments that are contracted but not provided for as at the date of this interim financial report.

A14. Significant Related Party Transactions

The Group has the following significant transactions with the related parties during the financial period under review:-

Nature of transactions / Related parties	30.09.2024 RM'000	30.09.2023 RM'000
<u>Rental expenses of office buildings charged by:</u>		
- Startige Corporation Sdn. Bhd.	<u>729</u>	<u>729</u>

Startige Corporation Sdn. Bhd. is a related party in which certain Directors of the Company are also Directors of the related party.

The Directors are of the opinion that all the above transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

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B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Group's Performance

	Three Months Ended		Variance	
	30.09.2024	30.09.2023	RM'000	%
	RM'000	RM'000		
Revenue				
- Solar photovoltaics	54,362	44,971	9,391	20.9
- Earthing and lightning protection	12,048	8,386	3,662	43.7
- Trading	16,228	9,541	6,687	70.1
Total revenue	<u>82,638</u>	<u>62,898</u>	19,740	31.4
Profit after tax	<u>6,275</u>	<u>3,565</u>	2,710	76.0

Comparison with Preceding Year Corresponding Quarter ("Q3 FY24" vs "Q3 FY23")

In Q3 FY24, the Group generated revenue of RM82.64 million, with the solar division leading growth and contributing RM54.36 million. The earthing and lightning protection ("ELP") division contributed RM12.05 million, while the trading division accounted for RM16.23 million.

The Group's revenue increased by RM19.74 million, or 31.4%, compared to Q3 FY23, driven by higher revenues across all divisions. The solar division was the primary contributor, with an increase of RM9.39 million, or 20.9%, resulting from accelerated project execution in the commercial, industrial, and residential customer segments.

Additionally, the trading and ELP divisions recorded significant revenue increases of RM6.69 million and RM3.66 million, or 70.1% and 43.7%, respectively, compared to Q3 FY23. This growth was fueled by higher customer demand for the trading division and accelerated project execution in the ELP division.

Correspondingly, the Group achieved a higher profit after tax of RM6.28 million, reflecting an increase of RM2.71 million, or 76.0%, compared to Q3 FY23.

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B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B1. Review of Group's Performance (continued)

	Nine Months Ended		Variance	
	30.09.2024	30.09.2023	RM'000	%
	RM'000	RM'000		
Revenue				
- Solar photovoltaics	124,170	117,512	6,658	5.7
- Earthing and lightning protection	32,631	24,658	7,973	32.3
- Trading	40,036	26,998	13,038	48.3
Total revenue	<u>196,837</u>	<u>169,168</u>	27,669	16.4
Profit after tax	<u>14,736</u>	<u>10,237</u>	4,499	43.9

Comparison with Preceding Year Corresponding Period ("9M FY24" vs "9M FY23")

The Group reported revenue of RM196.84 million for 9M FY24, an increase from RM169.17 million in 9M FY23. This represents a growth of RM27.67 million, or 16.4%.

In 9M FY24, the trading division was the primary driver of revenue growth, contributing an additional RM13.04 million. This was followed by the ELP division and the solar division, which recorded increases of RM7.97 million and RM6.66 million, respectively.

These increases were attributed to higher sales volume within the trading division and enhanced project execution in the ELP and solar divisions.

As a result of the improved revenue contributions across all divisions, the Group achieved a profit after tax of RM14.74 million, reflecting a 43.9% increase compared to 9M FY23.

B2. Comparison with Immediately Preceding Quarter Results

	Quarter Ended		Variance	
	30.09.2024	30.06.2024	RM'000	%
	RM'000	RM'000		
Revenue				
- Solar photovoltaics	54,362	33,150	21,212	64.0
- Earthing and lightning protection	12,048	11,558	490	4.2
- Trading	16,228	11,858	4,370	36.9
Total revenue	<u>82,638</u>	<u>56,566</u>	26,072	46.1
Profit after tax	<u>6,275</u>	<u>4,656</u>	1,619	34.8

B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B2. Comparison with Immediately Preceding Quarter Results (continued)

Compared to the immediately preceding quarter (“Q2 FY24”), the solar division accelerated project execution across all customer segments, including commercial, industrial, and residential. This enhanced focus on project delivery positioned the solar division as the primary driver of revenue growth, contributing an increase of RM21.21 million.

Concurrently, the trading division also experienced a notable surge in sales volume, leading to a revenue increase of RM4.37 million.

These combined efforts resulted in a 34.8% growth in profit after tax compared to the previous quarter, with a net increase of RM1.62 million.

B3. Commentary on Prospects

Malaysia targets net-zero carbon emissions by 2050, in line with the Paris Agreement. The 12th Malaysia Plan aims for a 45% reduction in greenhouse gas emissions by 2030, setting a clear path toward a sustainable future. Under the Malaysia Renewable Energy Roadmap, the country has set ambitious renewable energy targets, with a 31% share in the energy mix by 2025 and 40% by 2035.

The Ministry of Economy launched the National Energy Transition Roadmap (“NETR”), which outlines the country's path toward sustainable energy. Phase 1 of the NETR includes six key levers and ten flagship projects, backed by a RM60.7 billion investment—exceeding the initial RM25 billion target. These projects focus on smart grids, energy efficiency, and storage, showcasing the government's strong commitment to sustainable energy, which aligns with Pekat's industry focus on innovative solutions.

In September 2024, the Ministry of Energy Transition and Water Transformation (PETRA) launched the Corporate Renewable Energy Supply Scheme (“CRESS”). CRESS aims to enhance corporate access to renewable energy by allowing third parties to supply or purchase electricity through the national grid with a predetermined access charge. This initiative is a significant step in liberalising Malaysia's energy market, promoting competition, and driving the growth of corporate power purchase agreements (PPAs). Solar PV Engineering, Procurement, Construction, and Commissioning (“EPCC”) players are expected to benefit from increased project demand, particularly in the commercial and industrial sectors, as businesses increasingly shift toward renewable energy.

Following our successful completion of a large-scale solar farm project at Batang Padang, Perak under the LSS4@MEntARI programme, the Group is optimistic about securing EPCC projects for the recently announced 2GWac LSS5 project. The Group is now focused on developing two (2) 29.99 MWac solar power plants under the Corporate Green Power Programme: one as an internal investment and the other as a recently secured EPCC project. The EPCC project is expected to contribute positively to the Group's financial performance for the financial year ending 31 December 2025, while our own solar power plant will enhance the Group's recurring income streams upon completion by the end of 2025.

B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B3. Commentary on Prospects (continued)

Meanwhile, the surge in foreign direct investment in data centers in Malaysia is expected to benefit the Group's ELP division. With a strong track record in providing ELP solutions for data centers, the Group remains confident in the division's future growth.

While the Board of Directors foresees increasingly competitive market conditions, the Group is well-positioned to improve its operational efficiency and grow its order book. Barring any unforeseen circumstances, the Board of Directors is optimistic of the Group's future prospects.

B4. Profit Forecast

No profit forecast has been issued by the Group previously in any public document.

B5. Tax Expense

	Three Months Ended		Nine Months Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Current tax	3,281	465	7,049	2,823
Deferred tax	-	-	-	-
Total tax expense	<u>3,281</u>	<u>465</u>	<u>7,049</u>	<u>2,823</u>
Effective tax rate (%)	34.3	11.5	32.4	21.6

Note:-

- (1) The effective tax rate of the Group for the current quarter and period under review was 34.3% and 32.4% respectively, which were higher than the statutory tax rate of 24%. This was mainly due to certain non-tax allowable expenses, under provision of prior year's tax expense recognised in current year, and losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries.

B6. Status of Corporate Proposals

Proposed Employees' Share Option Scheme

On 9 July 2024, the Company announced its intention to undertake a proposed employees' share option scheme of up to 10% of the Company's total issued share capital (excluding treasury shares, if any) for eligible Directors and employees of the Company and its subsidiaries who fulfil the eligibility criteria as set out in the By-Laws governing the proposed employees' share option scheme ("Proposed ESOS").

Approval from the shareholders of the Company in relation to the Proposed ESOS was obtained at an extraordinary general meeting held on 10 October 2024.



B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B6. Status of Corporate Proposals (continued)

Proposed Acquisition and Proposed Diversification

On 1 August 2024, Pekat Teknologi Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a conditional share sale agreement (“SSA”) with Low Khok Heng @ Low Choon Huat for the proposed acquisition of 75,000 ordinary shares in Apex Power Industry Sdn. Bhd. (“Apex Power”), representing a 60% equity interest in Apex Power, for a total cash consideration of RM96.00 million (“Proposed Acquisition”).

In conjunction with the Proposed Acquisition, the Company is also diversifying into the power distribution equipment business segment (“Proposed Diversification”). Approval from the shareholders of the Company in relation to the Proposed Acquisition and Proposed Diversification were obtained at an extraordinary general meeting held on 10 October 2024.

The Proposed Acquisition is currently pending the fulfillment of the conditions precedent in the SSA.

Save as disclosed above, there were no other corporate proposals announced but not completed as at the date of this interim financial report.

B7. Borrowings

The details of the Group’s borrowings are as follow:-

	30.09.2024	31.12.2023
	RM’000	RM’000
Current liabilities		
<u>Secured:-</u>		
Bankers’ acceptances	7,880	-
Term loan	-	976
	<u>7,880</u>	<u>976</u>
Non-current liabilities		
<u>Secured:-</u>		
Term loan	-	600
Total borrowings	<u>7,880</u>	<u>1,576</u>



B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B8. Material Litigation

There is no outstanding material litigation as at the date of this interim financial report.

B9. Dividend

The Board of Directors did not declare or recommend any dividend for the current financial period under review.

B10. Earnings Per Share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to owners of the Company by weighted average number of ordinary shares in issue during the period:-

	Three Months Ended		Nine Months Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Profit attributable to owners of the Company (RM'000)	6,250	3,561	14,673	10,200
Weighted average number of shares in issue (Unit'000)	644,968	644,968	644,968	644,968
Basic earnings per share (sen)	<u>0.97</u>	<u>0.55</u>	<u>2.27</u>	<u>1.58</u>

(b) Diluted earnings per share

Not applicable. The Group does not have any financial instrument which may dilute its earnings per share.

B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B11. Notes to Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

Profit for the period was derived after taking into consideration of the followings:-

	Three Months Ended		Nine Months Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
After charging / (crediting):-				
Amortisation of intangible assets	42	29	123	107
Depreciation of investment property	*	1	2	3
Depreciation of property, plant and equipment	482	416	1,392	1,236
Dividend income	(2)	-	(3)	(1)
Fair value gain on other investment	(118)	(33)	(241)	(106)
Gain on disposal of property, plant and equipment	(3,191)	(2)	(3,207)	(301)
Impairment loss on inventories	212	4	212	11
Interest expenses	341	519	618	1,429
Interest income	(122)	(74)	(423)	(348)
Provision / (Reversal of provision) for foreseeable losses	-	8	(1)	(146)
Share of (profit) / loss in associates	(84)	(183)	565	(236)
Unrealised (gain) / loss on foreign exchange	(515)	(150)	(524)	25
Written off of plant and equipment	80	-	80	-
Written off of trade receivables	230	(13)	230	(13)

Note:-

(1) * represents less than RM1,000.

B12. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors on 28 November 2024.