

Pekat Group Berhad (201901011563 (1320891-U))
Interim Financial Report on Consolidated Results
for the Second Quarter Ended 30 June 2025



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

		Three Months Ended		Six Months Ended	
		30.06.2025	30.06.2024	30.06.2025	30.06.2024
	Note	Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue		126,992	56,566	277,304	114,199
Cost of sales		<u>(91,642)</u>	<u>(39,826)</u>	<u>(203,343)</u>	<u>(82,656)</u>
Gross profit		35,350	16,740	73,961	31,543
Other income		606	416	1,694	678
Administrative expenses		(17,163)	(10,056)	(36,209)	(19,367)
Other expenses		<u>(205)</u>	<u>-</u>	<u>(516)</u>	<u>-</u>
Operating profit		18,588	7,100	38,930	12,854
Finance income		210	197	376	301
Finance costs		(1,640)	(169)	(2,771)	(277)
Share of profit/(loss) in associates		<u>93</u>	<u>(555)</u>	<u>82</u>	<u>(649)</u>
Profit before tax		17,251	6,573	36,617	12,229
Tax expense	B5	<u>(4,722)</u>	<u>(1,917)</u>	<u>(10,361)</u>	<u>(3,768)</u>
Profit for the period		12,529	4,656	26,256	8,461
Other comprehensive income for the period, net of tax		<u>2</u>	<u>-</u>	<u>*</u>	<u>-</u>
Total comprehensive income for the period		<u>12,531</u>	<u>4,656</u>	<u>26,256</u>	<u>8,461</u>

Pekat Group Berhad (201901011563 (1320891-U))
Interim Financial Report on Consolidated Results
for the Second Quarter Ended 30 June 2025



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

		Three Months Ended		Six Months Ended	
		30.06.2025	30.06.2024	30.06.2025	30.06.2024
		Unaudited	Unaudited	Unaudited	Unaudited
	Note	RM'000	RM'000	RM'000	RM'000
Profit attributable to:					
Owners of the Company		11,021	4,639	23,083	8,423
Non-controlling interests		<u>1,508</u>	<u>17</u>	<u>3,173</u>	<u>38</u>
		<u>12,529</u>	<u>4,656</u>	<u>26,256</u>	<u>8,461</u>
Total comprehensive income attributable to:					
Owners of the Company		11,023	4,639	23,083	8,423
Non-controlling interests		<u>1,508</u>	<u>17</u>	<u>3,173</u>	<u>38</u>
		<u>12,531</u>	<u>4,656</u>	<u>26,256</u>	<u>8,461</u>
Earnings per share:					
Basic (sen)	B10	<u>1.71</u>	<u>0.72</u>	<u>3.58</u>	<u>1.31</u>
Diluted (sen)	B10	1.68	N/A	3.55	N/A

Notes:

- (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 2024 and the accompanying explanatory notes attached to these interim financial statements.
- (2) * represents less than RM1,000.
- (3) N/A represents not applicable.

Pekato Group Berhad (201901011563 (1320891-U))
Interim Financial Report on Consolidated Results
for the Second Quarter Ended 30 June 2025



Condensed Consolidated Statement of Financial Position

	Note	30.06.2025 Unaudited RM'000	31.12.2024 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		101,845	68,928
Investment property		139	141
Intangible assets		3,001	4,678
Goodwill on acquisition of subsidiaries		42,206	42,206
Investment in associates		11,384	11,302
Amount due from an associate		956	956
Total non-current assets		159,531	128,211
Current assets			
Other investments		6,444	8,339
Inventories		86,517	94,564
Trade receivables		99,199	110,319
Contract assets		47,635	39,203
Other receivables		3,896	11,528
Amount due from associates		2,722	2,340
Amount due from a related party		-	1
Tax recoverable		317	1,431
Fixed deposits with licensed banks		3,773	2,921
Cash and bank balances		83,106	34,340
Total current assets		333,609	304,986
TOTAL ASSETS		493,140	433,197
EQUITY AND LIABILITIES			
Equity			
Share capital		93,516	93,516
Merger reserve		(50,080)	(50,080)
Other reserves		816	*
Retained earnings		138,310	115,227
		182,562	158,663
Non-controlling interests		40,303	36,680
Total equity		222,865	195,343

Pekato Group Berhad (201901011563 (1320891-U))
Interim Financial Report on Consolidated Results
for the Second Quarter Ended 30 June 2025



Condensed Consolidated Statement of Financial Position (continued)

	Note	30.06.2025 Unaudited RM'000	31.12.2024 Audited RM'000
EQUITY AND LIABILITIES (continued)			
Liabilities			
Non-current liabilities			
Lease liabilities		16,104	15,884
Borrowings	B7	86,026	37,766
Deferred tax liabilities		4,580	6,112
Total non-current liabilities		106,710	59,762
Current liabilities			
Trade payables		64,184	50,882
Contract liabilities		39,767	38,737
Other payables		10,394	45,206
Amount due to associates		-	14
Lease liabilities		1,570	1,369
Borrowings	B7	39,528	36,930
Derivative financial liabilities		203	13
Tax payable		7,919	4,941
Total current liabilities		163,565	178,092
Total liabilities		270,275	237,854
TOTAL EQUITY AND LIABILITIES		493,140	433,197
Net assets per share attributable to owners of the Company (RM)			
		0.28	0.25

Notes:

- (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 2024 and the accompanying explanatory notes attached to these interim financial statements.
- (2) * represents less than RM1,000.

Pekati Group Berhad (201901011563 (1320891-U))
Interim Financial Report on Consolidated Results
for the Second Quarter Ended 30 June 2025



Unaudited Condensed Consolidated Statement of Changes in Equity

	< -----Non-Distributable----- >				Distributable	Attributable to Owners of the Company	Non-Controlling Interests	Total Equity
Period ended 30 June 2025	Share Capital	Merger Reserve	ESOS Reserve	Foreign Currency Translation Reserve	Retained Earnings	RM'000	RM'000	RM'000
At 1 January 2025	93,516	(50,080)	-	*	115,227	158,663	36,680	195,343
Total comprehensive income for the period	-	-	-	*	23,083	23,083	3,173	26,256
Share-based compensation pursuant to ESOS granted	-	-	816	-	-	816	-	816
Capital contribution from non-controlling interests	-	-	-	-	-	-	450	450
At 30 June 2025	93,516	(50,080)	816	*	138,310	182,562	40,303	222,865

Notes:

- (1) 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 2024 and the accompanying explanatory notes attached to these interim financial statements.
- (2) * represents less than RM1,000.

Pekat Group Berhad (201901011563 (1320891-U))
Interim Financial Report on Consolidated Results
for the Second Quarter Ended 30 June 2025



Unaudited Condensed Consolidated Statement of Changes in Equity (continued)

	< -----Non-Distributable----- >		<u>Distributable</u>	Attributable	Non-	
	Share Capital	Merger	Retained	to Owners of	Controlling	Total Equity
<u>Period ended 30 June 2024</u>	RM'000	Reserve	Earnings	the Company	Interests	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	-	-	8,423	8,423	38	8,461
At 30 June 2024	93,516	(50,080)	101,649	145,085	154	145,239

Pekat Group Berhad (201901011563 (1320891-U))
Interim Financial Report on Consolidated Results
for the Second Quarter Ended 30 June 2025



Unaudited Condensed Consolidated Statement of Cash Flows

	Six Months Ended	
	30.06.2025	30.06.2024
	Unaudited	Unaudited
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	36,617	12,229
Adjustments for:		
Amortisation of intangible assets	1,715	81
Depreciation of investment property	2	2
Depreciation of property, plant and equipment	1,468	910
Dividend income	(1)	(1)
Employee share option scheme expenses	816	-
Fair value gain on other investment	(111)	(123)
Fair value loss on derivative financial instruments	190	-
Gain on disposal of property, plant and equipment	-	(16)
Interest expenses	2,771	277
Interest income	(376)	(301)
Reversal of impairment loss on receivables	(731)	-
Reversal of provision for foreseeable losses	-	(1)
Share of (profit) / loss in associates	(82)	649
Unrealised gain on foreign exchange	(194)	(9)
Operating profit before working capital changes	42,084	13,697
Changes in working capital:		
Inventories	8,047	(2,233)
Receivables	19,483	2,110
Payables	(21,316)	(2,630)
Contract assets or liabilities	(7,402)	(1,838)
Associates	(380)	148
Related parties	1	-
Cash generated from operations	40,517	9,254
Interest received	292	282
Tax paid	(7,801)	(2,136)
Net cash from operating activities	33,008	7,400

Pekat Group Berhad (201901011563 (1320891-U))
Interim Financial Report on Consolidated Results
for the Second Quarter Ended 30 June 2025



Unaudited Condensed Consolidated Statement of Cash Flows (continued)

	Six Months Ended	
	30.06.2025	30.06.2024
	Unaudited	Unaudited
	RM'000	RM'000
INVESTING ACTIVITIES		
Acquisition of intangible assets	(38)	(25)
Acquisition of property, plant & equipment	(33,357)	(1,717)
Additional investment in an associate	-	(400)
Dividend received	1	1
Disposal / (Acquisition) of other investment	2,006	(14,121)
Interest received	68	6
Proceeds from disposal of property, plant and equipment	-	16
Net cash used in investing activities	(31,320)	(16,240)
FINANCING ACTIVITIES		
Capital contribution from non-controlling interests	450	-
Interest paid	(2,771)	(277)
Net (repayment) / drawdown of bankers' acceptance / trust receipt / invoice financing / revolving credit	(1,009)	7,584
Net repayment of lease liabilities	(607)	(434)
Net drawdown / (repayment) of term loans	51,867	(473)
(Placement) / Withdrawal of fixed deposits pledged with licensed banks	(852)	2,924
Net cash from financing activities	47,078	9,324
Net increase in cash and cash equivalents	48,766	484
Cash and cash equivalents at beginning of financial period	34,340	23,944
Cash and cash equivalents at end of financial period	83,106	24,428
Cash and cash equivalents included in the statement of cash flows comprise the followings:		
Cash and bank balances	83,106	24,428
Fixed deposits with licensed banks	3,773	160
	86,879	24,588
Less: Fixed deposits with licensed banks pledged as security for bank facilities	(3,773)	(160)
	83,106	24,428

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 2024 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 2024 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 and the Company in this interim financial report are consistent with those as disclosed in the audited financial statements for the financial year ended 31 December 2024 of the Group and of the Company.

Adoption of new standards/amendments/improvements to MFRSs

At the beginning of the current financial period, 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.

Standards issued but not yet effective

The new and amended standards that are issued, but yet effective, up to the date of issuance of the Group and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards, if applicable, when they become 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*

Effective for annual periods commencing on or after 1 January 2026

- Amendments to MFRS 7 and MFRS 9: *Financial Instruments and Financial Instruments - Disclosures - Amendments to the Classification and Measurement of Financial Instruments*
- Annual Improvements to MFRS Accounting Standards - Volume 11

Effective for annual periods commencing on or after 1 January 2027

- MFRS 18: *Presentation and Disclosure in Financial Statements*
- MFRS 19: *Subsidiaries without Public Accountability - Disclosures*

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

A2. Significant Accounting Policies (continued)

Standards 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 initial application of the above applicable amendments to standards are 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 2024.

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 during the current financial period under review.

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.

Pekat Group Berhad (201901011563 (1320891-U))
Interim Financial Report on Consolidated Results
for the Second Quarter Ended 30 June 2025



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 June 2025	Solar Photovoltaics RM'000	Earthing and Lightning Protection RM'000	Power Distribution Equipment RM'000	Trading & Others RM'000	Adjustments/ Eliminations RM'000	Total RM'000
Revenue						
Sales to external customers	155,430	31,058	62,720	28,096	-	277,304
Inter-segment sales	163	536	-	29,175	(29,874)	-
	<u>155,593</u>	<u>31,594</u>	<u>62,720</u>	<u>57,271</u>	<u>(29,874)</u>	<u>277,304</u>

Results	RM'000
Segment profit	38,930
Finance income	376
Finance costs	(2,771)
Share of profit in associates	82
Tax expense	<u>(10,361)</u>
Profit after tax	<u>26,256</u>

Period Ended 30 June 2024	Solar Photovoltaics RM'000	Earthing and Lightning Protection RM'000	Power Distribution Equipment RM'000	Trading & Others RM'000	Adjustments/ Eliminations RM'000	Total RM'000
Revenue						
Sales to external customers	69,808	20,583	-	23,808	-	114,199
Inter-segment sales	9,690	7	-	19,298	(28,995)	-
	<u>79,498</u>	<u>20,590</u>	<u>-</u>	<u>43,106</u>	<u>(28,995)</u>	<u>114,199</u>

Results	RM'000
Segment profit	12,854
Finance income	301
Finance costs	(277)
Share of loss in associates	(649)
Tax expense	<u>(3,768)</u>
Profit after tax	<u>8,461</u>

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

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.

A11. Changes in the Composition of the Group

Save as disclosed below, there were no changes in the composition of the Group for the current financial period under review:

On 9 May 2025, Pekat Teknologi Sdn Bhd ("Pekat Teknologi"), a wholly-owned subsidiary company, together with C.N.C. (HK) International Limited ("CNC") had incorporated a company in the Federal Territory of Labuan, namely Solaroo Green Tech (Labuan) Ltd ("Solaroo Green Tech").

Solaroo Green Tech was incorporated as a company limited by shares under the Labuan Companies Act 1990 with an initial share capital of USD1,000 comprising 1,000 ordinary shares, of which Pekat Teknologi holds 91% equity interest and CNC holds the remaining 9% equity interest in Solaroo Green Tech.

The intended principal activity of Solaroo Green Tech is to operate as an investment holding company.

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

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:

	30.06.2025	31.12.2024
	RM'000	RM'000
<u>Group</u>		
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	10,846	27,619
Bank guarantee for tender bond, performance bond and warranty bond provided to third parties	23,540	15,924
	<u>34,386</u>	<u>43,543</u>

A13. Capital Commitment

	30.06.2025	31.12.2024
	RM'000	RM'000
<u>Group</u>		
Authorised and contracted for construction works of own solar power plant	26,346	30,516

Saved as disclosed above, 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:

	30.06.2025	30.06.2024
	RM'000	RM'000
<u>Nature of transactions / Related parties</u>		
<u>Rental expenses of office buildings charged by:</u>		
- Startige Corporation Sdn Bhd	486	486

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.

Pekat Group Berhad (201901011563 (1320891-U))
Interim Financial Report on Consolidated Results
for the Second Quarter Ended 30 June 2025



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

B1. Review of Group's Performance

	Three Months Ended		Variance	
	30.06.2025 RM'000	30.06.2024 RM'000	RM'000	%
Revenue				
- Solar photovoltaics	62,603	33,150	29,453	88.8
- Earthing and lightning protection	14,871	11,558	3,313	28.7
- Trading	14,691	11,858	2,833	23.9
- Power distribution equipment	34,827	-	34,827	100.0
Total revenue	126,992	56,566	70,426	124.5
Profit after tax	12,529	4,656	7,873	169.1

Comparison between the current quarter under review ("Q2 FY25") and preceding year corresponding quarter ("Q2 FY24")

In Q2 FY25, the Group recorded a significant increase in revenue of RM70.43 million or 124.5% to RM126.99 million compared to RM56.57 million in Q2 FY24. This strong performance was driven by growth across all business divisions.

The solar PV division was the largest revenue contributor with RM62.60 million, with revenue increasing by RM29.45 million from RM33.15 million in Q2 FY24 mainly driven by higher contribution from the solar residential customer segment and a large-scale solar EPCC project under the Corporate Green Power Programme ("CGPP"). This was followed by the power distribution equipment ("PDE") division at RM34.83 million ., .

Meanwhile, the earthing and lightning protection ("ELP") and trading divisions also delivered robust performances on the back of improved project execution and increased sales orders, recording RM14.87 million and RM14.69 million in revenue, respectively, both representing growth of over 20% compared to Q2 FY24.

The administrative expenses rose to RM17.16 million in Q2 FY25, mainly due to workforce expansion and the consolidation of administrative expenses of the PDE division. Finance costs increased to RM1.64 million, attributed to interest incurred on term loans and trade financing facilities used to finance the acquisition of the PDE division and the construction of large-scale solar power plants under the CGPP.

In line with revenue growth, the Group's profit after tax surged to RM12.53 million, representing an increase of RM7.87 million or 169.1% compared to Q2 FY24.

Peklat Group Berhad (201901011563 (1320891-U))
Interim Financial Report on Consolidated Results
for the Second Quarter Ended 30 June 2025



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

B1. Review of Group's Performance (continued)

	Six Months Ended		RM'000	%
	30.06.2025	30.06.2024		
	RM'000	RM'000	RM'000	
Revenue				
- Solar photovoltaics	155,430	69,808	85,622	122.7
- Earthing and lightning protection	31,058	20,583	10,475	50.9
- Trading	28,096	23,808	4,288	18.0
- Power distribution equipment	62,720	-	62,720	100.0
Total revenue	277,304	114,199	163,105	142.8
Profit after tax	26,256	8,461	17,795	210.3

Comparison between the current financial period-to-date ("6M FY25") and previous year financial period-to-date ("6M FY24")

The Group achieved a robust revenue of RM277.30 million for 6M FY25, representing a substantial increase of RM163.11 million or 142.8% increase from RM114.20 million in 6M FY24. This impressive year-on-year growth underscores the Group's strong performance across all business segments.

The solar division was the primary growth driver, contributing an additional RM85.62 million to reach a total revenue of RM155.43 million, mainly driven by progress on a large-scale solar EPCC project under the CGPP. The newly acquired PDE division also made a significant contribution, generating RM62.72 million in revenue during 6M FY25.

The ELP and trading divisions also delivered solid performances, with revenue increasing by RM10.48 million and RM4.29 million, respectively, supported by improved project execution and higher trading sales volumes.

The Group's administrative expenses increased to RM36.21 million for 6M FY25, primarily due to workforce expansion and the consolidation of administrative costs from the PDE division. Finance costs rose to RM2.77 million, mainly due to interest on term loans and trade financing facilities used to fund the acquisition of the PDE division and the development of large-scale solar power plants under the CGPP.

Aligned with revenue growth, the Group recorded a higher profit after tax of RM26.26 million, a significant increase of RM17.80 million or 210.3% compared to 6M FY24. Profit after tax attributable to shareholders grew to RM23.08 million, resulting in earnings per share of 3.58 sen, up from 1.31 sen in the same period last year.



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

B2. Comparison with Immediately Preceding Quarter Results

	Quarter Ended		Variance	
	30.06.2025 RM'000	31.03.2025 RM'000	RM'000	%
Revenue				
- Solar photovoltaics	62,603	92,827	(30,224)	(32.6)
- Earthing and lightning protection	14,871	16,187	(1,316)	(8.1)
- Trading	14,691	13,405	1,286	9.6
- Power distribution equipment	34,827	27,893	6,934	24.9
Total revenue	126,992	150,312	(23,320)	(15.5)
Profit after tax	12,529	13,727	(1,198)	(8.7)

The Group recorded revenue of RM126.99 million for Q2 FY25, a decrease of RM23.32 million or 15.5% compared to RM150.31 million in the preceding quarter ended 31 March 2025 ("Q1 FY25").

The solar division was the main contributor to the decline, with revenue falling by RM30.22 million. This was primarily due to reduced demand in the residential solar segment following the expiry of the Solar For Rakyat Incentive Scheme ("SolaRIS") and the full allocation of quotas under the Net Energy Metering 3.0 ("NEM 3.0") programme.

The ELP division also recorded a slight decrease in revenue, down RM1.32 million or 8.1% to RM14.87 million, mainly due to slower project execution during the quarter.

These declines were partially offset by revenue growth in the PDE and trading divisions, which increased by RM6.93 million or 24.9% and RM1.29 million or 9.6%, respectively, driven by higher sales order fulfilments.

In line with the lower revenue, the Group's profit after tax declined by 8.7% to RM12.53 million.

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

B3. Commentary on Prospects

Malaysia remains committed to achieving net-zero carbon emissions by 2050, in line with the Paris Agreement. The 12th Malaysia Plan targets a 45% reduction in greenhouse gas emissions by 2030. The Malaysia Renewable Energy Roadmap aims for a renewable energy share of 31% by 2025 and 40% by 2035, providing a solid platform for long-term sector growth.

Supporting this transition, the Ministry of Economy's National Energy Transition Roadmap ("NETR") has exceeded expectations in Phase 1, attracting RM60.7 billion in investments—more than double the initial target of RM25 billion—across strategic initiatives such as smart grids, energy efficiency, and storage. These developments align with Pekat's expertise in renewable energy, positioning the Group as a key player in the nation's energy transformation.

The Ministry of Energy Transition and Water Transformation launched the Corporate Renewable Energy Supply Scheme ("CRESS"), enabling corporates to purchase renewable energy via the national grid at a fixed access charge. This market-liberalising initiative is expected to boost demand for corporate power purchase agreements, creating opportunities for solar photovoltaic EPCC providers like Pekat.

The Group is involved in two 29.99 MWac solar power plants under the Corporate Green Power Programme. One is an internal investment, expected to boost recurring income upon completion by the end of 2025. The other, an EPCC contract, is expected to contribute positively to the Group's financial performance for the financial year ending 31 December 2025.

The Group's ELP division is also well-positioned to capitalise on rising foreign direct investment in Malaysia's data center industry on the back of a proven track record in delivering ELP solutions for data centers.

Efforts are also underway to integrate the newly acquired PDE division, which is expected to deliver operational synergies, enhance market reach and unlock long-term growth potential.

Barring any unforeseen circumstances, the Board remains optimistic about the Group's prospects.



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

B4. Profit Forecast

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

B5. Tax Expense

	Three Months Ended		Six Months Ended	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
Current tax	5,216	1,917	11,892	3,768
Deferred tax	(494)	-	(1,531)	-
Total tax expense	<u>4,722</u>	<u>1,917</u>	<u>10,361</u>	<u>3,768</u>
Effective tax rate (%)	27.4	29.2	28.3	30.8

Note:

- (1) The Group's effective tax rates for the current quarter and current period under review were 27.4% and 28.3% respectively, which exceed the statutory tax rate of 24%. The higher effective tax rates were primarily due to certain non-deductible expenses.



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

B6. Status of Corporate Proposals

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

Proposed Private Placement

On 16 July 2025, Public Investment Bank Berhad ("**PIVB**"), on behalf of the Company, announced that the Company proposed to undertake a proposed private placement of up to 66,156,820 new ordinary shares in Pekat ("**Share(s)**" or "**Pekat Share(s)**") ("**Placement Share(s)**"), representing up to 10.00% of the enlarged number of issued Pekat Shares (assuming full exercise of the outstanding Employees' Share Option Scheme options) (excluding treasury shares, if any) at an issue price to be determined and announced later ("**Proposed Private Placement**"). Subsequently, on 5 August 2025, PIVB, on behalf of the Company, announced additional information in relation to the Proposed Private Placement in respect of the utilisation of proceeds.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") had, vide its letter dated 15 August 2025, approved the listing of and quotation for up to 66,156,820 new Shares to be issued pursuant to the Proposed Private Placement on the ACE Market of Bursa Securities, subject to the conditions set out in the letter by Bursa Securities.

As at the date of this interim financial report, the Proposed Private Placement has not been completed.



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

B7. Borrowings

The details of the Group's borrowings are as follows:

	30.06.2025	31.12.2024
	RM'000	RM'000
Current liabilities		
<u>Secured:</u>		
- Bankers' acceptance	11,360	7,531
- Trust receipt	1,675	878
- Invoice financing	7,228	13,863
- Revolving credit	12,000	11,000
- Term loan	7,265	3,658
	<u>39,528</u>	<u>36,930</u>
Non-current liabilities		
<u>Secured:</u>		
- Term loan	86,026	37,766
	<u>86,026</u>	<u>37,766</u>
Total borrowings	<u>125,554</u>	<u>74,696</u>

B8. Material Litigation

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

B9. Dividend

The Board of Directors has declared an interim dividend in respect of the financial year ending 31 December 2025 as follows:

- (i) A first interim dividend of 1.0 sen per ordinary share; and
- (ii) The dividend is proposed to be payable on 25 September 2025 to shareholders whose name appears in the Record of Depositors as at the close of business on 10 September 2025.

The total dividend declared for the current financial period is 1.0 sen per ordinary share. There was no dividend declared in respect of the preceding year's corresponding period.



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

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		Six Months Ended	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
Profit attributable to owners of the Company (RM'000)	11,021	4,639	23,083	8,423
Weighted average number of ordinary shares ('000)	644,968	644,968	644,968	644,968
Basic earnings per share (sen)	<u>1.71</u>	<u>0.72</u>	<u>3.58</u>	<u>1.31</u>

Pekat Group Berhad (201901011563 (1320891-U))
Interim Financial Report on Consolidated Results
for the Second Quarter Ended 30 June 2025



(b) Diluted earnings per share

Diluted 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 adjusted for the effects of dilutive potential ordinary shares. The adjusted weighted average number of ordinary shares in issue has been arrived at based on the number of Employee Share Option Scheme ("ESOS") shares exercised and issued by the end of the financial period:

	Three Months Ended		Six Months Ended	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
Profit attributable to owners of the Company (RM'000)	11,021	4,639	23,083	8,423
Weighted average number of ordinary shares (basic) ('000)	644,968	644,968	644,968	644,968
Effect of dilution from ESOS ('000)	-	-	-	-
Weighted average number of ordinary shares (diluted) ('000)	644,968	-	644,968	-
Diluted earnings per share (sen)	<u>1.71</u>	<u>0.72</u>	<u>3.58</u>	<u>1.31</u>



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		Six Months Ended	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
After charging / (crediting):	RM'000	RM'000	RM'000	RM'000
Amortisation of intangible assets	1,277	41	1,715	81
Depreciation of investment property	1	1	2	2
Depreciation of property, plant and equipment	767	458	1,468	910
Dividend income	(1)	(1)	(1)	(1)
Employee share option scheme expenses	816	-	816	-
Fair value loss on derivative financial instruments	192	-	190	-
Fair value gain on other investment	(56)	(80)	(111)	(123)
Gain on disposal of property, plant and equipment	-	(16)	-	(16)
Reversal of impairment loss on receivables	(28)	-	(731)	-
Interest expenses	1,640	169	2,771	277
Interest income	(210)	(197)	(376)	(301)
Reversal of provision for foreseeable losses	-	(1)	-	(1)
Share of (profit) / loss in associates	(93)	555	(82)	649
Unrealised (gain) / loss on foreign exchange	(177)	39	(194)	(9)

Note:

(1) * represents less than RM1,000.

Save as disclosed above, the other items required under Paragraph 16, Part A of the Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

B12. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors on 22 August 2025.