

**Pekati Group Berhad (201901011563 (1320891-U))  
Interim Financial Report on Consolidated Results  
for the First Quarter Ended 31 March 2026**



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

	Note	Three Months Ended		Three Months Ended	
		31.03.2026 Unaudited RM'000	31.03.2025 Unaudited RM'000	31.03.2026 Unaudited RM'000	31.03.2025 Unaudited RM'000
Revenue		167,887	150,312	167,887	150,312
Cost of sales		(130,369)	(111,701)	(130,369)	(111,701)
<b>Gross profit</b>		37,518	38,611	37,518	38,611
Other income		1,122	1,088	1,122	1,088
Administrative expenses		(18,242)	(19,046)	(18,242)	(19,046)
Other expenses		(768)	(311)	(768)	(311)
<b>Operating profit</b>		19,630	20,342	19,630	20,342
Finance income		229	166	229	166
Finance costs		(1,633)	(1,131)	(1,633)	(1,131)
Share of profit/(loss) of associates		386	(11)	386	(11)
<b>Profit before tax</b>		18,612	19,366	18,612	19,366
Tax expense	B5	(5,769)	(5,639)	(5,769)	(5,639)
<b>Profit for the financial period</b>		12,843	13,727	12,843	13,727
Other comprehensive income/(loss) for the financial period, net of tax		36	(2)	36	(2)
<b>Total comprehensive income for the financial period</b>		12,879	13,725	12,879	13,725
<b>Profit attributable to:</b>					
Owners of the Company		12,431	12,062	12,431	12,062
Non-controlling interests		412	1,665	412	1,665
		12,843	13,727	12,843	13,727

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

	Note	Three Months Ended		Three Months Ended	
		31.03.2026 Unaudited RM'000	31.03.2025 Unaudited RM'000	31.03.2026 Unaudited RM'000	31.03.2025 Unaudited RM'000
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		12,467	12,060	12,467	12,060
Non-controlling interests		<u>412</u>	<u>1,665</u>	<u>412</u>	<u>1,665</u>
		<u>12,879</u>	<u>13,725</u>	<u>12,879</u>	<u>13,725</u>
<b>Earnings per share:</b>					
Basic (sen)	B12	<u>1.76</u>	<u>1.87</u>	<u>1.76</u>	<u>1.87</u>
Diluted (sen)	B12	<u>1.72</u>	<u>1.87</u>	<u>1.72</u>	<u>1.87</u>

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 2025 and the accompanying explanatory notes attached to these interim financial statements.

**Pekat Group Berhad (201901011563 (1320891-U))**  
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**Condensed Consolidated Statement of Financial Position**

	Note	31.03.2026 Unaudited RM'000	31.12.2025 Audited RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		198,417	169,106
Investment property		137	138
Intangible assets		1,716	1,737
Goodwill on acquisition of subsidiaries		42,357	42,357
Investment in associates		12,761	12,375
Amount due from associates		1,415	1,041
<b>Total non-current assets</b>		<u>256,803</u>	<u>226,754</u>
<b>Current assets</b>			
Other investments		27,000	70,776
Inventories		98,558	114,150
Trade receivables		100,714	94,056
Contract assets		128,019	114,488
Other receivables		3,763	21,984
Amount due from associates		8,180	3,106
Derivatives financial assets	B7	35	-
Tax recoverable		3,039	1,223
Fixed deposits with licensed banks		1,156	1,175
Cash and bank balances		57,842	87,622
<b>Total current assets</b>		<u>428,306</u>	<u>508,580</u>
<b>TOTAL ASSETS</b>		<u><u>685,109</u></u>	<u><u>735,334</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		196,632	196,110
Merger deficit		(50,080)	(50,080)
Reserves		2,530	1,999
Retained earnings		166,311	153,907
		<u>315,393</u>	<u>301,936</u>
Non-controlling interests		40,823	40,584
<b>Total equity</b>		<u>356,216</u>	<u>342,520</u>

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**Condensed Consolidated Statement of Financial Position (continued)**

	Note	31.03.2026 Unaudited RM'000	31.12.2025 Audited RM'000
<b>EQUITY AND LIABILITIES (continued)</b>			
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities		15,310	15,613
Borrowings	B9	117,958	120,597
Deferred tax liabilities		2,357	3,039
<b>Total non-current liabilities</b>		<u>135,625</u>	<u>139,249</u>
<b>Current liabilities</b>			
Trade payables		45,519	117,885
Contract liabilities		34,982	41,291
Other payables		41,302	44,656
Lease liabilities		1,621	1,628
Borrowings	B9	62,694	40,965
Derivative financial liabilities	B7	-	311
Tax payable		7,150	6,829
<b>Total current liabilities</b>		<u>193,268</u>	<u>253,565</u>
<b>Total liabilities</b>		<u>328,893</u>	<u>392,814</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>685,109</u>	<u>735,334</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>		<u>0.45</u>	<u>0.43</u>

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 2025 and the accompanying explanatory notes attached to these interim financial statements.

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**Condensed Consolidated Statement of Changes in Equity**

<b>Unaudited Financial period ended 31 March 2026</b>	<b>&lt; -----Non-Distributable----- &gt;</b>				<b>Distributable</b>		<b>Non- controlling interests</b>	<b>Total equity</b>
	<b>Share capital</b>	<b>Merger deficit</b>	<b>Translation reserve</b>	<b>ESOS reserve</b>	<b>Retained earnings</b>	<b>Attributable to owners of the Company</b>		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2026</b>	196,110	(50,080)	42	1,957	153,907	301,936	40,584	342,520
<b>Transactions with owners: -</b>								
Share option granted	-	-	-	572	-	572	-	572
Acquisition of equity interests from non-controlling interests	-	-	-	-	(27)	(27)	(173)	(200)
Issuance of shares pursuant to exercise of share option	522	-	-	(77)	-	445	-	445
Profit for the financial period	-	-	-	-	12,431	12,431	412	12,843
Other comprehensive income for the financial period	-	-	36	-	-	36	-	36
Total comprehensive income for the financial period		-	36	-	12,431	12,467	412	12,879
<b>At 31 March 2026</b>	196,632	(50,080)	78	2,452	166,311	315,393	40,823	356,216

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**Condensed Consolidated Statement of Changes in Equity (continued)**

	< -----Non-Distributable----- >			Distributable		Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Merger deficit RM'000	Translation reserve RM'000	Retained earnings RM'000	Attributable to owners of the Company RM'000		
<b>Unaudited Financial period ended 31 March 2025</b>							
<b>At 1 January 2025</b>	93,516	(50,080)	*	115,227	158,663	36,680	195,343
<b>Transactions with owners: -</b>							
Profit for the financial period	-	-	-	12,062	12,062	1,665	13,727
Other comprehensive loss for the financial period	-	-	-	-	(2)	-	(2)
Total comprehensive income for the financial period	-	-	(2)	12,062	12,060	1,665	13,725
<b>At 31 March 2025</b>	93,516	(50,080)	(2)	127,289	170,723	38,345	209,068

**Note:**

(1) \* represents less than RM1,000.

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 2025 and the accompanying explanatory notes attached to these interim financial statements.

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**Condensed Consolidated Statement of Cash Flows**

	<b>Three Months Ended</b>	
	<b>31.03.2026</b>	<b>31.03.2025</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	18,612	19,366
<b>Adjustments for:</b>		
Amortisation of intangible assets	26	438
Bad debts written off	18	-
Depreciation of investment property	1	1
Depreciation of property, plant and equipment	1,268	1,029
Dividend income	(32)	-
Fair value gain on derivative financial instruments	(347)	(2)
Fair value gain on other investments	(300)	(55)
Interest expenses	1,633	1,131
Interest income	(229)	(166)
Loss on disposal of property, plant and equipment	2	-
Reversal of impairment loss on receivables	(11)	(703)
Reversal of provision for foreseeable loss	(239)	-
Share of (profit)/loss of associates	(386)	11
Share option expenses	572	-
Unrealised loss/(gain) on foreign exchange	749	(17)
Operating profit before working capital changes	21,337	21,033
Changes in working capital:		
Inventories	15,592	19,075
Receivables	11,357	(6,321)
Payables	(76,922)	(10,307)
Contract assets or liabilities	(19,601)	6,967
Associates	(5,444)	(1,399)
Related parties	-	1
Cash (used in)/generated from operations	(53,681)	29,049
Interest received	206	133
Tax paid	(7,945)	(3,615)
<b>Net cash (used in)/from operating activities</b>	<b>(61,420)</b>	<b>25,567</b>

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**Condensed Consolidated Statement of Cash Flows (continued)**

	<b>Three Months Ended</b>	
	<b>31.03.2026</b>	<b>31.03.2025</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>INVESTING ACTIVITIES</b>		
Dividend received	32	-
Interest received	19	25
Proceeds from disposal of other investments	44,076	1,226
Purchase of intangible assets	(5)	(38)
Purchase of property, plant and equipment	(30,579)	(27,855)
<b>Net cash from/(used in) investing activities</b>	<b>13,543</b>	<b>(26,642)</b>
<b>FINANCING ACTIVITIES</b>		
Interest paid	(1,633)	(1,131)
Net drawdown of bankers' acceptance/invoice financing/onshore foreign currency loan/revolving credit/trust receipt	20,737	1,710
Net repayment of lease liabilities	(309)	(282)
Net (repayment)/drawdown of term loan	(1,647)	30,062
Proceeds from issuance of shares pursuant to exercise of share option	930	-
Withdrawal/(Placement) of fixed deposits pledged with licensed banks	19	(837)
<b>Net cash from financing activities</b>	<b>18,097</b>	<b>29,522</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(29,780)</b>	<b>28,447</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>87,622</b>	<b>34,340</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>57,842</b>	<b>62,787</b>

**Pekat Group Berhad (201901011563 (1320891-U))  
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**Condensed Consolidated Statement of Cash Flows (continued)**

	<b>Three Months Ended</b>	
	<b>31.03.2026</b>	<b>31.03.2025</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash and cash equivalents included in the statement of cash flows comprise the followings:</b>		
Cash and bank balances	57,842	62,787
Fixed deposits with licensed banks	1,156	3,758
	58,998	66,545
Less: Fixed deposits pledged with licensed banks	(1,156)	(3,758)
	57,842	62,787

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 2025 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 2025 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 2025 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 2026.

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 not 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 2027**

- MFRS 18: *Presentation and Disclosure in Financial Statements*
- MFRS 19 and 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*
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##### **Effective date of these Amendments to Standards has been deferred, and yet to be announced**

- 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*

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

**A2. Significant Accounting Policies (continued)**

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 2025.

**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**

During the financial period under review, the Company issued 380,000 new ordinary shares under the Company Employees' Share Option Scheme at an exercise price of RM1.17 per ordinary share.

Save as disclosed above, 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:

<b>Financial period ended 31 March 2026</b>	<b>Solar Photovoltaics RM'000</b>	<b>Power Distribution Equipment RM'000</b>	<b>Earthing and Lightning Protection RM'000</b>	<b>Trading &amp; Others RM'000</b>	<b>Adjustments/ Eliminations RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>						
Sales to external customers	103,377	32,821	15,357	16,332	-	167,887
Inter-segment sales	4	-	104	25,844	(25,952)	-
	<u>103,381</u>	<u>32,821</u>	<u>15,461</u>	<u>42,176</u>	<u>(25,952)</u>	<u>167,887</u>

	<b>RM'000</b>
<b>Results</b>	
Segment profit	19,630
Finance income	229
Finance costs	(1,633)
Share of profit in associates	386
Tax expense	(5,769)
Profit after tax	<u>12,843</u>

<b>Financial period ended 31 March 2025</b>	<b>Solar Photovoltaics RM'000</b>	<b>Power Distribution Equipment RM'000</b>	<b>Earthing and Lightning Protection RM'000</b>	<b>Trading &amp; Others RM'000</b>	<b>Adjustments/ Eliminations RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>						
Sales to external customers	92,827	27,893	16,187	13,405	-	150,312
Inter-segment sales	4	-	209	12,487	(12,700)	-
	<u>92,831</u>	<u>27,893</u>	<u>16,396</u>	<u>25,892</u>	<u>(12,700)</u>	<u>150,312</u>

	<b>RM'000</b>
<b>Results</b>	
Segment profit	20,342
Finance income	166
Finance costs	(1,131)
Share of loss in associates	(11)
Tax expense	(5,639)
Profit after tax	<u>13,727</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**

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

On 12 February 2026, a wholly-owned subsidiary of the Company, Pekat Teknologi Sdn. Bhd. had acquired 9,800 ordinary shares representing 49% equity interest in Solaroo Systems (Thailand) Company Limited.

On 13 February 2026, a wholly-owned subsidiary of the Company, Pekat Teknologi Sdn. Bhd. had acquired 135,000 ordinary shares representing 30% equity interest in Pnexsoft Sdn. Bhd. for a total cash consideration of RM200,000. After acquisition, Pnexsoft Sdn. Bhd. became a wholly-owned subsidiary of Pekat Teknologi Sdn. Bhd..

On 2 March 2026, Pekat Teknologi Sdn. Bhd. incorporated a 60% owned subsidiary, Pentas Tanah Sdn. Bhd. with a cash subscription of RM6 representing 60% equity interest.

**A12. Changes in Contingent Liabilities and Contingent Assets**

There were no contingent assets at the date of this interim financial report.

Financial guarantee contracts of the Group are as follows:

	<b>31.03.2026</b>
	<b>RM'000</b>
<b><u>Group</u></b>	
Bank guarantee for performance bond, tender bond and warranty bond provided to customers/statutory/third parties	97,269
Letter of credit issued by licensed banks	<u>43,229</u>
	<u>140,498</u>



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

**A13. Capital Commitment**

	<b>31.03.2026</b>	<b>31.12.2025</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Group</u></b>		
Authorised and contracted for construction works of own solar power plants	<u>11,235</u>	<u>13,306</u>

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:

	<b>31.03.2026</b>	<b>31.03.2025</b>
<b>Nature of transactions/Related parties</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Installation, construction and commissioning of remote monitoring system by:</u>		
- Runjian Co., Ltd.	38	-
<u>Rental expenses of office buildings charged by:</u>		
- Startige Corporation Sdn. Bhd.	<u>243</u>	<u>243</u>

Runjian Co., Ltd. is the holding company of R&J International (Singapore) Pte. Ltd., which is a major shareholder of Pekato RE Maintenance Sdn. Bhd., a 54.32% owned subsidiary of the Group.

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.

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

**B1. Review of Group's Performance**

	Three Months Ended		Variance	
	31.03.2026	31.03.2025	RM'000	%
	RM'000	RM'000		
Revenue				
- Solar photovoltaics	103,377	92,827	10,550	11.4
- Power distribution equipment	32,821	27,893	4,928	17.7
- Earthing and lightning protection	15,357	16,187	(830)	(5.1)
- Trading	16,332	13,405	2,927	21.8
Total revenue	<u>167,887</u>	<u>150,312</u>	17,575	11.7
Profit before tax	<u>18,612</u>	<u>19,366</u>	(754)	(3.9)
Profit after tax	<u>12,843</u>	<u>13,727</u>	(884)	(6.4)
Profit attributable to owners of the Company	<u>12,431</u>	<u>12,060</u>	371	3.1

**Comparison between the current quarter under review ("Q1 FY26") and preceding year corresponding quarter ("Q1 FY25")**

In Q1 FY26, the Group recorded revenue of RM167.89 million, representing an increase of RM17.58 million or 11.7% compared to RM150.31 million in Q1 FY25.

The solar division remained the Group's primary revenue contributor, with revenue rising by RM10.55 million or 11.4% to RM103.38 million in Q1 FY26 from RM92.83 million in Q1 FY25. This strong performance was mainly driven by the progress of large-scale solar engineering, procurement, construction and commissioning ("EPCC") projects.

Meanwhile, the power distribution equipment ("PDE") and trading divisions also recorded higher revenue compared to Q1 FY25, increasing by RM4.93 million and RM2.93 million respectively, attributable to higher order fulfilment during the current quarter. On the other hand, the earthing and lightning protection ("ELP") division reported a decrease in revenue of RM0.83 million, mainly due to timing of project execution.

Other expenses increased by RM0.46 million to RM0.77 million in Q1 FY26 from RM0.31 million in Q1 FY25, primarily due to higher unrealised foreign exchange losses arising from outstanding trade balances at the end of the current financial period.

Finance costs increased to RM1.63 million, mainly attributable to interest incurred on term loans and trade financing facilities utilised to finance the construction of large-scale solar power plants under the CGPP, as well as the acquisition of the PDE division.

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

**B1. Review of Group's Performance (continued)**

**Comparison between the current quarter under review ("Q1 FY26") and preceding year corresponding quarter ("Q1 FY25") (continued)**

In line with the higher revenue contribution, the Group's profit attributable to owners of the Company increased by RM0.37 million or 3.1% to RM12.43 million, compared to RM12.06 million in Q1 FY25.

**B2. Comparison with Immediately Preceding Quarter Results**

	Quarter Ended		Variance	
	31.03.2026 RM'000	31.12.2025 RM'000	RM'000	%
Revenue				
- Solar photovoltaics	103,377	116,221	(12,844)	(11.1)
- Power distribution equipment	32,821	38,922	(6,101)	(15.7)
- Earthing and lightning protection	15,357	19,623	(4,266)	(21.7)
- Trading	16,332	16,134	198	1.2
Total revenue	<u>167,887</u>	<u>190,900</u>	(23,013)	(12.1)
Profit before tax	<u>18,612</u>	<u>18,467</u>	145	0.8
Profit after tax	<u>12,843</u>	<u>13,076</u>	(233)	(1.8)
Profit attributable to owners of the Company	<u>12,431</u>	<u>11,686</u>	745	6.4

The Group recorded revenue of RM167.89 million for Q1 FY26, representing a decrease of RM23.01 million or 12.1% compared to RM190.90 million in the preceding quarter ended 31 December 2025 ("Q4 FY25").

The decrease in revenue was primarily attributable to lower contribution from the solar division, which declined by RM12.84 million mainly due to slower project execution, particularly within the commercial and industrial customer segment, as compared to Q4 FY25. In addition, the PDE and ELP divisions recorded lower revenue by RM6.10 million and RM4.27 million respectively, mainly due to lower order fulfilment and slower project execution during the current quarter.

Despite the lower revenue recorded, the Group reported a slight increase in profit before tax ("PBT") of RM0.15 million or 0.8% compared to Q4 FY25. The improvement in PBT was mainly attributable to lower administrative and other operating expenses compared to Q4 FY25, particularly the inventories written down amounting to RM2.08 million, which was recognised in Q4 FY25.

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

**B3. Commentary on Prospects**

Looking ahead, Pekat anticipates a sustained period of growth supported by strong 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 the nation's energy transition agenda. Government targets under the National Energy Transition Roadmap ("NETR") continue to prioritise renewable energy capacity expansion, with solar energy expected to play an increasingly significant role in the country's long-term energy mix.

The rollout of successive Large-Scale Solar ("LSS") programmes, including LSS5, LSS5+, and the anticipated LSS6 programme, together with opportunities arising from the Corporate Renewable Energy Supply Scheme ("CRESS"), is expected to drive substantial engineering, procurement, construction and commissioning ("EPCC") activity and increase demand for integrated renewable energy solutions. Continued growth in rooftop solar adoption, self-consumption frameworks, and energy storage integration further supports the long-term outlook for solar-plus-storage projects, in line with emerging industry requirements for grid stability and low-carbon energy generation.

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

At the same time, opportunities, competition, and execution challenges within the renewable energy market are expected to intensify, underscoring the importance of disciplined project execution, cost optimisation, and continuous innovation. Pekat remains committed to strengthening its engineering capabilities, expanding strategic partnerships, and leveraging its technical expertise to capitalise on growing market demand while maintaining financial discipline.

Pekat will continue aligning its investment priorities and operational readiness with evolving industry developments to support resilient growth and deliver long-term shareholder value within a rapidly transforming energy landscape.

Barring any unforeseen circumstances, the Board remains cautiously optimistic on the Group's performance for the remainder of the financial year.

**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		Three Months Ended	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	RM'000	RM'000	RM'000	RM'000
Current tax	6,451	6,676	6,451	6,676
Deferred tax	(682)	(1,037)	(682)	(1,037)
Total tax expense	<u>5,769</u>	<u>5,639</u>	<u>5,769</u>	<u>5,639</u>
Effective tax rate (%)	31.0	29.1	31.0	29.1

**Note:**

- (1) The Group's effective tax rates for the current quarter and current financial period under review was 31.0%, which exceeds the statutory tax rate of 24%. The higher effective tax rate for the current quarter and current financial period was primarily due to certain non-deductible expenses and business losses in certain subsidiaries.

**B6. Status of Corporate Proposals and Utilisation of Proceeds**

Save as disclosed below, there were no other outstanding corporate proposals as at the date of this interim financial report:

**Private Placement**

On 16 July 2025, the Company announced to undertake a private placement of up to 66,156,820 new ordinary shares in Pekat ("**Private Placement**").

On 8 October 2025, the Company announced that the issue price was fixed at RM1.68 per Placement Share. On 21 October 2025, the Private Placement was completed following the listing of and quotation for 60,000,000 Placement Shares on the ACE Market of Bursa Securities.

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

**B6. Status of Corporate Proposals and Utilisation of Proceeds (continued)**

Save as disclosed below, there were no other outstanding corporate proposals as at the date of this interim financial report:

**Private Placement (continued)**

The utilisation of proceeds of RM100.80 million raised from the Private Placement is as follows:

<b>Details of utilisation</b>	<b>Proposed utilisation of proceeds RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Balance to be utilised RM'000</b>	<b>Estimated timeframe for utilisation from the receipts of proceeds</b>
Working capital for commercial and industrial solar photovoltaic ("PV") projects	44,481	(21,880)	22,601	Within 12 months
Working capital for the development of future solar PV projects	46,119	(46,119)	-	Within 24 months
Working capital for the secured CGPP project	10,000	(10,000)	-	Within 6 months
Expenses for the Private Placement	200	(200)	-	Within 1 month
<b>Total</b>	<b>100,800</b>	<b>(78,199)</b>	<b>22,601</b>	

**B7. Derivatives Financial Assets/(Liabilities)**

<b>Types of derivatives</b>	<b>Contract/Notional value 31.03.2026 RM'000</b>	<b>Fair value 31.03.2026 RM'000</b>	<b>Derivative financial assets 31.03.2026 RM'000</b>
Forward currency contracts - Less than 1 year	2,818	2,853	35

**Forward currency contracts**

The forward currency contracts were entered into by the Group as hedges for its overseas purchases mainly denominated in USD and RMB currency in order to manage exposure to fluctuations in foreign exchange currency rates on specific transactions.

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

**B7. Derivatives Financial Assets/(Liabilities) (continued)**

There is no significant change for the financial derivatives in respect of the following since the previous FY25:

- i. The credit risk, market risk and liquidity risk associated with those financial derivatives;
- ii. The cash requirements of the financial derivatives; and
- iii. The policy in place for mitigating or controlling the risks associated with those financial derivatives.

**B8. Fair Value Changes of Derivatives Financial Instruments**

<b>Types of derivatives</b>	<b>Basis of fair value measurement</b>	<b>Fair value gain on derivatives financial instruments 31.03.2026 RM'000</b>
Forward currency contracts - Less than 1 year	The difference between the contracted rates and the Bank Negara closing rates	347

The fair value gain of the forward currency contracts is determined by reference to the difference between the contracted rates and the market rates as at the reporting date.

**B9. Borrowings**

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

	<b>31.03.2026 RM'000</b>	<b>31.12.2025 RM'000</b>
<b>Current liabilities</b>		
<u>Secured:</u>		
- Bankers' acceptance	2,782	2,620
- Invoice financing	11,033	4,140
- Onshore foreign currency loan	-	8,418
- Revolving credit	37,530	9,200
- Trust receipt	934	7,164
- Term loans	10,415	9,423
	62,694	40,965
<b>Non-current liabilities</b>		
<u>Secured:</u>		
- Term loan	117,958	120,597
Total borrowings	180,652	161,562



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

**B10. Material Litigation**

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

**B11. Dividend**

No dividend has been proposed in the current quarter under review.

**B12. Earnings Per Share**

**(a) Basic earnings per share**

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

	<b>Three Months Ended</b>		<b>Three Months Ended</b>	
	<b>31.03.2026</b>	<b>31.03.2025</b>	<b>31.03.2026</b>	<b>31.03.2025</b>
Profit attributable to owners of the Company (RM'000)	12,431	12,062	12,431	12,062
Weighted average number of ordinary shares ('000)	706,383	644,968	706,383	644,968
Basic earnings per share (sen)	<u>1.76</u>	<u>1.87</u>	<u>1.76</u>	<u>1.87</u>

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

**B12. Earnings Per Share (continued)**

**(b) Diluted earnings per share**

Diluted earnings per share is calculated by dividing profit for the financial period attributable to owners of the Company by weighted average number of ordinary shares in issue during the financial period adjusted for the effects of dilutive potential ordinary shares. The adjusted weighted average number of ordinary shares in issue and issuable has been arrived at based on the assumption that Employee Share Option Scheme (“ESOS”) granted by end of the financial period:

	Three Months Ended		Three Months Ended	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Profit attributable to owners of the Company (RM'000)	<u>12,431</u>	<u>12,062</u>	<u>12,431</u>	<u>12,062</u>
Weighted average number of ordinary shares (basic) ('000)	706,383	644,968	706,383	644,968
Effect of dilution from assumed exercise of ESOS ('000)	<u>14,915</u>	<u>-</u>	<u>14,915</u>	<u>-</u>
Adjusted weighted average number of ordinary shares (diluted) ('000)	<u>721,298</u>	<u>644,968</u>	<u>721,298</u>	<u>644,968</u>
Diluted earnings per ordinary share (sen)	<u>1.72</u>	<u>1.87</u>	<u>1.72</u>	<u>1.87</u>

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

**B13. Notes to Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

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

	Three Months Ended		Three Months Ended	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
<b>After charging/(crediting):</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Amortisation of intangible assets	26	438	26	438
Bad debts written off	18	-	18	-
Depreciation of investment property	1	1	1	1
Depreciation of property, plant and equipment	1,268	1,029	1,268	1,029
Dividend income	(32)	-	(32)	-
Fair value gain on derivative financial instruments	(347)	(2)	(347)	(2)
Fair value gain on other investments	(300)	(55)	(300)	(55)
Interest expenses	1,633	1,131	1,633	1,131
Interest income	(229)	(166)	(229)	(166)
Loss on disposal of property, plant and equipment	2	-	2	-
Reversal of impairment loss on receivables	(11)	(703)	(11)	(703)
Reversal of provision for foreseeable losses	(239)	-	(239)	-
Share of (profit)/loss in associates	(386)	11	(386)	11
Share option expenses	572	-	572	-
Unrealised loss/(gain) on foreign exchange	749	(17)	749	(17)

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

**B14. Authorisation for Issue**

The interim financial report was authorised for issue by the Board of Directors on 21 May 2026.