

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF PEKAT GROUP BERHAD (“PEKAT” OR “COMPANY”) DATED 2 JUNE 2021 (“ELECTRONIC PROSPECTUS”)

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad’s (“Bursa Securities”) website at www.bursamalaysia.com (“Website”).

Availability and Location of Paper/Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company, M&A Securities Sdn Bhd (“M&A Securities”), or Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Form is not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, M&A Securities and Pekat take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from 10.00 a.m. on 2 June 2021 and will close at 5.00 p.m. on 10 June 2021. In the event there is any change to the timetable, Pekat will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users’ access to the website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.



Pekat

Pekat Group Berhad

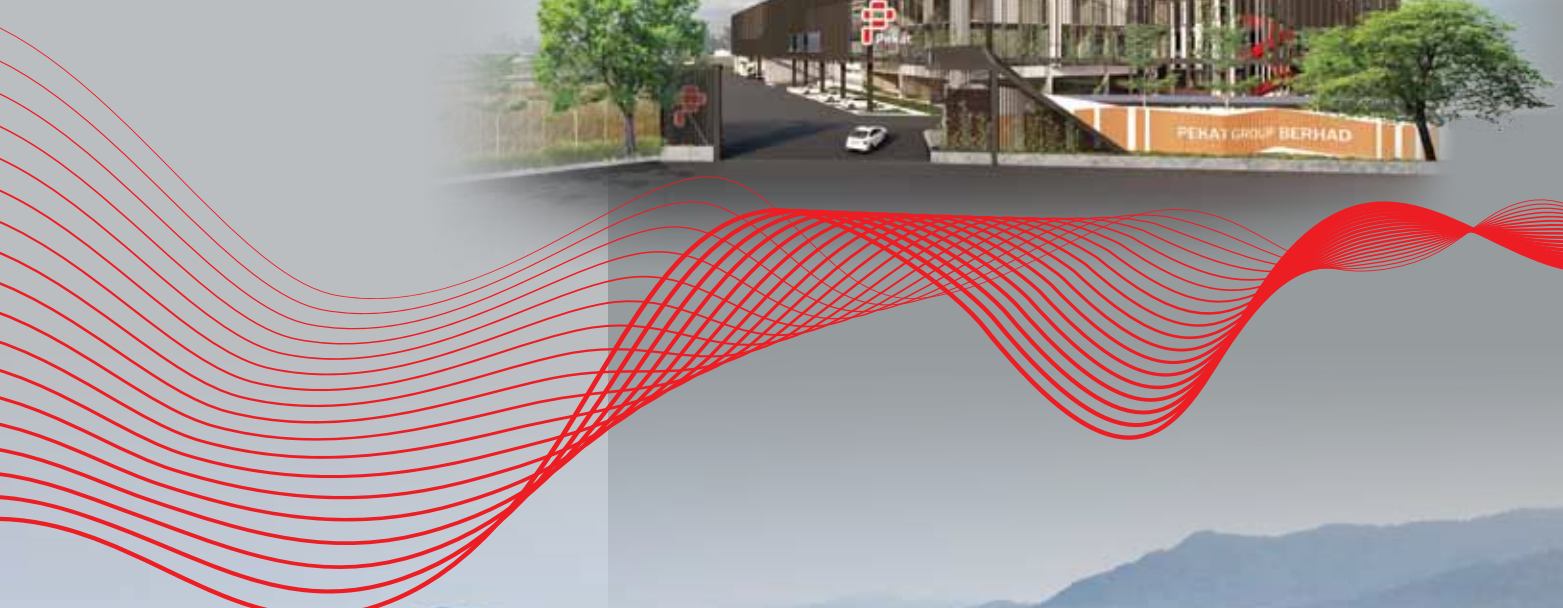
Lot 3A, 5 & 6, Cubic Space
6, Jalan Teknologi 3/4
Taman Sains Selangor 1, Kota Damansara
47810 Petaling Jaya, Selangor Darul Ehsan
Malaysia

Tel : 03-2300 8010

Email : enquiries@pekatgroup.com

www.pekat.com.my

**ENGINEERED FOR
A BRIGHTER &
SUSTAINABLE FUTURE**



PROSPECTUS

**ENGINEERED FOR A BRIGHTER
& SUSTAINABLE FUTURE**



PROSPECTUS



Pekat Group Berhad

Registration No. 201901011563 (1320891-U)
(Incorporated in Malaysia under the Companies Act 2016)



M&A SECURITIES SDN BHD

Registration No. 197301001503 (15017-H)
(A Wholly-Owned Subsidiary of Insas Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Adviser, Sponsor, Underwriter and Placement Agent

INITIAL PUBLIC OFFERING IN CONJUNCTION WITH OUR LISTING ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING:

(I) PUBLIC ISSUE OF 138,668,000 NEW ORDINARY SHARES IN OUR COMPANY ("SHARES") IN THE FOLLOWING MANNER:

- 32,248,600 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 16,124,200 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES AS WELL AS PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP; AND
- 90,295,200 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY AND SELECTED INVESTORS

(II) OFFER FOR SALE OF 32,248,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS

AT AN ISSUE/OFFER PRICE OF RM0.32 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

This Prospectus has been registered by the Securities Commission Malaysia ("SC"). The registration of this Prospectus, should not be taken to indicate that the SC recommends the offering or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. The SC is not liable for any non-disclosure on the part of the company and takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus. No securities will be allotted or issued based on this Prospectus after 6 months from the date of this Prospectus.

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 210.

THE ACE MARKET OF BURSA SECURITIES IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

THE ISSUE, OFFER OR INVITATION FOR THE OFFERING IS A PROPOSAL NOT REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SECURITIES COMMISSION MALAYSIA UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

This Prospectus is dated 2 June 2021

Our Directors, Promoters and Selling Shareholders (as defined herein) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

M&A Securities Sdn Bhd, being the Adviser, Sponsor, Underwriter and Placement Agent to our IPO (as defined herein), acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

A copy of this Prospectus, together with the Application Form (as defined herein), has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

You should note that you may seek recourse under Sections 248, 249 and 357 of the Capital Markets and Services Act 2007 ("CMSA") for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to our Group (as defined herein).

Securities are offered to the public premised on full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMSA, is responsible.

Approval has been obtained from Bursa Securities for the listing of and quotation for our IPO Shares (as defined herein) on 15 February 2021. Our admission to the Official List of the ACE Market of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares. Bursa Securities shall not be liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

It shall be your sole responsibility if you are or may be subject to the laws of countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether our IPO would result in the contravention of any law of such countries or jurisdictions.

Further, it shall also be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO as stated in our Prospectus and the Application Forms and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected. We will further assume that you had accepted our IPO in Malaysia and will be subjected only to the laws of Malaysia in connection therewith.

However, we reserve the right, in our absolute discretion to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

No action has been or will be taken to ensure that this Prospectus complies with the laws of any country or jurisdiction other than the laws of Malaysia. It shall be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our IPO or you are or might be subjected to. Neither us nor our Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

ELECTRONIC PROSPECTUS

This Prospectus can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same.

You are advised that the internet is not a fully secured medium, and that your Internet Share Application (as defined herein) may be subject to the risks of problems occurring during the data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined herein). These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt of the validity or integrity of an Electronic Prospectus, you should immediately request from us, the Adviser or Issuing House, a paper printed copy of this Prospectus.

In the event of any discrepancy arising between the contents of the electronic and the contents of the paper printed copy of this Prospectus for any reason whatsoever, the contents of the paper printed copy of this Prospectus which are identical to the copy of this Prospectus registered with the SC shall prevail.

In relation to any reference in this Prospectus to third party internet sites (referred to as "Third Party Internet Sites"), whether by way of hyperlinks or by way of description of the third party internet sites, you acknowledge and agree that:

- (i) We and our Adviser do not endorse and is not affiliated in any way with the Third Party Internet Sites and is not responsible for the availability of, or the contents or any data, information, files or other material provided on the third party internet sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (ii) We and our Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our Adviser are also not responsible for any loss or damage or costs that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance of any data, information, files or other material provided by such parties; and
- (iii) Any data, information, files or other material downloaded from Third Party Internet Sites is done at your own discretion and risk. We and our Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:

- (a) The Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions and shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties; and

- (b) While all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

The Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the internet participating financial institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

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INDICATIVE TIMETABLE

All terms used are defined under "Definitions" commencing from page vii.

The indicative timing of events leading to our Listing is set out below:

Events	Tentative Dates
Issuance of this Prospectus/Opening of Application	2 June 2021
Closing of Application	10 June 2021
Balloting of the Application	14 June 2021
Allotment/transfer of our IPO Shares to successful applicants	21 June 2021
Date of Listing	23 June 2021

In the event there is any change to the timetable, we will advertise the notice of the changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All terms used are defined under "Definitions" commencing from page vii.

All references to "Pekat" and the "Company" in this Prospectus are to Pekat Group Berhad (Registration No. 201901011563 (1320891-U)). Unless otherwise stated, references to "Group" are to our Company and our subsidiaries taken as a whole; and references to "we", "us", "our" and "ourselves" are to our Company, and, save where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to "Management" are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

The word "approximately" used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest hundredth or 1 decimal place (for percentages) or dollar and sen for currency. Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in "Definitions" and "Technical Glossary" appearing after this section. Words denoting the singular only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

All reference to dates and times are references to dates and times in Malaysia.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

This Prospectus includes statistical data provided by our management and various third parties and cites third party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is acknowledged, it can be assumed that the information originates from our Management. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the Independent Market Researcher. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate.

The information on our website, or any website directly or indirectly linked to such websites does not form part of this Prospectus.

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FORWARD-LOOKING STATEMENTS

All terms used are defined under "Definitions" commencing from page vii.

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast", "project" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements include, without limitations, statements relating to:

- (i) Demand for our products and services;
- (ii) Our business strategies and prospects;
- (iii) Our financial position; and
- (iv) Our ability to pay future dividends.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (a) The economic, political and investment environment in Malaysia and globally; and
- (b) Government policy, legislation or regulation.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in "Section 8 - Risk Factors" and "Section 11 - Financial Information". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Prospectus. Nonetheless, should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of issue of this Prospectus up to the date of our Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMSA.

DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless otherwise defined or the context requires otherwise:

COMPANIES WITHIN OUR GROUP:

- "Pekat" or "Company" : Pekat Group Berhad (Registration No. 201901011563 (1320891-U))
- "Pekat Group" or "Group" : Pekat and its subsidiaries and associated companies, collectively
- "Pekat Teknologi" : Pekat Teknologi Sdn Bhd (Registration No. 199901015679 (490579-A)), a wholly-owned subsidiary of Pekat

Subsidiaries of Pekat Teknologi

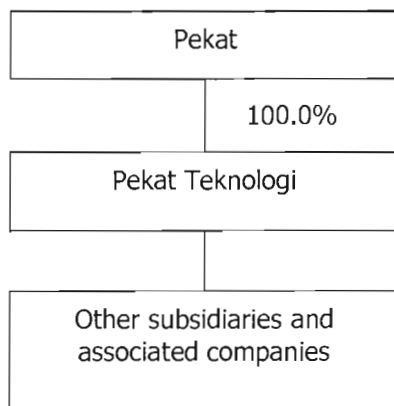
- "E&LP Engineering" : E&LP Engineering Sdn Bhd (Registration No. 200701023462 (781479-U))
- "Pekat Engineering" : Pekat Engineering Sdn Bhd (Registration No. 201001038837 (922761-K))
- "Pekat E&LP" : Pekat E&LP Sdn Bhd (Registration No. 201001038875 (922799-H))
- "Pekat LEDSystems" : Pekat LEDSystems Sdn Bhd (Registration No. 200601000779 (720526-P))
- "Pekat Solar" : Pekat Solar Sdn Bhd (Registration No. 201001038864 (922788-W))
- "Pnexsoft" : Pnexsoft Sdn Bhd (Registration No. 201801033283 (1295310-T))

Associated companies under Pekat Teknologi

- "J8K Energy" : J8K Energy Sdn Bhd (Registration No. 201901019545 (1328874-W))
- "MFP Solar" : MFP Solar Sdn Bhd (Registration No. 201901031134 (1340464-D))
- "Pekat Energy Sarawak" : Pekat Energy (Sarawak) Sdn Bhd (Registration No. 201601030269 (1201210-V))
- "Sunway Pekat Solar" : Sunway Pekat Solar Sdn Bhd (Registration No. 201901022491 (1331820-M))

DEFINITIONS (Cont'd)

A diagrammatic illustration of our Group structure is as follows:



We operate in 3 distinct business areas, namely:

(i) Solar Division Design, supply and installation of solar PV systems and power plants

We carry out the design, supply and installation of on-grid and off-grid solar PV systems and power plants, where we are responsible for the entire scope of work (including testing and commissioning, and in some cases operations and maintenance for projects where we are contracted to do so) and delivering them to our customers. We engage subcontractors to carry out, under our management and supervision, site preparation and earthworks, all installation works, and interconnection to power transmission substations. Solar PV systems and power plants convert sunlight into electricity for use at a facility, supply to the power grid, or storage in a battery pack for later use.

(ii) ELP Division Supply and installation of ELP systems

Our supply and installation of ELP systems for buildings, facilities and structures are to protect people, property and equipment from unintended electric current. We are engaged as a specialist subcontractor for ELP systems by main contractors or M&E contractors.

(iii) Trading Division Distribution of electrical products and accessories

The distribution of electrical products and accessories involve the sales and marketing of our own brands and third party brands of electrical products and accessories, namely ELP products and accessories, solar PV related products, surge protection devices and aviation warning light systems.

GENERAL:

"ACE Market" : ACE Market of Bursa Securities

"Act" : Companies Act 2016

DEFINITIONS (Cont'd)

"Acquisition of Pekat Teknologi"	:	Acquisition by Pekat of the entire share capital of Pekat Teknologi for a purchase consideration of RM50,630,000 which was wholly satisfied by the issuance of 506,300,000 new Shares at an issue price of RM0.10 per Share. The Acquisition of Pekat Teknologi was completed on 17 March 2021 and resulted in Pekat Teknologi becoming a wholly-owned subsidiary of Pekat
"ADA"	:	Authorised Depository Agent
"Adviser" or "Sponsor"	:	M&A Securities
"Application"	:	The application for our IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
"Application Form"	:	The printed application form for the application of our IPO Shares accompanying this Prospectus
"ATM(s)"	:	Automated Teller Machine(s)
"Bekal Hikmat"	:	Bekal Hikmat Sdn Bhd (Registration No. 199301003403 (258140-K))
"Board"	:	Board of Directors of Pekat
"Bursa Depository" or "Depository"	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"CAGR"	:	Compounded annual growth rate
"CPC"	:	Certificate of practical completion
"CDS"	:	Central Depository System
"CDS Account"	:	An account established by Bursa Depository for a depositor for the recording of securities and for dealing in such securities by the depositor
"CIDB"	:	Construction Industry Development Board
"Closing Date"	:	The date adopted in this Prospectus as the last date for acceptance and receipt of Application
"CMSA"	:	Capital Markets and Services Act 2007
"Constitution"	:	Constitution of our Company
"Cubic Space Office"	:	3 units of 3-storey semi-detached factories located at Lot 3A, 5 and 6, Cubic Space, 6, Jalan Teknologi 3/4, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor. Further details on the Cubic Space Office is set out in Section 6.17.2(i)

DEFINITIONS (Cont'd)

"Depository Rules"	:	The Rules of Bursa Depository and any appendices thereto
"DDWG"	:	Due diligence working group for the purpose of our IPO
"Director"	:	Either an executive director or a non-executive director of our Company within the meaning of Section 2 of the Act
"EBIT"	:	Earnings before interest and taxation
"EBITDA"	:	Earnings before interest, taxation, depreciation and amortisation
"Electronic Prospectus"	:	Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium
"Electronic Share Application"	:	Application for our IPO Shares through a Participating Financial Institution's ATM
"Elmina Land"	:	An industrial freehold land bearing title H.S.(D) 287163, Lot No. PT 50350, Mukim of Sungai Buloh, in the District of Petaling, State of Selangor. We intend to build our new head office and operational facility on this land
"EPCC"	:	Engineering, procurement, construction and commissioning
"EPS"	:	Earnings per share
"ETP"	:	Economic Transformation Programme
"FIT"	:	Feed-in Tariff
"FYE(s)"	:	Financial year(s) ended 31 December
"GP"	:	Gross profit
"Hextar"	:	Hextar Holdings Sdn Bhd (Registration No. 200601002945 (722692-V))
"IFRS"	:	International Financial Reporting Standards
"IMR" or "Vital Factor"	:	Vital Factor Consulting Sdn Bhd (Registration No. 199301012059 (266797-T)), our Independent Business and Market Research Consultants
"IMR Report"	:	Independent Market Research Report titled "Independent Assessment of the Solar Photovoltaic, Earthing and Lightning Protection System and Distribution of Electrical Products Industries in Malaysia"
"Initial Public Offering" or "IPO"	:	Our initial public offering comprising our Public Issue and Offer for Sale
"Internet Participating Financial Institutions"	:	Participating financial institutions for Internet Share Application as listed in Section 15

DEFINITIONS (Cont'd)

"Internet Share Application"	:	Application for our IPO Shares through an online share application service provided by the Internet Participating Financial Institutions
"IPO Price"	:	Our issue price/offer price of RM0.32 per Share pursuant to our Public Issue and Offer for Sale
"IPO Share(s)"	:	The Issue Share(s) and Offer Share(s), collectively
"ISO"	:	International Organisation for Standardisation
"Issue Share(s)"	:	The 138,668,000 new Share(s) to be issued pursuant to our Public Issue subject to the terms and conditions of this Prospectus
"Issuing House"	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
"Listing"	:	Listing of and quotation for our entire enlarged share capital of RM95,003,780 comprising 644,968,200 Shares on the ACE Market
"Listing Requirements"	:	ACE Market Listing Requirements of Bursa Securities
"Listing Scheme"	:	Comprising our Public Issue, Offer for Sale and Listing, collectively
"LPD"	:	3 May 2021, being the latest practicable date for ascertaining certain information contained in this Prospectus
"LSS"	:	Large Scale Solar
"M&A Securities"	:	M&A Securities Sdn Bhd (Registration No. 197301001503 (15017-H))
"M&E"	:	Mechanical and electrical
"Malaysian Public"	:	Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
"Market Day(s)"	:	Any day(s) between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"MCO"	:	Movement control order
"MFCI"	:	Mega First C&I Solar Sdn Bhd (Registration No. 202001013614 (1369934-A))
"MFPI"	:	Mega First Power Industries Sdn Bhd (Registration No. 199601020584 (392936-W))
"MFRS"	:	Malaysian Financial Reporting Standards
"MIDA"	:	Malaysian Investment Development Authority
"MITI"	:	Ministry of International Trade and Industry Malaysia
"NA"	:	Net assets

DEFINITIONS (Cont'd)

"NBV"	:	Net book value
"NEM"	:	Net Energy Metering
"Nexstream"	:	Nexstream Sdn Bhd (Registration No. 200601013211 (732962-U))
"Offer for Sale"	:	The offer for sale by our Selling Shareholders of 32,248,000 Offer Shares at our IPO Price by way of private placement to selected investors
"Offer Shares"	:	32,248,000 existing Shares to be offered pursuant to our Offer for Sale
"Official List"	:	The list specifying all securities which have been admitted for listing of Bursa Securities and not removed
"Participating Financial Institutions"	:	Participating financial institutions for Electronic Share Application, as listed in Section 15
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"PE Multiple"	:	Price-to-earnings multiple
"Pekat Teknologi Shares"	:	Ordinary shares in Pekat Teknologi
"Pink Form Allocations"	:	The allocation of 16,124,200 Issue Shares to our eligible Directors and employees as well as persons who have contributed to the success of our Group
"Placement Agent"	:	M&A Securities
"PPA"	:	Power purchase agreement
"Promoters"	:	Collectively, Chin Soo Mau, Tai Yee Chee and Wee Chek Aik
"Prospectus"	:	This prospectus dated 2 June 2021 in relation to our IPO
"Proton"	:	Perusahaan Otomobil Nasional Sdn Bhd (Registration No. 198301005788 (100995-U))
"Public Issue"	:	The public issue of 138,668,000 Issue Shares at our IPO Price
"ROC"	:	Registrar of Companies
"SARES"	:	Sarawak Alternative Rural Electrification Scheme
"SC"	:	Securities Commission Malaysia
"SEDA"	:	Sustainable Energy Development Authority
"SELCO"	:	Solar PV facilities used to generate power for self-consumption
"Selling Shareholders"	:	Chin Soo Mau, Tai Yee Chee and Wee Chek Aik, whom are undertaking the Offer for Sale

DEFINITIONS (Cont'd)

"Shares" or "Pekat Shares"	:	Ordinary shares in Pekat
"SICDA" or "Depository Act"	:	Securities Industry (Central Depositories) Act, 1991
"sq ft"	:	Square foot
"SST"	:	Sales and Service Tax
"Startige"	:	Startige Corporation Sdn Bhd (Registration No. 200601005616 (725365-V))
"Sunway Construction"	:	Sunway Construction Group Berhad (Registration No. 201401032422 (1108506-W))
"TNB"	:	Tenaga Nasional Berhad (Registration No. 199001009294 (200866-W))
"Underwriter"	:	M&A Securities
"Underwriting Agreement"	:	The underwriting agreement dated 22 April 2021 entered into between our Company and M&A Securities pursuant to our IPO
"USA"	:	United States of America
"VAT Manufacturing"	:	VAT Manufacturing (Malaysia) Sdn Bhd (Registration No. 201101035827 (963961-V))
"Vendors"	:	Collectively, Chin Soo Mau, Tai Yee Chee, Wee Chek Aik and Hextar

CURRENCIES:

"CHF"	:	Swiss Franc
"Euro"	:	European Union currency
"RMB"	:	Ren Min Bi
"RM" and "sen"	:	Ringgit Malaysia and sen respectively
"USD"	:	United States Dollar

TECHNICAL GLOSSARY:

Alternating Current (AC)	:	An electric current that reverses direction from time to time. The electricity that is delivered through the grid to users is usually in AC, and it is the common form of electricity that powers many electrical appliances, machinery, and equipment
Balance of system	:	The balance of system refers to all of the equipment and components of a solar PV system or solar PV power plant, other than the solar PV panels. They include, among others, inverters, mounting frames, wiring and switches, junction boxes with fuses and relays, energy generation and bi-directional meters, energy management and monitoring systems, safety equipment including ELP system, energy storage system (where required), and auxiliary power sources such as power generating set (where required)

DEFINITIONS (Cont'd)

Battery	:	A device that stores electricity. Electricity flows into and out of a battery in DC. Batteries may be single-use or rechargeable
Battery pack	:	A set of individual batteries that are connected together to deliver the desired voltage and storage capacity. For solar PV facilities, battery packs are rechargeable and used to store electricity during the day and provide electricity during periods of low or no sunlight
Bi-directional meter	:	A device used in grid-connected solar PV facilities to measure and record the quantity of electricity drawn from the power grid, and supplied to the power grid
Circuit breaker	:	A device that is designed to protect devices and equipment attached to an electrical circuit by automatically breaking that circuit when excess electricity is detected. Circuit breakers that are designed to protect DC circuits are known as "DC circuit breakers"
Conductor	:	A material or device made of aluminium or copper that allows electricity to flow through it with low or no resistance
Direct Current (DC)	:	Refers to the flow of electricity in one direction only, namely from the negative terminal through the circuit and to the positive terminal. Electricity generated by solar PV facilities is in DC. DC has to be converted into AC (using an inverter) before it can be used by most electrical appliances, machinery, and equipment, or transmitted over the power grid
Down conductor	:	In a lightning protection system, the down conductor connects the lightning rods and roof conductors to the earth electrode
Earth continuity conductor	:	In an earthing system, the earth continuity conductors are used to connect the earth lead to various points of the power system
Earth electrode	:	The part of an earthing system and lightning protection system that is buried in the earth to dissipate undesirable electricity
Earth lead	:	In an earthing system, the earth lead is the conductor that forms the main connection point between a facility's power system to the earth electrode
Earthing and lightning protection (ELP) system	:	A system designed to reduce the risk posed by undesirable electricity to people, property, and equipment in a facility by creating a pathway for undesirable electricity to travel safely to the earth, where it is dissipated. It is generally made up of 2 inter-related parts, namely the earthing system and lightning protection system
Earthing system	:	A system that connects the conductive parts of a facility to the earth. The system is designed to channel undesirable electricity to be dissipated safely to earth

DEFINITIONS (Cont'd)

Electricity	: Electricity is a secondary energy source derived from electromagnetism, one of the natural forces. As a secondary energy source, the generation of electricity relies on primary energy sources such as solar, wind, fossil fuels, hydropower, and radioactive materials. In the context of this Prospectus, it is used synonymously with "power", unless indicated otherwise
Electricity meter	: A device used to monitor the flow of electricity. Examples of electricity meters used include bi-directional, commercial, and electricity generation meters
Energy management system	: A system that regulates power generation from the connected sources (which may include solar PV panels, power generator set and/or battery), controls power usage by connected users and manages the flow of electricity into and out of a battery to prevent damage from over-charging or over-discharging (if one is connected)
Energy storage system	: A system installed in some solar PV facilities that is used to store power, so that it can be supplied when there is low or no sunlight. An energy storage system commonly consists of battery packs and energy management system
Facility	: A place, such as one or more buildings, structures, and open areas, where a particular activity is carried out. For example, a factory is a type of facility where manufacturing activities are carried out
Ground mounted	: Refers to a solar PV facility where the solar PV panels are mainly installed on the ground
Interconnection	: Refers to where a solar PV system at a facility is connected to the power grid, commonly within the premises of the facility. For solar PV power plants designed for export to the power grid, the interconnection includes power cables connecting the solar PV power plant to a substation of the power grid
Inverter	: A device that converts DC into AC
Kilowatt	: Equivalent to one thousand watts. See watt
Kilowatt hour (kWh)	: The unit of measure in kilowatt to express the storage capacity of an energy storage system, including battery packs. One kilowatt hour refers to the supply of one kilowatt of power sustained for one hour
Kilowatt peak (kWp)	: The unit of measure in kilowatt to express the maximum DC power output that a solar PV cell, module, panel, array, or facility can generate under optimum conditions. Kilowatt is equivalent to one thousand watts
Light emitting diode (LED)	: A semiconductor device that emits visible light when electricity passes through it. LED lightbulbs are used to provide illumination

DEFINITIONS (Cont'd)

Lightning	:	Refers to the natural electrical discharge, of high voltage and short duration, between a cloud and objects on the ground, such as buildings, structures, and trees. Lightning is accompanied by a bright flash of light and thunder
Lightning protection system	:	A system designed to channel electricity from lightning strikes to the earth safely, without passing through any other object
Lightning rod	:	A device that is designed to attract lightning so that lightning strikes the lightning rod preferentially over other nearby objects
Lightning strike	:	A lightning strike occurs when lightning hits an object
Megawatt (MW)	:	Equivalent to one million watts
Megawatt peak (MWp)	:	The unit of measure in megawatt to express the maximum DC power output that a solar PV cell, module, panel, array, or facility can generate under optimum conditions. One megawatt is equivalent to one million watts
Off-grid	:	A solar PV facility that is not connected to any power grid. Off-grid solar PV facility is common for remote households or villages where it is not practical to be connected to the power grid
On-grid	:	Refers to a solar PV facility that is connected to the power grid. This system can draw electricity from the grid when consumption exceeds electricity generated by the solar PV facility and supply electricity to the grid when electricity generated by the solar PV facility exceeds consumption. Some solar PV facility is designed to only export power to the power grid
Photovoltaic (PV)	:	Refers to the conversion of energy in sunlight into electricity
Power	:	In the context of this prospectus, it is used synonymously with "electricity", unless indicated otherwise
Power grid	:	The power transmission and distribution network that cover large areas to connect power generation to user premises and devices. Commonly it refers to the national or state power grid
Rechargeable battery	:	A power storage device that can be used and recharged multiple times
Renewable energy	:	An energy source that is naturally replenished in a short period of time. Examples of renewable energy sources include solar, wind, hydro, current, wave, and geothermal heat
Right-of-way	:	Refers to the right granted by a landowner for the purpose of building structures and stringing cables between them, as well as for burial of cables underground
Roof conductors	:	In a lightning protection system, the roof conductors connect all of the installed lightning rods, and to the down conductors
Solar farm	:	Used interchangeably with "solar PV power plant," except when it refers to facilities that export to the power grid

DEFINITIONS (Cont'd)

Solar PV array	:	The interconnected arrangement of mounted solar PV panels
Solar PV facility	:	A term that collectively refers to solar PV systems and/or power plants
Solar PV module	:	An arrangement of multiple interconnected solar PV cells that are assembled together as a single unit encased within a frame. The number of interconnected cells can range from several cells to slightly more than 100 cells per solar PV module. They are also known as "solar modules"
Solar PV panel	:	2 or more interconnected solar PV modules that are assembled together as a single unit. They are also known as "solar panels"
Solar PV power plant	:	Refers to a solar PV facility with installed capacity of 1 or more MWp. To achieve the large power generating capacity, electricity is mainly generated by a large number of solar PV panels arranged in arrays, usually covering a large area
Solar PV system	:	Refers to a solar PV facility with installed capacity of less than 1 MWp
Submain earthing conductors	:	In an earthing system, the submain earthing conductors are the cables that connect the distribution board to various switch boards
Substation	:	A component of the power grid that performs functions such as changing the voltage from high to low (known as step-down), or from low to high (step-up), or distributing the power to other locations or for some other functions. It also provides the interconnection point between the power grid and the power generator or distribution to users
Surge protection device	:	A device that is designed to protect appliances, equipment, and machinery connected to an electrical circuit by automatically breaking the circuit when a voltage surge that exceeds a predetermined level is detected
Transformer	:	A type of electrical equipment that changes the voltage from high to low (known as step-down), or from low to high (step-up). For example, electricity generated by a solar PV power plant passes through a step-up transformer, where its voltage is stepped-up to the required voltage for transmission
Watt	:	A unit of measure for energy within an electrical current with a potential difference of one volt and current of one ampere

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name (Gender)	Designation	Address	Nationality
Kok Kong Chin (M)	Independent Non-Executive Chairman	21, Lorong Batai Barat Bukit Damansara 50490 Kuala Lumpur	Malaysian
Chin Soo Mau (M)	Managing Director	8, Jalan Kenyalang 11/5C D'Villa Botany, Kota Damansara 47810 Petaling Jaya Selangor	Malaysian
Tai Yee Chee (M)	Executive Director	10, Jalan Sutera 5 Jalil Sutera 57000 Kuala Lumpur	Malaysian
Wee Chek Aik (M)	Executive Director	19, Jalan Casabella 2 Jalan Teknologi 3/11 Kota Damansara PJU 5 47810 Petaling Jaya Selangor	Malaysian
Teh Li King (M)	Non-Independent Non-Executive Director	8, Solok Mahkota 1D Bandar Baru Klang 41150 Klang Selangor	Malaysian
Ong Keng Siew (M)	Independent Non-Executive Director	Unit 3-11-7, The Residence Condo Jalan Wan Kadir 5 Taman Tun Dr Ismail 60000 Kuala Lumpur	Malaysian
Yeong Siew Lee (F)	Independent Non-Executive Director	17, Jalan PJU 3/20B Tropicana Indah 47810 Petaling Jaya Selangor	Malaysian
Datin Shelina Binti Razaly Wahi (F)	Independent Non-Executive Director	30, Jalan 14/56 46100 Petaling Jaya Selangor	Malaysian

Notes:

M refers to male
F refers to female

1. CORPORATE DIRECTORY (Cont'd)

AUDIT COMMITTEE

Name	Designation	Directorship
Ong Keng Siew	Chairman	Independent Non-Executive Director
Kok Kong Chin	Member	Independent Non-Executive Chairman
Yeong Siew Lee	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

Name	Designation	Directorship
Kok Kong Chin	Chairman	Independent Non-Executive Chairman
Yeong Siew Lee	Member	Independent Non-Executive Director
Datin Shelina Binti Razaly Wahi	Member	Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Datin Shelina Binti Razaly Wahi	Chairperson	Independent Non-Executive Director
Kok Kong Chin	Member	Independent Non-Executive Chairman
Ong Keng Siew	Member	Independent Non-Executive Director

REGISTERED OFFICE

: Unit 30-01, Level 30, Tower A
 Vertical Business Suite, Avenue 3
 Bangsar South
 8, Jalan Kerinchi
 59200 Kuala Lumpur

 Telephone number: 03-2783 9191

HEAD OFFICE

: Lot 3A, 5 & 6, Cubic Space
 6, Jalan Teknologi 3/4
 Taman Sains Selangor 1
 Kota Damansara
 47810 Petaling Jaya
 Selangor

 Telephone number: 03-2300 8010

EMAIL ADDRESS AND WEBSITE

: Email address: enquiries@pekatgroup.com
 Website: <https://www.pekat.com.my/>

1. CORPORATE DIRECTORY (Cont'd)

COMPANY SECRETARIES : Rebecca Kong Say Tsui (MAICSA 7039304)
(Chartered Secretary, Associate of the Malaysian Institute of Chartered Secretaries and Administrators)

Wong Yoke Fun (MAICSA 7027345)
(Chartered Secretary, Fellow of the Malaysian Institute of Chartered Secretaries and Administrators)

Unit 30-01, Level 30, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
8, Jalan Kerinchi
59200 Kuala Lumpur

Telephone: 03-2783 9191

AUDITORS AND REPORTING ACCOUNTANTS FOR OUR IPO : **Grant Thornton Malaysia PLT (Registration No. 201906003682 & LLP0022494-LCA (AF 0737))**

Level 11
Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

Telephone number: 03-2692 4022

Partner's name: Ooi Poh Lim
Approval number: 03087/10/2021 J
(Chartered Accountant, Malaysian Institute of Accountants, Association of Chartered Certified Accountants)

PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT : **M&A Securities Sdn Bhd (Registration No. 197301001503 (15017-H))**

Level 11, No. 45 & 47, The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Telephone number: 03-2284 2911

SOLICITORS FOR OUR IPO : **Wong Beh & Toh**

Level 19, West Block
Wisma Golden Eagle Realty
No. 142-C, Jalan Ampang
50450 Kuala Lumpur

Telephone number: 03-2713 6050

1. CORPORATE DIRECTORY (Cont'd)

SHARE REGISTRAR AND ISSUING HOUSE : **Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))**

Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Telephone number: 03-2783 9299

INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS : **Vital Factor Consulting Sdn Bhd (Registration No. 199301012059 (266797-T))**

V Square @ PJ City Centre (VSQ)
Block 6, Level 6
Jalan Utara
46200 Petaling Jaya
Selangor

Telephone number: 03-7931 3188

Person-in-charge: Wooi Tan
(Master of Business Administration from The New South Wales Institute of Technology (now known as University of Technology, Sydney), Australia, Bachelor of Science from The University of New South Wales, Australia and a Fellow of the Australian Marketing Institute, and Institute of Managers and Leaders, Australia (formerly known as the Australian Institute of Management))

LISTING SOUGHT : ACE Market of Bursa Securities

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2. APPROVALS AND CONDITIONS

2.1 APPROVALS AND CONDITIONS

2.1.1 Approval from Bursa Securities

Bursa Securities had vide its letter dated 15 February 2021 approved our admission to the Official List of the ACE Market and the listing of and quotation for our entire enlarged issued share capital on the ACE Market. The approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
1.	Submission of the following information in respect of the moratorium on the shareholdings of the Promoters to the Bursa Depository: (i) Name of shareholders; (ii) Number of shares; and (iii) Date of expiry of the moratorium for each block of shares.	Complied
2.	Approvals from other relevant authorities have been obtained for implementation of the Listing.	Complied
3.	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Note 15 of Listing Requirements.	To be complied
4.	Furnish to Bursa Securities with a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of Pekat on the first day of Listing.	To be complied
5.	Any director of Pekat that has not attended the Mandatory Accreditation Programme must do so prior to the Listing.	Complied
6.	In relation to the public offering to be undertaken by Pekat, please announce at least 2 Market Days prior to the Listing date, the result of the offering including the following: (i) Level of subscription of public balloting and placement; (ii) Basis of allotment/allocation; (iii) A table showing the distribution for placement tranche, in format prescribed; and (iv) Disclosure of placees who become substantial shareholders of Pekat arising from the public offering, if any. M&A Securities is reminded to ensure that the overall distribution of Pekat's securities is properly carried out to mitigate any disorderly trading in the secondary market.	To be complied
7.	Pekat/M&A Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of Pekat to the Official List of the ACE Market.	To be complied
8.	Pekat/M&A Securities to ensure full compliance of all requirements as provided under the Listing Requirements at all times.	Noted

2. APPROVALS AND CONDITIONS (Cont'd)

2.1.2 Approval from SC

Our Listing is an exempt transaction under Section 212(8) of the CMA and is therefore not subject to the approval of the SC.

The SC had, vide its letter dated 12 May 2021, approved the resultant equity structure of Pekat under the equity requirement for public listed companies pursuant to our Listing.

The approval from the SC is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
1.	Pekat to allocate Shares equivalent to at least 12.5% of its enlarged number of issued shares at the point of Listing to Bumiputera investors to be approved by the MITI. In addition, Pekat to make available at least 50% of the balloting portion for subscription by Bumiputera public investors.	To be complied

The effect of our Listing on the equity structure of Pekat shall be as follows:

Category of shareholders	As at 1 April 2021		After Listing	
	No. of Shares	%	No. of Shares	%
Bumiputera				
- Malaysian public via balloting	-	-	16,124,300	2.5
- Bumiputera investors approved by the MITI	-	-	⁽²⁾ 80,621,000	12.5
Total Bumiputera	-	-	⁽³⁾ 96,745,300	15.0
Non-Bumiputera	⁽¹⁾ 506,300,200	100.0	548,222,900	85.0
Total Malaysians	506,300,200	100.0	644,968,200	100.0
Foreigners	-	-	-	-
TOTAL	506,300,200	100.0	644,968,200	100.0

Notes:

- (1) Including 2 subscriber shareholders with 100 Shares each.
- (3) Based on the assumption that the Shares allocated to Bumiputera investors shall be fully subscribed.

2.1.3 Waiver

M&A Securities had on behalf of our Company sought relief from the SC to waive the requirements for Pekat to comply with the following provision of the Prospectus Guidelines, which was approved by the SC vide its letter dated 25 June 2020:

2. APPROVALS AND CONDITIONS *(Cont'd)*

Guideline/Relief sought	SC's decision
<p>Paragraph 9.05, Division 1, Part II of the Prospectus Guidelines - Equity</p> <p>Relief from having to provide the audited interim financial report and to disclose selected financial information, if the date of the prospectus issuance is later than 6 months after the end of the most recent financial year.</p>	<p>Approved, subject to:</p> <p>(i) The date of the most recent audited financial year / financial period disclosed in the prospectus, should not exceed 9 months from the date of submission of prospectus for registration (Stage 1) to the SC;</p> <p>(ii) The unaudited interim financial statements, with the relevant management's discussion and analysis should be submitted together with the submission of prospectus for registration (Stage 1) to the SC; and</p> <p>(iii) If the audited financial information disclosed in the prospectus is required to be updated, then the updated prospectus should be submitted to the SC at least 14 market days prior to the submission of prospectus for registration (Stage 2) to the SC.</p>

2.1.4 Approval from MITI

The MITI had, vide its letter dated 4 May 2021, taken note and has no objection to our Listing.

2.1.5 Malaysian Code of Corporate Governance 2021 ("MCCG")

We intend to apply the following practices set out under the MCCG subsequent to our Listing:

MCCG Practice	Timeframe to comply
(i) Practice 1.4 where the Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee; and	Within 3 months from our Listing
(ii) Practice 5.9 where the Board comprises at least 30% women directors.	Within 12 months from our Listing

2.2 MORATORIUM ON OUR SHARES

2.2.1 Moratorium on Promoters

In accordance with Paragraph 3.19 of the Listing Requirements and pursuant to the conditions imposed under the approval letter by Bursa Securities, a moratorium will be imposed on the sale, transfer or assignment of those Pekat Shares held by our Promoters as follows:

- (i) The moratorium applies to the entire shareholdings of our Promoters for a period of 6 months from the date of our admission to the ACE Market ("First 6-Month Moratorium");
- (ii) Upon the expiry of the First 6-Month Moratorium, our Company must ensure that our Promoters' aggregate shareholdings amounting to at least 45% of our total number of issued ordinary shares remain under moratorium for another period of 6 months ("Second 6-Month Moratorium"); and

2. APPROVALS AND CONDITIONS (Cont'd)

- (iii) On the expiry of the Second 6-Month Moratorium, our Promoters may sell, transfer or assign up to a maximum of one-third per annum (on a straight line basis) of those Pekat Shares held under moratorium.

Details of our Promoters and their Shares which will be subject to the abovementioned moratorium, are set out below:

Promoters	Moratorium shares during the First 6-Month Moratorium		Moratorium shares during the Second 6-Month Moratorium	
	⁽¹⁾No. of Shares	⁽²⁾%	⁽¹⁾No. of Shares	⁽²⁾%
Chin Soo Mau	225,061,800	34.9	187,926,263	29.1
Tai Yee Chee	66,776,900	10.4	56,000,950	8.7
Wee Chek Aik	55,638,300	8.6	46,308,477	7.2
	347,477,000	53.9	290,235,690	45.0

Notes:

(1) After the Offer for Sale.

(2) Based on the enlarged share capital of 644,968,200 Shares.

The moratorium has been fully accepted by our Promoters, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the moratorium period.

The moratorium restrictions are specifically endorsed on the share certificates representing the Shares under moratorium held by the Promoters to ensure that our Share Registrar does not register any transfer that contravenes with such restrictions.

2.2.2 Moratorium on Hextar

Hextar, our substantial shareholder, has voluntarily agreed to place its entire shareholding under moratorium. It has provided the written undertaking to Bursa Securities that it will not sell, transfer or assign its shareholdings under moratorium during the period of 6 months from the Listing date.

Details of Hextar and its Shares which will be subject to the abovesaid moratorium, are set out below:

Shareholder	No. of Shares	⁽¹⁾%
Hextar	126,575,000	19.6

Note:

(1) Based on the enlarged share capital of 644,968,200 Shares.

The shareholders of Hextar, namely Dato' Ong Soon Ho, Dato' Ong Choo Meng and Datin Teoh Siew Yoke @ Teoh Siew Chin have undertaken not to sell, transfer or assign their shareholdings in Hextar during the moratorium period.

3. PROSPECTUS SUMMARY

THIS PROSPECTUS SUMMARY ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE PROSPECTUS PRIOR TO DECIDING ON WHETHER TO INVEST IN OUR SHARES.

3.1 PRINCIPAL STATISTICS RELATING TO OUR IPO

The following statistics relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text:

Allocation	No. of Shares	% ⁽¹⁾
Public Issue		
Malaysian Public ⁽²⁾	32,248,600	5.0
Eligible Directors and employees as well as persons who have contributed to the success of our Group	16,124,200	2.5
Private placement to Bumiputera investors approved by MITI	80,621,000	12.5
Private placement to selected investors	9,674,200	1.5
Offer for sale		
Private placement to selected investors	32,248,000	5.0
Enlarged number of Shares upon Listing	644,968,200	
IPO Price per Share	RM0.32	
Market capitalisation ⁽³⁾	RM206,389,824	

Notes:

(1) Based on our enlarged share capital of 644,968,200 Shares after the IPO.

(2) 16,124,300 Shares will be made available to Bumiputera public investors.

(3) Based on our IPO Price and our enlarged number of shares upon Listing.

Our Promoters' entire shareholdings after IPO will be under moratorium for 6 months from the date of Listing. Thereafter, our Promoters' shareholdings amounting to 45% of our share capital will remain under moratorium for another 6 months. Our Promoters may sell, transfer or assign up to a maximum of one-third per annum (on a straight line basis) of their shares held under moratorium upon expiry of the second 6 months.

Our substantial shareholder, Hextar's entire shareholding after IPO will be under moratorium for 6 months from the date of Listing. The shareholders of Hextar, namely Dato' Ong Soon Ho, Dato' Ong Choo Meng and Datin Teoh Siew Yoke @ Teoh Siew Chin have undertaken not to sell, transfer or assign their shareholdings in Hextar during the moratorium period.

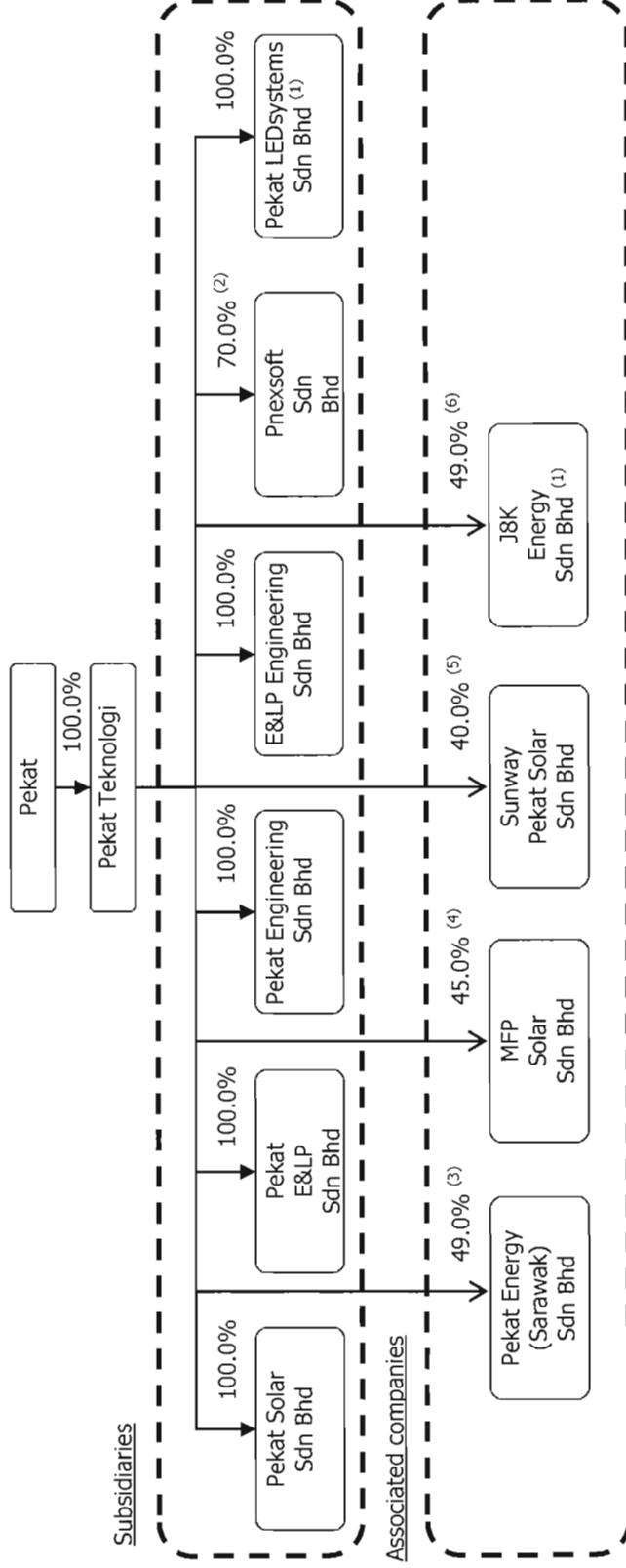
Further details on the moratorium on our shares are set out in Section 2.2.

Further details on our IPO are set out in Section 4.

3. PROSPECTUS SUMMARY (Cont'd)

3.2 BUSINESS MODEL

Our Company was incorporated in Malaysia on 5 April 2019 under the Act as a public limited company under the name of Pekat Group Berhad. We were incorporated as a special purpose vehicle to facilitate the listing of our subsidiary, Pekat Teknologi and its subsidiaries/associated companies, on the ACE Market. Our Group structure after the Proposed Acquisition of the Pekat Teknologi is set out below:

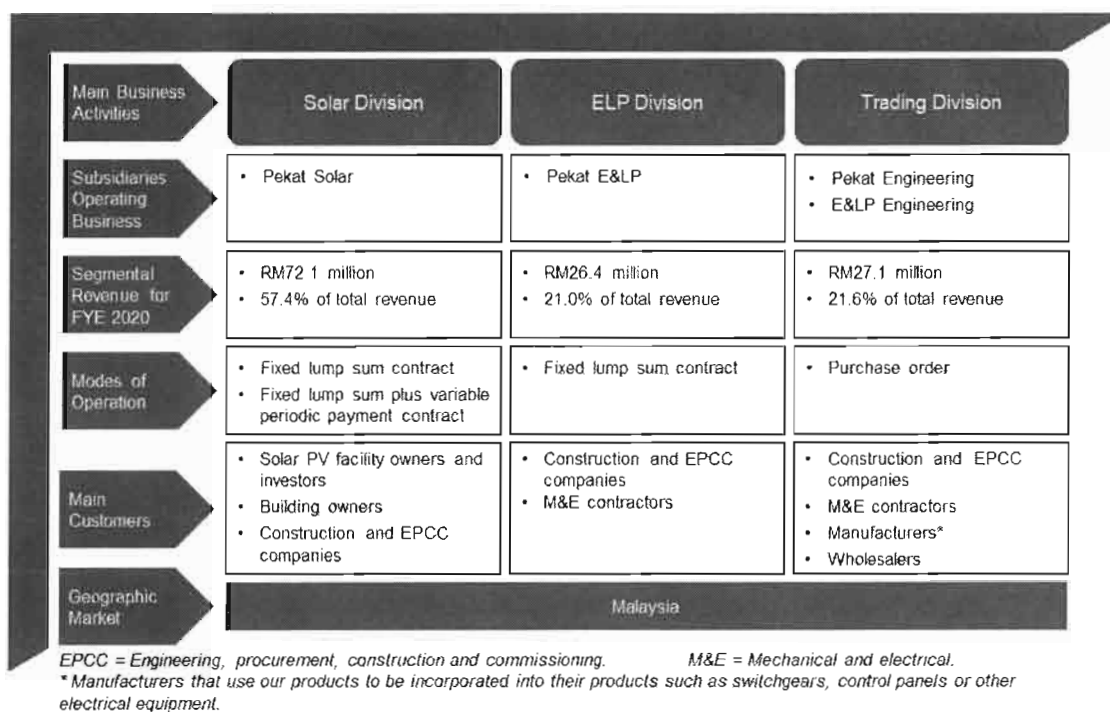


Notes:

- (1) Dormant.
- (2) The remaining equity interest is held by Nexstream Sdn Bhd.
- (3) The remaining equity interest is held by Azlina Binti Zulkipili.
- (4) The remaining equity interest is held by MFCI.
- (5) The remaining equity interest is held by Sunway Engineering Sdn Bhd.
- (6) The remaining equity interest is held by Jawala Corporation Sdn Bhd. Jawala Corporation Sdn Bhd is principally engaged in trading, engineering procurements, counter trade (trading via exchange of goods) and investment holding.

3. PROSPECTUS SUMMARY (Cont'd)

Our business model is depicted in the following diagram:



We operate in 3 distinct business areas, namely:

- (i) **Solar Division** **Design, supply and installation of solar PV systems and power plants**
- We carry out the design, supply and installation of on-grid and off-grid solar PV systems and power plants, where we are responsible for the entire scope of work (including testing and commissioning, and in some cases operations and maintenance for projects where we are contracted to do so) and delivering them to our customers. We engage subcontractors to carry out, under our management and supervision, site preparation and earthworks, all installation works, and interconnection to power transmission substations. Solar PV systems and power plants convert sunlight into electricity for use at a facility, supply to the power grid, or storage in a battery pack for later use.
- (ii) **ELP Division** **Supply and installation of ELP systems**
- Our supply and installation of ELP systems for buildings, facilities and structures are to protect people, property and equipment from unintended electric current. We are engaged as a specialist subcontractor for ELP systems by main contractors or M&E contractors.
- (iii) **Trading Division** **Distribution of electrical products and accessories**
- The distribution of electrical products and accessories involve the sales and marketing of our own brands and third party brands of electrical products and accessories, namely ELP products and accessories, solar PV related products, surge protection devices and aviation warning light systems.

Further details of our Group and our business model are set out in Section 6. For the past 4 FYEs 2017 to 2020, our revenue was derived from Malaysia and is denominated in RM.

3.3 IMPACT OF COVID-19 AND MCO

The World Health Organisation declared Covid-19 a pandemic on 11 March 2020. The Government of Malaysia implemented several measures to reduce and control the spread of Covid-19 in the country, commencing from 18 March 2020. These measures include restrictions on the movement of people within Malaysia and internationally, and restrictions on business, economic, cultural and recreational activities. Our business operations in Malaysia were temporarily interrupted by these measures.

3. PROSPECTUS SUMMARY (Cont'd)

We experienced disruptions to our Solar Division and ELP Division due to stoppages at our installation sites and reduced installation site staffing levels, as follows:

	Solar Division	ELP Division
Work site stoppage	18 March 2020 to 6 May 2020	18 March 2020 to 26 April 2020
Reduction in work site staff levels	7 May 2020 to 9 June 2020	27 April 2020 to 9 June 2020

These disruptions have affected our project implementation and billing schedules for some of our on-going solar PV and ELP projects. The implementation of projects amounting to RM9.8 million and RM2.2 million in revenue for our Solar Division and ELP Division, respectively was deferred from the 1st half of 2020 to the 2nd half of 2020, and consequently the corresponding revenue recognition was also deferred from the 1st half of 2020 to the 2nd half of 2020. RM3.5 million in revenue for our Solar Division and RM2.2 million in revenue for our ELP Division was deferred from fourth quarter of 2020 to second quarter of 2021.

We experienced some disruption to our Trading Division as this business activity was suspended when our head office was closed from 18 March 2020 to 5 May 2020, and resumed from 6 May 2020. During this period, we had ceased our sales activities for our Trading Division and ceased our product deliveries. However, none of the purchase orders that we had received prior to 18 March 2020 were cancelled.

During the MCO when our operations were fully halted, we incurred a total expense of RM3.0 million. The expenses incurred include Directors and staff salaries (RM2.6 million) and rental and upkeep of office (RM0.2 million) and other expenses (RM0.2 million). Nevertheless, save for the deferment in revenue for Solar and ELP Divisions stated above, there are no other financial impact for FYE 2020.

From 18 March 2020 up to the LPD, we did not receive any cancellation or suspension of any contracts or purchase orders. We have adopted the Government's guidelines and standard operating procedures to minimise the risk of Covid-19 to our staff and business operations. We have not breached any laws relating to Covid-19 restrictions. The contingency plans that we have in place in the event that one of our employees tests positive for Covid-19 include prohibition of site employees from returning to our head office, and employees who test positive for Covid-19 are required to quarantine themselves until they receive a negative test for Covid-19. Kindly refer to Section 6.7(v) for Covid-19 cases within our Group.

Reimposition of CMCO in Targeted Areas

CMCO conditions were reimposed in Selangor, Kuala Lumpur, Putrajaya, Sabah, and Labuan from 14 October 2020 to 9 November 2020. The control measures implemented in these areas included, among others, restrictions on the movement of people including prohibition of inter-district travel, limiting the operating hours of certain service-based businesses, closure of schools and encourage work from home. While the reimposition of CMCO covers our head office, there has been no material impact on operations in our head office. Although our office staff were allowed to return to the office, many of them were working from home. We manage our head office functions through virtual meetings. Our operational software, including our accounting, human resources and data storage, are cloud based and thus accessible by our staff from home. In addition, there has been no impact on our installation of solar PV facilities and ELP systems work sites, as our staff are allowed to travel to their respective work sites after obtaining the written approval from the police.

Reimposition of MCO, CMCO and RMCO

MCO conditions were reimposed from 13 January 2021, and subsequently transitioned to CMCO or RMCO depending on state. Subsequently, following increases in the number of new Covid-19 cases, the third MCO was reimposed in Kelantan from 16 April 2021, followed by 6 districts in Selangor which started from 6 May 2021 as well as Kuala Lumpur and several districts and mukims in Terengganu, Johor and Perak from 7 May 2021. On 10 May 2021, the Government announced the nationwide reimposition of MCO starting from 12 May 2021 to 7 June 2021. The control measures implemented in these areas included, among others, restrictions on or prohibition of interstate and/or inter-district travel, and social gatherings. As installation of solar PV facilities and ELP systems are classified under construction sector activities, installation work is allowed to proceed provided that stricter standard operating procedures (SOP) are followed.

3. PROSPECTUS SUMMARY *(Cont'd)*

Our installation works at worksites for solar PV facility and ELP system projects proceeded according to schedule, with work carried out in accordance with stricter SOP to minimise the risk of Covid-19 transmission at worksites. For our Trading Division, the business operations have not been materially affected by the recent MCO. Our Trading Division operations at our head office and warehouse continue in accordance with the stricter SOP.

Save for the temporary closure of operations in Malaysia during the MCO period and respective mandatory social distancing measures imposed in Malaysia, our Group has not experienced any other interruptions in our operations which had a significant effect on our operations during the past 12 months preceding the LPD. Kindly refer to Sections 6.7 and 8.1.1 on the impact of Covid-19 virus pandemic on our Group.

3.4 COMPETITIVE STRENGTHS

Our Directors believe that our business sustainability and growth is built on the following competitive strengths:

- (i) Our business is supported by 3 major revenue streams from Solar Division, ELP Division and Trading Division. Each of these business activities have their own customer base to provide business growth and opportunities, as well as diversification to minimise over dependency on any single group of customers.
- (ii) Our Trading Division provides synergistic benefits to our Solar Division and ELP Division. This is because the 2 divisions also use some of the electrical products and accessories for their respective projects.
- (iii) Our expertise extends from solar PV systems with installed capacity of less than 1.0 MWp, to solar PV power plants with an installed capacity of 1.0 MWp or more. Our experience in carrying out the design, supply and installation solar PV power plants and solar PV systems, as well as for industrial, commercial, residential and community properties and infrastructures will provide us with wide potential opportunities to sustain and grow our business.
- (iv) We have carried out the design, supply and installation of solar PV facilities that have been financed by the Government, including under the MySuria and SARES programmes as well as privately funded projects by solar PV facility owners and investors and building owners. This shows that we can meet the requirements of both government and private markets to provide our business with opportunities and growth. It also provides mitigation against dependency on only 1 sector of the market.
- (v) We have a track record of approximately 22 years in the distribution of electrical products and accessories, 21 years in the supply and installation of ELP systems and 11 years in the solar PV industry. Our track record also serves as a reference to facilitate securing new customers to grow our business.

Further details of our competitive strengths are set out in Section 6.8.

3.5 BUSINESS STRATEGIES AND PROSPECTS

A summary of our business strategies and prospects are set out below:

- (i) We intend to expand our existing solar PV and ELP system business through increasing our working capital. We intend to allocate RM12.7 million from our IPO proceeds for our Group's working capital requirements. The allocation to working capital is expected to enhance our Group's liquidity and cash flows, so that we will be in a stronger position to secure and complete more projects moving forward.

We plan to expand our sales and marketing team by hiring 10 additional personnel to enable us to cover a larger geographical area in Malaysia as well as service a larger pool of potential customers. We intend to target all categories of customers for Solar Division (namely commercial, industrial, residential, community and solar farms) and ELP Division (namely commercial, mixed development, infrastructure, industrial, community and non-projects based supply and installation).

3. PROSPECTUS SUMMARY (Cont'd)

As we secure more contracts, we will also need to expand our project teams by hiring 10 staff for our Solar Division and 3 staff for our ELP Division to enable us to implement more projects concurrently.

We intend to hire an additional 10 maintenance personnel to support our plan to increase our provision of maintenance services for solar PV facilities.

- (ii) On 8 July 2020, we completed the acquisition of Elmina Land measuring approximately 137,928 sq ft. We intend to build a new head office integrated with a showcase, central monitoring station, training centre, workshop and warehouse. Our proposed new head office and operational facility will be a "zero net energy building", whereby the total energy used will be equal to the amount of renewable energy generated on-site on an annual basis. Our new premises will also serve as a showcase for the use of solar PV as a renewable energy to power industries and commerce.

We expect to complete the construction of the new head office and operational facility in March 2023. This new head office and operational facility will replace our existing facilities housed in Cubic Space Office. The construction cost of our new head office and operational facility is estimated at RM18.0 million, which will be fully funded from our IPO proceeds.

- (iii) We intend to develop an integrated monitoring, management and assessment platform for solar PV facilities and ELP systems that we install. This platform will be used in our central monitoring station as well as sold to customers for their solar PV facilities or ELP systems. This platform will be modular and can be customised to meet specific customer's facilities.

Further details on our business strategies and prospects are set out in Section 6.19.

3.6 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risk factors as set out in Section 8. Some of the more important risk factors are summarised below:

- (i) Our business and operations were impacted by precautionary measures taken by the Government of Malaysia, particularly the imposition of the MCO. We experienced disruptions to Solar and ELP Divisions due to stoppages at our installation sites and reduced installation site staffing levels which have affected our project implementation and billing schedules for some on-going solar PV and ELP projects. We experienced some disruption to our Trading Division as the business activity was suspended from 18 March 2020 to 5 May 2020, and resumed from 6 May 2020.
- (ii) The contract periods of our solar PV projects were between 3 months to 18 months, while the contract periods of our ELP projects typically require between 12 months to 36 months, depending on the main contractor's work schedule. Our growth and profitability is dependent on our ability to continuously secure new projects and purchase orders. Our order book is subject to unexpected project cancellations or scope adjustments which may occur from time to time, and which could reduce the value of our order book. Purchase orders secured may also be cancelled.
- (iii) Our businesses are subject to the following risks:
 - (a) Our solar PV projects and ELP projects are subject to defect liability period. We are responsible for making good any defects or faults that may occur during the defect liability period;
 - (b) Some of the solar PV facility components and ELP systems components are covered against manufacturing defects by their respective product warranties and as a result, the manufacturers or suppliers are responsible for providing suitable replacements; and
 - (c) Under our Trading Division, we as a distributor are exposed to product liability risks. We are responsible for our brands of products, which we have back-to-back arrangements with our third party manufacturers. For third party brand products, we have back-to-back arrangement with our principals.

3. PROSPECTUS SUMMARY (Cont'd)

- (iv) We provide a minimum power supply guarantee to customers of our Solar Division under the fixed lump sum plus variable periodic payment contract mode of operation for the contract duration period as well as to MFP Solar's solar PV power plants. In the event that the solar PV facility does not generate the performance guarantee as set out in the respective contract, we will have to compensate the customer for the shortfall based on the terms specified in the respective contract.
- (v) We face competition from other service providers that serve the solar PV and ELP system industries. We compete on, among others, quality of product and service, timeliness of delivery, price competitiveness and value added services.

3.7 DIRECTORS, KEY SENIOR MANAGEMENT, PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

Our Directors and key senior management are as follows:

Name	Designation
Directors	
Kok Kong Chin	Independent Non-Executive Chairman
Chin Soo Mau	Managing Director
Tai Yee Chee	Executive Director
Wee Chek Aik	Executive Director
Teh Li King ⁽¹⁾	Non-Independent Non-Executive Director
Ong Keng Siew	Independent Non-Executive Director
Yeong Siew Lee	Independent Non-Executive Director
Datin Shelina Binti Razaly Wahi	Independent Non-Executive Director
Key Senior Management	
Chew Teik Siang	General Manager and Director of Pekat Solar
Wong Boon Kwang	General Manager and Director of Pekat E&LP
Oh Keng Jin	Chief Financial Officer

Note:

- (1) Corporate representative of Hextar, our substantial shareholder.

Further details of our Directors and key senior management are set out in Sections 5.2 and 5.3 respectively. The details of our Promoters and substantial shareholders in our Company before and after our IPO are as follows:

Name/ Nationality / Country of incorporation	Before IPO ⁽¹⁾				After IPO ⁽²⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters and substantial shareholders								
Chin Soo Mau / Malaysian	237,961,000	47.0	-	-	⁽³⁾ 225,061,800	34.9	-	-
Tai Yee Chee / Malaysian	76,451,300	15.1	-	-	⁽³⁾ 66,776,900	10.4	-	-
Wee Chek Aik / Malaysian	65,312,700	12.9	-	-	⁽³⁾ 55,638,300	8.6	-	-
Substantial shareholders								
Hextar / Malaysia	126,575,000	25.0	-	-	126,575,000	19.6	-	-
Dato' Ong Soon Ho / Malaysian	-	-	⁽⁴⁾ 126,575,000	25.0	-	-	⁽⁴⁾ 126,575,000	19.6
Dato' Ong Choo Meng / Malaysian	-	-	⁽⁴⁾ 126,575,000	25.0	-	-	⁽⁴⁾ 126,575,000	19.6
Datin Teoh Siew Yoke @ Teoh Siew Chin / Malaysian	-	-	⁽⁴⁾ 126,575,000	25.0	-	-	⁽⁴⁾ 126,575,000	19.6

3. PROSPECTUS SUMMARY (Cont'd)

Notes:

- (1) Based on the share capital of 506,300,200 Shares after the Acquisition of Pekat Teknologi.
 (2) Based on the enlarged share capital of 644,968,200 Shares after the IPO.
 (3) After the Offer for Sale.
 (4) Deemed interested by virtue of their shareholdings in Hextar. As at the LPD, the shareholders and their respective shareholdings in Hextar are as follows:

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Dato' Ong Soon Ho	Malaysian	53,444,328	23.9	⁽ⁱ⁾ 170,273,572	76.1
Dato' Ong Choo Meng	Malaysian	144,816,972	64.7	⁽ⁱⁱ⁾ 78,900,928	35.3
Datin Teoh Siew Yoke @ Teoh Siew Chin	Malaysian	25,456,600	11.4	⁽ⁱⁱⁱ⁾ 198,261,300	88.6

- (i) Deemed interested by virtue of his son and wife's shareholdings in Hextar.
 (ii) Deemed interested by virtue of his parents' shareholdings in Hextar.
 (iii) Deemed interested by virtue of her husband and son's shareholdings in Hextar.

Further details of the Promoters and substantial shareholders are set out in Section 5.1.2.

3.8 UTILISATION OF PROCEEDS

The gross proceeds arising from the Public Issue of approximately RM44.4 million shall accrue entirely to us and will be utilised in the following manner:

Utilisation of proceeds	Estimated timeframe for utilisation	RM'000	%
Construction of our new head office and operational facility	⁽¹⁾ March 2023	18,000	40.6
Working capital	⁽²⁾ 12 months	12,674	28.6
Repayment of bank borrowings	⁽²⁾ 3 months	10,000	22.5
Estimated listing expenses	⁽²⁾ 1 month	3,700	8.3
		44,374	100.0

Notes:

- (1) Kindly refer to Sections 4.10.1(i) and 6.19.2 for detailed timeline.
 (2) From the date of listing of our Shares.

There is no minimum subscription to be raised from our IPO. Detailed information on our utilisation of proceeds is set out in Section 4.10. The gross proceeds arising from the Offer for Sale of approximately RM10.3 million shall accrue entirely to our Selling Shareholders.

3.9 FINANCIAL AND OPERATIONAL HIGHLIGHTS

3.9.1 Historical combined statements of profit or loss and other comprehensive income

The following table sets out the financial highlights of our historical audited combined statements of profit or loss and other comprehensive income for the FYEs 2017 to 2020:

	Audited			
	FYE 2017 RM'000	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000
Revenue	72,830	120,129	119,521	125,562
Cost of sales	(42,145)	(84,436)	(73,127)	(87,440)
GP	30,685	35,693	46,394	38,122
PBT	12,093	15,344	19,674	18,383

3. PROSPECTUS SUMMARY (Cont'd)

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FYE 2020
	RM'000	RM'000	RM'000	RM'000
PAT attributable to:				
- Owners of the Company	9,361	11,096	14,794	13,576
- Non-controlling interests	103	(88)	61	(2)
PAT	9,464	11,008	14,855	13,574
EBIT	12,407	15,675	19,815	18,890
EBITDA	13,995	16,561	20,860	19,793
GP margin (%)	42.1	29.7	38.8	30.4
PBT margin (%)	16.6	12.8	16.5	14.6
PAT margin (%)	13.0	9.2	12.4	10.8
Effective tax rate (%)	21.7	28.3	24.5	26.2
EPS (sen) ⁽¹⁾	1.8	2.2	2.9	2.7
Diluted EPS (sen) ⁽²⁾	1.5	1.7	2.3	2.1

Notes:

⁽¹⁾ Calculated based on our PAT attributable to owners of the Company divided by the share capital of 506,300,200 Shares before our IPO.

⁽²⁾ Calculated based on our PAT attributable to owners of the Company divided by the enlarged share capital of 644,968,200 Shares after our IPO.

There were no exceptional or extraordinary items during the financial years under review. Our audited financial statements for the financial years under review were not subject to any audit qualifications.

3.9.2 Pro forma combined statements of financial position

The following table sets out a summary of the pro forma combined statements of financial position of our Group to show the effects of the Acquisition of Pekat Teknologi, Public Issue and utilisation of IPO proceeds.

It is presented for illustrative purposes only and should be read together with the Pro forma Combined Statements of Financial Position as set out in Section 13.

	Pekat	I	II	III
	As at 31 December 2020	After Acquisition of Pekat Teknologi	After I and Public Issue	After II and utilisation of IPO proceeds
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Total non-current assets	-	23,109	23,109	41,109
Total current assets	6	101,704	146,078	114,178
TOTAL ASSETS	6	124,813	169,187	155,287
EQUITY AND LIABILITIES				
EQUITY				
Share capital	*	50,630	95,004	93,104
Merger deficit	-	(50,080)	(50,080)	(50,080)
Retained earnings	(38)	63,256	63,256	61,256
	(38)	63,806	108,180	104,280
Non-controlling interests	-	70	70	70
TOTAL EQUITY	(38)	63,876	108,250	104,350
LIABILITIES				
Total non-current liabilities	-	13,960	13,960	3,960
Total current liabilities	44	46,977	46,977	46,977
TOTAL LIABILITIES	44	60,937	60,937	50,937
TOTAL EQUITY AND LIABILITIES	6	124,813	169,187	155,287

3. PROSPECTUS SUMMARY (Cont'd)

	Pekat	I	II	III
	As at 31 December 2020	After Acquisition of Pekat Teknologi	After I and Public Issue	After II and utilisation of IPO proceeds
	RM'000	RM'000	RM'000	RM'000
Number of Shares in issue ('000)	^	506,300	644,968	644,968
Net (liabilities)/asset per share (RM)	(188.84)	0.13	0.17	0.16
Gearing (times)	-	0.43	0.26	0.17

Notes:

* Representing RM20.00 only.

^ Representing 200 Shares only.

3.10 DIVIDENDS

Our Company does not have any formal dividend policy. As we are a holding company, our Company's income and therefore our ability to pay dividends is dependent upon the dividends we receive from our subsidiary, present or future. The payment of dividends or other distributions by our subsidiary will depend on their distributable profits, operating results, financial condition, capital expenditure plans, business expansion plans and other factors that their respective boards of directors deem relevant.

In respect of FYEs 2017 to 2020, dividends declared by our subsidiary, Pekat Teknologi were as follows:

	FYE 2017	FYE 2018	FYE 2019	FYE 2020
	RM'000	RM'000	RM'000	RM'000
Dividends declared	-	1,018	1,274	500

Notes:

FYE 2018

RM1.0 million was declared and paid on 5 September 2018. The dividends paid of RM1.0 million represent 9.2% of our PAT attributable to owners of the Company.

FYE 2019

- RM0.5 million was declared on 21 May 2019 and paid on 23 May 2019;
- RM0.3 million was declared on 4 November 2019 and paid on 11 November 2019; and
- RM0.5 million was declared on 31 December 2019 and paid on 13 January 2020.

The total dividends paid of RM1.3 million represent 8.6% of our PAT attributable to owners of the Company.

FYE 2020

RM0.5 million was declared on 16 March 2020 and paid on 18 March 2020. The dividends paid of RM0.5 million represent 3.7% of our PAT attributable to owners of the Company.

Further details of our dividends are set out in Section 11.13.

4. PARTICULARS OF OUR IPO

4.1 INTRODUCTION

This Prospectus is dated 2 June 2021. Our IPO is subject to the terms and conditions of this Prospectus.

We have registered a copy of this Prospectus with the SC. We have also lodged a copy of this Prospectus, together with the Application Forms with the ROC. Neither the SC nor the ROC takes any responsibility for its contents.

We have obtained the approval from Bursa Securities vide its letter dated 15 February 2021, for, amongst others, our admission to the Official List of the ACE Market and for the listing of and quotation for our entire enlarged share capital on the ACE Market.

Our Shares will be admitted to the Official List of the ACE Market and an official quotation will commence after, amongst others, the receipt of confirmation from Bursa Depository that all of our IPO Shares have been duly credited into the respective CDS Accounts of the successful applicants and the notices of allotment have been issued and despatched to all the successful applicants.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited into the CDS. Following this, we will deposit our Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with the SICDA and Depository Rules. We will not issue any share certificates to successful applicants.

Pursuant to the Listing Requirements, at least 25.0% of our enlarged share capital for which listing is sought must be in the hands of a minimum number of 200 public shareholders, each holding not less than 100 Shares each upon admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. In the event we fail to meet the said requirement pursuant to our IPO, we may not be allowed to proceed with our Listing on the ACE Market. In such an event, we will return in full, without interest, all monies paid in respect of all applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

You should rely only on the information contained in this Prospectus or any applicable supplemental Prospectus. Neither we nor our advisers have authorised anyone to provide you with information that is different and not contained in this Prospectus. The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Prospectus. Nonetheless, should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of issue of this Prospectus up to the date of our Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMSA.

We are not making any invitation to subscribe for our IPO Shares in any jurisdiction and in any circumstances in which such offer or invitation are not authorised or unlawful, or to any person to whom it is unlawful to make such an offer or invitation. As the distribution of this Prospectus and the sale of our IPO Shares in certain other jurisdictions may be restricted by law, persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions. The distribution of this Prospectus and the making of our IPO in certain jurisdictions outside Malaysia may be restricted by law. The distribution of this Prospectus and the sale of any part of our IPO Shares are subject to the Malaysian laws and we, together with M&A Securities as our Adviser, Sponsor, Underwriter and Placement Agent, take no responsibility for the distribution of this Prospectus and the offer of any part of our IPO Shares outside Malaysia, which may be restricted by law in certain other jurisdictions.

4. PARTICULARS OF OUR IPO (Cont'd)

Applications for the Issue Shares may be made using either of the following:

Type of application form	Category of Investor
White Application Form or Electronic Share Application or Internet Share Application	Malaysian Public (for individuals)
White Application Form	Malaysian Public (for non-individuals, e.g. corporations, institutions etc)
Pink Form Applications	Our eligible Directors and employees as well as persons who have contributed to the success of our Group

You must have a CDS Account when applying for our IPO Shares. In the case of an application by way of Application Form, you must state your CDS Account number in the space provided in the Application Form. If you do not presently have a CDS Account, you should open a CDS Account at an ADA prior to making an application for our IPO Shares.

Please refer to Section 15 for further details on the procedures for application for our IPO Shares. Details of the ADAs that you may open a CDS Account can be obtained at the following link:

<http://www.bursamalaysia.com/market/securities/equities/brokers>

If you are an individual with a CDS Account, you may make an Application by way of Electronic Share Application. You are required to furnish your CDS Account number to the Participating Financial Institution by keying in your CDS Account number if the instructions on the ATM screen at which you enter your Electronic Share Application require you to do so. A corporation or institution cannot apply for our IPO Shares by way of Electronic Share Application.

If you have a CDS Account and an existing account to their internet financial services of an Internet Participating Financial Institutions, you can make an Internet Share Application. You shall furnish your CDS Account number to the Internet Participating Financial Institutions by keying your CDS Account number into the online application form. A corporation or institution cannot apply for our IPO Shares by way of Internet Share Application.

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, our IPO Shares are expected to be allocated in the manner described below.

The SC and Bursa Securities assume no responsibility for the correctness of any statement made or of any opinion or report expressed in this Prospectus. Our admission to the Official List of the ACE Market shall not be taken as an indication of the merits of our Group, our Shares and/or our IPO exercise. This Prospectus can also be viewed or downloaded from the website of Bursa Securities at www.bursamalaysia.com.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR ANY OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

4. PARTICULARS OF OUR IPO (Cont'd)

4.2 OPENING AND CLOSING OF APPLICATION

The period for Application will open at 10.00 a.m. on 2 June 2021 and will remain open until at 5.00 p.m. on 10 June 2021. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.3 IMPORTANT TENTATIVE DATES

Events	Tentative Dates
Issuance of this Prospectus/Opening of Application for our IPO	2 June 2021
Closing Date	10 June 2021
Balloting of the Application for our IPO Shares	14 June 2021
Allotment/transfer of our IPO Shares to successful applicants	21 June 2021
Date of Listing	23 June 2021

In the event there is any change to the timetable, we will advertise the notice of the changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

4.4 DETAILS OF OUR IPO

4.4.1 Acquisition of Pekat Teknologi

In preparation for our Listing, we have undertaken the Acquisition of Pekat Teknologi. On 11 September 2020, we entered into a conditional share sale agreement with the Vendors to acquire the entire equity interest in Pekat Teknologi comprising 550,020 ordinary shares for a total purchase consideration of RM50,630,000.

The total purchase consideration of RM50,630,000 for the Acquisition of Pekat Teknologi was arrived at after taking into consideration the following:

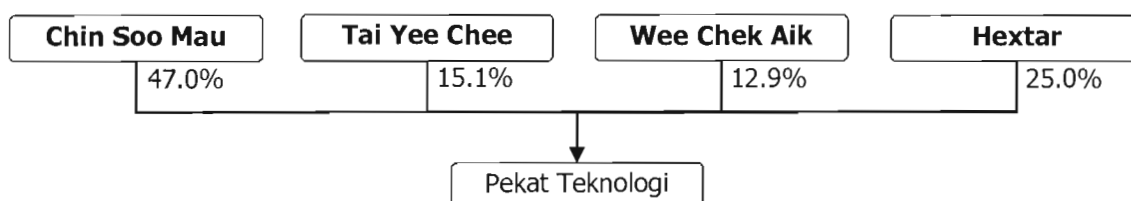
- (i) The audited NA of Pekat Teknologi as at 31 December 2019 of RM50,742,212; and
- (ii) The disposals of 4 subsidiaries/associated companies, where our Group recorded total loss on disposal of RM112,001. The disposals were made as these companies were inactive. Details of the disposals are set out in Section 11.1.2 note(1)(ii).

The purchase consideration for the Acquisition of Pekat Teknologi was satisfied by the issuance of 506,300,000 new Shares to the Vendors at an issue price of RM0.10 each.

Further details of the Acquisition of Pekat Teknologi is set out in Section 6.2.2.

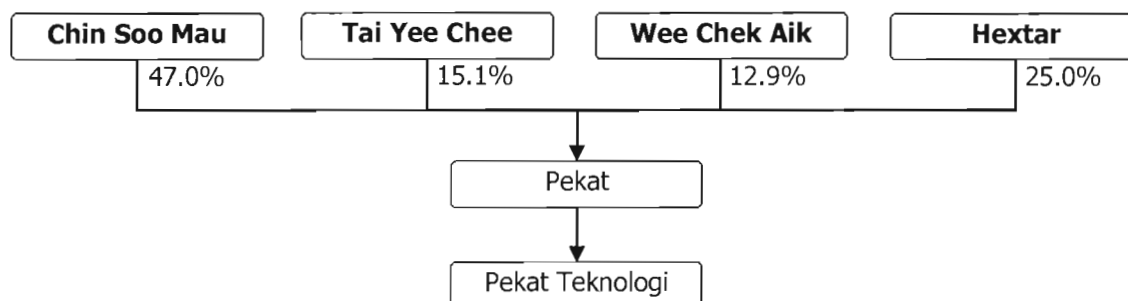
Our Group structure resulting before and after the Acquisition of Pekat Teknologi is set out below:

Before the Acquisition of Pekat Teknologi



4. PARTICULARS OF OUR IPO (Cont'd)

After the Acquisition of Pekat Teknologi



4.4.2 Public Issue

A total of 138,668,000 Issue Shares, representing 21.5% of our enlarged share capital are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

(i) Malaysian Public

32,248,600 Issue Shares, representing 5.0% of our enlarged share capital, will be made available for application by the Malaysian Public, to be allocated via balloting process as follows:

- (a) 16,124,300 Issue Shares made available to public investors; and
- (b) 16,124,300 Issue Shares made available to Bumiputera public investors.

(ii) Our eligible Directors and employees as well as persons who have contributed to the success of our Group

16,124,200 Issue Shares, representing 2.5% of our enlarged share capital, will be reserved for our eligible Directors and employees as well as persons who have contributed to the success of our Group under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.4.4.

(iii) Private placement to selected Bumiputera investors approved by MITI and selected investors

90,295,200 Issue Shares, representing 14.0% of our enlarged share capital, have been reserved for private placement in the following manner:

- (a) 80,621,000 Issue Shares made available for selected Bumiputera investors approved by MITI; and
- (b) 9,674,200 Issue Shares made available for selected investors.

The basis of allocation for the Issue Shares to the Malaysian Public, selected investors and under the Pink Form Allocations shall take into account our Board's intention to distribute the Issue Shares to a reasonable number of applicants to broaden our Company's shareholding base to meet the public spread requirements, and to establish a liquid and adequate market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors.

4. PARTICULARS OF OUR IPO (Cont'd)

The allocation of Issue Shares to selected Bumiputera investors shall be subject to the allocation as approved by MITI. Any unsubscribed Issue Shares under this allocation shall be offered to Bumiputera institutional investors. Issue Shares unsubscribed by Bumiputera institutional investors shall then be offered to Bumiputera public investors via balloting.

There is no over-allotment or "greenshoe" option that will result in an increase in the number of our IPO Shares.

Our Public Issue is subject to the terms and conditions of this Prospectus.

We are not aware of any person who intends to subscribe for more than 5% of the Public Issue.

4.4.3 Offer for Sale

A total of 32,248,000 Offer Shares, representing 5.0% of our enlarged share capital, are offered by our Selling Shareholders to selected investors by way of private placement at our IPO Price. Our Offer for Sale is subject to the terms and conditions of this Prospectus.

The details of our Selling Shareholders and their relationship with our Group are as follows:

Name / Address	Relationship with our Group	⁽¹⁾ Before IPO		Offer Shares offered		After IPO	
		No. of Shares	%	No. of Shares	⁽²⁾ %	No. of Shares	⁽²⁾ %
Chin Soo Mau / 8, Jalan Kenyalang 11/5C, D'Villa Botany Kota Damansara 47810 Petaling Jaya Selangor	Promoter, substantial shareholder and Managing Director	237,961,000	47.0	12,899,200	2.0	225,061,800	34.9
Tai Yee Chee / 10, Jalan Sutera 5 Jalil Sutera 57000 Kuala Lumpur	Promoter, substantial shareholder and Executive Director	76,451,300	15.1	9,674,400	1.5	66,776,900	10.4
Wee Chek Aik / 19, Jalan Casabella 2 Jalan Teknologi 3/11 Kota Damansara PJU 5 47810 Petaling Jaya Selangor	Promoter, substantial shareholder and Executive Director	65,312,700	12.9	9,674,400	1.5	55,638,300	8.6

Notes:

⁽¹⁾ Based on the share capital of 506,300,200 Shares after the Acquisition of Pekat Teknologi.

⁽²⁾ Based on the enlarged share capital of 644,968,200 Shares after the IPO.

Further details of our Selling Shareholders, who are also our substantial shareholders can be found in Section 5.1.

4. PARTICULARS OF OUR IPO (Cont'd)**4.4.4 Pink Form Allocations**

We have allocated 16,124,200 Issue Shares to our eligible Directors and employees as well as persons who have contributed to the success of our Group under the Pink Form Allocations as follows:

Category	No. of eligible persons	Aggregate no. of Issue Shares allocated
Our Eligible Directors	5	550,000
Our Eligible employees	105	12,044,000
Persons who have contributed to the success of our Group	20	3,530,200
	130	16,124,200

The criteria for allocation to our eligible Directors are based on their anticipated contribution to our Group. Our Managing Director and Executive Directors have opted not to participate in the Pink Form Allocations.

The criteria for allocation to our eligible employees (as approved by our Board) are based on the following factors:

- (i) The employee must be at least 18 years of age;
- (ii) The employee must have his/her employment confirmed in writing; and
- (iii) The employees' seniority, position, length of service and contribution to our Group.

The number of IPO Shares to be allotted to those persons who have contributed to the success of our Group shall be based on amongst others, the nature and terms of their business relationship with us, length of their relationship with us and the level of contribution and support to our Group and shall be subject to the approval by our Board. Persons who have contributed to the success of our Group are our customers and suppliers.

Our Managing Director and Executive Directors have opted out of the Pink Form Allocations. Details of the allocation to our remaining Directors and key senior management are as follows:

Name	Designation	No. of Issue Shares allocated	(1) %
Kok Kong Chin	Independent Non-Executive Chairman	150,000	0.9
Teh Li King	Non-Independent Non-Executive Director	100,000	0.6
Ong Keng Siew	Independent Non-Executive Director	100,000	0.6
Yeong Siew Lee	Independent Non-Executive Director	100,000	0.6
Datin Shelina Binti Razaly Wahi	Independent Non-Executive Director	100,000	0.6
Chew Teik Siang	General Manager and Director of Pekat Solar	2,000,000	12.5
Wong Boon Kwang	General Manager and Director of Pekat E&LP	1,400,000	8.7
Oh Keng Jin	Chief Financial Officer	1,400,000	8.7
		5,350,000	33.2

4. PARTICULARS OF OUR IPO (Cont'd)

Note:

- (1) Based on the total allocation of 16,124,200 Issue Shares to our eligible Directors and employees as well as persons who have contributed to the success of our Group under the Pink Form Allocations.

Our Non-Executive Directors and key senior management intend to subscribe to their Issue Shares allocated under the Pink Form Allocations.

Pink Form Allocations which are not subscribed to will be re-allocated to the other eligible Directors/key senior management mentioned in the table above, employees and persons who have contributed to the success of our Group at the discretion of our Board.

4.5 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price was determined and agreed upon by us and M&A Securities, as our Adviser, Sponsor, Underwriter and Placement Agent, after taking into consideration the following factors:

- (i) The PE Multiple of approximately 15.2 times based on our EPS of 2.1 sen for the FYE 2020 calculated based on our PAT for the FYE 2020 of RM13.6 million and our enlarged share capital of 644,968,200 Shares upon Listing;
- (ii) Our pro forma combined NA per Share as at 31 December 2020 after our IPO of RM0.16 based on our combined NA as at 31 December 2020 of RM104.6 million (after the Public Issue and utilisation of IPO proceeds) and our enlarged share capital of 644,968,200 Shares upon Listing;
- (iii) Our historical financial track record for the past FYEs 2017 to 2020 summarised as follows:

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FYE 2020
	RM'000	RM'000	RM'000	RM'000
Revenue	72,830	120,129	119,521	125,562
GP	30,685	35,693	46,394	38,122
PAT attributable to:				
- Owners of the Company	9,361	11,096	14,794	13,576
- Non-controlling interests	103	(88)	61	(2)
	9,464	11,008	14,855	13,574
EPS (sen) ⁽¹⁾	1.8	2.2	2.9	2.7

Note:

- (1) Calculated based on our PAT attributable to owners of the Company divided by the share capital of 506,300,200 Shares before our IPO.
- (iv) Our competitive strengths as set out in Section 6.8; and
- (v) Our Group's business strategies and prospects as further described in Section 6.19.

4. PARTICULARS OF OUR IPO (Cont'd)

You should note that our market price upon Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You should form your own views on the valuation of our IPO Shares before deciding to invest in them. You are reminded to carefully consider the risk factors as set out in Section 8 before deciding to invest in our Shares.

4.6 SHARE CAPITAL, CLASSES OF SHARES AND RANKING

Upon completion of our IPO, our share capital would be as follows:

Details	No. of Shares	RM
Share capital		
As at the date of this Prospectus	506,300,200	50,630,020
To be issued pursuant to our Public Issue	138,668,000	44,373,760
Enlarged share capital upon our Listing	644,968,200	95,003,780
Offer for Sale⁽¹⁾	32,248,000	10,319,360
Market capitalisation⁽²⁾		206,389,824

Notes:

(1) Our Offer for Sale will not have any effect on our share capital.

(2) Based on our IPO Price and our enlarged number of shares upon Listing.

As at the date of this Prospectus, we have only 1 class of shares, being ordinary shares, all of which rank equally amongst one another.

The Issue Shares will, upon allotment and issue, rank equally in all respects with our existing ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of the Issue Shares.

The Offer Shares rank equally in all respects with our existing ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares.

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount of Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions and any surplus in the event of the liquidation of our Group, in accordance with our Constitution.

Each of our shareholders shall be entitled to vote at any of our general meeting in person, or by proxy or by attorney or by other duly authorised representative. Every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have 1 vote for each ordinary share held.

4. PARTICULARS OF OUR IPO (Cont'd)

4.7 OBJECTIVES OF OUR IPO

The objectives of our IPO are as follows:

- (i) To provide an opportunity for the Malaysian Public, our eligible Directors and employees as well as persons who have contributed to the success of our Group to participate in our equity;
- (ii) To enable our Group to raise funds for the purposes specified in Section 4.10;
- (iii) To enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as and when they arise; and
- (iv) To gain recognition through our listing status which will enhance our Group's reputation in the marketing of our products and services, expansion of our client base and to retain and attract new, skilled employees in the industry.

4.8 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and our enlarged share capital of 644,968,200 Shares upon Listing, our total market capitalisation is estimated to be RM206,389,824 upon Listing.

4.9 DILUTION

Dilution is the amount by which our IPO Price exceeds the pro forma combined NA per Share immediately after our IPO.

Our pro forma combined NA per Share as at 31 December 2020 after the Acquisition of Pekat Teknologi is RM0.13. After giving effect to the Public Issue (and utilisation of proceeds), our pro forma combined NA per Share as at 31 December 2020 is RM0.16.

This represents an immediate increase in the pro forma combined NA per Share to our existing shareholders of RM0.03, and an immediate dilution in the pro forma combined NA per Share of RM0.16 to our new public investors. The following table illustrates such dilution on a per Share basis:

	RM
Pro forma combined NA per Share as at 31 December 2020 after taking into account the Acquisition of Pekat Teknologi	0.13
Pro forma combined NA per Share as at 31 December 2020 after taking into account the Acquisition of Pekat Teknologi and Public Issue	0.17
IPO Price	0.32
Pro forma combined NA per Share as at 31 December 2020 after taking into account the Acquisition of Pekat Teknologi, Public Issue and utilisation of IPO proceeds	0.16
Dilution in the pro forma combined NA per Share to our new public investors	(0.16)
Dilution in the pro forma combined NA per Share as a percentage of our IPO Price	50.0%

4. PARTICULARS OF OUR IPO (Cont'd)

Further details of our pro forma combined NA per Share as at 31 December 2020 is set out in Section 13.

The following table shows the average effective cost per Share paid by our existing shareholders for our Shares since our incorporation up to the date of this Prospectus:

Shareholders	⁽¹⁾ No. of Shares	Total consideration	Average effective cost per Share
		RM	RM
Chin Soo Mau	237,961,000	23,796,100	0.10
Tai Yee Chee	76,451,300	7,645,130	0.10
Wee Chek Aik	65,312,700	6,531,270	0.10
Hextar	126,575,000	12,657,500	0.10
	506,300,000	50,630,000	0.10

Note:

⁽¹⁾ Issued pursuant to the Acquisition of Pekat Teknologi.

Save for the Shares received by our Promoters and Hextar pursuant to the Acquisition of Pekat Teknologi as well as Pink Form Allocations, there has been no acquisition or subscription of any of our Shares by our Directors or key senior management, substantial shareholders or persons connected to them, or any transaction entered into by them which grants them the right to acquire any of our existing Shares, in the past 4 years up to the LPD.

4.10 UTILISATION OF PROCEEDS**4.10.1 Public Issue**

The estimated gross proceeds arising from the Public Issue of approximately RM44.4 million shall accrue entirely to us and will be utilised in the following manner:

Utilisation of proceeds	Reference	Estimated timeframe for utilisation	RM'000	%
Construction of our new head office and operational facility	(i)	⁽¹⁾ March 2023	18,000	40.6
Working capital	(ii)	⁽²⁾ 12 months	12,674	28.6
Repayment of bank borrowings	(iii)	⁽²⁾ 3 months	10,000	22.5
Estimated listing expenses	(iv)	⁽²⁾ 1 month	3,700	8.3
			44,374	100.0

4. PARTICULARS OF OUR IPO (Cont'd)

Notes:

- (1) Kindly refer to Sections 4.10.1(i) and 6.19.2 for detailed timeline.
- (2) From the date of listing of our Shares.

Pending the utilisation of the proceeds to be raised from our Public Issue, the funds will be placed with licensed financial institutions as deposits.

(i) Construction of our new head office and operational facility

With the ongoing growth and development of our business, we are outgrowing our current head office. The number of employees who are based at our Cubic Space Office has increased from 61 personnel as at 31 December 2017 to 119 personnel as at the LPD.

On 8 July 2020, we completed the acquisition of Elmina Land measuring approximately 137,928 sq ft. We intend to build a new head office integrated with a showcase, central monitoring station, training centre, workshop and warehouse on the Elmina Land. As such, we intend to move out of the Cubic Space Office and relocate to this new head office.

The purposes of each facility are as follows:

Showcase area	To feature our full range of business activities
Central monitoring station	To house application platforms (namely solar PV monitoring and energy management system, lightning risk assessment system and ELP monitoring system) which will be connected to the solar PV facilities that we are monitoring and maintaining
Training centre	To train our staff and customers on the proper and safe operation and maintenance of their solar PV facilities
Workshop	To carry out incoming product and equipment testing
Warehouse	To store products and accessories that we distribute, as well as goods and materials for our Solar Division and ELP Division

This new head office and operational facility will replace our existing facilities (which includes head office, warehouse, training centre and workshop) housed in Cubic Space Office. As such, we intend to move out of the Cubic Space Office and relocate to this new head office and operational facility.

The construction cost of our new head office and operational facility is estimated at RM18.0 million, which will be funded fully from our IPO proceeds.

The breakdown of the construction cost for our new head office and operational facility is as follows:

Description	Total estimated cost ⁽²⁾	
	RM'000	%
Construction works	9,100	50.5
M&E works	2,730	15.2

4. PARTICULARS OF OUR IPO (Cont'd)

Description	Total estimated cost ⁽²⁾	
	RM'000	%
Infrastructural works	1,730	9.6
Professional fees ⁽¹⁾	1,200	6.7
Authority and utilities	270	1.5
Interior fit-out and loose furnitures	2,730	15.2
Contingencies	240	1.3
	18,000	100.0

Notes:

- (1) Comprising legal and project consulting fees.
- (2) Total estimated cost is based on fees estimation by our professional consultants.

We plan to transfer the equipment (including hardware and related software) from our existing Cubic Space Office to our new head office and operational facility. In addition, we expect to incur cost amounting to RM0.2 million for the purchase of additional monitors for our central monitoring station, projectors and video conferencing systems for the training centre as well as laptops and office equipment. The cost of RM0.2 million will be funded via internally generated funds.

The proposed construction will have a total built-up area of approximately 114,252 sq ft. It will be an integrated facility with all of our operational facilities under one roof, comprising the following:

- 31,353 sq ft for head office;
- 7,937 sq ft for showcase area;
- 6,227 sq ft for central monitoring station;
- 8,696 sq ft for training centre;
- 9,284 sq ft for workshop; and
- 50,755 sq ft for warehouse (floor space of 49,755 sq ft and total racking space of 16,085 sq ft).

23,676 sq ft shall be allocated for roads, car parks and building set-back as required by the authorities.

As at the LPD, we have submitted the planning application and building plan to Majlis Bandaraya Shah Alam. The indicative timeline for designing and constructing the new head office and operational facility is expected to be as follows:

Timeline	Details
June 2021	Receipt of approved building plan
September 2021	Commencement of construction
March 2023	<ul style="list-style-type: none"> • Commencement of installation of rooftop solar PV • Completion of construction of the head office and operational facility
June 2023	To obtain Certificate of Completion and Compliance for the head office and operational facility

4. PARTICULARS OF OUR IPO (Cont'd)

Timeline	Details
September 2023	Commencement of relocation from Cubic Space Office
December 2023	Commencement of operations in the head office and operational facility

We expect to complete the construction of the new head office and operational facility in March 2023.

If the actual cost of construction is higher than the amount budgeted, the deficit will be funded via internally generated funds. Conversely, if the cost is lower than the amount budgeted, the excess will be utilised for our working capital requirements.

Further details of our new head office and operational facility are set out in Section 6.19.2.

(ii) Working capital

Our Group's working capital requirements are expected to increase in tandem with the expected growth in our business. We intend to allocate RM12.7 million from our IPO proceeds for our Group's working capital requirements.

The following is a breakdown of the expected utilisation for our working capital:

	Utilisation	RM'000	%
(a)	Purchase of materials for our projects such as solar PV modules, solar PV inverters, ELP products and accessories	8,000	63.1
(b)	Project costs and expenses such as tender bonds and/or performance bonds for our projects ⁽¹⁾	4,000	31.6
(c)	Marketing expenses such as advertisement and promotions in printed and digital media	500	3.9
(d)	General overheads such as payment of administration and operating expenses including upkeep of offices and office utilities	174	1.4
		12,674	100.0

Note:

⁽¹⁾ Some of the solar PV projects and ELP projects we are involved in require tender bonds and/or performance bonds as disclosed in Sections 6.6.3.11(i), 6.6.3.11(ii), 6.6.4.5(i) and 6.6.4.5(ii).

Tender bonds and performance bonds may be applicable to all types of solar PV projects and ELP projects and it depends on the requirements of the prospective customer.

This results in the lock-up of a portion of our capital during the duration of the project as we are unable to utilise this sum for our working capital or any other purpose during the duration of the tender bonds and/or performance bonds. This will affect our liquidity for that duration. As such, the allocation to working capital is expected to enhance our Group's liquidity and cash flows, so that we will be in a stronger position to secure and complete more projects moving forward.

4. PARTICULARS OF OUR IPO (Cont'd)**(iii) Repayment of bank borrowings**

As at the LPD, our total borrowings (excluding lease liabilities) amount to RM29.7 million. We intend to allocate RM10.0 million from our IPO proceeds for the repayment of bank borrowing which was drawn to acquire the Elmina Land. The details are as set out as follows:

	Bank / Banking facility	Purpose of borrowing	Interest rate	Maturity date	Principal amount	Amount drawn as at LPD	Amount to be repaid from IPO proceeds
					RM'000	RM'000	RM'000
(i)	Public Investment Bank / Term loan	Acquisition of Elmina Land	Base lending rate – 2.1%	July 2040	13,688	13,688	10,000

On 8 July 2020, we completed the acquisition of Elmina Land for a total purchase consideration of RM17.1 million of which RM13.7 million was financed via bank borrowings and RM3.4 million was financed via internally generated funds. The loan carries an effective interest rate of 3.37% per annum and is for a term of 20 years up to 2040.

Notwithstanding that we will incur a one-off penalty of RM0.2 million in the event we repay the bank borrowings before May 2023, we will be able to reduce our annual interest cost by RM0.3 million based on the effective interest rate of 3.37% per annum. The penalty cost of RM0.2 million will be paid via internally generated funds.

The remaining outstanding loan of RM3.7 million shall be repaid via internally generated funds as per the loan repayment schedule. In the event we require any additional funds, we may utilise our existing cash reserves.

(iv) Estimated listing expenses

The amount of RM3.7 million is allocated to meet the estimated cost for our Listing. If our actual listing expenses are higher than the amount budgeted, the deficit will be funded out of the portion allocated for our working capital requirements. Conversely, if our actual listing expenses are lower than the amount budgeted, the excess will be utilised for our working capital requirements. The following summarises the estimated expenses incidental to our Listing to be borne by us:

Description	RM'000	%
Professional fees ⁽¹⁾	1,985	53.6
Underwriting, placement and brokerage fees	1,557	42.1
Printing and advertising fees	100	2.7
Others ⁽²⁾	58	1.6
	3,700	100.0

4. PARTICULARS OF OUR IPO (Cont'd)

Notes:

- (1) Comprising advisory fees for, amongst others, our Principal Adviser, Solicitors, Reporting Accountants, IMR and Issuing House.
- (2) Comprising fees payable to authorities (such as lodgement fees payable to the Companies Commission of Malaysia), other incidental or related expenses in connection with our IPO.

4.10.2 Offer for Sale

The Offer for Sale is expected to raise gross proceeds of approximately RM10.3 million which will accrue entirely to our Selling Shareholders and we will not receive any of the proceeds.

The Selling Shareholders shall bear all of the expenses relating to the Offer Shares, the aggregate of which is estimated to be approximately RM0.21 million.

4.11 UNDERWRITING AND PLACEMENT ARRANGEMENT, COMMISSION AND BROKERAGE

4.11.1 Underwriting arrangement and commission

Our Underwriter will underwrite 48,372,800 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. We are obliged to pay our Underwriter an underwriting commission of 2.0% of the total value of the underwritten Shares at our IPO Price.

Any of our Issue Shares which are not subscribed for by the Malaysian Public or Pink Form Allocations will be made available to selected investors via private placement. If all of our Issue Shares offered to the Malaysian Public are oversubscribed, shares not subscribed for under the Pink Form Allocations, if any, will be made available for application by the Malaysian Public. Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms of the Underwriting Agreement.

There is no minimum subscription to be raised from our IPO. However, in order to comply with the public spread requirements of Bursa Securities, the minimum subscription in terms of the number of Issue Shares will be the number of Issue Shares required to be held by public shareholders to comply with the public spread requirements as set out in the Listing Requirements or as approved by Bursa Securities.

In the event of an over-subscription, acceptance of Applications by the Malaysian Public shall be subject to ballot to be conducted in a manner approved by our Board. Our Board will ensure that any excess Issue Shares will be allocated on a fair and equitable manner.

4. PARTICULARS OF OUR IPO (Cont'd)

4.11.2 Placement arrangement and commission

The balance 90,295,200 Issue Shares from the Public Issue available for application by selected Bumiputera investors approved by MITI and selected investors as well as 32,248,000 Offer Shares available for application by selected investors will not be underwritten and shall be placed out by our Placement Agent.

We are obliged to pay our Placement Agent a placement fee of 2.0% of the value of those Issue Shares to be placed out to selected Bumiputera investors and investors approved by MITI by our Placement Agent at our IPO Price. The placement fee of 2.0% of the value of those Offer Shares to be placed out to selected investors by our Placement Agent at our IPO Price will be borne entirely by the Selling Shareholders.

4.11.3 Brokerage fees

Brokerage is payable in respect of the Issue Shares at the rate of 1.0% of our IPO Price in respect of successful applicants which bear the stamp of member companies of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysia Investment Banking Association in Malaysia or Issuing House.

4.12 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M&A Securities, to underwrite 48,372,800 Issue Shares ("Underwritten Shares").

The following are the salient terms contained in the Underwriting Agreement. The capitalised terms used in this section shall have the respective meanings as ascribed thereto in the Underwriting Agreement:

- 1.1 Our Company irrevocably appoints the Underwriter as the underwriter of the Underwritten Shares and the Underwriter accepts its appointment on the terms and conditions in the Underwriting Agreement.
- 1.2 The obligations of the Underwriter under the Underwriting Agreement shall further be conditional upon ("Conditions"):
 - (i) The Underwriter receiving a certificate issued by our Company, one dated the date of registration of the Prospectus and the other dated the Closing Date, both of which are to be signed by a director of our Company on behalf of our Board stating amongst others that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence to the representations, warranties and undertakings as set out in the Underwriting Agreement and being provided with the reports or confirmation and being satisfied at the date of registration of this Prospectus and on the Closing Date that:
 - (a) no material change or any development likely to result in a material adverse change in the financial position, business operations or conditions (financial or otherwise) of our Group from that subsequent to the date of the Underwriting Agreement; or
 - (b) there has not occurred any event or the discovery of any facts or circumstances which would render any representations, warranties or undertakings as set out in the Underwriting Agreement materially

4. PARTICULARS OF OUR IPO (Cont'd)

untrue or inaccurate or result in a material breach of the Underwriting Agreement by our Company;

- (ii) The Underwriting Agreement being duly signed by all parties and stamped within the statutory time frame;
- (iii) The registration of the Prospectus and such other documents as may be required in accordance with the CMSA in relation to the IPO with the SC and its lodgement with the ROC by the date of issuance of this Prospectus;
- (iv) All the approvals of the Listing Scheme by Bursa Securities; the SC; and the directors and shareholders of our Company via a circular board resolution and general meeting, remain in full force and effect and all the conditions to said approvals in this clause (except for any which can only be complied with after the IPO has been completed) have been complied with;
- (v) The approval of Bursa Securities for the admission of our Company to the Official List and the listing of and quotation for its entire issued share capital on the ACE Market being obtained on terms acceptable to the Underwriter and the approvals of Bursa Securities remaining in full force and effect and that all conditions (except for any which can only be complied with after the IPO has been completed) have been complied with;
- (vi) The Underwriter being satisfied that our Company will, following completion of the IPO be admitted to the Official List and its entire enlarged issued share capital listed and quoted on the ACE Market without undue delay;
- (vii) The Underwriting Agreement having become unconditional in all respects (save for any condition requiring the Underwriting Agreement to be unconditional) and not having been terminated or rescinded pursuant to the provisions thereof and upon the Underwriter's (in this regard, in its capacity as the Placement Agent for the Placement Shares) receipt of the full subscription monies for the Placement Shares on or before the last date for payment of the Placement Shares;
- (viii) The Underwriter receiving a copy duly certified by a Director of our Company or secretary of our Company to be a true and accurate copy and in full force and effect of a resolution of the Directors:
 - (a) approving the Prospectus, the issuance of the Prospectus, the application forms, the Underwriting Agreement and the transactions contemplated by it; and
 - (b) authorising a person to sign and deliver the Underwriting Agreement on behalf of our Company;
- (ix) The IPO not being prohibited or impeded by any statute, order, rule, directive, guideline (whether or not having a force of law) or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia or any condition imposed by the regulators in approving the Issue Shares and all consents, approvals, authorisations or other orders required by our Company under such laws for or in connection with the IPO and/or listing of and quotation for the entire enlarged issued share capital of our Company on the ACE Market have been obtained and are in force up to the Closing Date;

4. PARTICULARS OF OUR IPO (Cont'd)

- (x) The Underwriter being satisfied that our Company has complied with and that the IPO is in compliance with the policies, guidelines and requirements of the SC and Bursa Securities and all revisions, amendments and/or supplements to it;
 - (xi) All necessary consents, waivers, approvals, authorisations or other orders of all regulatory authorities, required for or in connection with the execution of the Underwriting Agreement and the issue of the Shares under the IPO and any other matters contemplated hereby:
 - (a) have been or will be unconditionally obtained by its due date; or
 - (b) if granted subject to conditions, such conditions will be fulfilled to the reasonable satisfaction of the Underwriter by its due date; and
 - (c) are or will remain in full force and effect;
 - (xii) The FTSE Bursa Malaysia Kuala Lumpur Composite Index ("Index") being not lower than 90% of the level of the Index for at least 3 consecutive Market Days between the date of the Underwriting Agreement and the Closing Date, both dates inclusive;
 - (xiii) There being no occurrence of any event which occurs after the date of the Underwriting Agreement and on or prior to the date for acceptance, application for and payment of the subscriptions moneys in respect of the application for our Company's IPO Shares, which if it had occurred before the date of the Underwriting Agreement would have rendered any of the representations, warranties and undertakings provided in the Underwriting Agreement untrue or inaccurate;
 - (xiv) There being no breach of and/or failure, on or prior to the Closing Date by our Company to perform any of the terms and/or the undertakings as contained in the Underwriting Agreement;
 - (xv) Our Company not being in any investigation, directions or actions by any judicial, governmental or regulatory authority in relation to the Listing or in connection with the Group which is still subsisting or unresolved to the satisfaction of the Underwriter; and
 - (xvi) The launching of Prospectus taking place within 3 months from the date of the Underwriting Agreement or such other later date as the Underwriter and our Company may from time to time agree in writing.
- 1.3 The Underwriter may waive all or any of the Conditions except for any required by a mandatory rule of law or a mandatory requirement of governmental, public or regulatory authorities in connection with the Underwriting Agreement.
- 1.4 If after the Conditions have been complied with and our Company decides not to proceed with the IPO, the Underwriter shall be entitled to terminate the Underwriting Agreement and in such event the provisions set out in item 1.6 below shall apply.

4. PARTICULARS OF OUR IPO (Cont'd)

- 1.5 If any of the conditions set out in item 1.2(ii), (iii), (iv), (viii), and / or (xvi) above to the extent not waived are not satisfied by the date of issuance of the Prospectus, the Underwriter after consultation with our Company shall be entitled to terminate the Underwriting Agreement pursuant to item 1.6 below and thereafter the parties shall be released and discharged from their obligations hereunder and the Underwriting Agreement shall become null and void and of no further force and effect and none of the parties shall have a claim against the other save for any antecedent breaches.
- 1.6 Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may at any time on or before the Closing Date, terminate its obligations under the Underwriting Agreement if:
- (i) the Conditions set out in item 1.2 above (save and unless waived by the Underwriter) are not duly satisfied by the Closing Date;
 - (ii) there is any material breach by our Company of any of the representations, warranties or undertakings contained in the Underwriting Agreement or which is contained in any certificate, statement or notice under or in connection with the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within 10 Market Days from the date our Company is notified by the Underwriter of such breach; or
 - (iii) there is failure on the part of our Company to perform any of its obligations contained in the Underwriting Agreement; or
 - (iv) there is withholding of material information by the Company which in the reasonable opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the IPO, or the distribution or sale of the Shares issued or offered under the IPO; or
 - (v) the approval of Bursa Securities in respect of the IPO or the approval-in-principle of Bursa Securities for the listing and quotation of our entire issued share capital on the ACE Market is withdrawn; or
 - (vi) there shall have occurred, or happened any material and adverse change in the business or financial condition of our Company or Group from that set out in this Prospectus which is material in the context of the offering of the Issue Shares and/or the Listing or any occurrence of any event rendering untrue or incorrect or misleading or not complied with to an extent which is material as aforesaid, any of the representations, warranties and undertakings contained in the Underwriting Agreement hereof as though given or made on such date; or
 - (vii) the closing date of the application of the IPO Shares does not occur within 3 months from the date of the Underwriting Agreement, subject to the extension of Closing Date which is approved by the Underwriter; or
 - (viii) our Company or any of our subsidiary becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as they fall due or enters into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors; or

4. PARTICULARS OF OUR IPO (Cont'd)

- (ix) the occurrence of any *force majeure* event including, but not limited to the following:
 - (a) any material adverse change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions or exchange control or currency exchange rate (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regards to inter-bank offer or interest rates both in Malaysia and overseas) or the occurrence of any combination of any of the foregoing; or
 - (b) any new law or any change in the existing laws, regulations, directive, policy or ruling in any jurisdiction or any change in the interpretation or application thereof by any court or other competent authority; or
 - (c) any event or series of events beyond the reasonable control of the Underwriter (including but not limited to, acts of government, strikes, national disorder, declaration of a state of emergency, lockouts, fire, explosion, flooding, landslide, civil commotion, hurricanes/typhoons, tsunami, widespread diseases, pandemic, acts of war, sabotage, acts of God etc); or
 - (d) any imposition of any moratorium, suspension or material restriction on trading of securities on the ACE Market due to exceptional financial circumstances or otherwise; or
 - (e) any material adverse change in financial conditions as stated in item 1.6(ix)(a) above to include stock market conditions and interest rates. A material adverse change in the stock market condition under this item shall mean the Index is, at the close of normal trading on Bursa Securities, on any Market Day on or after the date of the Underwriting Agreement and prior to the allotment of the Issue Shares, lower than 90% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least 3 Market Days, which may materially prejudice the success of the IPO; or
 - (f) there is any government requisition or occurrence of any other nature which materially and adversely affects or will materially and adversely affect the business and/or financial position of our Company and/or our Group; or
 - (g) in the event that the listing of and quotation for the entire enlarged issued share capital of our Company on the ACE Market is withdrawn or not procured or procured but subject to conditions not acceptable to the Underwriter;

which would have or can reasonably be expected to have, in the reasonable opinion of the Underwriter, a material adverse effect on, and/or materially prejudice the business or the operations of our Company or Group, the success of the IPO, or the distribution or sale of the Issue Shares or which has or is reasonably likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms.

4. PARTICULARS OF OUR IPO (Cont'd)

- 1.7 Upon the notice as described in item 1.6 above being given, the Underwriter shall be released and discharged of its obligation without prejudice to its rights under the Underwriting Agreement, and where the Underwriter has terminated or withdrawn its Underwriting Commitment pursuant to item 1.5 or item 1.6, the Underwriting Agreement shall be of no further force or effect and no party shall be under any liability to any other parties in respect of the Underwriting Agreement, except the following:
- (i) our Company shall pay the Underwriting Commission and any SST, tax, duties or levies chargeable in respect of the Underwriting Commission in accordance with the Underwriting Agreement; and
 - (ii) our Company shall continue to be liable to indemnify the Underwriter and the its affiliates and each of their (the Underwriter and its affiliates) directors, employees, agents, subsidiaries and each person who controls the Underwriter and affiliates, in such manner as set out in the Underwriting Agreement.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and substantial shareholders' shareholdings

The shareholdings of our Promoters and substantial shareholders in our Company before and after our IPO are set out below:

Name / Nationality / Country of incorporation	Before IPO ⁽¹⁾				After IPO ⁽²⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters and substantial shareholders								
Chin Soo Mau / Malaysian	237,961,000	47.0	-	-	⁽³⁾ 225,061,800	34.9	-	-
Tai Yee Chee / Malaysian	76,451,300	15.1	-	-	⁽³⁾ 66,776,900	10.4	-	-
Wee Chek Aik / Malaysian	65,312,700	12.9	-	-	⁽³⁾ 55,638,300	8.6	-	-
Substantial shareholders								
Hextar / Malaysia	126,575,000	25.0	-	-	126,575,000	19.6	-	-
Dato' Ong Soon Ho / Malaysian	-	-	⁽⁴⁾ 126,575,000	25.0	-	-	⁽⁴⁾ 126,575,000	19.6
Dato' Ong Choo Meng / Malaysian	-	-	⁽⁴⁾ 126,575,000	25.0	-	-	⁽⁴⁾ 126,575,000	19.6
Datin Teoh Siew Yoke @ Teoh Siew Chin / Malaysian	-	-	⁽⁴⁾ 126,575,000	25.0	-	-	⁽⁴⁾ 126,575,000	19.6

Notes:

- (1) Based on the share capital of 506,300,200 Shares after the Acquisition of Pekat Teknologi.
- (2) Based on the enlarged share capital of 644,968,200 Shares after the IPO.
- (3) After the Offer for Sale.
- (4) Deemed interested by virtue of their shareholdings in Hextar. As at the LPD, the shareholders and their respective shareholdings in Hextar are as follows:

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Dato' Ong Soon Ho	Malaysian	53,444,328	23.9	⁽ⁱ⁾ 170,273,572	76.1
Dato' Ong Choo Meng	Malaysian	144,816,972	64.7	⁽ⁱⁱ⁾ 78,900,928	35.3

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Datin Teoh Siew Yoke @ Teoh Siew Chin	Malaysian	25,456,600	11.4	⁽ⁱⁱⁱ⁾ 198,261,300	88.6

(i) Deemed interested by virtue of his son and wife's shareholdings in Hextar.

(ii) Deemed interested by virtue of his parents' shareholdings in Hextar.

(iii) Deemed interested by virtue of her husband and son's shareholdings in Hextar.

Our Promoters and substantial shareholders do not have different voting rights from the other shareholders of our Group.

5.1.2 Profiles of Promoters and substantial shareholders

The profiles of our Promoters and substantial shareholders are as follows:

(i) Chin Soo Mau

Chin Soo Mau is our Promoter and substantial shareholder. He is also our Managing Director. His profile is set out in Section 5.2.2.

(ii) Tai Yee Chee

Tai Yee Chee is our Promoter and substantial shareholder. He is also our Executive Director. His profile is set out in Section 5.2.2.

(iii) Wee Chek Aik

Wee Chek Aik is our Promoter and substantial shareholder. He is also our Executive Director. His profile is set out in Section 5.2.2.

(iv) Hextar

Hextar was incorporated as a private limited company under the Act on 3 February 2006.

The principal activity of Hextar is investment holding of companies involved in distribution of fertilizers and industrial chemical products. As at the LPD, Hextar has a share capital of RM44,743,580 comprising 223,717,900 ordinary shares. The directors of Hextar are Dato' Ong Soon Ho and Dato' Ong Choo Meng.

In September 2020, Hextar emerged as our new substantial shareholder when it acquired 25.0% equity interest in Pekat Teknologi for a total consideration of RM50.0 million from our Promoters, as part of its plan to diversify into renewable energy related business.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (*Cont'd*)

As at the LPD, the shareholders and their respective shareholdings in Hextar are as follows:

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Dato' Ong Soon Ho	Malaysian	53,444,328	23.9	⁽¹⁾ 170,273,572	76.1
Dato' Ong Choo Meng	Malaysian	144,816,972	64.7	⁽²⁾ 78,900,928	35.3
Datin Teoh Siew Yoke @ Teoh Siew Chin	Malaysian	25,456,600	11.4	⁽³⁾ 198,261,300	88.6

Notes:

- (1) Deemed interested by virtue of his son and wife's shareholdings in Hextar.
- (2) Deemed interested by virtue of his parents' shareholdings in Hextar.
- (3) Deemed interested by virtue of her husband and son's shareholdings in Hextar.

(v) Dato' Ong Soon Ho

Dato' Ong Soon Ho, a Malaysian, aged 74, is the director and substantial shareholder of Hextar. He graduated with a Bachelor of Science in Agriculture Plant Pathology and Entomology from National Taiwan University, Taiwan in June 1972. He also obtained a Master of Science from University of Aberdeen, Scotland, United Kingdom in February 1974.

He has more than 31 years of experience in the agricultural industry. After having 10 years working experience in crop protection industry with multinational corporations, in January 1985, he founded Hextar Chemicals Sdn Bhd, a company involved in the manufacturing and supply of pesticides and fertilisers. As at the LPD, Hextar Chemicals Sdn Bhd is a wholly-owned subsidiary of Hextar Global Berhad, a company listed on Main Market of Bursa Securities.

From October 2011 until March 2017, he was appointed as the Non-Independent Non-Executive Chairman of Denko Industrial Corporation Berhad (now known as ATA IMS Berhad), a company listed on the Main Market of Bursa Securities. In May 2017, he was appointed as the Non-Independent Non-Executive Vice Chairman of Hextar Global Berhad, a company listed on Main Market of Bursa Securities, a position he continues to hold.

He is the father of Dato' Ong Choo Meng and the husband of Datin Teoh Siew Yoke @ Teoh Siew Chin. He also serves as directors in a number of subsidiaries within the Hextar group of companies and also has directorships in various other businesses including subsidiaries of public listed companies mentioned above.

(vi) Dato' Ong Choo Meng

Dato' Ong Choo Meng, a Malaysian, aged 43, is the director and substantial shareholder of Hextar. He graduated with a Bachelor of Business (Economics and Finance) from Royal Melbourne Institute of Technology, Australia in 2001.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

In August 2002, he joined Hextar Chemicals Sdn Bhd as the Executive Director and was involved in overseeing the overall business direction and strategic planning of the company. In January 2010, he was promoted to Group Managing Director of Hextar Chemicals Sdn Bhd and in April 2015, he was re-designated to Group Chief Executive Officer of Hextar group of companies, a position he continues to hold.

Further, he also held directorships in several public listed companies in Malaysia. From September 2011 until March 2017, he was appointed as the Non-Independent Non-Executive Director of Denko Industrial Corporation Berhad (now known as ATA IMS Berhad), a company listed on the Main Market of Bursa Securities.

In May 2017, he was appointed as the Non-Independent Executive Director of Hextar Global Berhad, a company listed on the Main Market of Bursa Securities, a position he continues to hold. In August 2018, he was appointed as the Non-Independent Non-Executive Director in SCH Group Berhad, a company listed on the ACE Market, a position he continues to hold. In April 2020, he was appointed as the Non-Independent Non-Executive Director of Rubberex Corporation (M) Berhad, a company listed on the Main Market of Bursa Securities, a position he continues to hold.

He is the son of Dato' Ong Soon Ho and Datin Teoh Siew Yoke @ Teoh Siew Chin. He also serves as Directors in a number of subsidiaries within the Hextar group of companies and also has directorships in various other businesses including subsidiaries of public listed companies mentioned above.

(vii) Datin Teoh Siew Yoke @ Teoh Siew Chin

Datin Teoh Siew Yoke @ Teoh Siew Chin, a Malaysian, aged 72, is the substantial shareholder of Hextar.

She completed her secondary education in Pin Hwa High School, Klang, Selangor in 1964. In January 1965, she started working in her family-run hardware company, Hua Heng Hardware Sdn Bhd as a General Manager, where she was in charge of day-to-day operations and business development functions of the company.

She retired from Hua Heng Hardware Sdn Bhd in July 1990.

She is the wife of Dato' Ong Soon Ho and the mother of Dato' Ong Choo Meng.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

5.1.3 Changes in the Promoters' and substantial shareholders' shareholdings

The changes in our Promoters and substantial shareholders' respective shareholdings since our incorporation on 5 April 2019 are as follows:

Promoters/ Substantial shareholders	As at incorporation ⁽¹⁾			Before IPO ⁽²⁾			After IPO ⁽³⁾		
	Direct	Indirect		Direct	Indirect		Direct	Indirect	
	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%
Chin Soo Mau	-	-	-	237,961,000	-	47.0	(4) 225,061,800	-	34.9
Tai Yee Chee	-	-	-	76,451,300	-	15.1	(4) 66,776,900	-	10.4
Wee Chek Aik	-	-	-	65,312,700	-	12.9	(4) 55,638,300	-	8.6
Hextar	-	-	-	126,575,000	-	25.0	126,575,000	-	19.6
Dato' Ong Soon Ho	-	-	-	-	(5) 126,575,000	25.0	-	(5) 126,575,000	19.6
Dato' Ong Choo Meng	-	-	-	-	(5) 126,575,000	25.0	-	(5) 126,575,000	19.6
Datin Teoh Siew Yoke @ Teoh Siew Chin	-	-	-	-	(5) 126,575,000	25.0	-	(5) 126,575,000	19.6
Chin Pay Yee	100	50.0	-	100	-	-*	100	-	-*
Ting Pei Jing	100	50.0	-	100	-	-*	100	-	-*

Notes:

* Negligible.

(1) Comprising 200 subscriber shares.

(2) Based on the share capital of 506,300,200 Shares after the Acquisition of Pekat Teknologi.

(3) Based on the enlarged share capital of 644,968,200 Shares after the IPO.

(4) After the Offer for Sale.

(5) Deemed interested by virtue of their shareholdings in Hextar.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

5.1.4 Persons exercising control over the corporation

Save for our Promoters, namely Chin Soo Mau, Tai Yee Chee and Wee Chek Aik, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company.

5.1.5 Benefits paid or intended to be paid

Save for the dividends paid to our Promoters as disclosed in Section 11.13 and our Directors' remuneration and benefits as disclosed in Section 5.2.4, there is no amount and benefit that has been or is intended to be paid or given to our Promoters, Directors and/or substantial shareholders within the 2 years preceding the date of this Prospectus.

5.2 DIRECTORS

5.2.1 Directors' shareholdings

The shareholdings of our Directors in our Company before and after our IPO assuming that our Directors will fully subscribe for their respective entitlements under the Pink Form Allocations are set out below:

Name	Designation/ Nationality	Before IPO ⁽¹⁾			After IPO ⁽²⁾		
		Direct No. of Shares	% No. of Shares	Indirect No. of Shares	Direct No. of Shares	% No. of Shares	Indirect No. of Shares
Kok Kong Chin	Independent Non-Executive Chairman / Malaysian	-	-	-	(4) 150,000	*	-
Chin Soo Mau	Managing Director / Malaysian	237,961,000	47.0	-	(3) 225,061,800	34.9	-
Tai Yee Chee	Executive Director / Malaysian	76,451,300	15.1	-	(3) 66,776,900	10.4	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

Name	Designation/ Nationality	Before IPO ⁽¹⁾				After IPO ⁽²⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Wee Chek Aik	Executive Director / Malaysian	65,312,700	12.9	-	-	(3) 55,638,300	8.6	-	-
Teh Li King	Non-Independent Non- Executive Director / Malaysian	-	-	-	-	(4) 100,000	*	-	-
Ong Keng Siew	Independent Non- Executive Director / Malaysian	-	-	-	-	(4) 100,000	*	-	-
Yeong Siew Lee	Independent Non- Executive Director / Malaysian	-	-	-	-	(4) 100,000	*	-	-
Datin Shelina Binti Razaly Wahi	Independent Non- Executive Director / Malaysian	-	-	-	-	(4) 100,000	*	-	-

Notes:

- * Negligible.
- (1) Based on the share capital of 506,300,200 Shares after the Acquisition of Pekat Teknologi.
- (2) Based on the enlarged share capital of 644,968,200 Shares after the IPO.
- (3) After the Offer for Sale.
- (4) Assuming that our Directors will fully subscribe for their respective entitlements under the Pink Form Allocations.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

5.2.2 Profiles of Directors

The profiles of our Directors are as follows:

(i) Kok Kong Chin

Kok Kong Chin, a Malaysian, aged 56, is our Independent Non-Executive Chairman. He was appointed to our Board on 17 September 2020, and is also the chairman of our Nomination Committee and member of our Audit Committee and Risk Management Committee.

Mr Kok graduated with a Bachelor of Business Administration (Honours) from the National University of Malaysia in August 1989. He also obtained a Master of Business Administration from Schulich School of Business, York University, Canada in June 1993. In June 2011, he completed the Cambridge Advanced Leadership Programme conducted by Cambridge Judge Business School, University of Cambridge, United Kingdom.

In December 1989, he joined the Arab-Malaysian Securities Sdn Bhd (now known as AmInvestment Bank Berhad, a wholly-owned subsidiary of AMMB Holdings Berhad, a company listed on the Main Market of Bursa Securities) as an Institutional Equity Dealer, where he was involved in handling local and international institutional investors. In 1992, he took a sabbatical leave for his Master's degree and subsequently he returned to Arab-Malaysian Securities Sdn Bhd as Manager of Institutional Business in June 1993.

In April 1995, he left Arab-Malaysian Securities Sdn Bhd and joined Worldsec International Ltd in May 1995, an affiliate of the Mitsubishi UFJ Financial Group, as the Managing Director/Malaysia Country Head, where he was responsible for market strategy, economic and equities research. In January 2002, he left Worldsec International Ltd.

He joined CIMB Investment Bank Berhad (a wholly-owned subsidiary of CIMB Group Holdings Berhad, a company listed on the Main Market of Bursa Securities) in February 2002 as Head of Equity Markets and Derivatives. During his tenure at CIMB group from February 2002 to end February 2012, he was promoted to several positions including Co-Head of Investment Banking in November 2006, where he was overseeing CIMB group's investment banking activities. He was promoted to Head of International Banking and Transaction Services in June 2008 where he was overseeing the group's international banking branches as well as the transaction services department. He was made the Head of Regional Banking in January 2010, where he was overseeing the regional corporate banking and regional transaction banking business of CIMB group. He left CIMB group in March 2012.

In June 2012, he joined Ping Petroleum Ltd, a company involved in exploration, development and production of crude oil and natural gas as an Independent Non-Executive Director and subsequently retired from the board in June 2015. In March 2014, Mr Kok joined Tropicana Corporation Berhad, a company listed on the Main Market of Bursa Securities as the Group Managing Director where he was responsible for overseeing the development projects in Northern and East Malaysia as well as the group's finance and treasury functions. In addition, he was also appointed as Directors in other related companies of Tropicana Corporation Berhad. In January 2016, Mr Kok left Tropicana Corporation Berhad and its related companies.

In February 2016, Mr Kok was appointed as the Non-Independent Non-Executive Director of ENRA Group Berhad, a company listed on the Main Market of Bursa Securities. He was subsequently re-designated as the Executive Director in August 2016. He also serves as directors in a number of subsidiaries of ENRA Group Berhad.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

Kindly refer to Section 5.2.3 for his directorship and/or principal business activities performed outside our Group.

(ii) Chin Soo Mau

Chin Soo Mau, a Malaysian, aged 48, is our Promoter and Managing Director. He is responsible for our Group's overall strategic planning as well as overseeing the overall operations of our Group. He was appointed to our Board on 17 September 2020.

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

In May 1995, Mr Chin joined Panacom Sales and Services Sdn Bhd as an Assistant Engineer where he was involved in the set-up, test and commissioning of office telecommunication systems. In February 1996, he left Panacom Sales and Services Sdn Bhd and joined Mun Hean (M) Sdn Bhd in March 1996 as a Sales Engineer where he was involved in the marketing and sales of ELP systems. He was promoted to Product Manager in January 1999 where he led a team of sales engineers for the sales of ELP systems.

In August 1999, Mr Chin left Mun Hean (M) Sdn Bhd and co-founded Pekat Teknologi to distribute surge protection devices, and was appointed as the Managing Director of Pekat Teknologi, a position he continues to hold. He was also appointed as Directors in a number of companies within our Group.

Kindly refer to Section 5.2.3 for his involvements in other business activities outside our Group.

(iii) Tai Yee Chee

Tai Yee Chee, a Malaysian, aged 49, is our Promoter and Executive Director. He is responsible for overseeing the operations of our ELP Division and Trading Division. He was appointed to our Board on 17 September 2020.

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

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

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

Kindly refer to Section 5.2.3 for his involvement in other business activity outside our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

(iv) Wee Chek Aik

Wee Chek Aik, a Malaysian, aged 49, is our Promoter and Executive Director. He is responsible for overseeing the operations of our Solar Division. He was appointed to our Board on 17 September 2020.

He graduated with a Bachelor of Science (Honours) in Electrical Engineering at Tri-state University (now known as TRINE University), USA in May 1997.

Upon graduation, Mr Wee joined Tokai Engineering (M) Sdn Bhd as Sales and Project Engineer in June 1997 where he was involved in the marketing and sales of ELP systems and supervising the implementation of the ELP projects.

In April 2000, he left Tokai Engineering (M) Sdn Bhd and joined Pekat Teknologi in May 2000 as the Marketing Manager where he was involved in the marketing of surge protection devices.

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

Kindly refer to Section 5.2.3 for his involvements in other business activities outside our Group.

(v) Teh Li King

Teh Li King, a Malaysian, aged 43, is our Non-Independent Non-Executive Director. He was appointed to our Board on 17 September 2020. He is a corporate representative of Hextar, our substantial shareholder.

He graduated with a Bachelor of Science from New Hampshire College (now known as Southern New Hampshire University), USA in May 2000. He also obtained a Master of Business Administration (Electronic Commerce) from Charles Sturt University, Australia in April 2003.

Upon graduation, Mr Teh joined Hong Leong Bank Berhad (a company listed on the Main Market of Bursa Securities) in August 2000 as an Account Relationship Executive, where he managed customer's accounts. In October 2003, he left Hong Leong Bank Berhad and joined P.P. Steel Service Centre Sdn Bhd in November 2003 as a Marketing Manager where he was involved in the marketing of steel products.

In June 2005, he left P.P. Steel Service Centre Sdn Bhd and joined Rex Metal Packaging Bhd in July 2005 as a Sales Manager where he was responsible for the sales of metal products. In June 2006, he left Rex Metal Packaging Bhd and joined Sumimetal Industries (Malaysia) Sdn Bhd in July 2006 as a Senior Manager - Business Development where he was responsible in formulating the business strategy and implementing the business plan for the sale of metal products.

In November 2007, he left Sumimetal Industries (Malaysia) Sdn Bhd and joined Hextar Chemicals Sdn Bhd in December 2007 as an Assistant General Manager (Marketing) where he was responsible for assisting the directors of the company in overseeing the overall operations and was involved in formulating the business strategy of the company. As at the LPD, Hextar Chemicals Sdn Bhd is a wholly-owned subsidiary of Hextar Global Berhad, a company listed on Main Market of Bursa Securities. He was transferred to Hextar in 2010 and Hextar Asset Management Sdn Bhd in 2013 where he retained the same position and was involved in assisting the directors of the company in overseeing the overall operations and

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

was involved in formulating the business strategy of the company. In April 2015, he was promoted to Group Chief Corporate Officer of Hextar group of companies where he oversees the overall corporate strategies and development, human resources as well as legal and compliance matters.

In September 2020, he was appointed as a Director of Pekat Teknologi.

Mr Teh was appointed as the Executive Director of SWS Capital Berhad, a company listed on the Main Market of Bursa Securities in January 2021, Non-Independent Non-Executive Director of Opcom Holdings Berhad, a company listed on ACE Market in February 2021 and Non-Independent Non-Executive Director of Complete Logistic Services Berhad, a company listed on the Main Market of Bursa Securities in March 2021.

Kindly refer to Section 5.2.3 for his directorship and/or principal business activities performed outside our Group including subsidiaries of Hextar Global Berhad.

(vi) Ong Keng Siew

Ong Keng Siew, a Malaysian, aged 65, is our Independent Non-Executive Director. He was appointed to our Board on 7 May 2019, and is also the chairman of our Audit Committee and member of our Remuneration Committee and Risk Management Committee.

Mr Ong obtained a Diploma in Commerce from Kolej Tunku Abdul Rahman in June 1979. He was certified as an associate member of the Association of Certified Accountants in May 1982 and fellow member of the Chartered Association of Certified Accountants (now known as the Association of Chartered Certified Accountants) in May 1987. He was certified as a chartered accountant and has been a member of Malaysian Institute of Accountants since December 1983.

In August 1979, Mr Ong joined Baharom-Hamdan (now known as Grant Thornton Malaysia PLT) as an Audit Assistant where he was involved in statutory audit of private and public companies. In October 1980, Mr Ong was co-opted into Lim Ali & Co/Arthur Young & Co as an audit junior upon the merger of Baharom-Hamdan and Lim Ali & Co. He was subsequently promoted to Semi-Senior and Audit Senior, both in 1981.

In September 1981, Mr Ong left Lim Ali & Co and joined Paramount Corporation Berhad ("Paramount"), a company listed on Main Market of Bursa Securities as an Accountant in October 1981. He was subsequently promoted to Finance and Administration Manager in January 1984. In January 1989, he was appointed as the General Manager where he oversaw the operations of the property development and construction divisions.

In November 1994, Mr Ong was appointed to the Board of Directors of Paramount as an Executive Director. In March 1997, Mr Ong was re-designated as the Deputy Group Managing Director/Chief Executive Officer of Paramount. He was re-designated as Group Managing Director/Chief Executive Officer in December 2008 where he was responsible for the strategic development and overall growth of the Paramount group of companies.

In June 2012, Mr Ong retired as the Group Managing Director/Chief Executive Officer of Paramount and remained as the Non-Independent Non-Executive Director of the company. In August 2014, Mr Ong was re-designated to Independent Non-Executive Director of Paramount. In January 2017, Mr Ong was appointed as the Independent Non-Executive Director of United Malacca Berhad, a company listed on the Main Market of Bursa Securities.

Kindly refer to Section 5.2.3 for his directorship and/or principal business activities performed outside our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

(vii) Yeong Siew Lee

Yeong Siew Lee, a Malaysian, aged 43, is our Independent Non-Executive Director. She was appointed to our Board on 17 September 2020, and is also the chairperson of our Remuneration Committee and member of our Audit Committee and Nomination Committee.

Ms Yeong graduated with a Bachelor of Science (Honours) in Accounting and Finance from University of Wales College (now known as University of Wales), United Kingdom in October 2001. She was certified as a member of the Association of Chartered Certified Accountants in July 2007. She was certified as a chartered accountant and has been a member of Malaysian Institute of Accountants since July 2008.

In February 2003, Ms Yeong joined GHL Systems Berhad ("GHL"), a company listed on Main Market of Bursa Securities as an Assistant Accountant where she assisted in accounting and financial matters of GHL. In July 2005, she was transferred to Mobilityone Sdn Bhd, the then subsidiary of GHL and was promoted to Accounting Manager to assist in the adoption of new accounting system and was responsible for the financial matters of the company. In June 2006, she was transferred back to GHL and was promoted to Assistant General Manager where she was responsible for all financial management activities and compliance with the Government regulations. She left GHL in August 2009.

From September 2009 to August 2013, Ms Yeong was involved in direct selling of health drink products during which she was promoting the products. During the period from October 2010 to November 2011, her direct selling of products was carried out under Healthy Strand, a sole proprietorship involved in direct selling of health drink products. From July 2010 to August 2010, she was working on a part time basis as a finance adviser of SMR HR Group Sdn Bhd (a wholly-owned subsidiary of Minda Global Berhad, a company listed on the Main Market of Bursa Securities) where she advised the company on its financial and accounting matters. From August 2010 to April 2012, Ms Yeong took a career break and focused solely on direct selling. From April 2012 to November 2012, she was appointed as the Chief Financial Officer of Tanco Holdings Berhad (a company listed on the Main Market of Bursa Securities), where she was involved in the financial, accounting and administrative functions of the company. In September 2013, she joined Trend Thermal Windows & Doors Sdn Bhd, a company involved in architectural of aluminium works as a Business Development Manager (a position she continues to hold), where she was responsible in formulating the business strategy and implementing the business plan for the company.

Ms Yeong was appointed as an Independent Non-Executive Director of Sersol Berhad, a company listed on the ACE Market in August 2014 and Independent Non-Executive Director of TFP Solutions Berhad, a company listed on the ACE Market in February 2018.

Previously, she also held directorships in several public listed companies. In May 2010, she was appointed as an Independent Non-Executive Director of Asia Media Group Berhad, a company listed on Main Market of Bursa Securities and was subsequently re-designated to Senior Independent Non-Executive Director in February 2015. She resigned from Asia Media Group Berhad in December 2018. In October 2013, she was appointed as an Independent Non-Executive Director of Bright Packaging Industry Berhad, a company listed on Main Market of Bursa Securities and was subsequently re-designated to Senior Independent Non-Executive Director in April 2017. She resigned from Bright Packaging Industry Berhad in January 2020.

Kindly refer to Section 5.2.3 for her directorship and/or principal business activities performed outside our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

(viii) Datin Shelina Binti Razaly Wahi

Datin Shelina Binti Razaly Wahi, a Malaysian, aged 48, is our Independent Non-Executive Director. She was appointed to our Board on 17 September 2020, and is also the chairperson of our Risk Management Committee and member of our Remuneration Committee and Nomination Committee.

She graduated with a Bachelor of Laws from University of Bristol, United Kingdom in June 1995. She was admitted as a Barrister at Lincoln's Inn, London, United Kingdom in 1996. She was admitted as Advocate and Solicitor of High Court of Malaya in January 1998.

In September 1996 to February 2017, she was working on a part time basis with IMF Network Services (Malaysia) Sdn Bhd, as a Managing Editor for Ethos magazine where she was managing the editorial content of the magazine as well as securing sponsorships and advertisements. In March 1997, she chambered under Messrs Kumar Jaspal Quah & Aishah and was retained as a legal associate where she assisted in litigation cases.

In June 2000, she left Messrs Kumar Jaspal Quah & Aishah and joined Shell Malaysia Trading Sdn Bhd as a Legal Counsel where she was responsible for all litigation related and legal human resources related matters. In August 2006, she left Shell Malaysia Trading Sdn Bhd and joined Astro Entertainment Sdn Bhd (a wholly-owned subsidiary of Astro Malaysia Holdings Berhad, a company listed on the Main Market of Bursa Securities) in September 2006 as a Channel Manager where she pioneered a 24-hour Malay-language children's television channel broadcasted on Astro.

In July 2007, she left Astro Entertainment Sdn Bhd and joined AirAsia X Berhad (a company listed on the Main Market of Bursa Securities) as Director of the Legal and People Department where she was responsible for all legal-related matters as well as human resources related matters. In December 2010, she was appointed as the Director of Legal and Regulatory Affairs department of AirAsia X Berhad where she was responsible for all legal-related matters as well as having a regulatory oversight role within the company.

In February 2014, she left AirAsia X Berhad and joined BIG Duty Free (M) Sdn Bhd, a company involved in the sale of duty free products in March 2014, as the Head of Legal and Human Resources where she was in charge of all legal-related matters as well as human resources related matters.

In March 2014, she was appointed as the Chief Executive Officer of Dewina Super Froyo Sdn Bhd (a company substantially owned by her family) where she was involved in the set-up of the food and beverage company.

She left BIG Duty Free (M) Sdn Bhd in September 2014 and Dewina Super Froyo Sdn Bhd in October 2014. In October 2014, she joined Abdullah Chan & Co as a Partner (a position she continues to hold) where she handles various corporate as well as mergers and acquisitions matters, with a primary focus on aviation and aerospace sectors.

In August 2019, she was appointed as an Independent Non-Executive Director of Marine & General Berhad, a company listed on the Main Market of Bursa Securities, a position she continues to hold. In the same month, she was appointed as a Non-Independent Non-Executive Director of Lam Soon (M) Berhad, a public company, a position she continues to hold.

Kindly refer to Section 5.2.3 for her directorship and/or principal business activities performed outside our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

5.2.3 Principal business performed outside our Group

Save as disclosed below, none of our Directors has any other principal directorship and/or principal business activities performed outside our Group in the past 5 years up to the LPD:

(i) Kok Kong Chin

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	shareholdings held (direct)	% of shareholdings held (indirect)
<u>Present involvement</u>						
1. ENRA Group Berhad (Listed on the Main Market of Bursa Securities)	Provision of management services and investment holding in companies involved in property development and energy services	Non-Independent Non-Executive Director	26 February 2016	Re-designated on 1 August 2016	-	-
2. EK Avenue Sdn Bhd	Investment holding in shares and property investment holding	Executive Director	1 August 2016	-	-	-
3. Berkeley Capital Sdn Bhd	Investment holding in shares and property investment holding	Director / Shareholder	20 September 2007	-	99.9	-
4. Gabungan Ilmu Sdn Bhd	Education consulting services	Director / Shareholder	21 May 2013	-	31.7	-
5. Sri Lasallian Sdn Bhd	Education consulting services	Director	8 May 2017	-	10.0	-
			23 November 2018	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	shareholdings held (direct)	% of shareholdings held (indirect)
6. Versa Asia Sdn Bhd	Digital cash management platform	Shareholder	-	-	7.5	-
7. Touch Money Sdn Bhd	Digital cash management platform	Shareholder	-	-	4.0	-
8. Kamarene Energy Sdn Bhd	Investment holding in companies involved in rental property management	Director	2 February 2021	-	30.0	-
<u>Subsidiaries or associated companies of ENRA Group Berhad</u>						
(1) ENRA IOL Sdn Bhd	Supply and installation of energy saving lighting products	Director	28 March 2019	-	-	-
(2) ENRA Land Sdn Bhd	Property investment holding and property development	Director	27 March 2019	-	-	-
(3) ENRA Labuan Sdn Bhd	Property development	Director	8 May 2017	-	-	-
(4) ENRA Emrail Sdn Bhd	Dormant. Its intended principal activity is in engineering services, construction of railways and subways	Director	28 August 2017	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of shareholdings held (direct)	% of shareholdings held (indirect)
<u>Past Involvement</u>						
<u>Subsidiary of ENRA Group Berhad</u>						
(1) ENRA Energy Solutions Sdn Bhd	Dormant. Its intended principal activity is in supply of equipment and provision of maintenance services for the oil and gas industry	Director	25 September 2018	4 March 2020	-	-
(2) ENRA Power Systems Sdn Bhd	Dormant. Its intended principal activity is in import and export of industrial machinery, equipment and supplies, repair and maintenance of industrial machinery and equipment	Director	2 March 2018	16 October 2020	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

(ii) Chin Soo Mau

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of shareholdings held (direct)	% of shareholdings held (indirect)
<u>Present involvement</u>						
1. Startige Corporation Sdn Bhd	Renting of properties and property investment holding	Director / Shareholder	1 February 2012	-	51.0	-
2. Supreme Uptrend Sdn Bhd	Property investment holding	Director / Shareholder	13 September 2010	-	50.0	-
3. YCH Estate Sdn Bhd	Property investment holding	Director / Shareholder	10 April 2018	-	90.0	-
4. Amberland Realty Sdn Bhd	Property investment holding	Director / Shareholder	11 January 2013	-	50.0	-
5. Smal Holding Sdn Bhd	Renting of properties and property investment holding	Director / Shareholder	3 May 2010	-	60.0	-
6. Oribest Engineering Sdn Bhd	Property investment holding	Director / Shareholder	8 February 2010	-	50.0	-
7. Temasya Abadi Sdn Bhd	Property investment holding	Shareholder	-	-	12.0	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of shareholdings held (direct)	% of shareholdings held (indirect)
<u>Past Involvement</u>						
1. Advanced Engineering Project Sdn Bhd	Sale of enzyme, grease interceptor and related materials	Director	6 July 2009	26 April 2016	-	-
2. Platinum Recognition Sdn Bhd	Budget hotel operations	Director / Shareholder	15 April 2014	22 June 2020	25.0	-
3. Body Infinite Sdn Bhd	Dormant (Dissolved on 20 March 2019)	Shareholder	-	-	25.0	-
(iii) Tai Yee Chee						
Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of shareholdings held (direct)	% of shareholdings held (indirect)
<u>Present involvement</u>						
1. Startige Corporation Sdn Bhd	Renting of properties and investment holding	Director / Shareholder	16 March 2006	-	24.5	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

(iv) Wee Chek Aik

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of shareholdings held (direct)	% of shareholdings held (indirect)
<u>Present involvement</u>						
1. TSJ Ventures Sdn Bhd	Property investment holding	Director	21 March 2018	-	-	-
2. Best Shine Avenue Sdn Bhd	Property investment holding	Director / Shareholder	25 February 2003	-	50.0	-
3. Startige Corporation Sdn Bhd	Renting of properties and investment holding	Director / Shareholder	16 March 2006	-	24.5	-

(v) Teh Li King

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of shareholdings held (direct)	% of shareholdings held (indirect)
<u>Present involvement</u>						
1. Hextar Premier Sdn Bhd	Renting of properties and investment holding	Director	11 March 2013	-	-	-
2. Hextar Rubber Sdn Bhd	Investment holding of shares	Director	9 March 2020	-	-	-
3. Hextar Industrial Chemicals Sdn Bhd	Trading and distribution of industrial chemical products	Director	10 September 2015	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	shareholdings held (direct)	% of shareholdings held (indirect)
4. Nascent Resources Sdn Bhd	Trading of engineering parts and provision of engineering services	Director / Shareholder	17 December 2018	-	5.0	-
5. Hextar Chemtech Sdn Bhd	Investment holding of shares	Director	25 April 2019	-	-	-
6. Hextar DGW Sdn Bhd	Manufacture of agriculture biotechnology products	Director	10 September 2015	-	-	-
7. Hextar KCS Sdn Bhd	Manufacture of specialty oilfield chemicals	Director	4 July 2018	-	-	-
8. Hextar IOT Sdn Bhd	Trading of industrial machinery, equipment and supplies	Director	20 April 2020	-	-	-
9. Get Food Sdn Bhd	Dormant. Its intended principal activity is investment holding	Director	16 March 2020	-	-	-
10. Get Asia Group Sdn Bhd	Dormant. Its intended principal activity is investment holding	Director	16 March 2020	-	-	-
11. Getsmart Innovation Sdn Bhd	Research and development of information communication technology (ICT), leasing of intellectual property and provision of computer consultancy services	Director	16 March 2020	-	-	-
12. Getsupply Hub Sdn Bhd	Trading of food supplies	Director	16 March 2020	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of shareholdings held (direct)	% of shareholdings held (indirect)
13. Geteat Sdn Bhd	Marketing and sale of food and beverage	Director	16 March 2020	-	-	-
14. Get Foodtech Berhad	Dormant. Its intended principal activity is investment holding	Director	13 March 2020	-	-	-
15. Hextar International Group Sdn Bhd	Investment holding of shares	Director	10 September 2015	-	-	-
16. Hextar Research Center Sdn Bhd	Dormant. Its intended principal activity is investment holding	Director	10 September 2015	-	-	-
17. Hextar Fertilizers Group Sdn Bhd	Investment holding of shares	Director	10 September 2015	-	-	-
18. Amalan Prestasi Sdn Bhd	Property investment holding	Director	10 September 2015	-	-	-
19. Hextar Fert Sdn Bhd	Sale of fertilizers and provision of warehousing services	Director	10 September 2015	-	-	-
20. Hextar Marketing Sdn Bhd	Trading of building materials	Director	22 November 2010	-	-	-
21. Hextar Oil & Gas Sdn Bhd	Manufacturing and distribution of chemicals for oil and gas industry	Director	26 July 2019	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	shareholdings held (direct)	% of shareholdings held (indirect)
22. OCM Land Sdn Bhd	Dormant. Its intended principal activity is property investment holding	Director / Shareholder	17 July 2018	-	51.0	-
23. Hextar Land Sdn Bhd	Dormant. Its intended principal activity is property investment holding	Director / Shareholder	17 July 2018	-	51.0	-
24. SCH Land Sdn Bhd	Dormant. Its intended principal activity is property investment holding	Director / Shareholder	23 July 2018	-	51.0	-
25. TK Equipment Sdn Bhd	Trading of lifting and handling equipment	Director	20 April 2017	-	-	-
26. Rogue Riders Sdn Bhd	Provision of management consultancy services	Director / Shareholder	9 August 2017	-	14.3	-
27. TK Rentals Sdn Bhd	Renting and trading of mobile air conditioners, tents and event related equipment and tools	Director	18 August 2016	-	-	-
28. Hextar Petrochem Sdn Bhd	Manufacturing, sale and distribution of chemicals	Director / Shareholder	24 February 2017	-	30.0	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of shareholdings held (direct)	% of shareholdings held (indirect)
29. SWS Capital Berhad (Listed on the Main Market of Bursa Securities)	Investment holding of companies involved in the manufacturing and sale of furniture products; lamination of veneer and paper; trading of boards, polythylene, pneumatic fasteners, nails and others; manufacturing and trading of plasticwares, utensils and goods; marketing and distribution of plasticware and household products	Executive Director	12 January 2021	-	-	-
30. Opcom Holdings Berhad (Listed on the ACE Market)	Renting of properties, provision of management services and investment holding in companies involved in manufacturing of fibre optic cables and provision of telecommunication engineering services	Non-Independent Non-Executive Director	24 February 2021	-	-	-
31. Complete Logistic Services Berhad (Listed on the Main Market of Bursa Securities)	Investment holding of companies involved in provision of logistics services, warehousing and marine transportation	Non-Independent Non-Executive Director	8 March 2021	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

	Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of shareholdings held (direct)	% of shareholdings held (indirect)
	<u>Subsidiaries of Hextar Global Berhad (Listed on Main Market of Bursa Securities)</u>						
(1)	Halex Biotechnologies Sdn Bhd	Research and development of horticulture and agro-biotechnology products	Director	22 May 2017	-	-	-
(2)	Halex Link Sdn Bhd	Renting of properties and property investment holding	Director	22 May 2017	-	-	-
(3)	Hextar Chemicals Group Sdn Bhd	Investment holding of shares	Director	10 September 2015	-	-	-
(4)	Hextar Chemicals Sdn Bhd	Manufacturing, exporting and distribution of chemicals	Director	10 September 2015	-	-	-
(5)	Halex Marketing Sdn Bhd	Trading of disposable healthcare products	Director	22 May 2017	-	-	-
(6)	Halex Realty Sdn Bhd	Property investment holding	Director	22 May 2017	-	-	-
(7)	Halex Management Sdn Bhd	Provision of management services	Director	22 May 2017	-	-	-
(8)	Halex Industries (M) Sdn Bhd	Manufacturing and distribution of agricultural chemicals, fertilisers and compounds	Director	22 May 2017	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

	Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of shareholdings held (direct)	% of shareholdings held (indirect)
(9)	Halex Woolton (M) Sdn Bhd	Manufacturing and distribution of disposable healthcare products	Director	22 May 2017	-	-	-
(10)	Hexstar Unitop Sdn Bhd	Manufacturing, exporting, importing and marketing of surfactants, specialty chemicals, intermediates, agrochemical additives, oil fields chemicals, emulsifiers and agrichemicals	Director	9 September 2020	-	-	-
(11)	Hexstar R&D International Sdn Bhd	Product testing, research, development and product formulation registration of chemicals	Director	9 September 2020	-	-	-
(12)	Hexstar Biogas Bee Sdn Bhd	Investment holding of company involved in the research, design, construction, installation and commissioning of biogas system	Director	30 March 2021	-	-	-
(13)	Biogas Environmental Engineering Sdn Bhd	Research, design, construction, installation and commissioning of biogas system	Director	30 March 2021	-	-	-
	<u>Subsidiaries of SWS Capital Berhad</u>						
(1)	U.D. Wood Products Sdn Bhd	Manufacturing and sale of veneered MDF boards	Director	23 April 2021	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

	Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of shareholdings held (direct)	% of shareholdings held (indirect)
(2)	U.D. Panelform Sdn Bhd	Manufacturing and sale of laminated MDF boards	Director	23 April 2021	-	-	-
(3)	Poh Keong Industries Sdn Bhd	Manufacturing of furniture and furniture parts	Director	26 April 2021	-	-	-
(4)	Syarikat U.D. Trading Sdn Bhd	Trading of furniture, plywood, hardware, equipment and construction materials as well as provision of transportation services	Director	23 April 2021	-	-	-

Past Involvement

1.	TK Equipment Sdn Bhd	Trading of lifting and handling equipment	Director	15 December 2016	24 January 2017	-	-
2.	Hextar Solutions Sdn Bhd	Manufacturing and marketing of fertilizers	Director	15 November 2016	20 September 2019	-	-
3.	Hextar Agriculture Sdn Bhd	Manufacturing and marketing of fertilizers	Director	15 November 2016	20 September 2019	-	-
4.	Nascent Portfolio Sdn Bhd	Dormant. Its intended principal activity is investment holding	Director	25 May 2012	1 March 2019	-	-
5.	Nusa Suasa Sdn Bhd	Dormant (Dissolved on 26 February 2019)	Director	26 July 2018	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of shareholdings held (direct)	% of shareholdings held (indirect)
6. Halex International Sdn Bhd	Dormant (Dissolved on 26 February 2019)	Director	22 May 2017	-	-	-
7. Halex Ventures Sdn Bhd	Dormant (Dissolved on 26 February 2019)	Director	22 May 2017	-	-	-
8. Halex Trading Sdn Bhd	Dormant (Dissolved on 26 February 2019)	Director	22 May 2017	-	-	-
9. Hextar Fertilizers Sdn Bhd	Marketing and distribution of fertilizers	Director	10 September 2015	22 September 2020	-	-
10. PK Fert Sdn Bhd (formerly known as Multifert Sdn Bhd)	Manufacturing, marketing and distribution of fertilizers	Director	10 September 2015	21 January 2021	-	-
<u>Subsidiary of Hextar Global Berhad (Listed on Main Market of Bursa Securities)</u>						
(1) Halex (M) Sdn Bhd	Manufacturing and distribution of agrochemical products	Director	22 May 2017	25 September 2019	-	-
<u>Subsidiary and associated companies of ATA IMS Berhad (Listed on the Main Market of Bursa Securities)</u>						
(1) Denko Management Services Sdn Bhd	Dormant. Its intended principal activity is the provision of management services	Director	14 September 2015	21 March 2017	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of shareholdings held (direct)	% of shareholdings held (indirect)
(2) Winsheng Plastic Industry Sdn Bhd	Manufacturing of precision plastic moulded products	Director	14 September 2015	21 March 2017	-	-
(3) Winsheng Plastic Marketing Sdn Bhd	Marketing and sale of plastic injection products (Dissolved on 7 February 2020)	Director	14 September 2015	21 March 2017	-	-
(4) Lean Teik Soon Sdn Bhd	Trading of foodstuffs and consumer goods	Director	14 September 2015	21 March 2017	-	-

(vi) Ong Keng Siew

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of shareholdings held (direct)	% of shareholdings held (indirect)
1. Paramount Corporation Berhad (Listed on Main Market of Bursa Securities)	Provision of management services and investment holding of companies involved in property development, construction and education services	Executive Director / shareholder	14 November 1994	Re-designated on 25 March 1997	0.9	-
		Deputy Group Managing Director / Chief Executive Officer	25 March 1997	Re-designated on 1 December 2008	-	-

Present involvement

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of shareholdings held (direct)	% of shareholdings held (indirect)
		Group Managing Director / Chief Executive Officer	1 December 2008	Retired and re-designated on 18 June 2012	-	-
		Non-Independent Non-Executive Director	18 June 2012	Re-designated on 14 August 2014	-	-
		Independent Non-Executive Director	14 August 2014	-	-	-
2. United Malacca Berhad (Listed on the Main Market of Bursa Securities)	Investment holding of companies involved in cultivation of oil palm, palm oil milling and forest plantations	Independent Non-Executive Director	19 January 2017	-	-	-
3. Tenggara Mulia Sdn Bhd	Property investment holding	Director / shareholder	18 December 2017	-	100.0	-
4. V Gold Sdn Bhd	Renting of properties and property investment holding	Director / shareholder	19 January 2015	-	50.0	-
5. Lorem Vascular (M) Sdn Bhd	Distribution of medical equipment	Director	12 June 2014	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	shareholdings held (direct)	% of shareholdings held (indirect)
6. Melor Melati Sdn Bhd	Renting of properties and property investment holding	Director / shareholder	13 June 2008	-	83.3	-
7. Teroka Mulia Sdn Bhd	Investment holding in shares	Director / shareholder	29 March 2021	-	10.0	-

(vii) Yeong Siew Lee

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	shareholdings held (direct)	% of shareholdings held (indirect)
1. Sersol Berhad (Listed on the ACE Market)	Provision of management services and investment holding of companies involved in manufacturing and sales of paints, chemical solvent, coatings and industrial chemicals	Independent Non-Executive Director	11 August 2014	-	-	-
2. TFP Solutions Berhad (Listed on the ACE Market)	Provision of management services and investment holding of companies involved in provision of consulting and trading of information technology (IT) related products and services	Independent Non-Executive Director	6 February 2018	-	-	-
3. YSL Solutions Sdn Bhd	Dormant. Its intended principal activities is to provide interior fit-out services	Director / shareholder	27 September 2018	-	40.0	-

Present involvement

1. Sersol Berhad (Listed on the ACE Market)	Provision of management services and investment holding of companies involved in manufacturing and sales of paints, chemical solvent, coatings and industrial chemicals	Independent Non-Executive Director	11 August 2014	-	-	-
2. TFP Solutions Berhad (Listed on the ACE Market)	Provision of management services and investment holding of companies involved in provision of consulting and trading of information technology (IT) related products and services	Independent Non-Executive Director	6 February 2018	-	-	-
3. YSL Solutions Sdn Bhd	Dormant. Its intended principal activities is to provide interior fit-out services	Director / shareholder	27 September 2018	-	40.0	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of shareholdings held (direct)	% of shareholdings held (indirect)
<u>Past Involvement</u>						
1. Bright Packaging Industry Berhad (Listed on the Main Market of Bursa Securities)	Manufacturing of aluminium foil packaging materials and investment holding of companies	Independent Non-Executive Director	11 October 2013	Re-designated on 10 April 2017	-	-
		Senior Independent Non-Executive Director	10 April 2017	23 January 2020	-	-
2. Asia Media Group Berhad (Listed on the Main Market of Bursa Securities)	Investment holding of companies involved in multimedia advertising and media related services	Independent Non-Executive Director	5 May 2010	Re-designated on 13 February 2015	-	-
		Senior Independent Non-Executive Director	13 February 2015	31 December 2018	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

(viii) Datin Shelina Binti Razaly Wahli

Company / Partnership	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	shareholdings held (direct)	% of shareholdings held (indirect)
<u>Present involvement</u>						
1. Abdullah Chan & Co	Legal firm	Partner	31 October 2014	-	-	-
2. Marine & General Berhad (Listed on the Main Market of Bursa Securities)	Investment holding of companies involved in provision of offshore marine support services and logistics services	Independent Non-Executive Director	1 August 2019	-	-	-
3. Lam Soon (M) Berhad	Investment holding of companies involved in processing and refining of palm oil, manufacturing, marketing, sales, trading and distribution of refined palm oil products, cooking oil, soap and detergent, fats, margarine and other consumer products	Non-Independent Non-Executive Director	1 August 2019	-	-	-
4. Dazzling Merchant Sdn Bhd	Investment holding and provision of management services for food and beverages companies	Director / Shareholder	15 January 2014	-	40.0	-
<u>Past Involvement</u>						
1. Dewina Super Froyo Sdn Bhd	Sale of food and beverages (Wound up on 14 September 2020)	Director	17 April 2014	26 November 2019	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

Company / Partnership	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	shareholdings held (direct)	% of shareholdings held (indirect)
2. AAX Management Equity Sdn Bhd	Dormant (Dissolved on 20 March 2017)	Director / Shareholder	15 November 2010	-	50.0	-
3. SR Wahi Consultants Sdn Bhd	Provision of consultancy services (Dissolved on 6 February 2018)	Director / Shareholder	28 August 2014	-	50.0	-
4. Pancaran Sukma Sdn Bhd	Project management and consultancy services (Dissolved on 24 February 2017)	Director	24 May 2002	-	-	-

As at the LPD, the directorships of our Directors in other companies are in compliance with the Listing Requirements.

The involvement of our Directors in those business activities outside our Group does not give rise to any conflict of interest situation with our business. The involvement of our Managing Director and Executive Directors in those business activities does not require significant amount of time, and hence does not affect their abilities to perform their executive roles and responsibilities to our Group as well as their contribution to our Group. The involvement of our Non-Independent Non-Executive Director and Independent Non-Executive Directors in those business activities will not affect their contribution to our Group.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

5.2.4 Directors' and key senior management's remuneration and benefits

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2020 and financial year ending 2021 are as follows:

FYE 2020	Directors' fees	Salaries	Bonuses	Benefits-in-kind and allowance⁽¹⁾	Total
Director	RM'000	RM'000	RM'000	RM'000	RM'000
Non-Executive Directors					
Kok Kong Chin	-	-	-	-	-
Teh Li King	-	-	-	-	-
Ong Keng Siew	-	-	-	-	-
Yeong Siew Lee	-	-	-	-	-
Datin Shelina Binti Razaly Wahi	-	-	-	-	-
Executive Directors					
Chin Soo Mau	68	597	58	93	816
Tai Yee Chee	68	584	71	64	787
Wee Chek Aik	68	573	41	64	746

Proposed for financial year ending 2021	Directors' fees	Salaries	Bonuses⁽²⁾	Benefits-in-kind and allowance⁽¹⁾	Total	Amount paid from 1 January 2021 to 30 April 2021
Director	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-Executive Directors						
Kok Kong Chin	60	-	-	-	60	-
Teh Li King	36	-	-	-	36	-
Ong Keng Siew	36	-	-	-	36	-
Yeong Siew Lee	36	-	-	-	36	-
Datin Shelina Binti Razaly Wahi	36	-	-	-	36	-
Executive Directors						
Chin Soo Mau	60	638	-	146	844	282
Tai Yee Chee	60	613	-	96	769	256
Wee Chek Aik	60	611	-	96	767	256

Notes:

(1) Includes car and travelling allowances.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

(2) The bonuses for financial year ending 2021 are not included. Such bonuses, if any, will be determined later depending on the performance of our Group, subject to the recommendation of the Remuneration Committee and approved by our Board.

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our key senior management for services rendered in all capacities to our Group for FYE 2020 and financial year ending 2021 are as follows:

FYE 2020		Remuneration band (in bands of RM50,000)		
		Remuneration	Benefits-in-kind	Total
Key senior management		RM	RM	RM
Chew Teik Siang		400,000 – 450,000	0 – 50,000	400,000 – 450,000
Wong Boon Kwang		350,000 – 400,000	0 – 50,000	350,000 – 400,000
Oh Keng Jin		500,000 – 550,000	0 – 50,000	500,000 – 550,000

Proposed financial ending 2021	for year	Remuneration band (in bands of RM50,000)			Amount paid from 1 January 2021 to 30 April 2021
Key management	senior	Remuneration	Benefits-in-kind	Total	
		RM	RM	RM	RM
Chew Teik Siang		250,000 – 300,000	0 – 50,000	250,000 – 300,000	92
Wong Boon Kwang		250,000 – 300,000	0 – 50,000	250,000 – 300,000	84
Oh Keng Jin		350,000 – 400,000	0 – 50,000	400,000 – 450,000	139

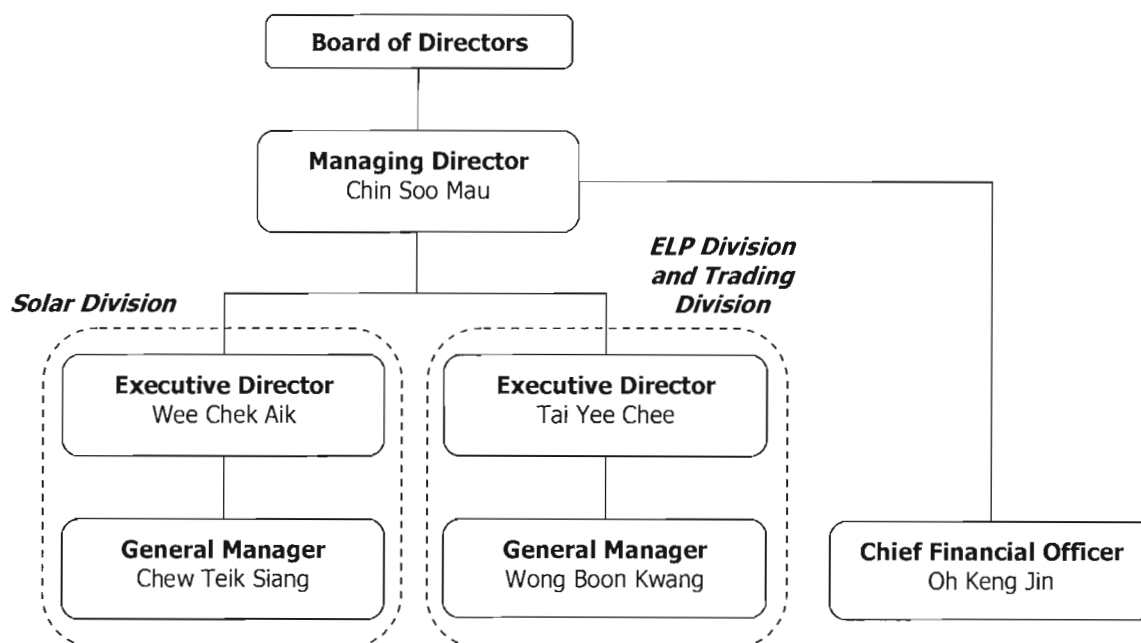
The remuneration which includes our Directors' salaries, bonus, fees and allowances as well as other benefits, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board. Any change in Director's fees as set out in our Constitution must be approved by our shareholders pursuant to an ordinary resolution passed at a general meeting where appropriate notice of the proposed changes should be given. Please refer to Section 14.2 for further details.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

5.3 KEY SENIOR MANAGEMENT

5.3.1 Management Structure



5.3.2 Key senior management's shareholdings

The shareholdings of our key senior management (other than Chin Soo Mau, Tai Yee Chee and Wee Chek Aik) in our Company before and after our IPO assuming that our key senior management will fully subscribe for their respective entitlements under the Pink Form Allocations are set out below:

Name	Designation/ Nationality	Before IPO		After IPO ⁽¹⁾					
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chew Teik Siang	General Manager and Director of Pekat Solar / Malaysian	-	-	-	-	2,000,000	0.3	-	-
Wong Boon Kwang	General Manager and Director of Pekat E&LP / Malaysian	-	-	-	-	1,400,000	0.2	-	-
Oh Keng Jin	Chief Financial Officer / Malaysian	-	-	-	-	1,400,000	0.2	-	-

Note:

(1) Based on the enlarged share capital of 644,968,200 Shares after the IPO.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (*Cont'd*)

5.3.3 Profiles of key senior management

The profiles of our other key senior management are as follows:

(i) Chew Teik Siang

Chew Teik Siang, a Malaysian, aged 45, is the General Manager and a Director of Pekat Solar. He is responsible for the day-to-day operations of our Solar Division.

Mr Chew graduated with a Bachelor in Electrical and Electronics Engineering (Honours) from Loughborough University, United Kingdom in July 1998.

Upon graduation, he joined AMP Corporation Sdn Bhd as a System Engineer in September 1998, where he was involved in the maintenance of sea surveillance systems. In June 2000, he left AMP Corporation Sdn Bhd and joined Electcoms Sdn Bhd in July 2000 as a Supervising Engineer where he supervised the maintenance of base transmitter stations for paging and radio systems.

He left Electcoms Sdn Bhd in February 2002 to join Huawei Technologies Sdn Bhd in March 2002 as a Technical Support Engineer where he was involved in the coordination work for implementing telecommunication system projects.

In March 2003, Mr Chew left Huawei Technologies Sdn Bhd and joined Pekat Teknologi in June 2003 as a Sales Engineer where he was involved in the marketing and sales of ELP systems. He was appointed as a Director of Pekat Solar in November 2010. He was subsequently appointed as the General Manager of Pekat Solar in February 2011, a position he continues to hold.

(ii) Wong Boon Kwang

Wong Boon Kwang, a Malaysian, aged 46, is the General Manager and a Director of Pekat E&LP. He is responsible for the day-to-day operations of our ELP Division and Trading Division.

Mr Wong obtained a Diploma of Civil Engineering from the Federal Institute of Technology, Malaysia in December 1997 and graduated with a Bachelor in Civil Engineering (Honours) from University of Portsmouth, United Kingdom in June 1999.

Upon graduation, he joined Perunding Mahareka in October 1999 as a Design Engineer where he was involved in the design of civil and structures for residential projects. In February 2000, he left Perunding Mahareka and joined Hoyuen (M) Sdn Bhd in March 2000 as a Project Engineer, where he was involved in a school construction project. He left Hoyuen (M) Sdn Bhd in February 2001 and joined Icomar Jaya Sdn Bhd in March 2001 as a Project Engineer where he was involved in the residential and commercial construction projects.

He left Icomar Jaya Sdn Bhd in February 2002 and joined Jetson Construction Sdn Bhd, a wholly-owned subsidiary of Kumpulan Jetson Berhad, a company listed on Main Market of Bursa Securities in April 2002, as a Site Engineer where he was involved in the planning, site coordination and supervision of the Electrified Double Tracking Project and residential construction projects. In March 2004, he left Jetson Construction Sdn Bhd and joined Wira Syukur (M) Sdn Bhd in July 2004, as a Project Engineer, where he was involved in the planning, coordination and supervision of residential construction projects.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

In May 2005, he left Wira Syukur (M) Sdn Bhd and joined Cempaka Sdn Bhd in July 2005, as a Resident Engineer where he was involved in the planning, coordination and supervision of commercial construction projects. In June 2007, he left Cempaka Sdn Bhd to join Purcon (M) Sdn Bhd in July 2007 as a Project Manager where he was in charge of the commercial construction projects.

In August 2008, Mr Wong left Purcon (M) Sdn Bhd and joined Pekat Teknologi in September 2008, as a Project Manager where he was involved in implementing ELP projects. In January 2012, he was transferred to Pekat E&LP where he resumed his position as a Project Manager. In January 2015, he was promoted to General Manager of Pekat E&LP. He was appointed as a Director of Pekat E&LP in May 2020.

(iii) Oh Keng Jin

Oh Keng Jin, a Malaysian, aged 50, is our Chief Financial Officer. He is responsible for all financial, accounting and administrative functions of our Group.

Mr Oh obtained a Diploma in Accounting from London of Chamber Commerce and Industry Examination Board in 1990. He was certified as a member of the Association of Chartered Certified Accountants in January 2001 and fellow member of the Association of Chartered Certified Accountants in November 2005. He was certified as a chartered accountant and has been a member of Malaysian Institute of Accountants since November 2000.

In December 1994, Mr Oh joined Thiang & Co as an Audit Junior where he was involved in statutory audit of private and public companies. He was promoted to Audit Senior in December 1995. In June 1997, Mr Oh left Thiang & Co and joined Star Cruises Administrative Services Sdn Bhd as an Assistant Accountant, and was promoted to Accountant in February 2001, where he was responsible for the management accounting and annual budgeting. In September 2001, he left Star Cruises Administrative Services Sdn Bhd and joined Dumex (Malaysia) Sdn Bhd (now known as Danone Dumex (Malaysia) Sdn Bhd) as an Accountant, and was promoted to Senior Accountant in January 2004, where he was responsible for budget forecasting as well as finance analysis, until April 2005.

In April 2005, Mr Oh joined F&N Dairies (M) Sdn Bhd ("F&N Dairies"), a wholly-owned subsidiary of Fraser & Neave Holdings Bhd, a company listed on Main Market of Bursa Securities as a Finance Manager, where he was responsible for the management accounting and annual budgeting.

In December 2007, he left in F&N Dairies to join Dutch Lady Milk Industries Berhad, a company listed on Main Market of Bursa Securities as a Senior Management Accountant for 6 months before returning to F&N Dairies as Finance Manager in July 2008. In April 2014, Mr Oh left F&N Dairies and joined Shaklee Products (Malaysia) Sdn Bhd, a company involved in multilevel marketing of health products as Financial, Planning and Analysis Director, where he was responsible for the strategic planning and annual budgeting of the company.

In April 2017, Mr Oh left Shaklee Products (Malaysia) Sdn Bhd and joined F&N Beverages Marketing Sdn Bhd, a wholly-owned subsidiary of Fraser & Neave Holdings Bhd as a Commercial Financial Controller, where he was involved in the finance and accounting matters as well as sales planning.

In December 2018, he left F&N Beverages Marketing Sdn Bhd and joined our Group as Chief Financial Officer, a position he continues to hold.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL *(Cont'd)*

5.3.4 Principal business performed outside our Group

Save for Chin Soo Mau, Tai Yee Chee and Wee Chek Aik, none of our key senior management has any other principal directorship and/or principal business activities performed outside our Group as at the LPD.

5.4 RELATIONSHIPS AND/OR ASSOCIATIONS

Save as disclosed below, there are no family relationships or association between or amongst our Promoters, substantial shareholders, Directors and key senior management:

- (i) Teh Li King is the Group Chief Corporate Officer of Hextar group of companies and a corporate representative of Hextar, our substantial shareholder; and
- (ii) Dato' Ong Soon Ho, Datin Teoh Siew Yoke @ Teoh Siew Chin and Dato' Ong Choo Meng are family members. They are the controlling shareholders of Hextar, our substantial shareholder.

5.5 BOARD PRACTICE

5.5.1 Board

Our Board has adopted the following responsibilities for effective discharge of its functions:

- (i) To provide leadership and oversee the overall conduct of our Group's businesses to ensure that our businesses are being properly managed;
- (ii) To review and adopt strategic plans for our Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
- (iii) To review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard our Group's reputation, and our employees and assets and to ensure compliance with applicable laws and regulations;
- (iv) To ensure that our Group has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the Malaysian Code on Corporate Governance;
- (v) To review the effectiveness and implementation of anti-bribery and anti-corruption policy and framework;
- (vi) To review and approve our Group's annual business plans, financial statements and annual reports;
- (vii) To monitor the relationship between our Group and our management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for our Group; and

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

- (viii) To appoint our Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by our Board committees and deliberate on the recommendations thereon.

As at the LPD, the details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in office are as follows:

Name	Date of appointment as Director	Date of expiration of the current term in office	Approximate no. of years in office as at the LPD
Kok Kong Chin	17 September 2020	At the 2021 Annual General Meeting of our Company	Less than 1 year
Chin Soo Mau	17 September 2020	At the 2021 Annual General Meeting of our Company	Less than 1 year
Tai Yee Chee	17 September 2020	At the 2021 Annual General Meeting of our Company	Less than 1 year
Wee Chek Aik	17 September 2020	At the 2021 Annual General Meeting of our Company	Less than 1 year
Teh Li King	17 September 2020	At the 2021 Annual General Meeting of our Company	Less than 1 year
Ong Keng Siew	7 May 2019	At the 2022 Annual General Meeting of our Company	2 years
Yeong Siew Lee	17 September 2020	At the 2021 Annual General Meeting of our Company	Less than 1 year
Datin Shelina Binti Razaly Wahi	17 September 2020	At the 2021 Annual General Meeting of our Company	Less than 1 year

In accordance with our Constitution, at the first annual general meeting of our Company, all the Directors shall retire from office, and at the annual general meeting in every subsequent year, one-third of the Directors are subject to retirement by rotation such that each Director shall retire from office once in every 3 years or, if their number is not 3 or a multiple of 3, the number nearest to one-third shall retire from office such that each Director shall retire from office once in every 3 years, and if there is only 1 Director who is subject to retirement by rotation, he shall retire. All Directors who retire from office shall be eligible for re-election.

The members of our Board are set out in Sections 1 and 5.2.

5.5.2 Audit Committee

The main function of our Audit Committee is to assist our Board in fulfilling its responsibility to oversee our Group's accounting and financial reporting matters. The Audit Committee's fiduciary duties and responsibilities as stated in its terms of reference include, amongst others, the following:

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

- (i) To review the engagement, compensation, performance, qualifications and independence of our external auditors, its conduct of the annual statutory audit of our financial statements, and the engagement of external auditors for all other services;
- (ii) To review and recommend our quarterly and annual financial statements for approval by our Board before announcement to regulatory bodies, focusing in particular on any changes in or implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from the audit, going concern assumption and compliance with accounting standards and other regulatory or legal requirements;
- (iii) To conduct periodic review of the involvements of our Managing Director and Executive Directors in the companies outside of our Group, in which they have executive functions to ensure that it does not affect their role and responsibilities within our Group;
- (iv) To demonstrate an appropriate level of vigilance and scepticism towards, among others, detection of any financial anomalies or irregularities in the financial statements;
- (v) To review and provide advice on whether the financial statements taken as a whole provide a true and fair view of our Company's financial position and performance;
- (vi) To do the following, in relation to the internal audit function:
 - (a) consider and approve the appointment of internal auditors, internal audit fee and any question of resignation or dismissal;
 - (b) review the adequacy of the scope, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - (c) review the internal audit plan and results of the internal audit assessments and investigation undertaken, and ensure that appropriate action is taken on the recommendations of the internal auditors;
 - (d) consider the internal audit reports and findings by the internal auditors, fraud investigations and actions and steps taken by the management in response to audit findings;
 - (e) review and decide on the budget allocated to the internal audit function;
 - (f) appraise or assess the performance of members of the internal audit function; and
 - (g) maintain a direct line of communication between our Board with internal audit and monitor the overall performance of our Company's internal audit function.
- (vii) To perform such other functions as may be requested by our Board.

The recommendations of our Audit Committee are subject to the approval of our Board.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (*Cont'd*)

The members of our Audit Committee as at the LPD are as follows:

Name	Designation	Directorship
Ong Keng Siew	Chairman	Independent Non-Executive Director
Kok Kong Chin	Member	Independent Non-Executive Chairman
Yeong Siew Lee	Member	Independent Non-Executive Director

Our Nomination Committee and Board will review the composition, performance and effectiveness of our Audit Committee annually.

5.5.3 Remuneration Committee

The main function of our Remuneration Committee is to assist our Board in fulfilling its responsibility on matters relating to our Group's compensation, bonuses, incentives and other benefits. The Remuneration Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

- (i) To establish and recommend to our Board, the remuneration package for Executive Directors such as the terms of employment or contract of employment/service, benefit, pension, incentive scheme, bonuses, fees, expenses, compensation payable on termination of the service contract by our Company and/or our Group;
- (ii) To review and recommend to our Board the remuneration packages of Non-Executive Directors for shareholders' approval at the Annual General Meeting;
- (iii) To consider other remunerations or rewards to retain, motivate and attract Directors; and
- (iv) To assist our Board in developing and administering a fair and transparent procedure for setting policy on remuneration of Executive Directors and key senior management.

The recommendations of our Remuneration Committee are subject to the approval of our Board.

The members of our Remuneration Committee as at the LPD are as follows:

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

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (*Cont'd*)

5.5.4 Nomination Committee

The Nomination Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

- (i) To review the composition and size of our Board and determine the criteria for membership on our Board, which may include, among other criteria, issues of character, judgment, independence, diversity, age, expertise, corporate experience, length of service and other commitments;
- (ii) To identify and nominate for the approval of our Board, candidates to fill Board vacancies or strengthen our Board's composition as and when they arise. Before any appointment is made by our Board, evaluate the balance of skills, knowledge, experience and diversity on our Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment;
- (iii) To assist our Board to assess and evaluate circumstances where a Director involvement outside our Group may give rise to a potential conflict of interest with our Group's businesses, upon receiving the declaration of the same from our Director and thereafter, to inform the Audit Committee of the same. After deliberation with the Audit Committee, to recommend to our Board on the necessary actions to be taken in the circumstances where there is a conflict of interest;
- (iv) In identifying suitable candidates, the Nomination Committee shall:
 - (a) consider open advertising or the services of external advisers to facilitate the search;
 - (b) consider candidates from a wide range of backgrounds; and
 - (c) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on our Board, including gender and availability of time to devote to the position.
- (v) To evaluate the performance of individual members of our Board eligible for re-election, and select, or recommend for the selection of our Board;
- (vi) To assess the independence of the Independent Directors annually, and when any new interest or relationship develops and confirm the conduct of this assessment in the annual report of our Company and in any notice convening a general meeting seeking approval for the appointment or re-appointment of Independent Directors;
- (vii) To review the fulfilment of Directors' training and disclose details in the annual report as appropriate;
- (viii) To review with the Managing Director and the Executive Directors, their goals and objectives and to assess their performance against these objective as well as their contribution to the corporate strategy;
- (ix) To give full consideration to succession planning for Directors and key senior management, taking into account the challenges and opportunities faced by our Company, and the required skills and expertise that are needed by our Board in future;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

- (x) To review periodically the composition of each committee of our Board and make recommendations to our Board for the creation of additional committees or the change in mandate or dissolution of committees; and
- (xi) To review the term of office and performance of all our Board Committees and each of its members annually to determine whether such the members have carried out their duties in accordance with their terms of reference.

The recommendations of our Nomination Committee are subject to the approval of our Board.

The members of our Nomination Committee as at the LPD are as follows:

Name	Designation	Directorship
Kok Kong Chin	Chairman	Independent Non-Executive Chairman
Yeong Siew Lee	Member	Independent Non-Executive Director
Datin Shelina Binti Razaly Wahi	Member	Independent Non-Executive Director

5.5.5 Risk Management Committee

The Risk Management Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

- (i) To review and monitor any related party transaction/business dealings entered into by our Group and any conflict of interest situation that may arise within our Group to ensure that they are conducted on arms' length basis and based on terms that are fair to our Group;
- (ii) To oversee and recommend the risk management policies and procedures of our Group;
- (iii) To review and recommend changes as needed to ensure that our Group has in place at all times a risk management policy which address the strategies, operational, financial and compliance risk;
- (iv) To implement and maintain a sound risk management framework which identifies, assesses, manages and monitors our Group's business risks;
- (v) To set reporting guidelines for our Management to report to the committee on the effectiveness of our Group's management of its business risks;
- (vi) To review the risk profile of our Group and to evaluate the measure taken to mitigate the business risks to safeguard shareholders' investments and our Company's assets;
- (vii) To review the adequacy of our Management's response to issues identified to risk registers, ensuring that our risks are managed within our Group's risk appetite;
- (viii) To perform the oversight function over the administration of whistleblowing policy that is approved and adopted by our Board and to protect the values of transparency, integrity, impartiality and accountability where the Group conducts its business and affairs;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL (Cont'd)

- (ix) To enhance its accountability in preserving its integrity and to withstand public scrutiny which in turn enhances and builds our Group's credibility to all our stakeholders; and
- (x) To consider the major findings of internal investigations and our Management's response.

The recommendations of our Risk Management Committee are subject to the approval of our Board.

The members of our Risk Management Committee as at the LPD are as follows:

Name	Designation	Directorship
Datin Shelina Binti Razaly Wahi	Chairperson	Independent Non-Executive Director
Kok Kong Chin	Member	Independent Non-Executive Chairman
Ong Keng Siew	Member	Independent Non-Executive Director

5.6 EXISTING OR PROPOSED SERVICE AGREEMENTS

As at the LPD, there are no existing or proposed service agreements (contracts for services) entered into between the companies within our Group, with our Directors or key senior management personnel.

5.7 DECLARATION FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoters, Directors or key senior management is or has been involved in any of the following events (whether within or outside Malaysia):

- (i) In the last 10 years, a petition under any bankruptcy or insolvency law filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a Director or a member of key senior management;
- (ii) Disqualified from acting as a Director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) In the last 10 years, charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) In the last 10 years, any judgment that was entered against him, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (v) In the last 10 years, was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;
- (vi) Being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL *(Cont'd)*

- (vii) In the last 10 years, has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; or
- (viii) Has any unsatisfied judgment against such person.

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6. INFORMATION ON OUR GROUP

6.1 INCORPORATION AND HISTORY

Incorporation of Pekat Teknologi and changes in shareholders

The history of our Group can be traced back to the incorporation of Pekat Teknologi on 5 August 1999 where we commenced business in the same year as a distributor of surge protection devices. The company was co-founded by Chin Soo Mau, our present Managing Director who initially held 40.0% equity interest, while the remaining 60.0% was held by 2 other shareholders, Koh Heng Ken and Lim Mee Choo who later fully divested their equity interest in 2006. Prior to this, Chin Soo Mau was working at Mun Hean (M) Sdn Bhd where he was a Product Manager involved in the marketing and sales of ELP systems.

In May 2000, Tai Yee Chee, our present Executive Director joined Pekat Teknologi as the Technical Manager. Tai Yee Chee was a former classmate of Chin Soo Mau. In May 2000, Wee Chek Aik, our present Executive Director also joined Pekat Teknologi as the Marketing Manager. Tai Yee Chee and Wee Chek Aik were former colleagues at Tokai Engineering (M) Sdn Bhd, where they were working as an Assistant Sales and Project Manager and a Sales and Project Engineer respectively and involved in the marketing and sales of ELP systems and implementation of ELP projects.

In June 2004, Tai Yee Chee and Wee Chek Aik subscribed for 2,500 Pekat Teknologi Shares, representing 4.5% equity interest each. Also in June 2004, Pekat Teknologi increased its share capital, which resulted in shareholding of Chin Soo Mau, Tai Yee Chee and Wee Chek Aik being, 36.4%, 4.5% and 4.5%, respectively.

The partnership among our 3 Directors started in June 2006 when Chin Soo Mau, Tai Yee Chee and Wee Chek Aik acquired all the shares held by Koh Heng Ken and Lim Mee Choo in Pekat Teknologi (which represents 54.6% equity interest at point of transaction) at a total purchase consideration of approximately RM1.8 million and restructured the shareholdings of Pekat Teknologi, whereby Chin Soo Mau held 51.0%, Tai Yee Chee held 24.5% and Wee Chek Aik held 24.5% equity interests in Pekat Teknologi.

In 2012, we went through an internal restructuring exercise to rationalise our Group's 3 core business activities where Pekat Teknologi became the holding company, Pekat Solar took over the design, supply and installation of solar PV facilities (Solar Division), Pekat E&LP (incorporated on 22 November 2010) took over the supply and installation of ELP systems (ELP Division) while Pekat Engineering and E&LP Engineering took over distribution of electrical products and accessories businesses (Trading Division).

Our Managing Director, Chin Soo Mau is responsible for developing the overall strategic direction and business strategy of Pekat Group, while the ELP Division and Trading Division are helmed by Tai Yee Chee and the Solar Division is helmed by Wee Chek Aik.

On 7 September 2020, Hextar emerged as our new substantial shareholder when it acquired 25.0% equity interest in Pekat Teknologi from our existing shareholders, namely Chin Soo Mau, Tai Yee Chee and Wee Chek Aik for a total purchase consideration of RM50.0 million. Hextar had acquired 25.0% equity interest in Pekat Teknologi as part of its plan to diversify into renewable energy related business. Kindly refer to Section 6.2.1 for further details.

Hextar is a major shareholder of Hextar Global Berhad, a company listed on the Main Market of Bursa Securities. During August 2020, we secured a Letter of Award from Rubberex Alliance Sdn Bhd for the design, supply and installation of a solar PV power plant at Rubberex Alliance Sdn Bhd's factory in Ipoh, Perak for a total contract value of RM5.0 million, which was introduced by Hextar.

6. INFORMATION ON OUR GROUP (Cont'd)

Our historical milestones are as follows:

Our ELP Division and Trading Division

Upon commencement of our business operations in September 1999, Pekat Teknologi commenced distribution of surge protection devices in Malaysia. In 2000, we expanded to provide complete ELP solutions when we were awarded 2 contracts for the supply and installation of ELP systems on mobile communications base stations from a telecommunications company, which were completed in the same year. In 2001, we were awarded our first pile cap earthing system installation, a type of ELP system, for the Customs and Entrepreneur Building 2G1 in Putrajaya, which was completed in 2003. This involved the installation of an ELP system that connects to the building's foundation piling as the earth electrode to dissipate unintended electricity safely to the earth.

Our other notable projects for the supply and installation of ELP systems included:

Contract	Contract Value* (RM'000)	Commencement	Completion / status
Prime Minister's Residence in Putrajaya	134	March 2003	September 2003
A nationwide chain of petrol stations	790	December 2005	August 2008
2 semiconductor manufacturing facilities at Kulim Hi-tech Park, Kedah	1,101	July 2006	June 2007
		December 2012	August 2014
Electrified train double track between Sentul and Batu Caves, Kuala Lumpur	1,261	February 2008	January 2011
Legoland theme park in Johor Bahru	360	July 2011	June 2012
KLIA2 airport terminal at Sepang, Selangor	1,459	December 2010	May 2014
MRT 1 Sungai Buloh and Kajang maintenance depots and administration buildings	1,725	November 2012	May 2016
Substations and other buildings at the Pengerang Integrated Complex, Johor	6,898	March 2016	September 2019
Warisan Merdeka Tower (now known as Merdeka 118 Tower) in Kuala Lumpur	3,600	November 2016	On-going as at the LPD
The Exchange 106 at the Tun Razak Exchange in Kuala Lumpur	465	January 2016	July 2017
LRT 3 Depot Phase 1 (with contract value of RM3.1 million)	3,100	June 2017	June 2019

6. INFORMATION ON OUR GROUP (Cont'd)

Contract	Contract Value* (RM'000)	Commencement	Completion / status
MRT 2 stations	2,100	October 2017	On-going as at the LPD
MRT 2 viaduct guideways	2,090	September 2017	On-going as at the LPD
LRT 3 guideways	4,090	December 2017	On-going as at the LPD
LRT 3 station – Taman Andalas	3,588	September 2020	On-going as at the LPD

Note:

* Contract value includes variation orders, if there are any.

Please refer to Sections 6.6.4.10 and 6.6.4.11 for the completed and on-going ELP projects.

In January 2008, we secured the authorised distributorship for "Furse" brand of ELP related products through our subsidiary, E&LP Engineering (incorporated on 19 July 2007), which commenced operations in the same year. As part of our product expansion to offer our customers with alternative brands, we started distributing our "Pekat" brand of surge protection devices in May 2008 via Pekat Teknologi. Our "Pekat" brand of products are manufactured by third party manufacturers under our specifications and quality control.

We continued to expand on our distribution business segment through Pekat Engineering (incorporated on 22 November 2010) with the introduction of our "LEDsystem" brand of aviation warning light systems in January 2011, "Pekat" brand of ELP related products including conductors, lightning rods and earth bars through Pekat Engineering and "PWeld" brand of exothermic welding systems in June 2014. These brands comprise our portfolio of own brands of electrical products and accessories, which are manufactured by third party manufacturers under our specifications and quality control. Pekat Engineering was subsequently appointed as an authorised distributor in Malaysia for other brands of electrical products and accessories, namely for "Solar-Log" brand solar PV monitoring systems in December 2012, "Noark" brand DC circuit breakers in February 2012, and "Sungrow" brand of inverters in April 2015.

Authorised distributorships held by Pekat Engineering and E&LP Engineering are not exclusive, and they are subject to annual renewal.

Our Solar Division

In May 2009, as part of the Government's intention to promote the use of green technology, building owners who obtained the Green Building Index (GBI) would be given income tax exemption and buyers of the properties will be provided stamp duty exemptions from October 2009 to December 2014. GBI is a rating index on environmentally friendly buildings to save on utility costs and to preserve the environment.

In 2009, Chin Soo Mau and Chew Teik Siang (currently the General Manager of Pekat Solar) received their Institute for Sustainable Power Quality (ISPQ) accreditation with respect to solar PV Grid connected System from Pusat Tenaga Malaysia (which was replaced by SEDA in 2014). With this accreditation in hand, we had the in-house expertise to pursue opportunities

6. INFORMATION ON OUR GROUP (Cont'd)

to design, supply and install solar PV facilities. We expanded into the solar PV industry when we were awarded our first contract to design, supply and install an on-grid solar PV system at Kuala Lumpur Sentral Lot E (now known as Platinum Sentral) with an installed capacity of 168.0 kWp in December 2010 (completed in August 2011). The building was the first in Malaysia to be certified with the Platinum GBI rating in March 2012. Pekat Teknologi was registered in the Malaysian Book of Records for being the first solar PV installer to receive ISO 50001:2011 certification for energy management system in November 2011.

In June 2011, the Government enacted the Renewable Energy Act 2011 and implemented FiT programme and established SEDA to administer and manage the FiT programme. The FiT programme was intended to promote the use of renewable energy sources including solar, biogas, biomass and mini hydropower to generate electricity. Pekat Solar (incorporated on 22 November 2010) was registered with SEDA as a service provider in 2012. This was a key milestone for our solar PV business.

Our first project under the FiT programme was undertaken by Pekat Teknologi. It was in April 2013 for the design, supply and installation of a 1.0 MWp solar PV power plant in Tok Bali, Pasir Puteh, Kelantan. This was also our first solar PV power plant project. Another notable solar PV milestone was a contract from SEDA as part of the "Government Leads by Example" (GLBE) initiative in October 2014 for the design, supply and installation of solar PV systems for 25 government ministry buildings in Putrajaya, with total installed capacity of 678.0 kWp. We completed this project in 3 months and subsequently in November 2016 we received an additional contract from SEDA under GLBE for the design, supply and installation of solar PV system with installed capacity of 70.0 kWp for Hospital Putrajaya.

Our solar PV business made further inroads into the market when the Government implemented the NEM programme in November 2016, which allows power consumers to generate solar PV power for their own consumption and export excess electricity to the power grid. We were awarded our first NEM contract for the design, supply and installation of a solar PV system (for with contract value of RM3.9 million) with installed capacity of 1.0 MWp at a commercial building in November 2017, which was completed in May 2018.

We were also involved in another government solar PV initiative in July 2017 when Pekat Solar was engaged as the subcontractor for the design, supply and installation of on-grid solar PV systems under the "MySuria" programme.

As part of our strategy to allow our Group to have an additional source of income which is recurring and to reduce our Group's dependency on our ability to continuously secure new solar PV projects, commencing from 2018, we provided our customers with the option of a variable periodic payment in addition to our fixed lump sum contracts. Our first solar PV project under this new arrangement was for a cumulative 2.7 MWp of on-grid solar PV systems and plant for 6 shopping complexes which we secured in June 2018 (with contract value of RM9.6 million) and completed in the same year. Since then, we have several additional solar PV projects under this mode of operation. Please refer to Sections 6.6.3.16 and 6.6.3.17 for further details on the completed and on-going solar PV fixed lump sum plus variable periodic payment projects. Please refer to Section 6.6.3.4(ii) for further details.

Pekat Energy Sarawak was incorporated on 8 September 2016 by Azlina Binti Zulkippli ("Azlina"), who was previously a Business Development Manager of our Group, after we had accepted her proposal to establish a company to explore new businesses in Sarawak and granted her the authorisation to use the "Pekat" name for the incorporation of Pekat Energy Sarawak. Pekat Teknologi subsequently acquired a 49.0% equity interest in Pekat Energy Sarawak at a consideration of RM0.4 million on 15 August 2018 and entered into a trademark licencing agreement allowing Pekat Energy Sarawak to use the "Pekat" name on 15 November 2018. Please refer to Section 6.16(vi) for further details. The rationale of Pekat

6. INFORMATION ON OUR GROUP (Cont'd)

Teknologi investing in Pekat Energy Sarawak is to enable the Pekat Group to tap into projects for solar PV facilities in Sarawak that relate to the Sarawak State Government. Azlina is the Director of Pekat Energy Sarawak and is involved in the day-to-day operations and business development of Pekat Energy Sarawak. As at the LPD, Azlina holds the remaining 51.0% equity interest in Pekat Energy Sarawak. In February 2018, Pekat Solar received a contract from Pekat Energy Sarawak, an associated company, for the design, supply and installation of solar PV systems under the SARES programme. Since then and up to the LPD, Pekat Solar has received 4 additional projects from Pekat Energy Sarawak for the design, supply and installation of solar PV systems under SARES programme. We have completed 4 of these projects with total installed power generating capacity of 506.0 kWp and energy storage system capacity of 3,962.0 kWh and the remaining 1 project with total installed capacity power generating of 188.0 kWp and energy storage system capacity of 1,332.0 kWh are still on-going as at the LPD. Please refer to Section 6.6.3.13(ii) for details of Pekat Energy Sarawak.

Pnexsoft was incorporated on 18 September 2018. Pekat Teknologi currently holds a 70.0% equity interest in Pnexsoft and Nexstream, a company incorporated on 9 May 2006 and is involved in the provision of web design, multimedia, computer software and hardware services, holds the remaining 30.0% equity interest. Pnexsoft has developed an energy management system application that provides integrated control of the solar PV facility's balance of system that are related to power generation and storage including inverters, energy generation and bi-directional meters, generator set and energy storage system. As at the LPD, we have deployed this energy management system application in 3 SARES solar PV project and 2 solar PV projects for hotels located on islands at Pulau Tioman, Pahang and Pulau Tengah, Johor. In addition, as at the LPD, Pnexsoft is also developing a solar PV monitoring system that is designed to monitor and analyse the performance of on-grid and off-grid solar PV facilities and plan to develop the lightning risk assessment system and ELP monitoring system. Please refer to Section 6.6.3.7 for further details of these applications. We are also developing our energy management system for rechargeable battery storage for use with solar PV facilities, as well as additional features ahead of the commercial launch of our solar PV monitoring and energy management system, which is targeted by the end of 2021.

In March 2019, Pekat Solar secured a design, supply and install contract (with contract value of RM5.8 million) for a 1.3 MWp solar PV power plant located in Butterworth, Penang under the LSS 2 programme which has been completed as at the LPD.

MFP Solar, an associated company, was incorporated on 29 August 2019 and we acquired 45.0% equity interest in the company during the same year, with MFPI holding the remaining 55.0% equity interest. On 8 January 2021, MFPI undertook an internal restructuring and transferred its entire shareholdings in MFP Solar to MFCI, a wholly-owned subsidiary of MFPI. MFPI is a wholly-owned subsidiary of Mega First Corporation Berhad, a company listed on Main Market of Bursa Securities. Mega First Corporation Berhad carries out a diversified business portfolio across various industries which primarily consists of power generation, quarrying of limestone and manufacturing of limestone products as well as manufacturing of label and packaging products. The rationale of Pekat Teknologi forming MFP Solar is to undertake solar PV investment business activities in Malaysia and overseas. The business model of MFP Solar is to invest in solar PV power plants with generating capacity between 1.0 MWp and 10.0 MWp based on a build, own, operate and transfer model. Pekat Solar has the first right-of-refusal for the design, supply and installation of solar PV facilities owned by MFP Solar. In January 2020, we received a fixed lump sum contract from MFP Solar for the design, supply and installation of an on-grid solar PV power plant with installed capacity of 1.5 MWp at the VAT Manufacturing facility in Batu Kawan, Penang (with contract value of RM3.8 million). This project was part of the PPA for MFP Solar to supply power to VAT Manufacturing, which was secured in February 2020. This was the first PPA secured by MFP Solar. As at the LPD, the design, supply and installation of the solar PV power plant has been

6. INFORMATION ON OUR GROUP (Cont'd)

completed and was commissioned in August 2020. Please refer to Section 6.6.3.14(ii) for more details on MFP Solar.

Sunway Pekat Solar, an associated company, was also incorporated on 27 June 2019, with Pekat Teknologi holding a 40.0% equity interest since its incorporation. The remaining 60.0% equity interest is owned by Sunway Engineering Sdn Bhd. Sunway Engineering Sdn Bhd is a subsidiary of Sunway Construction Sdn Bhd, which is itself a subsidiary of Sunway Construction, a company listed on Main Market of Bursa Securities. Sunway Pekat Solar is involved in the design, supply and installation of solar PV facilities on the rooftops of properties owned by the Sunway Berhad and its related companies ("Sunway group of companies"). The company will also undertake design, supply and installation where Sunway Construction is the main contractor for building and construction works. We invested in Sunway Pekat Solar to capitalise on Sunway Construction's strengths in the construction sector, including its expertise in civil and structural engineering. In addition, we may capitalise from potential opportunities derived from design, supply and installation of solar PV facilities for Sunway group of companies' properties such as hospitality, leisure, healthcare, education and retail, such as sharing in the earnings from these projects. The first few projects undertaken by Sunway Pekat Solar were for the design, supply and installation of solar PV facilities at Sunway Pyramid in Selangor and Sunway Big Box Retail Park at Nusajaya, Johor in October 2019. Please refer to Section 6.6.3.14(iii) for more details on Sunway Pekat Solar.

In August 2020, Proton entered into a PPA with Pekat Solar. Pekat Solar subsequently novated the Proton PPA (as defined below) to MFP Solar and MFP Solar has in turn engaged Pekat Solar to design, supply and install a solar PV power plant at Proton's manufacturing facility in Tanjung Malim, Perak with installed capacity of 12.1 MWp (for contract value of RM33.0 million). As at the LPD, installation for solar PV power plant at Proton's manufacturing facility has commenced, and it is expected to be completed and commissioned during the second quarter of 2021. While Pekat Solar won the tender for the PPA, its main business is to design, supply and install solar PV facilities, whereas MFP Solar's main business is to build, own and operate solar PV power plants. Hence, Pekat Solar novated the Proton PPA to MFP Solar. Kindly refer to Section 6.6.3.14(ii) for further details.

Our business locations

Pekat Teknologi commenced business operations from rented premises in Segambut, Kuala Lumpur between 1999 and 2002. We moved our business operations to rented premises at the Damansara Industrial Park, Selangor between 2002 and 2008, and then to rented premises at Sunway Damansara Industrial Park, Selangor between 2008 and 2012. We subsequently relocated to our current Cubic Space Office in 2012, where we continue to operate up to the present date.

In September 2006, we established a branch office at a rented premise in Penang to expand coverage to the Northern region of Peninsular Malaysia, including as a base for our staff to carry out solar PV facility and ELP system projects, and to expand sales and marketing activities. We subsequently established a branch office at a rented premise in Johor Bahru in December 2013 to expand our coverage to the Southern region of Peninsular Malaysia, including as a base for our staff to carry out solar PV facility and ELP system projects, and to expand sales and marketing activities.

6. INFORMATION ON OUR GROUP (Cont'd)

We currently operate at the following locations:

Locations	Functions
Cubic Space Office	Head office, warehouse, training centre and workshop
C-3-3, Block C Pusat Komersial Bayu Tasek Persiaran Southkey 1 Kota Southkey 80150 Johor Bahru Johor	Johor branch office to cover the southern region of Peninsular Malaysia
1827-F2, Jalan Perusahaan Auto City 13600 Perai Penang	Penang branch office to cover the northern region of Peninsular Malaysia

On 8 July 2020, we completed the acquisition of Elmina Land measuring approximately 137,928 sq ft. We intend to build a new head office and operational facility on the Elmina Land. Kindly refer to Section 6.19.2 for further details.

Kindly refer to Section 6.17 for the material properties of our Group.

6.1.1 Share capital

As at LPD, our share capital is RM50,630,020 comprising 506,300,200 Shares. The movements in our share capital since the date of our incorporation are set out below:

Date of allotment	No. of Shares allotted	Consideration RM	Cumulative share capital RM
5 April 2019	200	20	20
17 March 2021	506,300,000	50,630,000	50,630,020

6.2 OUR GROUP STRUCTURE**6.2.1 Pre-IPO changes in the shareholdings of Pekat Teknologi**

Prior to 24 June 2020, the shareholders of Pekat Teknologi were Chin Soo Mau (holding 280,520 Pekat Teknologi Shares or 51.0% equity interest), Tai Yee Chee and Wee Chek Aik (each holding 134,750 Pekat Teknologi Shares or 24.5% equity interest).

On 24 June 2020, Chin Soo Mau, Tai Yee Chee and Wee Chek Aik entered into a share sale agreement to dispose a total of 137,505 Pekat Teknologi Shares, representing 25.0% equity interest in Pekat Teknologi to Hextar for a disposal consideration of RM50.0 million. The disposal consideration represents a PE ratio of 13.4 times based on the PAT of the Pekat Teknologi for the FYE 2019 of approximately RM14.9 million. Hextar had acquired 25.0% equity interest in Pekat Teknologi as part of its plan to diversify into renewable energy related business.

6. INFORMATION ON OUR GROUP (Cont'd)

The resulting shareholdings in Pekat Teknologi are as follows:

Shareholders	No. of Pekat Teknologi Shares	%
Chin Soo Mau	258,519	47.0
Tai Yee Chee	83,048	15.1
Wee Chek Aik	70,948	12.9
Hextar	137,505	25.0
	550,020	100.0

6.2.2 Acquisition of Pekat Teknologi

In preparation for our Listing, we have undertaken the Acquisition of Pekat Teknologi. On 11 September 2020, we entered into a conditional share sale agreement with the Vendors to acquire the entire equity interest in Pekat Teknologi comprising 550,020 ordinary shares for a total purchase consideration of RM50,630,000.

The total purchase consideration of RM50,630,000 for the Acquisition of Pekat Teknologi was arrived at after taking into consideration the following:

- (i) The audited NA of Pekat Teknologi as at 31 December 2019 of RM50,742,212; and
- (ii) The disposals of 4 subsidiaries/associated companies, where our Group recorded total loss on disposal of RM112,001. The disposals were made as these companies were inactive. Details of the disposals are set out in Section 11.2.11(i).

The purchase consideration for the Acquisition of Pekat Teknologi was satisfied by the issuance of 506,300,000 new Shares to the Vendors at an issue price of RM0.10 each.

The details of the Vendors and the number of Shares issued to them pursuant to the Acquisition of Pekat Teknologi are as follows:

Vendors	No. of Pekat Teknologi shares acquired	% of share capital in Pekat Teknologi	Purchase consideration RM	No. of Shares issued
Chin Soo Mau	258,519	47.0	23,796,100	237,961,000
Tai Yee Chee	83,048	15.1	7,645,130	76,451,300
Wee Chek Aik	70,948	12.9	6,531,270	65,312,700
Hextar	137,505	25.0	12,657,500	126,575,000
	550,020	100.0	50,630,000	506,300,000

The Acquisition of Pekat Teknologi was completed on 17 March 2021. Thereafter, Pekat Teknologi became our wholly-owned subsidiary.

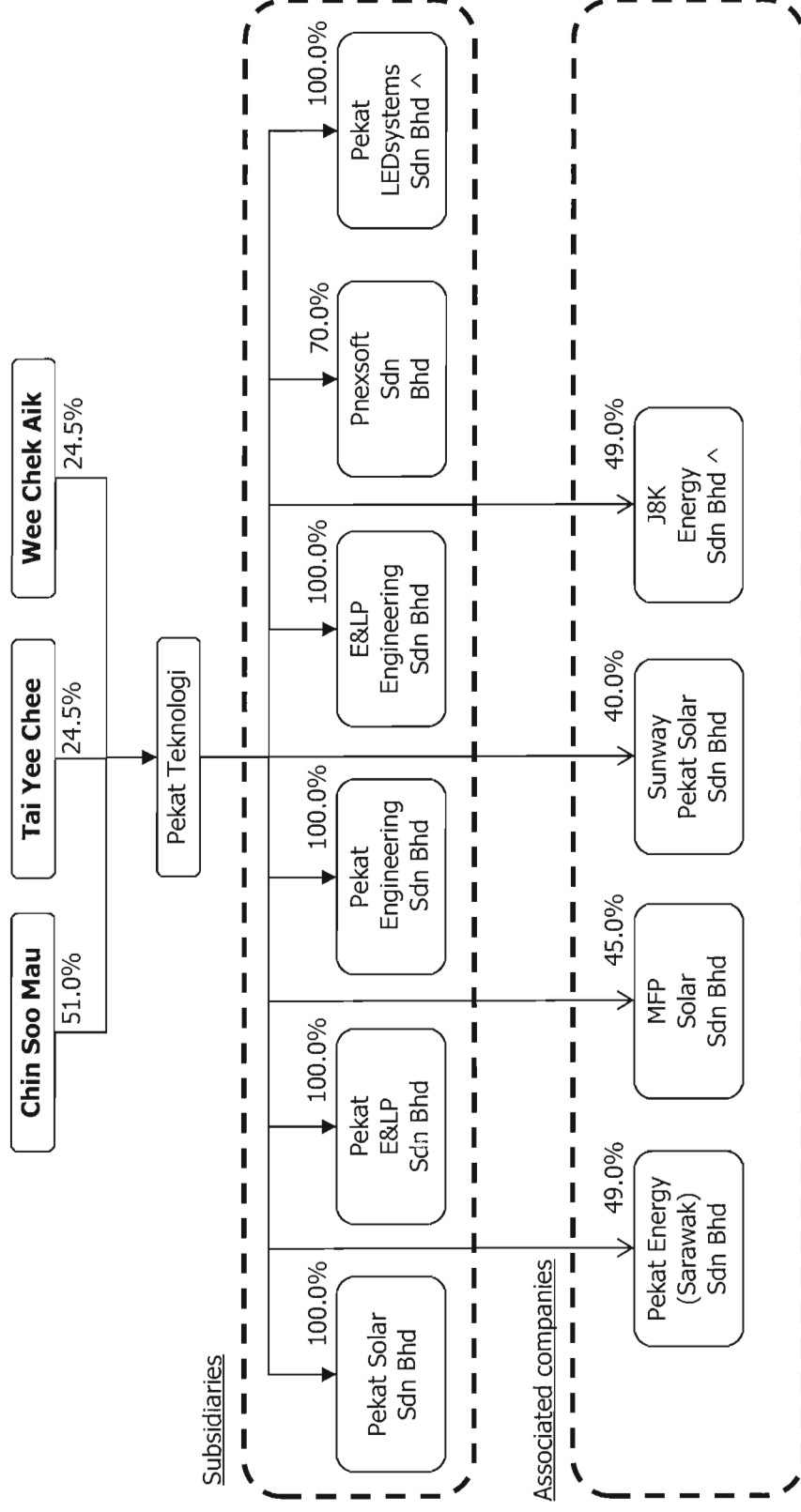
The new Shares issued pursuant to the Acquisition of Pekat Teknologi rank equally in all respects with our existing Shares.

6. INFORMATION ON OUR GROUP (Cont'd)

6.2.3 Our Group structure

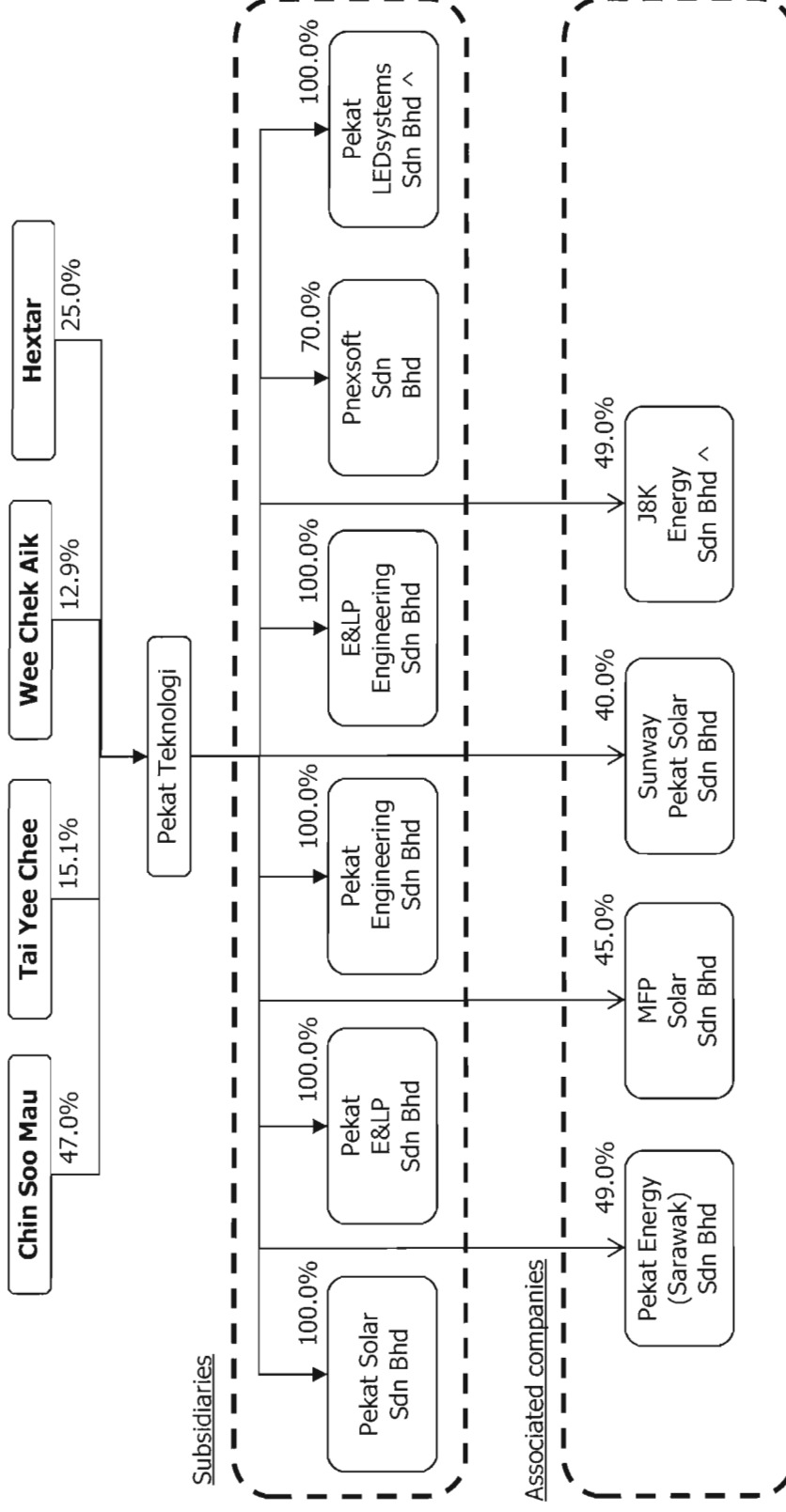
Our Group structure resulting from the pre-IPO restructuring and the Listing is set out below:

(i) Before the pre-IPO changes in the shareholdings of Pekat Teknologi



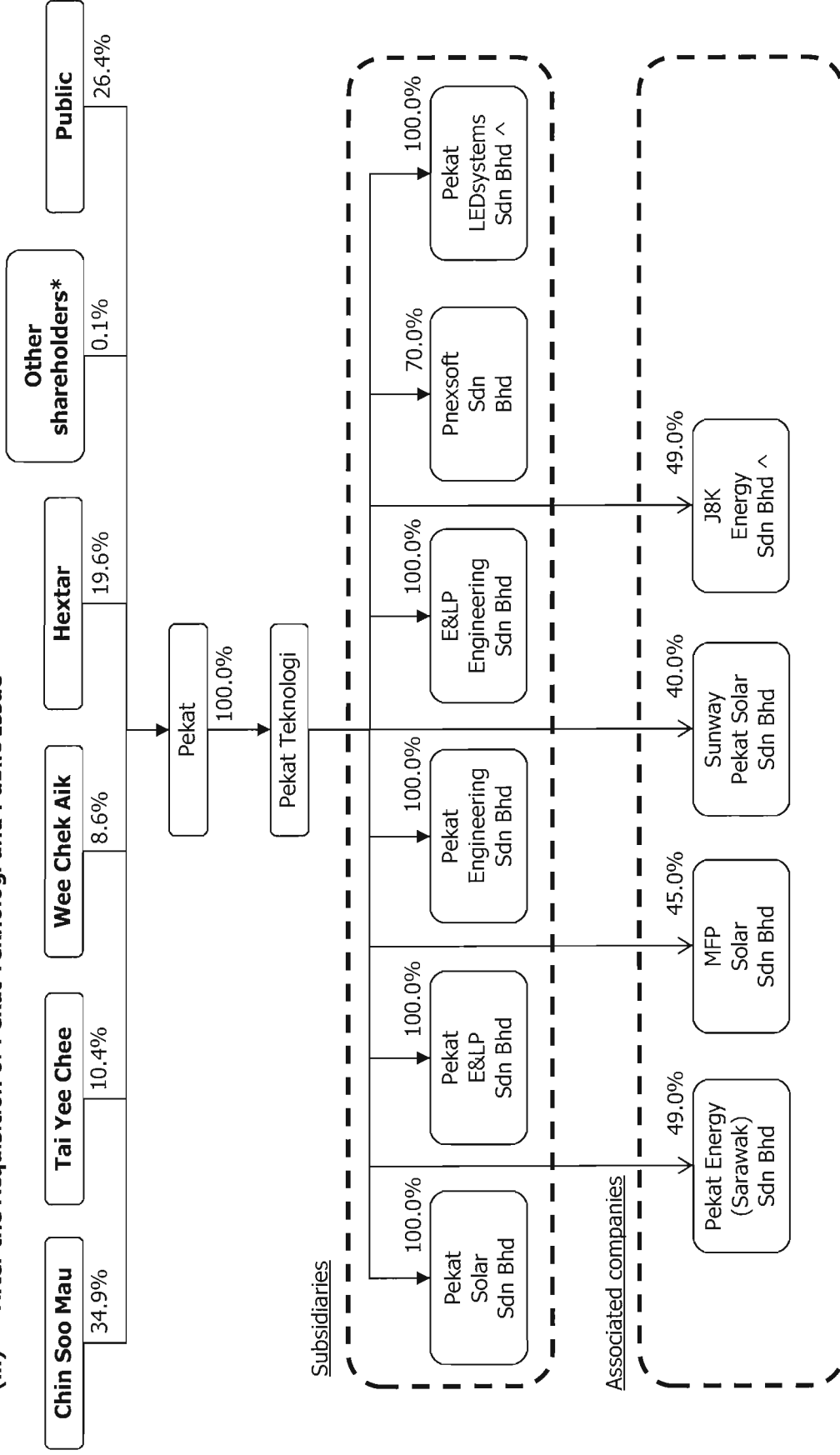
6. INFORMATION ON OUR GROUP (Cont'd)

(ii) After the pre-IPO changes in the shareholdings of Pekat Teknologi



6. INFORMATION ON OUR GROUP (Cont'd)

(iii) After the Acquisition of Pekat Teknologi and Public Issue



6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

* Comprising shareholdings of our Independent Non-Executive Chairman, Kok Kong Chin, Non-Independent Non-Executive Director, Teh Li King and Independent Non-Executive Directors, namely, Ong Keng Siew, Yeong Siew Lee and Datin Shelina Binti Razaly Wah, assuming that our Directors will fully subscribe for their respective entitlements under the Pink Form Allocations.

^ Dormant.

6.3 SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the LPD, Pekat Teknologi is our wholly-owned subsidiary. Under Pekat Teknologi, we have 6 subsidiaries and 4 associated companies.

6.3.1 Subsidiaries

Company	Registration No. (Company No.)	Date / Place of incorporation	Principal of place of business	Effective of equity interest %	Principal activities
Pekat Teknologi	199901015679 (490579-A)	5 August 1999 / Malaysia	Malaysia	100%	Investment holding of companies involved in design, supply and installation of solar PV systems and power plants, supply and installation of ELP systems as well as distribution of electrical products and accessories

Subsidiaries of Pekat Teknologi

Pekat Solar	201001038864 (922788-W)	22 November 2010 / Malaysia	Malaysia	100.0	Design, supply and installation of solar PV systems and power plants and related services
Pekat E&LP	201001038875 (922799-H)	22 November 2010 / Malaysia	Malaysia	100.0	Supply and installation of ELP systems
Pekat Engineering	201001038837 (922761-K)	22 November 2010 / Malaysia	Malaysia	100.0	Distribution of electrical products and accessories
E&LP Engineering	200701023462 (781479-U)	19 July 2007 / Malaysia	Malaysia	100.0	Distribution of electrical products and accessories
Pnexsoft	201801033283 (1295310-T)	18 September 2018 / Malaysia	Malaysia	70.0 ⁽¹⁾	Development and distribution of software applications
Pekat LEDSystems	200601000779 (720526-P)	11 January 2006 / Malaysia	Malaysia	100.0	Dormant ⁽²⁾

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) The remaining equity interest is held by Nexstream.
- (2) Pekat LEDSystems was originally incorporated to supply and distribute LED street lighting. However, this plan has been aborted and the company is presently dormant. At this juncture, we have no plans to supply and distribute LED street lighting.

6.3.2 Associated companies

Company	Registration No. (Company No.)	Date / Place of incorporation	Principal of place of business	Effective of equity interest %	Principal activities
Associated companies of Pekat Teknologi					
Pekat Energy Sarawak	201601030269 (1201210-V)	8 September 2016 / Malaysia	Malaysia	49.0 ⁽¹⁾	Design, supply and installation of solar PV systems and power plants in Sarawak
MFP Solar	201901031134 (1340464-D)	29 August 2019 / Malaysia	Malaysia	45.0 ⁽²⁾	Build, own and operate solar PV power plants
Sunway Solar	Pekat 201901022491 (1331820-M)	27 June 2019 / Malaysia	Malaysia	40.0 ⁽³⁾	Design, supply and installation of solar PV systems and power plants for Sunway group of companies
J8K Energy	201901019545 (1328874-W)	31 May 2019 / Malaysia	Malaysia	49.0 ⁽⁴⁾	Dormant ⁽⁵⁾

Notes:

- (1) The remaining equity interest is held by Azlina Binti Zulkipli.
- (2) The remaining equity interest is held by MFCI.
- (3) The remaining equity interest is held by Sunway Engineering Sdn Bhd.
- (4) The remaining equity interest is held by Jawala Corporation Sdn Bhd. Jawala Corporation Sdn Bhd is principally engaged in trading, engineering procurements, counter trade (trading via exchange of goods) and investment holding.
- (5) J8K Energy was originally incorporated to build, own and operate solar PV systems in Sabah. As at the LPD, it has not submitted any bids for any projects and has yet to commence any business activity.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.4 MATERIAL INVESTMENTS AND DIVESTITURES**

Save as disclosed below, there were no other material investment made by us for the past 4 FYEs 2017 to 2020 and up to the LPD:

Description	FYE	FYE	FYE	FYE	Up to
	2017	2018	2019	2020	the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment comprising:					
Freehold land ⁽¹⁾	-	-	-	17,822	-
Leasehold building ⁽²⁾	-	160	-	-	-
Office buildings (rental commitment) ⁽³⁾	830	-	287	-	-
Furniture, fittings and office equipment ⁽⁴⁾	118	224	469	352	131
Motor vehicles ⁽⁵⁾	488	612	107	77	-
Solar system ⁽⁶⁾	-	-	132	-	-
Renovation works ⁽⁴⁾	109	-	331	24	-
Plant and machinery ⁽⁷⁾	-	-	-	250	-
Capital work-in-progress ⁽⁸⁾	-	-	-	-	71
	1,545	996	1,326	18,525	202

Notes:

- (1) For the acquisition of Elmina Land in 2020.
- (2) For the acquisition of an office unit in Klang, Selangor for investment purposes during FYE 2018. The office unit is currently leased to an unrelated party for rental income.
- (3) Rental commitment is recorded resulting from the application on the MFRS 16 – Leases for tenancy agreements entered into by our Group for tenure of more than 1 year as follows:
- (i) In FYE 2017, we recorded rental commitments for the rental of Cubic Space Office (RM0.7 million) and our branch office in Johor Bahru (RM0.1 million); and
- (ii) In FYE 2019, we recorded rental commitments for the rental of staff hostel (RM0.1 million) and our branch office in Penang (RM0.2 million).
- (4) Furniture, fittings and office equipment purchased for our head office and branch offices as well as renovation works done at the Cubic Space Office.
- (5) Purchase of 1 unit of motorcycle, 1 unit of passenger car and 1 unit of pick-up truck for our operations in FYE 2017, 4 units of passenger cars and 3 units of pick-up trucks for our operations in FYE 2018, 1 unit of forklift for our operations in FYE 2019 and 1 unit of passenger car in FYE 2020.
- (6) Investments in a solar PV system (under the NEM programme) with an installed capacity of 44.2 kWp located in Pulau Tioman, Pahang during FYE 2019. The purpose of this project is for the testing of our energy management system application as set out in Section 6.6.3.7. This project has commenced operations on 1 October 2019. In

6. INFORMATION ON OUR GROUP (Cont'd)

FYE 2019, the Group recorded revenue of RM2,462 from the energy generated from the solar PV systems installed.

- (7) Purchase of 1 unit of roll forming machine for our operations in FYE 2020. We utilise the roll forming machine to form support structures for installation of solar PV panels. Prior to this, we purchase ready-made support structure from third party manufacturers.
- (8) Preliminary costs incurred in relation to the construction of our new head office and operational facility on Elmina Land, which includes payments to architect and consultants; and application fees for planning permission and building plan.

The above material investments were primarily financed by a combination of term loans, lease liabilities and internally generated funds.

Save as disclosed below, there were no other material capital divestitures and write-offs (including interest in other corporations) made by our Group for the past 4 FYEs 2017 to 2020 and up to the LPD:

Description	FYE 2017 RM'000	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000	Up to the LPD RM'000
Property, plant and equipment comprising:					
Furniture, fittings and office equipment	-	27	114	⁽²⁾ 595	-
Motor vehicles ⁽¹⁾	2,399	242	-	77	-
Office buildings (rental commitment)	-	-	-	⁽³⁾ 853	-
	2,399	269	114	1,525	-

Notes:

- (1) The disposal of:
- (i) FYE 2017 - 6 units of passenger cars to Directors and an employee in FYE 2017. Kindly refer to Section 9.1 for further details on the disposal of motor vehicles to Directors.
- (ii) FYE 2018 - 2 units of passenger cars to non-related parties.
- (iii) FYE 2020 - 1 unit of passenger car to non-related party.
- (2) Write off of furniture, fittings and office equipment amounting to RM0.6 million (at cost) that were obsolete and no longer in use. The NBV for these items was RM3,585 as at 31 December 2020.
- (3) De-recognition of rental commitments as we had revised the tenancy agreement for the Cubic Space Office to tenure of 1 year. As such, the revised tenancy agreement falls under the exemption of MFRS 16 – Leases and no rental commitments shall be recorded.

Kindly refer to Section 11.6.1 for details of our material capital commitments as at the LPD.

6. INFORMATION ON OUR GROUP (Cont'd)

6.5 PUBLIC TAKE-OVERS

Since our incorporation up to the LPD, there were:

- (i) No public take-over offers by third parties in respect of our Shares; and
- (ii) No public take-over offers by our Company in respect of other companies' shares.

As at LPD, we have not identified any other companies' shares for acquisition.

6.6 DESCRIPTION OF OUR BUSINESS

We operate in 3 distinct business areas, namely:

(i) Solar Division Design, supply and installation of solar PV systems and power plants

We carry out the design, supply and installation of on-grid and off-grid solar PV systems and power plants, where we are responsible for the entire scope of work (including testing and commissioning, and in some cases operations and maintenance for projects where we are contracted to do so) and delivering them to our customers. We engage subcontractors to carry out, under our management and supervision, site preparation and earthworks, all installation works, and interconnection to power transmission substations. Solar PV systems and power plants convert sunlight into electricity for use at a facility, supply to the power grid, or storage in a battery pack for later use.

(ii) ELP Division Supply and installation of ELP systems

Our supply and installation of ELP systems for buildings, facilities and structures are to protect people, property and equipment from unintended electric current. We are engaged as a specialist subcontractor for ELP systems by main contractors or M&E contractors.

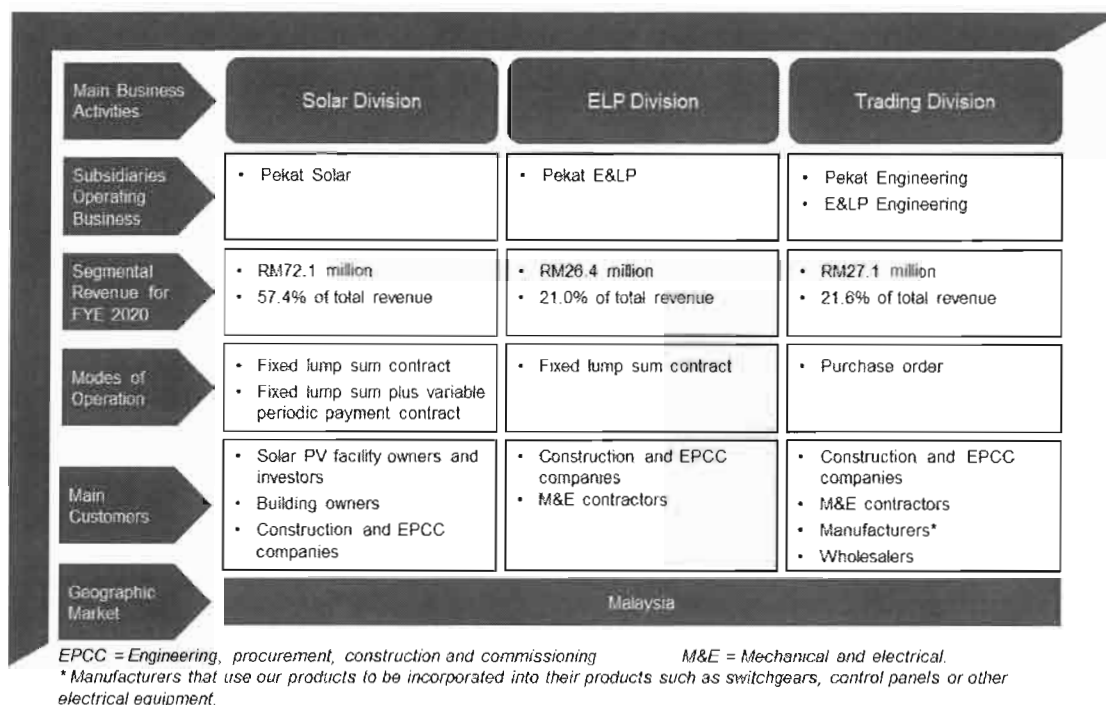
(iii) Trading Division Distribution of electrical products and accessories

The distribution of electrical products and accessories involve the sales and marketing of our own brands and third party brands of electrical products and accessories, namely ELP products and accessories, solar PV related products, surge protection devices and aviation warning light systems.

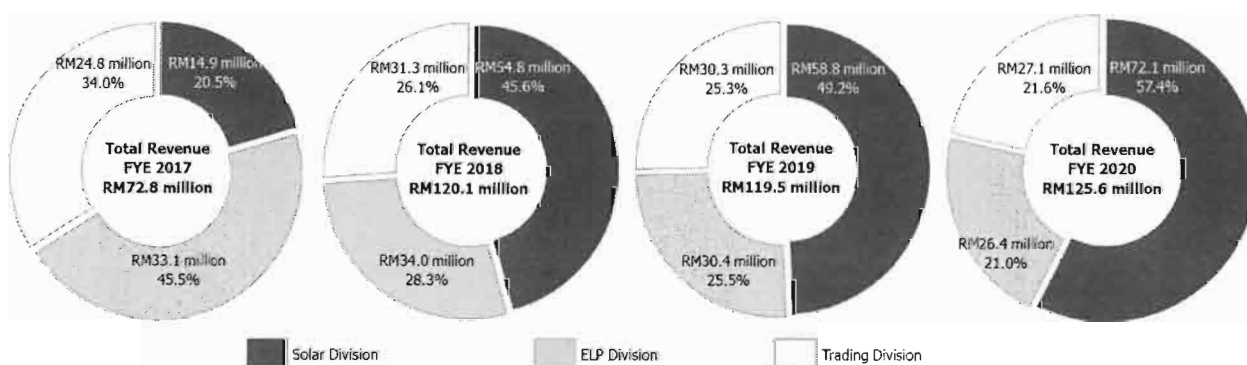
6. INFORMATION ON OUR GROUP (Cont'd)

6.6.1 Our business model

Our business model is depicted in the following diagram:



For the past FYEs, our revenue segmentation by business activities is as follows:



6.6.2 Geographic market

For the past FYEs, all our revenues were derived from Peninsular and East Malaysia.

6.6.3 Solar Division

6.6.3.1 Overview

We are involved in the design, supply and installation of solar PV systems and power plants (solar PV facilities) through our wholly-owned subsidiary, Pekat Solar. Solar PV facilities are designed to generate electricity by using solar PV modules which convert sunlight directly into electricity. Solar PV systems are power generating facilities with installed generating capacity of less than 1.0 MWp while solar PV power plants have an installed generating capacity of 1.0 MWp or more.

6. INFORMATION ON OUR GROUP (Cont'd)

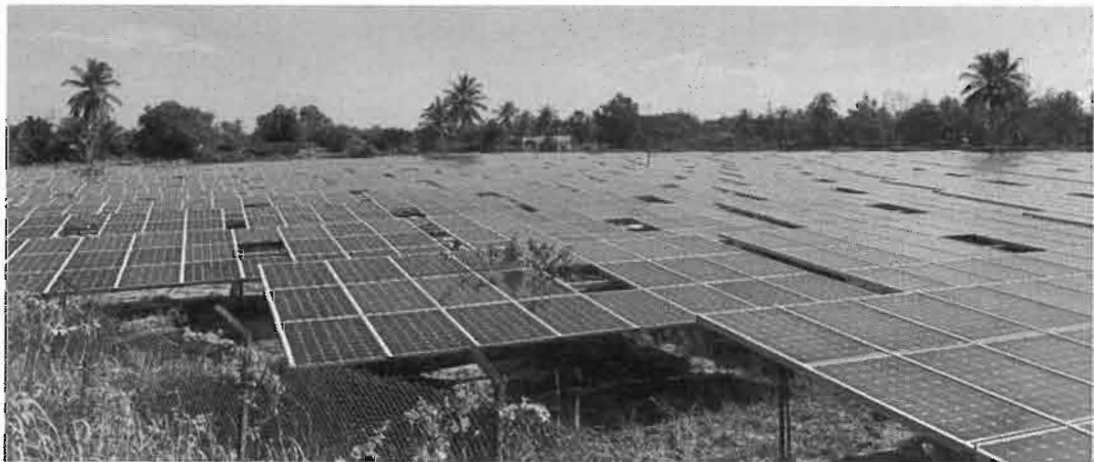
The typical project implementation period for solar PV facilities, from securing the contract to project handover and completion, varies depending on the installed capacity of the project. Solar PV systems (installed capacity of less than 1.0 MWp) typically require between 3 to 4 months to implement, while solar PV power plants (installed capacity of 1.0 MWp or more, except for projects under the LSS programme) typically require between 3 to 9 months to complete. Solar PV power plants for projects under the LSS programme typically require between 12 to 18 months to complete.

Our solar PV facilities are either rooftop mounted on buildings, structures and facilities, or ground mounted. We also carry out maintenance services for some of the solar PV facilities that we construct and other solar PV facilities. We utilise third-party and our own brands of electrical products and accessories in the solar PV facilities that we design, supply and install, with the choice between the two depending on customer's requirements.

For the past FYEs and up to the LPD, we are involved in the design, supply and installation services for of solar PV systems and power plants for the following customer categories:

- Commercial buildings and facilities, such as shopping complexes, office buildings and hotels;
- Industrial buildings, such as factories;
- Residential for home owners; and
- Others, such as community buildings including schools and places of worship as well as solar farms.

A ground mounted solar PV power plant that we designed, supplied and installed at Tok Bali, Pasir Puteh, Kelantan



6. INFORMATION ON OUR GROUP (Cont'd)

A solar PV power plant that we designed, supplied and installed on the rooftop of an industrial facility in Shah Alam, Selangor



A solar PV power plant that we designed, supplied and installed at a manufacturing facility in Tanjung Malim, Perak



6.6.3.2 Our position within the solar PV industry

In accordance to the SEDA, operators within the solar PV industry fall within 2 main categories, namely:

- solar PV facility owner and/or investor; and/or
- solar PV service provider.

Pekat Solar is registered as a service provider with SEDA. Through Pekat Solar, we are the main contractor for all our solar PV projects with the exception of the projects secured from 2 customers where we were the subcontractor to the main contractor for the design, supply and installation of solar PV facilities. Please refer to Section 6.6.3.5 for more details.

6. INFORMATION ON OUR GROUP (Cont'd)

Our associated company, MFP Solar, which we have 45.0% equity interest, is a solar PV facility owner. We also carry out design, supply and installation projects as a main contractor for MFP Solar.

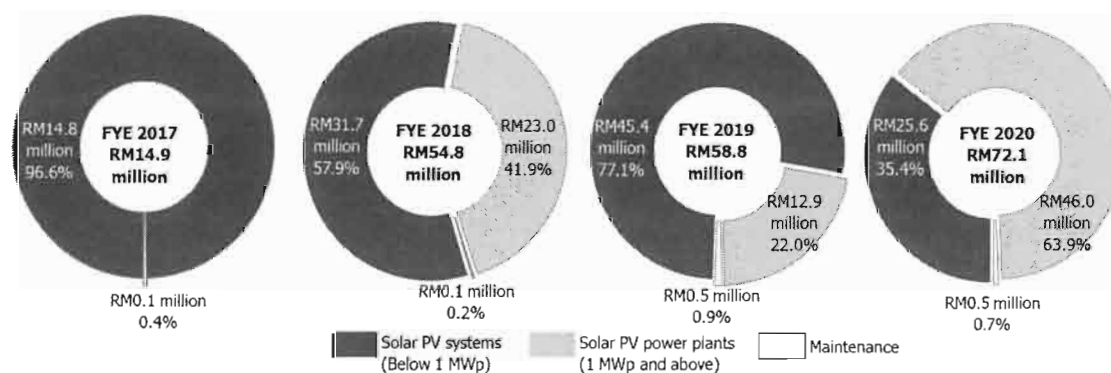
The main contractor is also referred as the engineering, procurement, construction and commission (EPCC) contractor.

In general, our scope of work as the main contractor, EPCC contractor or subcontractor for solar PV facilities are similar, as we are responsible for carrying out the design, supply and installation of the solar PV facilities.

6.6.3.3 Project types

Solar PV systems and power plants

For the past FYEs, our revenue segmentation by solar PV systems and power plants and maintenance services is as follows:



On-grid and off-grid

For the past FYEs, through Pekat Solar, we have undertaken the design, supply and installation for the following types of solar PV facilities:

- (i) **On-grid**, where the solar PV facilities are connected to the power grid. Users of on-grid facilities are able to tap on the power grid during periods when the solar PV facilities are generating very low or no power. A large number of our rooftop mounted solar PV facilities are on-grid facilities for self-consumption and in some cases the excess power is exported to the power grid. We have also completed ground mounted on-grid solar PV facilities, including solar PV power plant to supply power to the power grid. The power grid is the power transmission and distribution network that covers large areas to connect power generation to end users' premises.

We have carried out the design, supply and installation of on-grid solar PV systems for use in residential, commercial, community and industrial properties, infrastructure such as highways and solar PV power plants for export to the power grid.

- (ii) **Off-grid**, where the solar PV facilities are not connected to the power grid and generate electricity solely for use in and around the facility where they are installed. These systems may have energy storage systems (such as battery packs) and/or power generation sources such as a fuel-based generator set to supply power during periods of low or no sunlight. Solar PV facilities that has alternative power generation source are also referred to as hybrid solar PV facilities. We have carried out the design, supply and installation of off-grid solar PV systems for households and hotels in remote locations

6. INFORMATION ON OUR GROUP (Cont'd)

that do not have access to the power grid. We have completed ground mounted off-grid solar PV systems, for example for the SARES programme and roof mounted solar PV systems, for example for hotels located on islands at Pulau Tioman, Pahang and Pulau Tengah, Johor.

Solar PV programmes

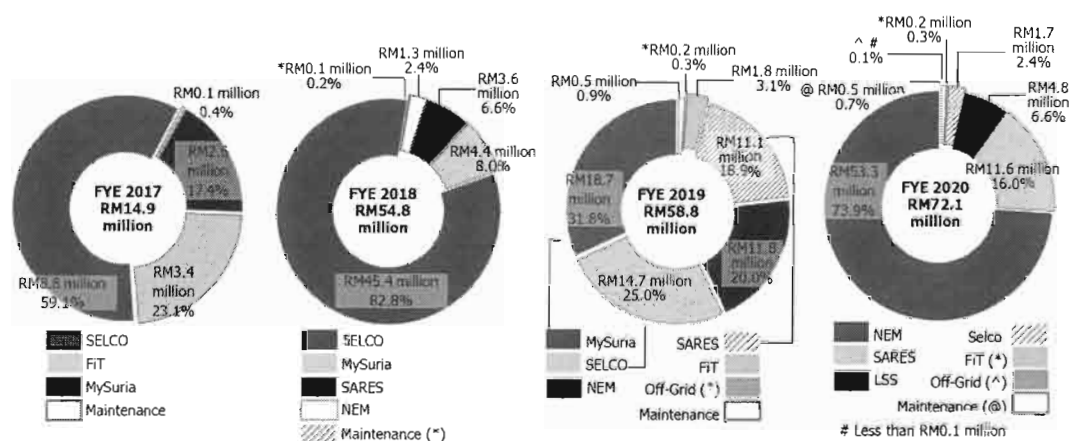
Our solar PV facilities are implemented under various government programmes including Feed-in Tariff (FIT), Net Energy Metering (NEM) and Large Scale Solar (LSS) programmes, which are initiated by the SEDA and the Energy Commission of Malaysia, as well as Sarawak Alternative Rural Electrification Scheme (SARES) programme initiated by the Sarawak Government and MySuria programme initiated by the Ministry of Energy, Green Technology and Water. In addition, we also design, supply and install solar PV facilities used to generate power for self-consumption (SELCO) by solar PV facility owners.

- (a) The FIT programme was first implemented in 2011 and since 2017 there has been no new quota allocated for solar PV facilities under this programme, except for 5.0 MWp under the community category. The FIT programme obliges distribution licencees, including TNB and Sabah Electricity Sdn Bhd to buy electricity generated from renewable resources produced by Feed-in-Approval Holders at a pre-determined rate for a specific duration.
- (b) The NEM programme was introduced in November 2016 to replace the FIT programme for solar PV facilities. The NEM programme allows the solar PV facility owner to generate power for self-consumption and export any excess power to the grid. On 1 January 2019, the NEM programme was enhanced ("NEM 2.0") to offer a 1-on-1 offset basis by off-setting every 1 kWh exported with 1 kWh consumed from the grid. The quota under the NEM 2.0 has been fully subscribed by 31 December 2020. On 29 December 2020, the new NEM 3.0 programme ("NEM 3.0") is introduced and the total quota allocation is up to 500 MW.
- (c) The SARES programme is an electrification programme to provide power to locations that are not feasible to be connected to the power grid. This includes developing standalone solar PV facilities or micro hydropower. This is to accelerate electricity coverage to 5,000 remote villages in Sarawak. We have secured 5 projects for the design, supply and installation of solar PV systems under the SARES programme as of the LPD, of which 4 have been completed and 1 is still on-going.
- (d) The MySuria programme aims to help qualified low income households to generate additional income by exporting solar PV power generated on their premises to the power grid. The programme was first implemented in 2017 and currently registration is closed. We secured 1 project under the MySuria programme for the design, supply and installation of solar PV systems for 1,620 houses across Malaysia, with a minimum of 3.0 kWp installed per house and we have completed installations at 332 houses before the programme was discontinued at the end of 2018. We will not be installing solar PV systems for the remaining houses.
- (e) The LSS programme is for utility scale grid-connected systems for power generation to be exported to the power grid. The LSS programme is based on competitive bidding and the companies that are awarded are responsible for building, operating and maintaining the plant. The entity awarded with LSS will sign a 21-year PPA with TNB or Sabah Electricity Sdn Bhd. For the past FYEs and up to the LPD, we have secured a contract for the design, supply and installation of a 1.3 MWp solar PV power plant in Butterworth, Penang under the LSS 2 programme, which has been completed as at the LPD.

6. INFORMATION ON OUR GROUP (Cont'd)

(f) Under SELCO, residential, commercial and industrial power consumers can hedge against the rising cost of electricity through the installation of solar PV facilities to generate electricity solely for their own usage. Any excess electricity generated under SELCO is not allowed to be exported to the power grid.

For the past FYEs, our revenue segmentation by solar PV programmes is as follows:



Cumulative installed capacity

The table below shows the capacities of design, supply and installation of solar PV facilities that we completed since the beginning of our operations in this business activity from FYE 2010 and up to the LPD:

	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
	kWp	kWp	kWp	kWp	kWp	kWp
Industrial	20	-	-	1,108	1,295	2,395
Commercial	143	231	203	658	331	1,312
Residential	55	-	292	602	796	434
Others ⁽¹⁾	-	-	10	48	20	48
Total	218	231	505	2,416	2,442	4,189
Cumulative	218	449	954	3,370	5,812	10,001

	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020	1 Jan 2021 up to LPD	Total
	kWp	kWp	kWp	kWp	kWp	kWp	kWp
Industrial	1,425	1,691	5,662	11,232	11,497	5,398	41,723
Commercial	1,359	1,451	4,217	6,808	211	342	17,266
Residential	964	763	1,074	351	135	226	5,692
Others ⁽¹⁾	48	75	302	732	392	-	1,675
Total	3,796	3,980	11,255	19,123	12,235	5,966	66,356
Cumulative	13,797	17,777	29,032	48,155	60,390	66,356	

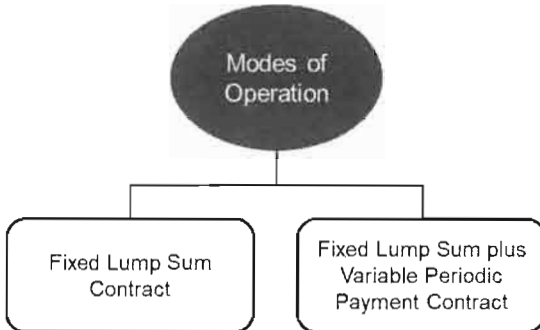
Note:

⁽¹⁾ Others include community buildings and solar farms.

6. INFORMATION ON OUR GROUP (Cont'd)

6.6.3.4 Modes of operations

We adopt 2 modes of operations for our Solar Division as follows:



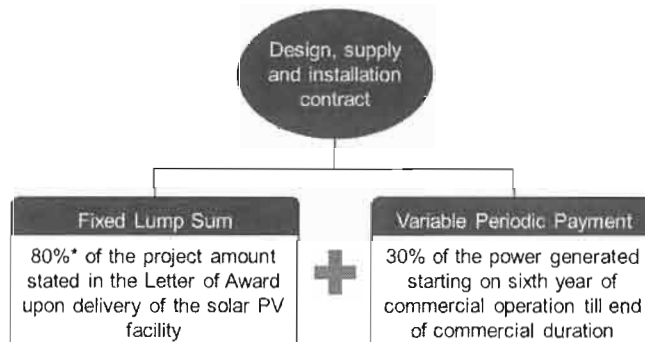
(i) Fixed lump sum contract

This mode of operation is based on fixed lump sum contract. The contract will specify the scope of work and deliverables, timeline for delivery and schedule of payment, as well as a fixed price for the contract. Our customer will pay us the fixed price of the contract subject to any variance orders or claims against liquidated ascertained damages.

Upon the acceptance of handover by the customer and the issuance of the testing and commissioning form, Certificate of Practical Completion, practical acceptance certificate, or project completion letter (as described in Section 6.6.3.15(vi)), half of the retention sum is released to us. Upon the expiration of the defect liability period, commonly ranging between 12 months and 24 months, the remaining half of the retention sum is then released to us, subject to the issuance of a certificate of making good defects. There is no retention sum for our design, supply and installation of solar PV facilities for residential property projects. We are not entitled to any other payments for our fixed lump sum contract. Fixed lump sum contracts are our most common mode of operation for the design, supply and installation of solar PV facilities.

(ii) Fixed lump sum plus variable periodic payment contract

Another mode of operation for the Solar Division is based on fixed lump sum plus variable periodic payment contract. The contract will clearly specify the scope of work, deliverables, timeline for delivery and schedule of payments. Maintenance is also included in the contract for the full commercial duration which is commonly 25 years from date of commercial operation. We will bear the cost of the maintenance during this period, and we will recover the cost of maintenance through the variable periodic payments.



Note: * The remaining 20% of the project amount is waived.

6. INFORMATION ON OUR GROUP (Cont'd)

The contract has 2 payment components as follows:

- **Fixed lump sum:** The contract will specify the scope of work and deliverables, timeline for delivery and schedule of payment, as well as the contract sum. The fixed lump sum payable to us for the delivery of the completed solar PV facility is equivalent to 80.0% of the contract sum stated in the Letter of Award. The remaining 20.0% of the contract sum is waived. Our customer will pay us the fixed lump sum subject to any variance orders or claims against liquidated ascertained damages.
- **Variable periodic payment:** We are also paid a variable periodic payment based on the power generated by the installed solar PV facility. The variable periodic payment payable to us is 30.0% of the cost saving to the customer from using power generated by the solar PV facility instead of purchasing power from a utility company such as TNB. The cost saving is based on the power generated by the solar PV facility and the appropriate prevailing published tariff rate by the utility company. The variable payment is paid monthly starting from the 6th year from the date of commercial operation and terminates at the end of the commercial duration. The date of commercial operation is from the date of issuance of the project completion letter by the customer. Commercial duration is from the date of commercial operation till the end of the contract.

The benefits of the fixed lump sum plus variable periodic payment contract to the customers as compared to the fixed lump sum contract is that customers obtain their solar PV facilities at a lower up-front cost as 20.0% of the contract sum is waived.

An example of the calculation of the variable periodic payment attributable to Pekat Group is as follows:

Power generated in Month 1 kWh	Prevailing TNB Tariff RM/kWh	Cost savings to customer of power generated in Month 1 ⁽¹⁾ RM	30% attributable to Pekat Group in Month 1 ⁽²⁾ RM
300,000	0.355	106,500	31,950

Notes:

(1) Cost savings to the customer from using power generated by the solar PV facility instead of purchasing power from a utility company such as TNB. It is calculated by multiplying the power generated against the prevailing TNB Tariff as follows:

$$300,000 \text{ kWh} \times \text{RM}0.355/\text{kWh}$$

(2) $\text{RM}106,500 \times 30\%$. The variable payment is paid monthly starting from the 6th year from the date of commercial operation, and terminates at the end of the commercial duration, which is at the end of the 25th year from the date of commercial operation.

The main rationale for this mode of operation is to reduce the upfront capital cost of the solar PV facility to make it more financially attractive to our customers. At the same time, the variable periodic payments allow us to recover the initial 20.0% of the contract sum that is waived, plus the cost of maintenance throughout the commercial duration period (we will bear the cost of maintenance during this period), as well as recurring

6. INFORMATION ON OUR GROUP (Cont'd)

income over 20 years from this arrangement. The operations and maintenance contract under this mode of operation is from year 1 to year 25 from the commencement of commercial duration. The final mode of operation is dependent on our customers' decisions after taking into consideration whether they wish to reduce the upfront capital cost of the solar PV facility.

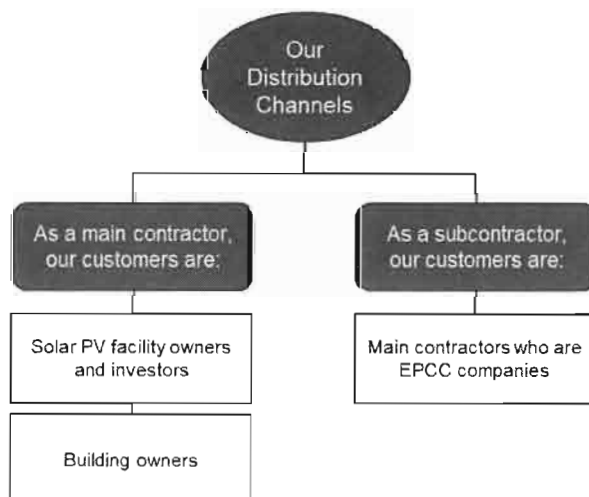
In general, prospective customers for all types of solar PV projects with installed capacity of more than 1 MWp have the option to select between the fixed lump sum plus variable periodic payments contract mode of operation, or the fixed lump sum contract mode of operation, based on negotiations with the prospective customer. The introduction of this mode of operation allows our Group to have an additional source of income which is recurring and reduces our Group's dependency on our ability to continuously secure new solar PV projects.

As at the LPD, we have 6 such fixed lump sum plus variable periodic payment contracts with total installed capacity of 12.5 MWp as follows:

	Type of Building	Commencement of Commercial Duration	Expiry of Commercial Duration
Pacific Trustees Bhd	Commercial	December 2018	December 2043
Metrod (Malaysia) Sdn Bhd	Industrial	December 2018	December 2043
MetTube Sdn Bhd	Industrial	February 2019	February 2044
Teh Ah Yau Rubber Factory Sdn Bhd	Industrial	May 2020	May 2045
Yeo Aik Wood Sdn Bhd	Industrial	March 2021	March 2046
Digital Furniture Sdn Bhd	Industrial	-	-

The commercial operations of 5 of these contracts have commenced as at the LPD. The commercial duration with Digital Furniture Sdn Bhd has not commenced as the installation of the respective solar PV power plants has not been completed.

6.6.3.5 Distribution channels and main customers

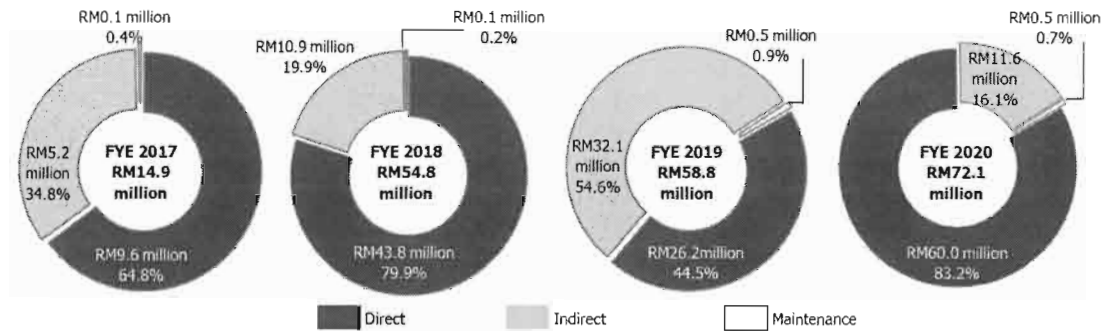


6. INFORMATION ON OUR GROUP (Cont'd)

We adopt **direct** distribution channel where we secure contracts with owners and investors of the solar PV facilities and building owners. In such situations, we are the **main contractor** where we carry out the design, supply and installation of the solar PV facilities.

We also utilise **indirect** distribution channel where we act as the **subcontractor** to main contractors who are EPCC companies. Although we are subcontractor to the main contractor, we carry out the full scope of work of design, supply and installation of the solar PV facilities.

For the past 4 FYEs, our revenue segmentation by direct and indirect distribution channels is as follows:



For the past FYEs and up to the LPD, we were the main contractor for the design, supply and installation of all our projects, with the exception of the projects secured from the following customers where we acted as the subcontractor:

- Bekal Hikmat; and
- Pekat Energy Sarawak.

Pekat Energy Sarawak is our associated company.

Please refer to Section 6.6.3.13 for additional information relating to the customers who have engaged us as subcontractor.

6.6.3.6 Maintenance services

We provide maintenance and repair services to some of the solar PV facilities that we designed, supplied and installed. The maintenance services that we provide include the following:

- routine maintenance comprising checking and inspecting the solar PV modules and balance of system on a scheduled basis;
- cleaning the surface of the solar PV modules to remove dust and other deposits on a scheduled basis to optimise the power generated by the solar PV modules; and
- repair services as required to repair equipment failure and breakdown, as and when they occur.

Revenue from providing maintenance services constitute a small percentage of our Group's revenue, amounting to less than 1.0% of our total revenue for the past FYEs.

6. INFORMATION ON OUR GROUP (Cont'd)

As at the LPD, we provide maintenance services under 3 types of arrangement as follows:

(i) Maintenance services as part of the design, supply and installation contract

Some of our contracts for the design, supply and installation of solar PV systems include the provision of maintenance services after expiration of the defect liability period. In these contracts the cost of maintenance is included as part of the design, supply and install contract value.

For fixed lump sum plus variable periodic payment contract cost of maintenance throughout the commercial duration (i.e. year 1 to 25) is to be born entirely by Pekat and is included as part of the contract.

(ii) Entering into maintenance contract

We enter into maintenance contracts for some of the solar PV facilities that we designed, supplied and installed. The maintenance contract commences after the defect liability period and may be renewed upon expiration of the maintenance contract.

(iii) Repair services as required

In instances where our customers do not have maintenance contracts with us, they may engage us to carry out ad-hoc repairs for their solar PV facilities as and when faults occur.

6.6.3.7 Monitoring applications for solar PV facilities

Pnexsoft, a subsidiary company in which we have a 70.0% equity interest, has developed an energy management system application which applies a smart algorithm that provides integrated control of the solar PV facility's balance of system that are related to power generation and storage, including inverters, energy generation and bi-directional meters, generator set and energy storage system.

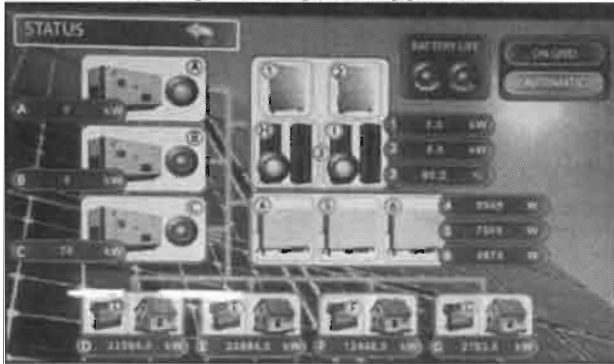
The system comprises integrated software and hardware that is installed as part of the solar PV facility. The system is designed to optimise the performance of these components so as to improve energy efficiency. In addition, for solar PV systems that incorporate energy storage systems, it is designed to prevent over-charging and over-discharge, which can damage the battery pack.

As at the LPD, we have deployed this energy management system application in 3 SARES solar PV system and 2 solar PV projects for hotels located on islands at Pulau Tioman, Pahang and Pulau Tengah, Johor. Currently, our energy management system application is packaged together with some of our design, supply and installation of solar PV facilities. As at the LPD, we have not provided the application on a stand-alone basis. As at the LPD, Pnexsoft is also developing a solar PV monitoring system that is designed to monitor and analyse the performance of on-grid and off-grid solar PV facilities and plan to develop the lightning risk assessment system and ELP monitoring system.

In the future we intend to provide our energy management system to customers on a stand-alone basis and/or integrate this system with the solar PV monitoring system, lightning risk assessment system application and ELP monitoring system that we are developing or plan to develop. Kindly refer to Section 6.19.3 for further details.

6. INFORMATION ON OUR GROUP (Cont'd)

A control panel screen from our energy management system application



Our energy management system installed as part of a solar PV facility



6.6.3.8 Defect liability period

We provide a defect liability period for solar PV facilities from the date of acceptance of handover (as described in Section 6.6.3.15(vi)). The defect liability period is stipulated in the respective customer's contract and is usually for a period of 12 months or 24 months, although for some customers it is for a period of 60 months or 120 months. We are responsible for making good any defects or faults that may occur during the defect liability period.

Some of the solar PV facility components are covered against manufacturing defects by their respective product warranties and as a result, the component manufacturers or suppliers are responsible for providing suitable replacements. However, we are responsible for the cost of replacing the component, which typically includes the costs of labour, transportation and consumables.

For the past FYEs and up to the LPD, we have not had any material claims related to defects or faults that occurred during the defect liability period of our solar PV projects.

6.6.3.9 Performance and product warranties

Solar PV modules that we install for our customers come with the following performance and product warranties:

- performance warranty that the power generated by the solar PV modules will not be less than 80.0% of the installed capacity during the commercial operation period of approximately 25 years; and
- product warranty of up to 12 years.

We also provide product warranties against manufacturing defect for some of the balance of system generally as follows:

- inverters for up to 10 years;
- transformers for up to 2 years;
- solar PV monitoring system for up to 10 years; and
- mounting system that holds the solar PV module for up to 10 years.

Our performance and product warranty for solar PV modules and balance of system are based on back-to-back arrangements with the product manufacturers or suppliers. However, there is no assurance that our product manufacturers or suppliers will continue to be able to honour their performance and product warranty for the solar PV modules and balance of system in the future.

6. INFORMATION ON OUR GROUP (Cont'd)

For the past FYEs and up to the LPD, we have not had any material claims related to performance and product warranties for our design, supply and installation of solar PV facilities.

6.6.3.10 Minimum power supply guarantees

We provide a minimum power supply guarantee to customers of our Solar Division under the fixed lump sum plus variable periodic payment contract mode of operation, whereby we guarantee that the solar PV facility will generate power of not less than 90.0% of the expected yearly energy yield of the respective year (the "Guaranteed Value (kWh)"). This minimum power supply guarantee is for the contract duration period, which is commonly up to 25 years from the date of acceptance of handover (as described in Section 6.6.3.15(vi)).

We also provide a minimum power supply guarantee to MFP Solar's solar PV power plants of 15 years and 20 years upon the acceptance of handover under the operations and maintenance contract between Pekat Solar and MFP Solar.

In the event that the solar PV facility does not generate the Guaranteed Value (kWh) as set out in the respective contract, we will have to compensate the customer for the shortfall based on the terms specified in the respective contract (referred to as the "Performance Guarantee Payment") at the applicable tariff rate of TNB.

An example of the calculation for the Performance Guarantee Payment is as follows:

Performance Guarantee	Actual Power		Applicable TNB Tariff	Performance Guarantee Payment ⁽²⁾
	Generated (kWh)	Shortfall ⁽¹⁾ (kWh)		
kWh	kWh	kWh	RM/kWh	RM
100,000	80,000	20,000	0.355	7,100

Notes:

- (1) 100,000 kWh – 80,000 kWh
 (2) RM0.355/kWh x 20,000 kWh

The circumstances that may lead to the solar PV facilities failing to meet the minimum power supply guarantee may include, among others, buildings or structures that cast shadows over the solar PV modules; accumulation of dust or debris on the solar PV modules; excessive performance degradation or malfunction of some of the solar PV modules; occurrence of haze, unusually high rainfall or cloud cover, or other weather conditions; and malfunction or inefficiency of inverters.

We have purchased insurance to cover any consequential losses in the event we fail to meet the minimum power supply guarantee. The insurance purchased is based on the installed capacity of each solar PV facility. The total insured sum as at the LPD amounts to RM2.7 million.

The main differences between the performance warranty and minimum power supply guarantee are as follows:

- The performance warranty provides an assurance to the customer that the power generated by the solar PV modules during the commercial operation period of approximately 25 years will not be less than 80.0% of the installed capacity. In the event that the solar PV modules fail to meet the performance warranty, we will replace them. Our performance warranty for solar PV modules are based on back-to-back arrangements with the product manufacturers or suppliers;

6. INFORMATION ON OUR GROUP (Cont'd)

- Under the fixed lump sum plus variable periodic payment contract's minimum power supply guarantee, we will compensate the customer in the event that the power generated by their solar PV facility is less than 90.0% of the Guaranteed Value (kWh) for the contract duration period, which is commonly up to 25 years. In the event that the solar PV facility does not generate the Guaranteed Value (kWh) as set out in the respective contract, we will have to compensate the customer for the shortfall based on the terms specified in the respective contract; and
- The performance warranty applies to all of our customers for solar PV facilities, whereas the minimum power supply guarantee only applies to customers under the fixed lump sum plus variable periodic payment contract mode of operation, and for MFP Solar's solar PV power plants under the operations and maintenance contract between Pekat Solar and MFP Solar.

6.6.3.11 Tender bond, performance bond, retention sum and liquidated ascertained damages

(i) Tender bond

We are required to provide a tender bond as a condition to submit a tender by some prospective customers as requested in their invitation to bid for solar PV projects to demonstrate our seriousness in submitting the tender. Tender bonds may be applicable to all types of solar PV projects and it depends on the requirements of the prospective customer. The value of the tender bond is usually a fixed sum that varies from tender to tender. The tender bond will be fully refunded to us, regardless of if we win or lose the tender.

Tender bonds are not required in cases where we negotiate directly with prospective customers for our solar PV projects.

(ii) Performance bond

For some of our solar PV projects we are required to provide a performance bond equivalent to 2.5% of contract sum, commonly in the form of a bank guarantee. Performance bonds may be applicable to all types of solar PV projects, depending on the requirements of the customer. In the event we do not complete the project due to our actions, our customer may have the right to claim some or all of the performance bond. We would be released from our performance bond commonly 3 months from the date of acceptance of handover of the project (as described in Section 6.6.3.15(vi)).

Some customers provide us with the option of choosing between providing a performance bond or providing retention sum.

(iii) Retention sum

For our design, supply and installation of solar PV facilities for certain non-residential property projects, we have to provide our customers with a retention sum equivalent to 5.0% of the contract fixed price as a performance guarantee. Upon the acceptance of handover of the project and the issuance of the testing and commissioning form, Certificate of Practical Completion, practical acceptance certificate, or project completion letter (as described in Section 6.6.3.15(vi)), half of the retention sum is released to us. Upon the expiration of the defect liability period, commonly ranging between 12 months and 24 months, the remaining half of the retention sum is then released to us, subject to the issuance of a certificate of making good defects.

6. INFORMATION ON OUR GROUP (Cont'd)

There is no retention sum for our design, supply and installation of solar PV facilities for residential property projects.

(iv) Liquidated ascertained damages

Customers for our design, supply and installation of solar PV facilities can claim liquidated ascertained damages from us if there is a delay in completing the project compared to the timeline stipulated in their respective contracts. The amount of liquidated ascertained damages that the customer can claim is specified in their respective contracts.

For the past FYEs and up to the LPD, we have not had any claims relating to liquidated ascertained damages.

6.6.3.12 Project implementation and use of subcontractors

In implementing our design, supply and installation of solar PV facilities, we use our in-house personnel and resources to carry out the following tasks:

- site assessments;
- commercial and technical proposals and tenders;
- engineering design and specifications;
- obtaining regulatory approvals;
- procurement of materials and services;
- testing and commissioning; and
- overall project management and supervision.

We also engage subcontractors to carry out, under our management and supervision, site preparation and earthworks, all installation works, and interconnection to power transmission substations. We engage subcontractors for these tasks in order to minimise the number of employees that we have on our payroll. The use of subcontractors also provides us with the ability to carry out more projects concurrently. In addition, earthworks require specialised machinery and equipment, and consequently it is more cost effective for us to engage external subcontractors rather purchasing the machinery and equipment ourselves.

Kindly refer to Section 6.6.3.15(iv) for information relating to all installation works for the design, supply and installation of solar PV facilities carried out by our subcontractors.

6.6.3.13 Subcontractor for design, supply and installation of solar PV facilities

During the past FYEs and up to the LPD, we were engaged for the design, supply and installation of solar PV systems as a subcontractor by the following customers:

- Bekal Hikmat; and
- Pekat Energy Sarawak.

Although we were the subcontractor for the projects from the above 2 companies, we carried out all the tasks and functions similar to situations where we were the main contractor.

(i) Bekal Hikmat

Bekal Hikmat is involved in the design, supply and installation of solar PV systems as well as trading of electrical and mechanical products. Bekal Hikmat is not a related party to our Group.

6. INFORMATION ON OUR GROUP (Cont'd)

On 14 July 2017, Bekal Hikmat received a letter of award for the "supply, deliver, install, testing & commissioning and maintenance of minimum 3.0 kWp per house of building integrated solar PV system and ancillary works at selected 1,620 houses under MySuria programme" from the Ministry of Energy, Green Technology and Water (now under the Ministry of Science, Technology and Innovation).

Bekal Hikmat subsequently appointed Pekat Solar as the subcontractor for the design, supply and installation of solar PV systems for the said MySuria programme. The total subcontract amount was RM37.6 million.

We implemented this MySuria project during FYE 2017 and FYE 2018. During this period and up to the LPD, we have completed the design, supply and installation of solar PV systems for a total of 332 houses with cumulative installed capacity of approximately 1.0 MWp. Our contract was subsequently discontinued at the end of 2018, as the Government had discontinued the MySuria programme.

During FYE 2017, FYE 2018 and FYE 2019 we recognised cumulative revenue of RM25.7 million from Bekal Hikmat, which comprised cumulative revenue of RM7.7 million for the design, supply and installation of solar PV systems for 332 houses and cumulative revenue of RM18.0 million for the sale of inventory (comprising solar PV modules, inverters and accessories) to the Government through Bekal Hikmat. Our sale of inventory to the Government was because we had already purchased this inventory for the MySuria project, but they were not utilised due to the discontinuation of the MySuria programme at the end of 2018. Moving forward, we expect to recognise another RM2.2 million in revenue from the MySuria contract after FYE 2019 comprising retention sum of RM1.8 million and progress claims of RM0.4 million. The retention sum is expected to be received in financial year ending 2021.

(ii) Pekat Energy Sarawak

In August 2016, Pekat Teknologi accepted a proposal from Azlina Binti Zulkippli ("Azlina") to establish a company to explore solar PV businesses in Sarawak. Azlina was previously a Business Development Manager of our Group. We gave the authorisation to use the name "Pekat" for the incorporation of Pekat Energy Sarawak on 8 September 2016. Pekat Teknologi subsequently acquired a 49.0% equity interest in Pekat Energy Sarawak on 15 August 2018 and entered into a trademark licencing agreement allowing Pekat Energy Sarawak to use the "Pekat" name on 15 November 2018. The rationale of Pekat Teknologi investing in Pekat Energy Sarawak is to enable the Pekat Group to tap into projects for solar PV facilities in Sarawak that relate to the Sarawak State Government. Azlina is the Director of Pekat Energy Sarawak and is involved in the day-to-day operations and business development of Pekat Energy Sarawak. As at the LPD, Azlina holds the remaining 51.0% equity interest in Pekat Energy Sarawak.

Pekat Energy Sarawak secured its first contract from Sarawak Energy Berhad for the design, supply and installation of solar PV systems under the SARES programme on 31 January 2018. The company subsequently engaged Pekat Solar as a subcontractor for this project on 15 February 2018. Since then and up to the LPD, Pekat Energy Sarawak has secured 4 other contracts for the design, supply and installation of solar PV systems under the SARES programme from Sarawak Energy Berhad. Pekat Energy Sarawak has also subsequently engaged Pekat Solar as the subcontractor for these 4 contracts. As at the LPD, we have completed 4 of these projects with total installed power generating capacity of 506.0 kWp and energy storage system capacity of 3,962.0 kWh and the remaining 1 project with total installed capacity power generating of 188.0 kWp and energy storage system capacity of 1,332.0 kWh is still on-going.

6. INFORMATION ON OUR GROUP (Cont'd)

6.6.3.14 Business dealings with associated companies

As at the LPD, we have business dealings with 3 associated companies, namely:

- Pekat Energy Sarawak;
- MFP Solar; and
- Sunway Pekat Solar.

(i) Pekat Energy Sarawak

We have been engaged by Pekat Energy Sarawak for the design, supply and installation of solar PV facilities. Please refer to Section 6.6.3.13(ii) for more details.

(ii) MFP Solar

MFP Solar was incorporated on 29 August 2019 and we acquired 45.0% equity interest in the company on 1 October 2019. The remaining 55.0% equity interest is held by MFCI.

The principal activities of MFCI are investment holding of companies. MFCI is a wholly-owned subsidiary of MFPI. The principal activities of MFPI are investment holding and provision of management services to its subsidiaries. MFPI is a wholly-owned subsidiary of Mega First Corporation Berhad, a company listed on the Main Market of Bursa Securities.

The rationale of Pekat Teknologi forming MFP Solar is to undertake solar PV investment business activities in Malaysia and overseas. The business model of MFP Solar is to invest in solar PV power plants with generating capacity between 1.0 MWp and 10.0 MWp based on a build, own, operate and transfer model. MFP Solar was formed as a joint venture for the purpose of investing in solar PV power plants whereby MFCI will be responsible for the financial, operation and management of MFP Solar while Pekat Teknologi will be in charge of the technical aspects of the solar PV investment, such as the design, supply and installation, as well as operations and maintenance in Malaysia for all solar PV power plants invested by MFP Solar. As a shareholder of MFP Solar, we are responsible to contribute our portion of capital investments when MFP Solar carries out its solar PV power plant projects.

The business model of MFP Solar is based on build, own, operate and transfer of solar PV power plants, where MFP Solar will enter into a PPA with customers. As at the LPD, there are 2 PPAs under MFP Solar, namely Proton PPA and VAT PPA (as defined below). The PPA will provide a recurrent revenue stream for a period of 15 years (Proton PPA) and 20 years (VAT PPA).

This new business model is highly synergistic with our existing business as it leverages on our core competencies of design, supply and installation of solar PV facilities. In addition, we will have the first right-of-refusal to carry out the design, supply and installation, as well as operations and maintenance for all solar PV power plants invested by MFP Solar.

The business model for the build, own, operate and transfer of solar PV power plants for MFP Solar includes the following:

- MFP Solar will finance the building and operations of the solar PV power plants and we will be responsible for part of the financing and expenses as a minority shareholder;

6. INFORMATION ON OUR GROUP (Cont'd)

- Pekat Solar will have the first right-of-refusal to carry out the design, supply and installation of the solar PV power plants;
- Pekat Solar will also have the first right-of-refusal to operate and maintain the solar PV power plants;
- the electricity generated from the solar PV power plants will be supplied fully to the customer at agreed prices. If there is excess electricity, it can be exported to the power grid;
- the PPA provides a minimum power supply guarantee to the respective customer; and
- the ownerships of the solar PV power plants will be transferred to the customers for a nominal sum after the expiration of the PPA with the customers.

The operations and maintenance services provided by Pekat Solar will include the following:

- operations of the solar PV power plant to ensure continuous and safe performance at optimum generation rates;
- routine maintenance to ensure that the power plant is functioning properly, generating electricity at the required level and to minimise the risk of unexpected breakdown;
- corrective maintenance to quickly rectify any breakdowns that may occur;
- remote monitoring of the solar PV power plant's performance, including the quantity of electricity generated and supplied to the energy user and/or power grid; and
- remote control of some aspects of the solar PV power plant's operations.

Our joint venture partner will be involved in securing investment opportunities. If successful, we will benefit as follows:

- project-based revenue from the design, supply and installation of the solar PV power plants, where Pekat Solar has the first right-of-refusal;
- our profits from the design, supply and installation may be used as part of our investment contribution as a minority shareholder;
- recurrent revenue from operating and maintaining the solar PV power plants; and
- share of recurring income upon sale of electricity to users and/or power grid, in the form of dividends as a minority shareholder.

PPA with VAT Manufacturing ("VAT PPA")

In January 2020, we received a fixed lump sum contract from MFP Solar for the design, supply and installation of an on-grid solar PV power plant (under SELCO programme) with installed capacity of 1.5 MWp at the VAT Manufacturing's facility in Batu Kawan, Penang. The contract amount is RM3.8 million. This project is part of the PPA for MFP Solar to supply power to VAT Manufacturing, which was secured in February 2020. This was the first PPA secured by MFP Solar. The VAT PPA is for a period of 20 years. The solar PV power plant was completed and commissioned in August 2020.

6. INFORMATION ON OUR GROUP (*Cont'd*)

PPA with Proton ("Proton PPA")

On 19 August 2020, Proton entered into a PPA with Pekat Solar. Pekat Solar subsequently novated the Proton PPA to MFP Solar. Under the Proton PPA, MFP Solar will supply power to Proton at rates stipulated in the PPA for a period of 15 years. MFP Solar has in turn engaged Pekat Solar to design, supply and install a solar PV power plant at Proton's manufacturing facility in Tanjung Malim, Perak with installed capacity of 12.1 MWp for a fixed lump sum contract value of RM33.0 million.

As at the LPD, installation for solar PV power plant at Proton's manufacturing facility has commenced, and it is expected to be completed and commissioned during the second quarter of 2021.

(iii) Sunway Pekat Solar

Sunway Pekat Solar was incorporated on 27 June 2019, with Pekat Teknologi holding a 40.0% equity interest since its incorporation. The remaining 60.0% equity interest is owned by Sunway Engineering Sdn Bhd. Sunway Engineering Sdn Bhd is a subsidiary of Sunway Construction Sdn Bhd, which is itself a subsidiary of Sunway Construction, a company listed on Main Market of Bursa Securities.

Sunway Pekat Solar will carry out the design, supply and installation of solar PV facilities for Sunway group of companies' properties such as hospitality, leisure, healthcare, education and retail. The company will also undertake design, supply and installation where Sunway Construction is the main contractor for building and construction works. The first projects undertaken by Sunway Pekat Solar were for the design, supply and installation of solar PV facilities at Sunway Pyramid in Selangor and Sunway Big Box Retail Park at Nusajaya, Johor in 2019. Since then Sunway Pekat Solar has carried out the design, supply and installation of solar PV facilities for 6 Sunway linked properties, as well as the PETRONAS Leadership Centre in Kajang, Selangor and the TNB Campus Phase 2 in Kuala Lumpur where Sunway Construction is responsible for their building construction.

Our key contribution to Sunway Pekat Solar is our experience and expertise in the design, supply and installation of solar PV facilities. As at the LPD, we have seconded our staff to Sunway Pekat Solar, namely 1 Business Development Manager, 1 Project Engineer and 1 Design Engineer.

Sunway Construction's main contribution is the captive market for the design, supply and installation of solar PV facilities for Sunway group of companies' properties, as well as for some of the building construction projects that they carry out.

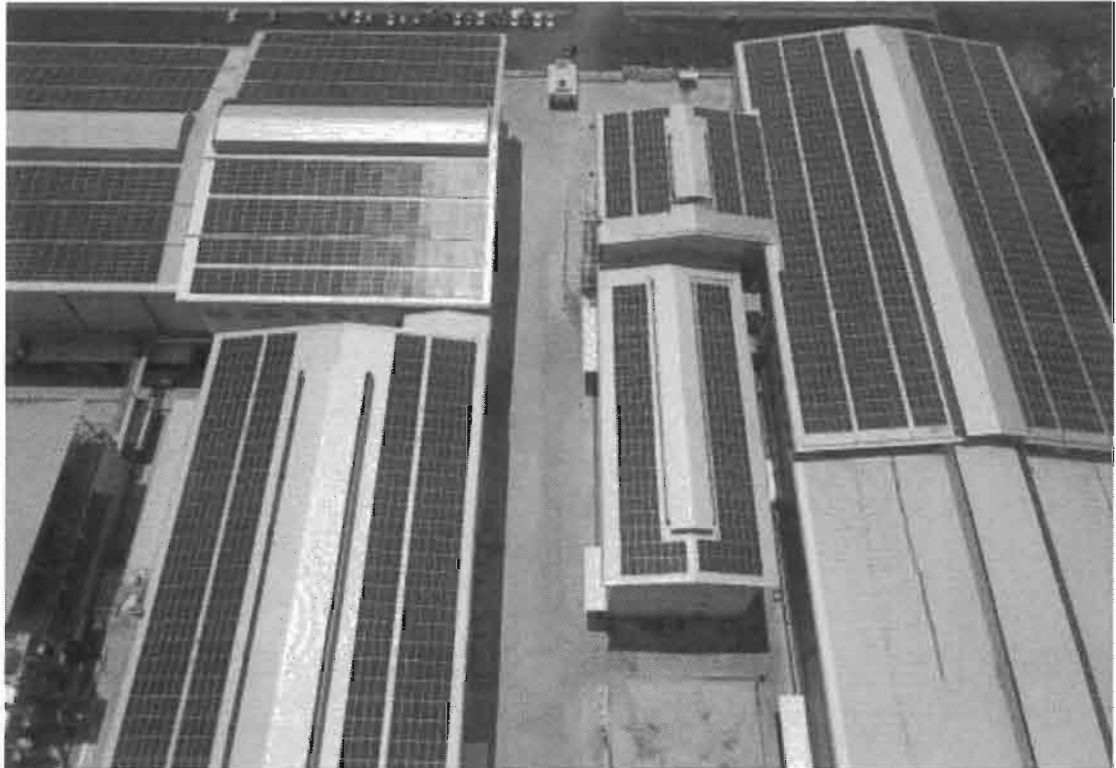
6.6.3.15 Process flow for the Solar Division

With respect to the design, supply and installation of solar PV facilities, we are responsible for the entire scope of work (including testing and commissioning, and in some cases operations and maintenance for projects where we are contracted to do so). We use our in-house resources and personnel to carry out site assessment and proposal, securing the contract, engineering design and specifications, obtaining regulatory approval, procurement of materials and services and carrying out testing and commissioning of the facilities after installation. We engage subcontractors to carry out all installation works under our project management and supervision. We also provide maintenance services for solar PV facilities for some customers.

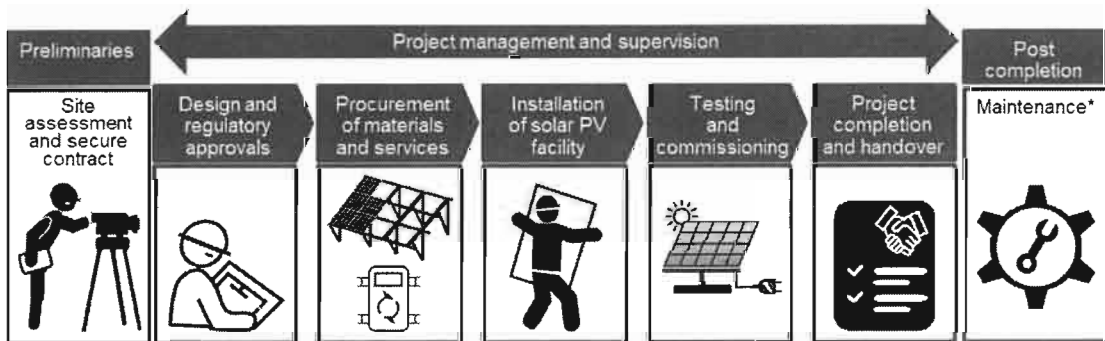
6. INFORMATION ON OUR GROUP (Cont'd)

We are responsible for the overall project management and supervision of the project. This includes ensuring that the overall project progresses according to schedule in order to meet our delivery milestones as stipulated in our contracts. We are responsible for supervising all of the subcontractors that we engage to carry out the installation works, to ensure that all of the work carried out are in accordance with our work and safety procedures/practices and that technical specifications are met. We also liaise with the project owners or the main contractors, government authorities and other third parties.

A solar PV power plant that we designed, supplied and installed on the rooftop of an industrial facility in Klang, Selangor



Our general process flow for the Solar Division is depicted in the following diagram:



* Maintenance is included for some solar PV facilities, while others are based on separate contracts

6. INFORMATION ON OUR GROUP (Cont'd)

(i) Site assessment and secure contract

Before any design, supply and installation of solar PV facility project commences, we have to submit a bid or a proposal. We start the process by carrying out a site assessment, including site assessment for potential bidder of solar PV programmes initiated by the Government. Site assessment involves assessing the prospective installation site to determine the space and conditions available for installing the solar PV panels and balance of system. For roof mounted solar PV facilities, the building and roof are inspected to ensure that they can support the weight of the solar PV panels. If it is ground mounted, assessment is made as to the potential amount of work required for site clearance and earthworks. If it is for a solar farm for export to the power grid, assessment of interconnection to the most practical transmission substation will also be required. For projects under the LSS programme, environmental impact studies will be required to be carried out.

The site assessment will provide pertinent data and information to enable us to carry out our costing and prepare the proposal to the prospective customer. We secure our contracts for the design, supply and installation of solar PV facilities mainly through competitive bidding or direct negotiations with our customers. With our associated company, MFP Solar, we are given the first right-of-refusal and with Pekat Energy Sarawak we are the preferred company for the design, supply and installation of solar PV facilities.

(ii) Design and regulatory approvals

Design

Once we have been awarded the contract, we will commence the design phase which is to carry out the engineering design and specification of the solar PV facility which will be in accordance to the customer's requirements and based on the data obtained from the site assessment. This portion of our work is focused on developing the masterplan and providing all the technical specifications, requirements, schedules and processes for the execution of the project.

Our engineering design and specification process includes the following:

- Developing the schematic drawings and specifications of the solar PV facility. This includes determining the number of the solar PV panels required to achieve the installed peak or generating capacity requirements, connections and cabling, row spacing, orientation and angle of inclination to achieve the optimum electricity generation as well as the orientation and inclination of rooftops or contour of the ground installation site.
- All solar PV facilities require balance of system, which are all the necessary materials and equipment apart from the solar PV modules to complete a working solar PV facility. The balance of system requirements will depend on the following key factors:
 - installed capacity;
 - ground mounted or rooftop installation;
 - on-grid or off-grid;
 - self-consumption and/or export to the power grid;
 - requirement for energy storage; and
 - requirement for alternative source of power.

6. INFORMATION ON OUR GROUP (Cont'd)

Balance of system includes, among others, the following:

- mounting frame system to hold the solar PV modules;
- wiring and switches;
- junction boxes with fuses and relays;
- inverters to convert direct current (DC) from the solar PV panels to alternating current (AC), which is the type of current consumed by users and transmitted and distributed by the power grid in Malaysia;
- electricity generation and bi-directional meters;
- energy management and monitoring systems; and
- safety equipment including ELP systems.

Larger solar PV facilities, especially solar PV power plants, will require some or all of the following additional balance of system:

- supervisory control and data acquisition (SCADA) system to monitor the performance, efficiency and safety of the whole facility;
- interconnection from the solar PV facility to a power grid substation to export power generated by the facility to the grid; and
- transformer to step-up the voltage for export to the grid.

Some of our off-grid solar PV facilities require energy storage system and/or hybrid power such as a fuel-based power generation set to provide power when there is low or no sunlight.

Final selection of the solar PV modules and balance of system are determined by us. The procurement list of the solar PV equipment, structural elements, building and other materials is drawn up based on the detailed engineering design and specification.

Regulatory approvals

Part of our engineering design and specification process also involves preparing all the necessary documentation to obtain the required regulatory approvals and permits, which includes the following:

- Submission of structural and electrical drawings and supporting documents to the relevant local authorities;
- Submission of a NEM Assessment Study, Power System Study, or Connection Confirmation Check to TNB and SEDA Malaysia (where applicable);
- Submission of an application to Suruhanjaya Tenaga (ST) for Public Installation Licence or Private Installation Licence (where applicable), which is applicable under NEM, SELCO and LSS programmes;
- Submission of an application for Green Investment Tax Allowance (GITA) to MIDA and the Malaysia Greentech Centre (where applicable), which is applicable under NEM and SELCO programmes; and
- Applicable approvals from the relevant local councils.

Our Group assists potential bidder in preparing the tender documents for submission in relation to solar PV programmes initiated by the Government.

The applicability of the regulatory approvals and permits related to solar PV facilities listed is summarised in the following table:

6. INFORMATION ON OUR GROUP (Cont'd)

Regulatory requirements and incentives		Applicability
NEM Assessment Study		Solar PV facilities installed under the NEM programme with capacity exceeding 72.0 kW and below 425.0 kW.
Power System Study		Renewable energy power generators (including solar PV facilities) installed under the NEM programme with capacity exceeding 425.0 kW that are interconnected to the power grid.
Public Licence	Installation	Power generating installations (including solar PV facilities) to supply power to any parties other than the licensee.
Private Licence	Installation	Power generating installations (including solar PV facilities) for self-consumption only.
Green Tax Assets	Investment Allowance	For companies that has incurred qualifying capital expenditure in green technology investment (including solar PV facilities) which have been verified by GreenTech Malaysia and product used is listed under the MyHIJAU Directory, in order to benefit from Green Technology Tax Incentive introduced by the MIDA.
Green Tax Projects	Investment Allowance	For companies that has incurred qualifying capital expenditure on green technology projects (including solar PV facilities) as a business or for their own power consumption, where the product used is listed under the MyHIJAU Directory in order to benefit from Green Technology Tax Incentive introduced by MIDA.
Green Tax Services	Income Tax Exemption	For companies that provide green technology services (including solar PV facilities) which have been verified by GreenTech Malaysia in order to benefit from Green Income Tax Exemption introduced by MIDA.

(iii) Procurement of materials and services

Based on the engineering design and specifications, we will procure all relevant materials, equipment, subcontracting work and labour. The solar PV modules and balance of system that we receive from suppliers and manufacturers are inspected to ensure that they comply to specifications.

(iv) Installation of solar PV facility

For ground mounted solar PV power plants, our appointed subcontractors will carry out the following:

- site preparation works, including land clearing and levelling for the installation of solar PV arrays;
- construct infrastructure including access roads and drainage systems as well as interconnection cabling to the nearest power substation or power distribution board for export to the power grid;
- foundation works to support the solar PV arrays and balance of system depending on the soil conditions and type of structures to be built;

6. INFORMATION ON OUR GROUP (Cont'd)

- constructing platforms strategically placed across the site to support inverters and/or transformers (where required);
- constructing control centres to house monitoring and management equipment and personnel;
- erecting the mounting system and installing the solar PV panels, connectors, DC junction boxes and ELP system;
- installing the balance of system;
- installing energy management and SCADA devices (where required);
- cabling and wiring to integrate the solar PV arrays, balance of system and on-site monitoring and management systems; and
- carrying out the electrical tie-in to connect the solar PV power plant with electricity consumers and/or with a power grid substation.

The construction of a roof-mounted solar PV power plant generally involves the following:

- if required, the building and roof structure are reinforced to support the weight of the solar PV panels and mounting frames;
- erecting the mounting frames and installing the solar PV panels, cabling and ELP system;
- installing the balance of system;
- if required, create an enclosure to house the balance of system; and
- electrical tie-in to connect the solar PV facility with electricity consumers and/or with a power grid substation and/or power distribution board.

Off-grid solar PV facility may require installation of auxiliary power system, such as fuel-based power generation sets, to supply power when required.

We engage subcontractors to carry out all installation works under our project management and supervision. This is to ensure that technical specifications are met and that work is carried out in accordance with our work and safety procedures and practices.

(v) Testing and commissioning

Upon the completion of the installation, we will test the equipment and system before commissioning the entire solar PV facility. The following steps are usually taken:

- validate that the solar PV panels and balance of system have been installed in accordance with structural and electrical drawings, manufacturers' specifications and other relevant specifications;
- verify that the power generated is in accordance with design specifications and document the peak and overall power generating capacity;
- verify that the auxiliary power system is functioning in accordance with design specifications;
- verify that the electricity generation and bi-directional electricity meters are functioning;
- ensure that the system is properly and safely integrated with the building's power system and, where relevant substation of the power grid; and
- detect and rectify any defects and problems with the installation.

Any interconnection to the power grid via power substation or power distribution board will need to be tested and commissioned together with a representative from the owner of the power grid, such as TNB (where required).

6. INFORMATION ON OUR GROUP (Cont'd)

The final total system test is carried out by our certified personnel and witnessed by the owners, investors and/or their representatives. Testing is completed once all of the identified problems are rectified.

(vi) Project completion and handover

The solar PV facility is then commissioned and officially handed over to the customer with all the relevant regulatory certifications and registrations. The acceptance of project handover documentation is summarised in the following table:

Completion Documentation	Type of Customer
Testing and commissioning form	<ul style="list-style-type: none"> • Building owner (for fixed lump sum contracts) • Business owner (for fixed lump sum contracts)
Certificate of Practical Completion	<ul style="list-style-type: none"> • Solar PV facility owner • Main and M&E contractor • Bekal Hikmat
Practical acceptance certificate	<ul style="list-style-type: none"> • Pekat Energy Sarawak
Project completion letter	<ul style="list-style-type: none"> • Building owner (for fixed lump sum plus variable payments contracts)

We will also provide our customers with all documentation related to the solar PV facility, such as test and commissioning reports, performance ratio test reports, as-built drawings, operational manuals and other relevant documentation. In addition, we provide user training to enable them to operate the solar PV facility.

The typical project implementation period for solar PV facilities, from securing the contract to project handover and completion, varies depending on the installed capacity of the project. Solar PV systems (installed capacity of less than 1.0 MWp) typically require between 3 to 4 months to implement, while solar PV power plants (installed capacity of 1.0 MWp or more, except for projects under the LSS programme) typically require between 3 to 9 months to complete. Solar PV power plants for projects under the LSS programme typically require between 12 to 18 months to complete.

(vii) Maintenance

We provide maintenance services for some of the solar PV facilities that we design, supply and install under 3 types of arrangements, namely as part of the design, supply and installation contract; entering into a maintenance service contract after the defect liability period expires; and providing ad-hoc repair services as required for customers without any underlying subsisting contract. The maintenance services that we provide include routine maintenance, scheduled maintenance and repair services (corrective maintenance).

Our maintenance service contracts are fixed lump sum contracts with specified periodic payments for a fixed period. Ad-hoc repairs are based on purchase orders and are issued as and when our services are required.

6. INFORMATION ON OUR GROUP (Cont'd)

6.6.3.16 Completed solar PV projects

The list of our completed solar PV projects since FYE 2010 up to the LPD, with a contract value of RM2.0 million and above are summarised in the following table:

Customer	Location(s)	Type of Building	Contract Capacity (Mwp)	Contract Value * (RM'000)	Programme	Start Date ⁽¹⁾	Completion Date ⁽²⁾
Solar PV Systems							
Transmission Technology Sdn Bhd	Kuala Lumpur Sentral, Kuala Lumpur	Commercial	0.2	2,660	SELCO	December 2010	August 2011
Juaraconsult Sdn Bhd	Klang, Selangor	Commercial	0.3	3,678	FIT	July 2013	November 2013
OCK Setia Engineering Sdn Bhd	Klang, Selangor	Solar Farm	0.4	2,763	FIT	August 2014	December 2014
OCK Setia Engineering Sdn Bhd	Sendayan, Seremban	Solar Farm	0.4	2,340	FIT	August 2014	December 2014
OCK Setia Engineering Sdn Bhd	Kota Kemuning, Selangor	Solar Farm	0.4	2,340	FIT	August 2014	December 2014
OCK Setia Engineering Sdn Bhd	Sendayan, Seremban	Solar Farm	0.4	2,571	FIT	April 2015	November 2015
SEDA	Putrajaya	Commercial	0.7	4,987	SELCO	October 2014	June 2015
OCK Setia Engineering Sdn Bhd	Kota Kemuning, Selangor	Solar Farm	0.4	2,571	FIT	April 2015	November 2015
Tuck Sun & Co (Malaysia) Sdn Bhd	Sdn Klang, Selangor	Industrial	0.2	3,272	FIT	June 2015	December 2015
Binawani Sdn Bhd	Segambut, Kuala Lumpur	Commercial	0.4	3,380	FIT	July 2015	December 2015
Firasjaya Sdn Bhd	Kuala Penyu, Sabah	Solar Farm	0.7	3,000	FIT	August 2016	December 2016
Hong Seng Power Sdn Bhd	Butterworth, Penang	Industrial	0.4	2,500	FIT	March 2016	December 2016
Bekal Hikmat ⁽³⁾	Throughout Malaysia	Residential	4.9 ⁽⁴⁾	37,605 ^{(3) (4)}	MySuria	July 2017	January 2019 ⁽⁵⁾

6. INFORMATION ON OUR GROUP (Cont'd)

Customer	Location(s)	Type of Building	Contract Capacity (MWp)	Contract Value * (RM'000)	Programme	Start Date ⁽¹⁾	Completion Date ⁽²⁾
Cyberview Sdn Bhd	Cyberjaya	Commercial	1.0	3,940	NEM	November 2017	May 2018
NLE Electrical Engineering Bhd	Sdn Batu Kawan, Penang	Industrial	1.0	3,500	SELCO	August 2017	July 2018
Pacific Trustees Berhad (trustee for the KIP Real Estate Investment Trust) ⁽⁶⁾⁽⁷⁾	Masai, Kota Tinggi and Tampoi, Johor; Bangi, Selangor; Senawang, Negeri Sembilan; Melaka	Commercial	2.7	9,555	SELCO, NEM ⁽⁸⁾	June 2018	December 2018
Pekati Energy Sarawak	Bintulu, Sarawak	Residential	0.1	4,345	SARES	August 2018	January 2020
Pekati Energy Sarawak	Kapit, Sarawak	Residential	0.1	2,811	SARES	February 2018	April 2019
PWF Feeds Sdn Bhd	Bukit Mertajam, Penang	Industrial	0.8	3,000	NEM	January 2019	November 2019
Projek Lebuhraya Usahasama Bhd	Petaling Jaya, Selangor and Ayer Hitam, Johor	Commercial	0.6	2,667	SELCO	March 2018	September 2019
Advent Packaging Sdn Bhd	Klang, Selangor	Industrial	0.8	2,611	SELCO	July 2018	March 2019
Firstex Knitting Industry Sdn Bhd	Kulim, Kedah	Industrial	0.6	2,190	SELCO	June 2018	December 2018
Segi University Sdn Bhd	Kota Damansara, Selangor	Community	0.6	2,105	NEM	January 2018	March 2019
EconSave Cash & Carry Sdn Bhd	Senai, Johor	Commercial	0.7	2,065	NEM	August 2018	August 2019
Pekati Energy Sarawak	Kapit, Sarawak	Residential	0.2	7,544	SARES	June 2019	January 2020
Cahaya Serijaya Sdn Bhd	Sepang, Selangor	Commercial	1.0	2,966	NEM	June 2019	November 2019
Pekati Energy Sarawak	Kapit, Sarawak	Residential	0.1	4,500	SARES	April 2020	December 2020
ENGIE Services Malaysia Sdn Bhd	Shah Alam, Selangor	Industrial	0.8	2,036	NEM	November 2020	January 2021

6. INFORMATION ON OUR GROUP (Cont'd)

Customer	Location(s)	Type of Building	Contract Capacity (MWP)	Contract Value * (RM'000)	Programme	Start Date ⁽¹⁾	Completion Date ⁽²⁾
Solar PV Power Plant							
OCK Setia Engineering Sdn Bhd	Pasir Puteh, Kelantan	Solar Farm	1.0	5,500	FIT	April 2013	September 2013
SW7 Sdn Bhd	Kuala Penyu, Sabah	Solar Farm	1.0	5,944	FIT	July 2015	November 2015
MetTube Sdn Bhd ⁽⁶⁾	Shah Alam, Selangor	Industrial	4.1	11,366	SELCO	July 2018	February 2019
Metrod (Malaysia) Sdn Bhd ⁽⁶⁾	Klang, Selangor	Industrial	2.5	6,957	SELCO	July 2018	January 2019
Kualiti Alam Sdn Bhd	Bukit Pelandok, Negeri Sembilan	Industrial	1.0	3,500	SELCO	February 2018	May 2018
Ideal Quality Sdn Bhd	Klang, Selangor	Industrial	2.6	7,843	NEM	November 2019	February 2020
CTRM Aero Composites Sdn Bhd	Batu Berendam, Melaka	Industrial	1.9	4,189	SELCO	November 2019	January 2020
Teh Ah Yau Rubber Factory Sdn Bhd ⁽⁶⁾	Bedong, Kedah	Industrial	1.0	2,900	NEM	August 2019	June 2020
MFP Solar	Batu Kawan, Penang	Industrial	1.5	3,770	SELCO	January 2020	August 2020
Kami Farming Sdn Bhd	Simpang Ampat, Penang	Industrial	1.1	2,755	NEM	May 2019	November 2020
Hong Seng Assembly Sdn Bhd	Butterworth, Penang	Industrial	1.3	5,816	LSS 2	March 2019	February 2021
Yeo Aik Wood Sdn Bhd ⁽⁴⁾	Sungai Rambai and Merlimau, Melaka	Industrial	1.1	3,268	NEM	November 2019	March 2021
ENGIE Services Malaysia Sdn Bhd	Shah Alam, Selangor	Industrial	2.4	6,171	NEM	September 2020	December 2020

Save for Bekal Hikmat and Pekat Energy Sawarak, where we were appointed as subcontractor, we were the main contractor for all projects stated above.

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- * Contract value includes variation orders, if there are any.
- (1) The start date is based on the letter of award and/or commencement date as agreed with the customer.
 - (2) The completion date is based on the acceptance of handover through the issuance of testing and commissioning form practical acceptance certificate, project completion letter, or CPC.
 - (3) Categorized under the solar PV systems as the solar PV systems that we have installed at the 332 residences each had installed capacity of 3.0 kWp.
 - (4) We have been subcontracted for the design, supply and installation of solar PV systems for 1,620 residences throughout Malaysia, with contract capacity of minimum 3.0 kWp per residence, for total contract capacity of 4.9 MWp for 1,620 residences. The Government discontinued the MySuria programme at the end of 2018 and by then we had completed the design, supply and installation for 332 residences with cumulative installed capacity of approximately 1.0 MWp.
 - (5) The subcontracted contract value was RM37.6 million. During FYE 2017, FYE 2018 and FYE 2019 we recognised cumulative revenue which amounted to RM25.7 million from Bekal Hikmat, which comprised cumulative revenue of RM7.7 million for the design, supply and installation of solar PV systems for 332 houses and cumulative revenue of RM18.0 million for the sale of inventory (comprising solar PV modules, inverters and accessories) to the Government through Bekal Hikmat. Our sale of inventory to the Government was because we had already purchased this inventory for the MySuria project, but they were not utilised due to the discontinuation of the MySuria programme at the end of 2018.
 - (6) Design, supply and installation carried out under the fixed lump sum plus variable periodic payments mode of operation. The final sum billed to our customers for contracts under this mode of operation is 80% of the contract sum.
 - (7) Categorized under the solar PV systems as 5 out of 6 six solar PV facilities under this contract were solar PV systems with installed capacity of between 165.0 kWp and 505.6 kWp.
 - (8) All 6 solar PV facilities under this contract were installed under the SELCO programme. The owner of these solar PV facilities subsequently applied to convert them to the NEM programme. As at the LPD, 3 of the solar PV facilities have been granted approval and converted to the NEM programme, while the applications for the remaining 3 solar PV facilities are pending approval. There is no indication as to when approval may be granted.

6. INFORMATION ON OUR GROUP (Cont'd)

6.6.3.17 On-going solar PV projects

As at the LPD, the list of our on-going design, supply and installation projects with a contract value of RM2.0 million and above are summarised in the following table:

Customer	Location(s)	Type of Building	Contract Capacity (MWP)	Contract Value * (RM'000)	Programme	Start Date ⁽¹⁾	Completion Date ⁽²⁾
Solar PV Power Plant							
MFP Solar ⁽³⁾	Tanjung Malim, Perak	Industrial	12.1	33,000	NEM	September 2020	June 2021
Syarikat Tenaga (Gemas) Sdn Bhd	Gemas, Negeri Sembilan	Industrial	4.3	12,557	NEM	December 2019	September 2021
Projek Lebuhraya Usahasama Bhd	6 selected rest areas along the North South Expressway	Commercial	2.1	5,923	NEM	January 2020	October 2021
Digital Furniture Sdn Bhd ⁽⁴⁾	Muar, Johor	Industrial	1.1	3,481	NEM	November 2019	June 2021
UTeM Holdings Sdn Bhd	Ayer Keroh, Melaka	Commercial	2.2	4,495	NEM	July 2020	May 2021
Tunas Manja Sdn Bhd	Pahang, Terengganu, Negeri Sembilan	Commercial	3.6	9,273	NEM	July 2020	June 2021
Rubberex Alliance Sdn Bhd	Ipoh, Perak	Industrial	2.3	4,953	NEM	August 2020	September 2021
Pekati Energy Sarawak	Tatau, Sarawak	Residential	0.2	7,874	SARES	June 2020	May 2021
Hock Soon Poultry Farm Sdn Bhd	Bidor, Perak	Industrial	0.9	2,116	SELCO	April 2021	September 2021
PWF Farms Sdn Bhd	Kedah and Perak	Industrial	1.0	2,800	NEM	July 2021	December 2021
Kami Farming Sdn Bhd	Simpang Ampat, Penang	Industrial	1.1	233	NEM	May 2021	December 2021
United U-Li (M) Sdn Bhd	Negeri Sembilan, Selangor and Perak	Industrial	1.5	3,200	NEM	February 2021	August 2021
Top Glove Sdn Bhd ⁽⁵⁾	Meru, Selangor	Industrial	2.8	5,417	NEM	March 2021	August 2021

6. INFORMATION ON OUR GROUP (Cont'd)

Customer	Location(s)	Type of Building	Contract Capacity (MWp)	Contract Value * (RM'000)	Programme	Start Date ⁽¹⁾	Completion Date ⁽²⁾
KMM Constructions and Supply Sdn Bhd	Gebeng, Pahang	Industrial	3.1	5,926	SELCO	February 2021	September 2021
Multiplex Packaging Sdn Bhd	Nilai, Negeri Sembilan	Industrial	1.2	2,594	NEM	March 2021	November 2021
Leon Fuat Metal Sdn Bhd	Shah Alam, Selangor	Industrial	1.2	2,790	NEM	January 2021	July 2021
Pen Petroleum Sdn Bhd	Seberang Perai, Penang	Industrial	0.9	2,345	NEM	April 2021	November 2021

Save for Bekal Hikmat and Pekat Energy Sarawak, where we are appointed as subcontractor, we are the main contractor for all projects stated above.

Notes:

- * Contract value includes variation orders, if there are any.
- (1) The start date is based on the letter of award and/or commencement date as agreed with the customer.
- (2) The estimated completion date of the design, supply and installation of the solar PV facility.
- (3) On 19 August 2020, Proton entered into a PPA with Pekat Solar. Pekat Solar subsequently novated the Proton PPA to MFP Solar and MFP Solar has in turn engaged Pekat Solar to design, supply and install a solar PV power plant at Proton's manufacturing facility in Tanjung Malim, Perak.
- (4) Design, supply and installation carried out under the fixed lump sum plus variable periodic payments mode of operation. The final sum billed to our customers for contracts under this mode of operation is 80% of the contract sum.
- (5) Design, supply and installation of 3 solar PV facilities with total contract capacity of 5.4 MWp.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.6.4 ELP Division

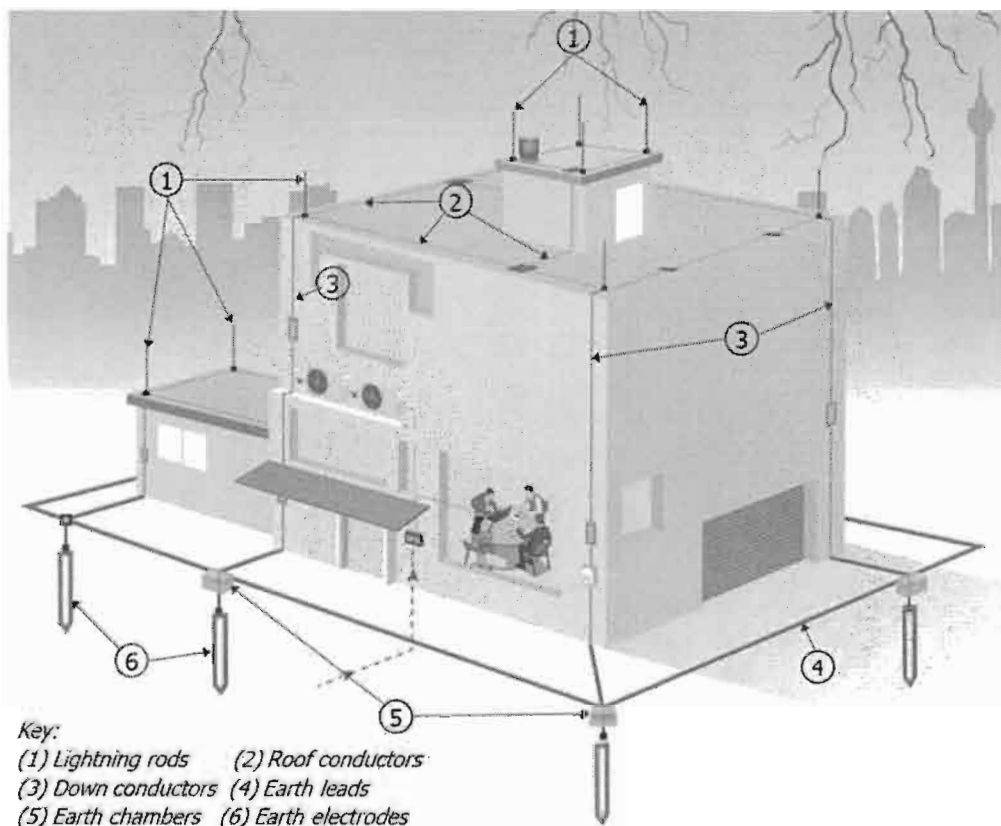
6.6.4.1 Overview

Part of our business is the supply and installation of ELP systems for buildings, structures and facilities to protect people, property and equipment by channelling unintended electric current safely to earth. This business is undertaken by our wholly-owned subsidiary, Pekat E&LP.

We are involved in the supply and installation of 2 types of ELP system:

- (i) Electrical earthing systems installed in buildings, structures and facilities to channel unintended electric current, commonly caused by short circuits, safely to earth; and
- (ii) Lightning protection systems installed in buildings, structures and facilities to channel lightning strikes safely to earth.

The main components of an ELP system comprising electrical earthing system and lightning protection system



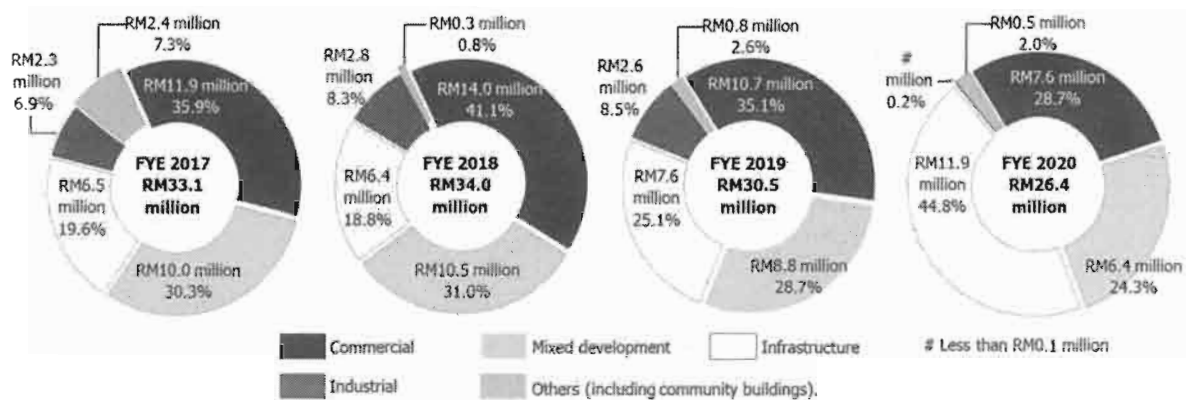
For the past FYEs and up to the LPD, we have provided ELP systems for the following types of buildings and facilities:

- Commercial buildings and facilities, such as shopping complexes, office buildings, hotels, media broadcast centre and data centres;
- Mixed developments comprising a combination of residential and commercial buildings within the same development;
- Infrastructure including rail transportation stations and guideways, expressways and highways;

6. INFORMATION ON OUR GROUP (Cont'd)

- Industrial buildings, such as factories, refineries and petrochemical plants; and
- Others, such as community buildings and non-projects based supply and installation.

For the past 4 FYEs, our revenue segmentation by types of buildings and facilities is as follows:



The ELP systems that we install are mostly carried out during the construction of new buildings, structures and facilities. For existing buildings, structures and facilities, we will replace, upgrade or install a new ELP system.

6.6.4.2 Applications of ELP systems

ELP systems are designed to channel unintended electricity safely to earth to prevent damage to equipment, property and life. Unintended electricity arises from the following situations:

- Short circuit, which occurs when a malfunction creates an unintended electrical circuit that allows electricity to flow to another point. Malfunctions can occur due to, among others, faulty wiring, improper installation, cable insulation failure, loose wires and the presence of water that serve as a conductor of electricity. A short circuit can lead to large surge of electricity flowing through the circuit, which can cause damage to the circuit, overheating, fire or explosion. A person who touches a short circuit can receive an electric shock that can result in injury or death.
- Power surge, where there is an abnormally large increase in the supply of electricity from the power grid to a building's power system. Although the electricity surge lasts for less than 1 second, it can damage electrical and electronic equipment that are connected to the power system, or result in electric shock to people.
- Lightning, which is an electrical discharge between storm clouds and the ground, may strike nearby objects during a storm. This brief and large amount of electricity can cause damage or fire to objects, or injure or kill people that it strikes.

6. INFORMATION ON OUR GROUP (Cont'd)**(i) Earthing system**

In general, the main components of an earthing system include the following:

- Earth electrode (also known as earth plate) is a conductor that is buried in the earth, through which unintended electricity is safely dissipated. The main types of earth electrodes that we use include the following:
 - . Pile cap, where the earth leads are welded to reinforced bars that have been installed in the ground to form a building or structure's foundation;
 - . Plate earthing, where a plate made of copper is buried vertically in the ground;
 - . Rod earthing, where a rod made of copper, copper bonded or stainless steel is buried vertically in the ground;
 - . Mesh earthing, where a mesh made up of welded copper is buried horizontally in the ground; and
 - . Earthing through an earth enhancement compound, which is a mixture containing conductive minerals that is mixed into the ground. It is then solidified with concrete that improves conductivity between the earth electrode and the ground it is buried in.
- Earth lead (also known as earth conductor) is an insulated tape, rod or stranded cable conductor that forms the main connection between the building or structure's power system to the earth electrode. It is the pathway for unintended electricity to flow to the earth electrode to be safely dissipated away.
- Earth continuity conductors (also known as earth wire) are used to connect the earth lead to various points of the power system, such as distribution boards, electrical sockets and electrical machinery and equipment. Earth continuity conductors are usually made from bare or coated tape, rod or stranded cable conductors. The points where an earth continuity conductor meets the earth lead are known as the "connecting points".
- Submain earthing conductors are the cables that connect the distribution board to various switchboards. Coated stranded cable conductors are used for this purpose.

During an unintended electrical event, such as a short circuit, power surge or lightning strike, the unintended electricity will flow from the power source through the earth continuity conductors into the earth lead and then into the earth electrode, where it is dissipated into the earth.

With respect to our ELP projects, we are engaged as a subcontractor to supply and install the earth electrode and earth lead, which together form the backbone of the earthing system. Other subcontractors, namely electricians and technicians are engaged by main contractor to install the earth continuity conductors and submain earthing conductors and to connect them to the earth lead.

6. INFORMATION ON OUR GROUP (Cont'd)

(ii) Lightning protection systems

In general, the main components of a lightning protection system comprise the following:

- Lightning rods, which are pointed rod conductors, commonly made of copper or aluminium, installed on the roof or on top of a building or facility so that their points are the highest points on the building or facility. The lightning rods are designed to intercept lightning, so that the unintended electric current can be carried by the lightning rod to the earth electrode, without passing through the building or facility and safely dissipated in the earth.
- Roof conductors, which are tape, rod or stranded cable conductors, that connect all of the installed lightning rods to the down conductors.
- Down conductors, which connect the lightning rods and roof conductors at the top of the building or facility to the earth electrode. The down conductors create the pathway for the unintended electric current from a lightning strike to travel to the earth electrode, without passing through the building or facility. A down conductor may consist of 1 of the following:
 - A thick conductor starting from the roof that runs down the outside of the building or facility to the buried earth electrode. We use down conductors made of copper or aluminium and which are either bare or covered with plastic coating as an insulator.
 - The steel frame of a building, which is the steel reinforcing bars within its concrete or steel beam structure. In this case, the roof conductor is connected to the steel frame at the roof of the building and the earth electrode is connected to the steel frame at the ground or basement level.
- Earth electrode, a conductor that is buried in the earth that dissipates the electrical current from a lightning strike. It is similar to the earth electrode in an earthing system and performs the same function.



We supply and install the entire lightning protection system comprising the components described above.

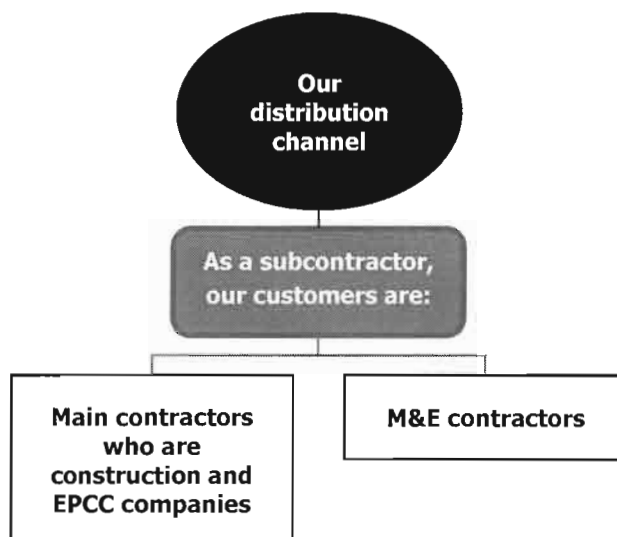
6.6.4.3 Mode of operations

Our mode of operation for the ELP Division is based on fixed lump sum contracts. The contract will specify the scope of work and deliverables, timeline for delivery and schedule of payment, as well as a fixed price for the contract. Our customer will pay us the fixed price of the contract subject to any variance orders or claims against liquidated ascertained damages. We are not entitled to any other payments for our fixed lump sum contract work.

For all of our ELP projects, we have to provide our customers with a retention sum equivalent to 5.0% of the contract fixed price as a performance guarantee. Upon the date of issuance of the CPC or final acceptance by the customer, half the retention sum is released to us. Upon the expiration of the defect liability period, the remaining half of the retention sum is then released to us.

6. INFORMATION ON OUR GROUP (Cont'd)

6.6.4.4 Distribution channel and main customers



We use indirect distribution channel where we work as a subcontractor specialising in ELP systems to main contractors such as construction and EPCC companies. We also work as subcontractors to M&E contractors.

We work as a subcontractor because our supply and installation of ELP systems are specialised works and they represent a small proportion of the total construction or EPCC contracts. In addition, our ELP systems are part of the overall M&E works and we have to integrate our system with the overall building or facility's M&E system.

6.6.4.5 Tender Bond, performance bond and retention sum

(i) Tender bond

Some main contractors require us to provide a tender bond as a condition to submit a tender for ELP projects to demonstrate our seriousness in submitting the tender. Tender bonds may be applicable to all types of ELP projects and it depends on the requirement of the main contractor. The value of the tender bond is usually a fixed sum that varies from tender to tender. The tender bond will be fully refunded to us, regardless if we win or lose the tender.

Tender bonds are not required in cases where we negotiate directly with M&E contractors for ELP projects.

(ii) Performance bond

Some main contractors require us to provide a performance bond equivalent to 5.0% of the contract sum for the ELP projects. Performance bonds may be applicable to all types of ELP projects depending on the requirements of the main contractor. Performance bond is commonly in the form of a bank guarantee. In the event we do not complete the project due to our actions, our customer may have the right to claim some or all of the performance bond. Upon the completion of the project and after 3 months from the acceptance by the customer, we would be released from our performance bond.

6. INFORMATION ON OUR GROUP *(Cont'd)*

(iii) Retention sum

For all of our ELP projects, we have to provide our customers with a retention sum equivalent to 5.0% of the contract fixed price as a performance guarantee. Upon the date of issuance of the CPC or final acceptance by the customer, half the retention sum is released to us. Upon the expiration of the defect liability period, the remaining half of the retention sum is then released to us, subject to the issuance of a certificate of making good the defects.

6.6.4.6 Defect liability period

We provide a defect liability period from the date of issuance of the CPC or final acceptance by the customer for our installed ELP systems. The defect liability period is stipulated in the respective contracts and is usually for 24 months.

We are responsible for making good any defects or faults that may occur during the defect liability period. Some of the ELP system components are covered against manufacturing defects by their respective product warranties and as a result, the component manufacturers or suppliers are responsible for providing suitable replacements. We are responsible for our brands of products, which we have back-to-back arrangements with our manufacturers. However, we are responsible for the cost of replacing the component, which typically includes the costs of labour, transportation and consumables.

For the past FYEs and up to the LPD, we have not had encountered any material claims related to defects or faults that occurred during the defect liability period for our ELP projects.

6.6.4.7 Product warranties

The warranty periods for ELP system components used in the projects that we supply and install are as follows:

ELP system component	Warranty period (years)	
	Our brands	Third party brands
Conductors	2	2
Earth electrodes, leads and joints	2	2
Lightning rods	2	2
Sub-main earth conductors	2	2
Surge protection device	2	1

For products under third party brands, we have back-to-back arrangements for product warranty with the manufacturers or suppliers for their respective brands of products.

For ELP systems, we do not provide any performance warranty.

For the past FYEs and up to the LPD, we have not had any material claims related to product warranties for our ELP projects.

6. INFORMATION ON OUR GROUP (Cont'd)

6.6.4.8 Project implementation and use of subcontractors

In implementing our supply and installation of ELP systems, we use our in-house personnel and resources to carry out the following tasks:

- project assessments;
- commercial and technical proposals and tenders;
- procurement of materials and services;
- testing and commissioning; and
- overall project management and supervision.

We engage subcontractors to carry out all installation works under our project management and supervision (please refer to Section 6.6.4.9(iv) for information relating to the installation works for the ELP projects carried out by our subcontractors). We engage subcontractors for these tasks in order to minimise the number of employees that we have on our payroll. The use of subcontractors also provides us with the ability to carry out more projects concurrently.

6.6.4.9 Process flow for the ELP Division

We are engaged by main contractors or M&E contractors as a subcontractor for ELP systems. As a subcontractor we work according to engineering designs provided by third parties. We use our in-house resources to carry out the procurement of materials, preparatory work and testing and commissioning. We engage subcontractors to carry out all installation works under our project management and supervision.

Our project implementation for the supply and installation of ELP systems follows the main contractor's progress. The typical project implementation period, from securing the contract to the handover of the system, typically require between 12 months to 36 months.

Our general process flow for ELP Division is depicted in the diagram below:



(i) Secure contract

We secure our contracts either through competitive bidding or direct negotiation with our customers.

(ii) Preparatory work

Our in-house personnel will carry out preparatory work involving creating the shop drawings and work method statements that will be used to guide the installation works.

(iii) Procure materials

We are responsible for sourcing and procuring the ELP components and materials including rods, conductors, plates, surge protection devices and other materials. The procurement functions that we normally carry out include:

- selection and procurement of components and materials based on the project requirements.
- quality management of the purchased materials including inspection and testing of some products undertaken in-house.

6. INFORMATION ON OUR GROUP *(Cont'd)*

(iv) Install system

We are responsible for installing the ELP system and to integrate it with the building's overall electrical system. The ELP system is installed according to the approved shop drawings from the main contractor. The progress of our ELP system installation works is dependent on the building's overall construction works, and we typically work according to the progress of the building construction, as determined by the main contractor. We will carry out installation in accordance with the main contractor's work schedule.

The installation works that we usually carry out to develop the ELP system typically includes the following:

- installing the earth electrode, which is a conductor that is buried in the earth. In projects where pile cap electrodes are used, we will weld the earth leads to the reinforced bars that have been installed in the ground to form the building or structure's foundation. In projects where plate earthing, rod earthing, or mesh earthing are used, we will bury the respective plates, rods or mesh in the ground, and weld the earth lead to the conductor. We will also mix the earth enhancement compound into the ground where they are used;
- installing the earth lead, which forms the main connection between the building or structure's power system to the earth electrode. These comprise insulated tape, rod or stranded cable conductors that form the main connection between the building or structure's power system to the earth electrode; and
- installing lightning protection system components. These include the lightning rods on the roof; roof conductors that connect the lightning rods to one another and to the down conductors. In projects where the steel frame of the building is used as the down conductor, we will connect the roof conductor to the steel frame of the building. In projects where external down conductors are used, we will install the conductors to the outside of the building, and connect the roof conductors to the down conductors.

We engage subcontractors to carry out all installation works under our project management and supervision. This is to ensure that technical specifications are met and that work is carried out in accordance with our work and safety procedures and practices.

(v) Testing and handover

Part of our scope of work includes testing the installed ELP system. The testing works are carried out by our in-house technician jointly with independent inspectors or representatives from the relevant power utility company where required. The objectives of testing include the following:

- ensure that all of the components are installed in accordance with the relevant technical drawings and specifications. The ELP system must be connected to the earth electrodes with no breaks in between;
- ensure compliance with relevant local regulations and international standards;
- verify that the installed ELP system performs to its design specifications;
- ensure that the ELP system is properly integrated with the building's overall electrical system; and
- compile and document test and performance data.

6. INFORMATION ON OUR GROUP (Cont'd)

The ELP system is then handed over to our customer after successful testing is completed. We will provide our customers with as-built drawings, operational manuals and other relevant documentation.

After the handover, we do not provide maintenance services for the ELP systems that we supply and install.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.6.4.10 Completed ELP projects

The list of our completed ELP projects for the since FYE 2010 and up the LPD, with a contract value of RM2.0 million and above are summarised in the following table:

Customer	Location(s)	Types of Structure	Contract Value⁽¹⁾ (RM'000)	Start Date⁽²⁾	Completion Date⁽³⁾
Jaks Sdn Bhd	Ara Damansara, Selangor	Commercial building	2,500	December 2011	March 2014
WCT Construction Sdn Bhd	Pengerang, Johor	Industrial and substations	6,898	March 2016	September 2019
WCT Construction Sdn Bhd	Telok Panglima Garang, Selangor	LRT 3 Depot (Phase 1)	3,100	June 2017	June 2019
Trans Resources Corporation Sdn Bhd	Sungai Buloh, Selangor	Additional works to MRT 2 Sungai Buloh Maintenance Depot	2,791	September 2016	May 2018

Notes:

- (1) Contract value includes variation orders, if there are any.
- (2) The start date is based on the letter of award and/or commencement date as agreed with the customer.
- (3) The completion date is based on the issuance of final claims, acceptance of handover by the customer and/or CPC.

6. INFORMATION ON OUR GROUP (Cont'd)

6.6.4.11 On-going ELP projects

As at the LPD, the list of some of our on-going ELP projects with a contract value of RM2.0 million and above are summarised in the following table:

Customer	Location	Types of Structure	Contract Value⁽¹⁾ (RM'000)	Start Date⁽²⁾	Completion Date⁽³⁾
Letrikon M&E Sdn Bhd	Kuala Lumpur	Merdeka 118 Tower	3,600	November 2016	June 2022
Acre Works Sdn Bhd	Cyberjaya	MRT 2 stations	2,100	October 2017	June 2021
Kay Corporation Sdn Bhd	Seri Kembangan, Selangor	MRT 2 viaduct guideways	2,090	September 2017	December 2021
Sunway Construction Sdn Bhd	Klang, Selangor	LRT 3 guideways	4,090	December 2017	November 2022
Transient Engineering Sdn Bhd	Telok Panglima Garang, Selangor	LRT 3 Depot (Phase 2)	2,736	December 2017	February 2022
Trans Resources Corporation Sdn Bhd	Serdang, Selangor	MRT 2 Serdang Maintenance Depot, external works	5,252	September 2018	June 2021
Acre Works Sdn Bhd	Cyberjaya	MRT 2 stations - 16 Sierra and Cyberjaya North	2,088	March 2019	June 2021
Ikhmas Jaya Sdn Bhd	Klang, Selangor	LRT 3 guideway and station	4,627	August 2019	August 2021
Sunway Construction Sdn Bhd	Klang, Selangor	LRT 3 station – Taman Andalas	3,588	September 2020	December 2021

Notes:

- (1) Contract value includes variation orders, if there are any.
- (2) The start date is based on the letter of award and/or commencement date as agreed with the customer.
- (3) The estimated completion date.

6. INFORMATION ON OUR GROUP (Cont'd)

6.6.5 Trading Division

6.6.5.1 Overview

We are a distributor of the following types of electrical products and accessories:

- ELP products and accessories;
- Solar PV related products;
- Surge protection devices; and
- Aviation warning light systems.

We distribute our own brands, as well as third party brands based on authorised distributorships. The Trading Division is synergistic to our Solar Division and ELP Division as these divisions also use these products. Some of the products are denominated in foreign currencies. In addition, products which are sourced from local suppliers are also subject to foreign currency fluctuation as it may be imported by our local suppliers. The revenue from this business activity is derived from sales to external customers.

For the past FYEs, our revenue contributions segmented by product categories are as follows:

	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
ELP related products	9,664	39.0	21,900	70.0	17,616	58.2	14,601	54.0
Solar PV related products	9,287	37.5	3,479	11.1	9,195	30.3	7,107	26.3
Surge protection devices	5,111	20.6	5,630	18.0	3,328	11.0	4,789	17.7
Aviation warning light systems	722	2.9	281	0.9	149	0.5	544	2.0
	24,784	100.0	31,290	100.0	30,288	100.0	27,041	100.0

For the past FYEs, our revenue contribution segmented by third party brands and our brands is as follows:



Our electrical products and accessories are distributed by our wholly-owned subsidiaries, namely Pekat Engineering and E&LP Engineering.

6. INFORMATION ON OUR GROUP (Cont'd)

Pekat Engineering's operation is in the sales and marketing of all of Pekat Group's electrical products and accessories. Pekat Engineering also holds authorised distributorships for 3 third party brands from 3 principals, as follows:

Brand owner or principal	Brands	Products covered
Noark Electrics (Shanghai) Co Ltd	Noark	DC circuit breakers
Solare Datensysteme GmbH	Solar-Log	Solar PV monitoring system
Sungrow Power Supply Co Ltd	Sungrow	Inverters and energy storage system

Pekat Engineering is also involved in distributing the following brands and products:

Brands	Products covered
---------------	-------------------------

Our own brands

Pekat	ELP products and accessories, surge protection devices
PWeld	ELP products and accessories
LEDsystem	Aviation warning light systems

Third party brands

Studer	Inverters
Sungrow-Samsung SDI	Energy storage systems

E&LP Engineering holds the authorised distributorship of 2 third party brands, namely Furse and FurseWeld from 1 principal, as follows:

Brand owner or principal	Brands	Products covered
W J Furse & Co Limited	Furse, FurseWeld	ELP system conductors, connectors, lightning rods, accessories and exothermic welding systems.

The authorised distributorships held by Pekat Engineering and E&LP Engineering are not exclusive, and they are subject to annual renewal.

6. INFORMATION ON OUR GROUP (Cont'd)

6.6.5.2 Products

ELP products and accessories

For the past FYEs, distribution of ELP related products accounted for the largest proportion of revenue for the distribution of electrical products and accessories. Our ELP related products mainly comprise the following:

Products and accessories	Description	Brands distributed
Conductors	Conducts unintended electric current caused by electrical faults or lightning safely to earth.	(1) Pekat (2) Furse
Connectors	A range of clips and clamps used to attach conductors and lightning rods to buildings and to create joints between overlapping conductors.	(1) Pekat (2) Furse
Lightning rods and accessories	A metallic rod placed at the top of buildings and facilities to intercept lightning and to channel the lightning safely to earth. Accessories include rod bases and strike pads which form part of a lightning protection system.	(1) Pekat (2) Furse
Earth bars	Device used to provide a common earthing point for electrical installations that require ELP system.	(1) Pekat (2) Furse
Exothermic welding systems	A portable self-contained welding system that does not require external heat or power source. It is used to weld together 2 conductors to create the electrical joint.	(1) PWeld (2) FurseWeld

Note: "Pekat" and "PWeld" are our own brands.

6. INFORMATION ON OUR GROUP (Cont'd)

Solar PV related products



Our solar PV related products comprise the following:

<u>Products</u>	<u>Description</u>	<u>Brands distributed</u>
Inverters	Converts direct current to alternating current.	Sungrow
		Studer
Solar PV monitoring systems	Remotely monitors the power generated by and performance of solar PV facilities. The hardware is installed on-site and software application communicates with the control and monitoring centre through the internet.	Solar-Log
Energy storage systems	System comprising battery pack and charge controller to store power for use when there is little or no sunlight.	Sungrow-Samsung SDI
DC circuit breakers	Designed to protect an electrical system by breaking the electrical circuit to prevent further flow of electricity.	Noark

6. INFORMATION ON OUR GROUP (Cont'd)

Surge Protection Devices


We distribute our own brand and third party brand of surge protection devices as follows:

<u>Products</u>	<u>Description</u>	<u>Brands distributed</u>
Surge protection devices	Designed to protect electrical and electronic appliances, equipment and machinery connected to an electrical circuit by automatically diverting electrical surges safely to earth.	Pekat
		
		Furse

Note: "Pekat" is our brand.

Aviation warning lighting systems

We distribute our own brand of aviation warning lighting systems:

<u>Products</u>	<u>Description</u>	<u>Brands distributed</u>
Aviation warning lighting systems	Used to indicate the presence of buildings or structures as a warning to aircraft.	LEDsystem
		

Note: "LEDsystem" is our brand.

6.6.5.3 Authorised distributorships for third party brands

Through E&LP Engineering and Pekat Engineering, we are authorised distributor for the following brands.

E&LP Engineering

<u>Brand owner or principal</u>	<u>Brands</u>	<u>Territory</u>	<u>Products covered</u>	<u>Validity period</u>	<u>Revenue for FYE 2020 (RM' million)</u>
W J Furse & Co Limited (member of ABB Group)	Furse, FurseWeld	Malaysia	ELP system conductors, connectors, lightning rods, accessories and exothermic welding systems.	17 November 2020 to 31 December 2021	11.2

6. INFORMATION ON OUR GROUP (Cont'd)**Pekat Engineering**

Brand owner or principal	Brands	Territory	Products covered	Validity period	Revenue for FYE 2020 (RM' million)
Noark Electrics (Shanghai) Co Ltd	Noark	Malaysia	DC circuit breakers	1 January 2021 to 31 December 2022	0.1
Solare Datensysteme GmbH	Solar-Log	Malaysia	Solar PV monitoring system	From 15 March 2020 (with no expiry)	0.2
Sungrow Power Supply Co Ltd	Sungrow	Malaysia	Inverters and energy storage system	25 February 2020 to 24 February 2022	6.5

6.6.5.4 Our brand products**(i) Our brands**

Through Pekat Engineering, we have a range of electrical products and accessories distributed under our "Pekat", "PWeld" and "LEDsystem" brands. We use some of our brand products in some of the ELP systems and solar PV facilities that we install. In addition, Pekat Engineering carries out sales and marketing of these devices to our customers.

We engage third party manufacturers to produce these products for us based on our specifications and quality control. Our brands of electrical products and accessories and the third party manufacturers that produce them are summarised in the following table:

Our brands	Products	Manufacturer's name (Location)	Length of relationship as at the LPD	Revenue for FYE 2020 (RM' million)
			Years	
Pekat	Surge protection devices	<ul style="list-style-type: none"> PTG Corporation (China) Shenzen Lebos Technology Co Ltd (China) 	6 14	3.9
Pekat	ELP conductors and accessories	<ul style="list-style-type: none"> Ram Ratna International RR Kabel Ltd (India) 	9	3.3
PWeld	Exothermic welding systems	<ul style="list-style-type: none"> Duval-Messian (Nanning) High Tech for Lightning Protection Co Ltd (China) 	3	0.1
LEDsystem	Aviation warning light systems	<ul style="list-style-type: none"> Shenzhen Star Standard Co Ltd (China) 	5	0.5

(ii) Third party manufacturers

The third party manufacturers will design the product based on our specifications, including the level of performance, standards or references that have to be met, dimensions and aesthetics. They will start with producing prototypes which we will carry out reviews and subject them to tests. We will provide our feedback to the third party manufacturer for them to improve on the product.

6. INFORMATION ON OUR GROUP (Cont'd)

This process continues until we are satisfied that all aspects of the product including design, performance and compliance to standards, references and specifications. Finally, the product is independently tested to certify that it meets with the relevant standards or references.

After the product has been accepted by us and independently certified to the relevant standards or references, the third party manufacturer will manufacture the product for us, as and when we place orders.

(iii) Own brand product tests and standards

Our own brand products are independently tested to certify that they meet with the relevant standards and references, as summarised in the following table:

Our brands	Products	Certifying bodies	Standards/References
Pekat	Surge protection devices	<ul style="list-style-type: none"> • SIRIM • TÜV • Intertek 	<ul style="list-style-type: none"> • International Electrotechnical Commission (IEC) - standard
Pekat	ELP conductors and accessories	<ul style="list-style-type: none"> • SIRIM 	<ul style="list-style-type: none"> • International Electrotechnical Commission (IEC) - standard
PWeld	Exothermic welding systems	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Not applicable
LEDsystem	Aviation warning light systems	<ul style="list-style-type: none"> • SIRIM 	<ul style="list-style-type: none"> • Civil Aviation Authority of Malaysia (CAAM) - reference • International Civil Aviation Organisation (ICAO) - reference

Notes:

SIRIM SIRIM Berhad, an agency under MITI.

TÜV TÜV Rheinland, which is part of a group of German and Austrian businesses that provide independent product testing and certification services.

Intertek Intertek Group plc, which is a British-based independent product certification and testing company.

(iv) Quality control

We will conduct quality control on our brand products that we receive from the third party manufacturers. These include inspection of all goods received to ensure that they are in accordance with the products that we have ordered and we carry out sample functional tests to ensure that they are functioning properly. Any defects that we identify are notified to the respective third party manufacturer and are replaced.

6. INFORMATION ON OUR GROUP (Cont'd)

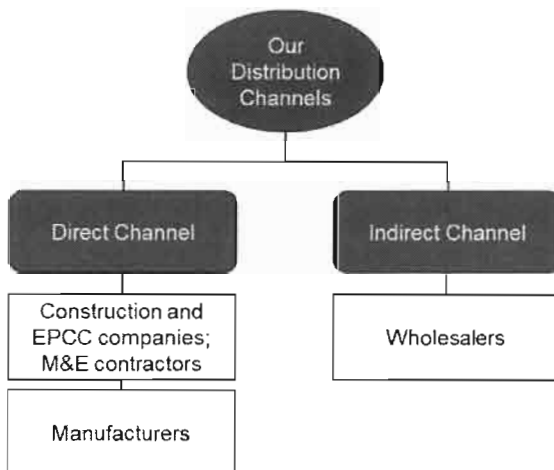
6.6.5.5 Mode of operations

Our sales of electrical products and accessories are based on purchase orders. Once we have the confirmed purchase orders, we will pick and pack them from our warehouse and deliver them to our customers.

A small proportion of our sales are from walk-in customers where purchase orders are generated on the spot.

6.6.5.6 Distribution channels and main customers

Our distribution channel and main customers for our Trading Division are as depicted in the diagram below:



EPCC = Engineering, procurement, construction and commissioning. M&E = Mechanical and electrical.

- We adopt a direct distribution channel where our customers are users of our products which include the following:
 - Construction and EPCC companies and M&E contractors.

Our products are mainly used in buildings, structures, facilities or infrastructure that require earthing and/or protection from lightning strikes.

 - Manufacturers that use our products to be incorporated into their products such as switchgears, control panels or other electrical equipment.
- We also use indirect distribution channel where our customers are wholesalers who would resell our products.

Our indirect distribution channel enables our products to reach a wider market coverage as they are eventually sold to customers of the wholesalers who buy our products.

6. INFORMATION ON OUR GROUP (Cont'd)

6.6.5.7 Product warranty

We provide product warranty for the electrical products and accessories that we distribute. The product warranty periods for our brands and third party brands are as follows:

Our brands	Products	Warranty period (years)
Pekat	Surge protection devices as well as ELP conductors and connectors, lightning rods and accessories, earth bars	2
PWeld	Exothermic welding systems	Not applicable*
LEDsystem	Aviation warning light systems	2
Authorised distributor brands	Products	Warranty period (years)
Furse	ELP conductors and accessories	2
	Surge production devices	1
FurseWeld	Exothermic welding systems	Not applicable*
Solar-Log	Solar PV monitoring systems	2
Sungrow	Inverters	5
Noark	DC circuit breakers	2

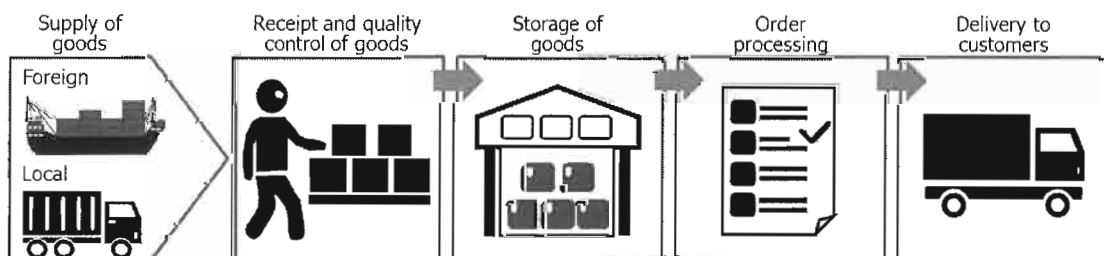
Note:

* No warranty is provided for the exothermic welding systems distributed by us as welding systems are consumables.

For our brands of products (save for PWeld exothermic welding systems), we have back-to-back arrangement with our manufacturers. For third party brand products (save for FurseWeld exothermic welding systems), we have back-to-back arrangement with our principals. For the past FYEs and up to the LPD, we have not had any material claims relating to product warranties for our Trading Division.

6.6.5.8 Process flow for the Trading Division

Our general process flow for the Trading Division is depicted in the following diagram:



6. INFORMATION ON OUR GROUP (Cont'd)**(i) Supply of goods**

We purchase our goods from third party brand suppliers, or from the third party manufacturers of our own brands. Goods that originate in foreign countries go through overseas customs clearance when exported from their country of origin and any applicable export duties and tariffs are paid. Upon arrival in Malaysia, the electrical products and accessories go through Malaysia customs clearance and any applicable import duties and tariffs are paid. These goods are then transported to our warehouse. Goods that originate from Malaysia are normally transported from the manufacturer's factories or supplier's warehouse or distribution centres to our warehouse.

(ii) Receipt and quality control of goods

We receive the goods at our warehouse where they go through inspection and quality control. They include visual inspection, functional tests to detect faulty products and performance tests to verify that products perform in accordance with specifications. The level of quality control inspection and testing ranges from random sampling of a specific percentage of the products received, to full inspection of all received products. The type and level of quality control inspection will vary and depend on the type of electrical products and accessories involved.

(iii) Storage

The goods that have successfully passed inspection and quality control are entered as inventory into our computerised system. The goods are then sorted and stored in the appropriate section or bin locations of our warehouse.

(iv) Order processing

Upon confirmation of purchase orders from customers, we will first check if we have stocks, as we normally carry stocks of commonly purchased electrical products and accessories. If we do not have the required goods in stock, we will place orders for them to our suppliers. We will also place orders when we run low on goods in our inventory.

We also receive customer enquiries from walk-in customers at our head office or through calls and emails received by our marketing department. The customer enquiry will contain an itemised list of the items, types and quantities required. Our marketing department will review the customer enquiry and prepare a quotation for the customer. If the customer does not accept the quotation, we may amend the quotation and negotiate with the customer. If the customer accepts the quotation, the customer will issue a purchase order to us with a list of the items desired, quantity and price. We will issue a sales order to the customer, which includes a list of the items ordered, quantity, price and payment terms.

We then generate a sales order with an itemised list of the items ordered by the customer, as reflected in the purchase order or accepted quotation. The items ordered by the customer are picked from our inventory in accordance with the sales order.

6. INFORMATION ON OUR GROUP (Cont'd)**(v) Delivery to customers**

Customers have the option of picking up their orders at our warehouse or have their orders delivered to their choice of locations.

Upon receipt of goods, the customers will sign and stamp the sales order as proof of delivery. Our account managers are required to manage collections from their respective assigned customers and are responsible for conducting periodic review of their assigned customers' credit limit and purchasing terms.

6.6.6 Capacity and utilisation

Measurements of capacity and utilisation do not apply to our Solar Division and ELP Division, as the activities of these divisions are carried out at the customers' sites.

However, for our Trading Division, we use our warehouse in Cubic Space Office with total floor space of 11,800 sq ft and racking space of 4,675 sq ft to store our products. We use a combination of floor space and racking system for storage. Our warehouse space utilisation rates in Cubic Space Office for the past FYEs and as at the LPD are as follows:

	Storage space capacity		Estimated space used	Utilisation rate
	Floor space	Raking space		
FYE 2017	11,800 sq ft	4,675 sq ft	9,800 sq ft	59.5%
FYE 2018	11,800 sq ft	4,675 sq ft	12,500 sq ft	75.8%
FYE 2019	11,800 sq ft	4,675 sq ft	14,200 sq ft	86.2%
FYE 2020	11,800 sq ft	4,675 sq ft	16,000 sq ft	97.1%
As at the LPD	11,800 sq ft	4,675 sq ft	16,320 sq ft	99.1%

We also rented 2 factory units located at I-PARC, Shah Alam, Selangor to store our inventory from December 2018 to March 2019 with a total floor space of 2,200 sq ft.

6.6.7 Key machinery and equipment

We do not utilise any specialised machinery and equipment for our business operations.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.7 INTERRUPTIONS TO BUSINESS AND OPERATIONS

The World Health Organisation declared Covid-19 a pandemic on 11 March 2020. The Government of Malaysia implemented several measures to reduce and control the spread of Covid-19 in the country, commencing from 18 March 2020. These measures include restrictions on the movement of people within Malaysia and internationally, and restrictions on business, economic, cultural and recreational activities. Our business operations in Malaysia were temporarily interrupted by these measures.

(i) Impact on our business operations

MCO

The Government implemented the MCO from 18 March 2020 to 3 May 2020. The measures under the MCO included, among others, the closure of all businesses except for those classified as "essential services" or that have received written approval to operate from the MITI, restrictions on the movement of people within Malaysia and restrictions on international travel to and from Malaysia.

We closed our office and stopped work at all of our subsisting work sites on 18 March 2020 and our staff worked from home. Pekat E&LP subsequently received written approval from MITI to resume operations at some specific work sites during the MCO period. We experienced some disruptions to our business operations during the MCO period, which are summarised as follows:

- We stopped all subsisting operations at the work sites of both our solar PV projects and ELP projects on 18 March 2020.
- Pekat E&LP applied for written approval from MITI to resume operations at specific installation sites, received written approvals on 21 April 2020 and resumed work at specific work sites commencing on 27 April 2020. Pekat E&LP subsequently received written approvals and returned to work at other specific work sites on a progressive basis. As part of Pekat E&LP's guidelines and standard operating procedures ("SOP") to operate, only specified staff were allowed to travel from their respective residences to their offices or installation sites and the number of staff at each installation site was reduced by 50.0% of the pre-MCO level, which resulted in some slowdown of installation at their respective sites.
- Our Solar Division and Trading Division were temporarily suspended during the MCO period.

Notwithstanding the closure of our head office during this MCO period, there were no cancellation or suspension of any contracts or purchase orders.

Conditional MCO ("CMCO")

The Government implemented the CMCO from 4 May 2020 to 9 June 2020. The CMCO relaxed some of the measures implemented during MCO, including allowing most economic sectors to resume business provided that specified guidelines and SOP were followed and large gatherings avoided. Restrictions on the movement of people within Malaysia were also relaxed, while restrictions on international travel were modified slightly.

6. INFORMATION ON OUR GROUP (Cont'd)

Our business operations during the CMCO period were as follows:

- Pekat E&LP staff at ELP system work sites continued to operate according to guidelines and SOP that we adhered to during the MCO period.
- Pekat Solar staff returned to our solar PV facilities work sites during the CMCO period. Our staff operated according to guidelines and SOP, including only specified staff were allowed to travel from their respective residences to their offices or installation sites, and the number of staff at each installation site was reduced by 50.0% of the pre-MCO level, which resulted in some slowdown of installation at their respective sites.
- Our Trading Division resumed operations with the reopening of our head office from 6 May 2020.
- Our head office reopened and staff returned from 6 May 2020, while adhering to guidelines and SOP, including the following:
 - Staff who have their own rooms and specified personnel are allowed to work at the office on all working days.
 - Staff who work in shared spaces are divided into 2 groups of equal size (Team A and Team B) and work in the office on a staggered basis. Team A worked at the office for half the working week, while Team B worked from home. Their working arrangements were reversed for the following half of the working week.

While we experienced some reduction in our Group's business activity during the CMCO period, the reduction was to a lesser extent compared to the MCO period.

Recovery MCO ("RMCO")

The CMCO was followed by the RMCO from 10 June 2020 to 31 December 2020. Starting from 10 June 2020, almost all economic sectors are allowed to resume provided that they follow specified guidelines and SOP. The movement of people within Malaysia was further relaxed, although restrictions on international travel remained the same as during the CMCO period.

Most of the restrictions on our business operations have been lifted from 10 June 2020 onwards, as follows:

- We are no longer required to limit the number of our staff at each installation site and the number of staff at the respective solar PV facilities and ELP systems installation sites returned to their pre-MCO levels.
- The number of staff for our Trading Division returned to pre-MCO levels as all staff were allowed to return to the warehouse.
- All of our office staff were allowed to return to the office.

6. INFORMATION ON OUR GROUP (Cont'd)**Reimposition of CMCO in Targeted Areas**

CMCO conditions were reimposed in Selangor, Kuala Lumpur, Putrajaya, Sabah, and Labuan from 14 October 2020 to 9 November 2020. The control measures implemented in these areas included, among others, restrictions on the movement of people including prohibition of inter-district travel, limiting the operating hours of certain service-based businesses, closure of schools and encourage work from home.

While the reimposition of CMCO covers our head office, there has been no material impact on operations in our head office. Although our office staff were allowed to return to the office, many of them were working from home. We manage our head office functions through virtual meetings. Our operational software, including our accounting, human resources and data storage, are cloud based and thus accessible by our staff from home. In addition, there has been no impact on our installation of solar PV facilities and ELP systems work sites, as our staff are allowed to travel to their respective work sites after obtaining the written approval from the police.

Reimposition of MCO, CMCO and RMCO

MCO conditions were reimposed from 13 January 2021, and subsequently transitioned to CMCO or RMCO depending on state. Subsequently, following increases in the number of new Covid-19 cases, the third MCO was reimposed in Kelantan from 16 April 2021, followed by 6 districts in Selangor which started from 6 May 2021 as well as Kuala Lumpur and several districts and mukims in Terengganu, Johor and Perak from 7 May 2021. On 10 May 2021, the Government announced the nationwide reimposition of MCO starting from 12 May 2021 to 7 June 2021. The control measures implemented in these areas included, among others, restrictions on or prohibition of interstate and/or inter-district travel, and social gatherings. As installation of solar PV facilities and ELP systems are classified under construction sector activities, installation work is allowed to proceed provided that stricter standard operating procedures (SOP) are followed.

Our installation works at worksites for solar PV facility and ELP system projects proceeded according to schedule, with work carried out in accordance with stricter SOP to minimise the risk of Covid-19 transmission at worksites. Our Group provides all staff and sub-contracted workers at all worksites with personal protective equipment (PPE), which is required to be used at the worksites.

In accordance with SOP implemented by the main contractors of the MRT and LRT projects, the foreign workers (supervisors, workers and sub-contracted workers) assigned to install ELP systems at worksites for these projects are required to undergo Covid-19 tests every 2 weeks. The Covid-19 tests are carried out on foreign workers twice-weekly at these projects as they involve large numbers of workers from different contractors and sub-contractors working together at the same worksites. The foreign workers assigned to install solar PV facilities and ELP systems at other project worksites, where normally fewer workers are working together at the same time, are required to present a certificate of negative Covid-19 test result before they are allowed to enter the worksites.

For our Trading Division, the business operations have not been materially affected by the recent MCO. Our Trading Division operations at our head office and warehouse continue in accordance with the stricter SOP. We continue to receive purchase orders from customers to supply ELP products and accessories, solar PV related products, surge protection devices and aviation warning light systems.

6. INFORMATION ON OUR GROUP (Cont'd)

Our head office operations are on-going with in accordance with stricter SOP. Our Group has discontinued face-to-face meetings with prospective customers, and all sales and marketing engagements with prospective customers for new projects and tenders are conducted via tele-conferencing or video-conferencing.

Cancellation, Suspension or Delay of Contracts and Orders

From 18 March 2020 up to the LPD, we did not receive any cancellation or suspension of any contracts or purchase orders.

We have written to our customers for extension of time to implement on-going projects that have been delayed by the work stoppages and slowdown during the MCO and CMCO periods and we have received verbal and written responses from all of our customers. Following the gazetting and coming into force of the Temporary Measures for Reducing the Impact of Coronavirus Disease 2019 (COVID-19) Act 2020 on 23 October 2020 (which is applicable to our Group as all of our solar PV and ELP projects fall under the category of construction work contract under the Schedule of COVID-19 Act), if we are unable to complete our projects in time due to the MCO, our customers will not be able to claim liquidated ascertained damages and/or terminate the contract between us. The temporary measure was initially in place up to 31 December 2020 and was extended to 31 March 2021. The Temporary Measures for Reducing the Impact of Coronavirus Disease 2019 (COVID-19) (Extension of Operation) Order 2021 states that such temporary measure will extend until 30 June 2021. From March 2020 to the LPD, none of our customers have made claims against the Group for delays or failure to complete projects due to Covid-19.

We did not experience any shortages in the supply of solar PV panels and balance of system that disrupted our Solar Division during the MCO, CMCO and RMCO periods, as we had sufficient inventory of these goods. Similarly, we had sufficient inventory of ELP related products and our ELP Division and Trading Division were not disrupted due to shortages of materials during these periods.

(ii) Impact on our business cash flows, liquidity, financial position and financial performance

We experienced disruptions to our Solar Division and ELP Division due to stoppages at our installation sites and reduced installation site staffing levels, as summarised in the following table:

	Solar Division	ELP Division
Work site stoppage	18 March 2020 to 6 May 2020	18 March 2020 to 26 April 2020
Reduction in work site staff levels	7 May 2020 to 9 June 2020	27 April 2020 to 9 June 2020

These disruptions have affected our project implementation and billing schedules for some of our on-going solar PV and ELP projects. The implementation of projects amounting to RM9.8 million and RM2.2 million in revenue for our Solar Division and ELP Division, respectively was deferred from the 1st half of 2020 to the 2nd half of 2020, and consequently the corresponding revenue recognition was also deferred from the 1st half of 2020 to the 2nd half of 2020. RM3.5 million in revenue for our Solar Division and RM2.2 million in revenue for our ELP Division was deferred from fourth quarter of 2020 to second quarter of 2021.

We experienced some disruption to our Trading Division as the business activity was suspended when our head office was closed from 18 March 2020 to 5 May 2020, and

6. INFORMATION ON OUR GROUP (Cont'd)

resumed from 6 May 2020. During this period, we had ceased our sales activities for our Trading Division and ceased our product deliveries. However, none of the purchase orders that we had received prior to 18 March 2020 were cancelled.

As at the LPD, we have cash and bank balances of approximately RM13.1 million and banking facilities (not including lease liabilities) up to a limit of RM79.5 million, of which RM49.8 million have not been utilised. Our Board is confident that our working capital will be sufficient for our operating expenditure and will sustain our business, after taking into account our cash and bank balances and banking facilities that are currently available to our Group.

During the MCO when our operations were fully halted, we incurred a total expense of RM3.0 million. These expenses incurred include Directors and staff salaries (RM2.6 million) and rental and upkeep of office (RM0.2 million) and other expenses (RM0.2 million). In FYE 2020, we received wage subsidy amounting to RM0.4 million from the Government under the Wage Subsidy Programme implemented by the Government due to Covid-19 pandemic. As part of our efforts to reduce our expenses and preserve our cash, we did not pay any bonus to our employees in FYE 2020. This has resulted in a decrease in Directors' remuneration and staff costs by RM2.0 million as compared to FYE 2019.

Nevertheless, save for the deferment of RM3.5 million in revenue for our Solar Division and RM2.2 million in revenue for our ELP Division from fourth quarter of 2020 to second quarter of 2021, there are no other financial impact for FYE 2020.

As at the LPD, we have not received any claw-back or reduction in banking facility limits granted to us by our lenders. We do not expect difficulties in meeting our debt repayment obligations during the next 12 months. We do not anticipate any material impairment to our assets, inventories and receivables.

Based on the above, we do not expect any material adverse effects to our cash flow, liquidity, financial position and financial performance from the impact of Covid-19.

(iii) Impact to our business and earning prospects

We do not expect any material impact to our business and earning prospects. As at the LPD, our order book comprised unbilled contracts amounting to a total of RM154.9 million and purchase orders for our Trading Division of RM12.4 million. Our earning prospects are dependent on our ability to continuously secure new projects and purchase orders.

(iv) Strategy and steps taken to address the impact of Covid-19

We have adopted the Government's guidelines and SOP to minimise the risk of Covid-19 to our staff and business operations. The steps that we have taken in our business operations in response to Covid-19 include the following:

- All staff and visitors are required to pass a temperature check and record the result, provide their contact information and wear a face mask before they are allowed to enter our office. They must wear a face covering and practice social distancing while they are at the office.
- All staff reporting for work at installation sites must pass a temperature check and record the result, provide their contact information and wear a face covering before they are allowed to enter the site. While they are at the site, they must wear a face covering at all times and maintain social distancing whenever possible.

6. INFORMATION ON OUR GROUP (Cont'd)

We have not breached any laws relating to Covid-19 restrictions. The contingency plans that we have in place in the event that one or more of our employees are tested positive for Covid-19 include the following:

- Site employees are not allowed to return to our head office, and all of their interactions with our head office staff are through virtual meetings.
- Employees who test positive for Covid-19 are required to quarantine themselves until they receive a negative test for Covid-19.

(v) Covid-19 cases within our Group

On 27 January 2021, we were informed that 2 sales and marketing employees of Pekat Engineering who are based at our head office received positive diagnosis for Covid-19. Upon receiving this information, we took the following steps:

- The 2 affected employees were instructed to self-quarantine and were not allowed to return to our head office.
- We conducted contact tracing and identified a total of 40 close contacts of the two affected employees. All of these close contacts were instructed to self-quarantine and work from home for 14 days, and are only allowed to return to the head office from 10 February 2021.
- All 40 of the close contacts underwent Covid-19 diagnostic tests. The results of these tests were as follows:
 - 1 additional employee received a positive diagnosis for Covid-19 on 28 January 2021, and this employee was instructed to self-quarantine and is not allowed to return to our head office.
 - The other 39 employees received negative test results for Covid-19.
- Other employees who did not have close contact with the two affected employees were instructed to work from home, and only allowed to return to the head office on 1 February 2021.
- We closed our head office and warehouse from 27 January 2021 to 1 February 2021. Employees were only allowed to enter the premises, one at a time, to collect belongings or items required for work.
- We disinfected our head office and warehouse on 27 January 2021.

The 3 employees who have received positive diagnosis for Covid-19 were required to conduct a second Covid-19 diagnostic test on 5 February 2021. All 3 employees received a negative test result and obtained their Clearance or Discharge Letter from the Ministry of Health Malaysia by 8 February 2021. They were allowed to return to the head office on 18 February 2021.

We paid for all of the Covid-19 diagnostic tests that were administered to the 40 close contacts, and the total costs of these tests was approximately RM12,000.

The closure of our head office between 27 January 2021 and 1 February 2021 did not result in any material disruption to our business operations.

Moving forward, we will disinfect our head office and warehouse on a weekly basis.

6. INFORMATION ON OUR GROUP (Cont'd)

6.8 COMPETITIVE STRENGTHS

6.8.1 We have diverse business activities to provide growth opportunities while minimising dependency on any 1 sector or single group of customers

Our business is supported by 3 major revenue streams from Solar Division, ELP Division and Trading Division, which respectively accounted for 57.4%, 21.0% and 21.6% of our total revenue for FYE 2020. Each of these business activities have their own customer base to provide business growth and opportunities, as well as diversification to minimise over dependency on any single group of customers.

6.8.2 Our 3 main business areas are synergistic to support our business

Our Trading Division provides synergistic benefits to our Solar Division and ELP Division. This is because the 2 divisions also use some of the electrical products and accessories for their respective projects such as the following:

- for solar PV facilities, we use solar inverters, surge protection devices, solar PV monitoring system, energy storage system and DC circuit breakers; and
- for ELP systems, we use surge protection devices, DC circuit breakers, conductors, connectors, lightning rods and accessories, earth bars and exothermic welding system.

In addition, as we are users of our own electrical products and accessories in projects, we have the experience and expertise in using these products which serves as a platform to provide technical advice on their selection and usage to existing and potential customers of our electrical products and accessories. This is our key differentiation and competitive advantage compared to distributors that do not have practical experience and expertise in using them in projects.

The synergistic benefits among our 3 business segments also include our ability to purchase electrical products and accessories for our solar PV and ELP system projects at wholesale price. This provides us with a cost advantage compared to other companies that have to buy their products from third parties.

6.8.3 We have experience in the design, supply and installation of solar PV systems and power plants that enable us to address different segments of the solar PV market

For the past FYEs and up to the LPD, the installed capacities of the contracts under the Solar Division that we have installed totalled 66.4 MWp.

Our expertise extends from solar PV systems with installed capacity of less than 1.0 MWp, to solar PV power plants with an installed capacity of 1.0 MWp or more.

The installation of solar PV power plants involve more complex engineering and design due to the greater number of solar PV panels and complex balance of system required to handle the larger quantity of power generated. Some of these solar PV power plants also include interconnection to a power transmission substation. Our first design, supply and installation of a solar PV farm was located at Tok Bali, Pasir Puteh, Kelantan with installed capacity of 1.0 MWp and it was completed in 2013. This project had ground mounted solar PV panels and balance of system with interconnection to a power grid substation. Since then we have also carried out the design, supply and installation a solar PV power plant under the LSS 2 programme. Our experience in completing these projects provides us with the platform to bid for the design, supply and installation of LSS and other solar PV power plants.

6. INFORMATION ON OUR GROUP (Cont'd)

As for the design, supply and installation of solar PV systems, we have undertaken installation for industrial, commercial, residential and community properties.

Our focus and strength have been on solar PV facilities for industrial and commercial properties. During the past FYEs and up to the LPD, the cumulative installed capacity was 41.7 MWp for industrial properties and 17.3 MWp for commercial properties, which represented 62.9% and 26.0% respectively of the total installed capacity of all solar PV facility contracts.

Our experience in carrying out the design, supply and installation solar PV power plants and solar PV systems, as well as for industrial, commercial, residential and community properties and infrastructures will provide us with wide potential opportunities to sustain and grow our business.

6.8.4 We have carried out both government and privately funded design, supply and installation of solar PV facilities

We have carried out the design, supply and installation of solar PV facilities that have been financed by the Government, including under the MySuria and SARES programmes. We have also carried out privately funded projects by solar PV facility owners and investors and building owners.

Our track record in implementing both government and privately funded solar PV facilities shows that we can meet the requirements of both government and private markets to provide our business with opportunities and growth. It also provides mitigation against dependency on only 1 sector of the market.

6.8.5 We have an established track record of 11 to 22 years to serve as a platform for business sustainability and growth

We have a track record of approximately 22 years in the distribution of electrical products and accessories, 21 years in the supply and installation of ELP systems and 11 years in the solar PV industry. Our established track record has facilitated the development and growth of our business and this is substantiated by revenue CAGR of 19.9% between FYE 2017 and FYE 2020. Our track record also serves as a reference to facilitate securing new customers to grow our business.

6.8.6 We have our own brands of electrical products and accessories

We distribute our brands of electrical products and accessories which are used as input materials in the installation of ELP systems. As at the LPD, our brands comprised the following:

- "Pekat" brand of surge protection devices, ELP conductors and accessories;
- "PWeld" brand of exothermic welding systems; and
- "LEDsystem" brand of aviation warning light systems.

While we distribute our brands of products to customers, we also use them as input materials for our Solar Division and ELP Division.

Developing our brands allow us to be in full control of our marketing including creating product differentiation, customer loyalty and brand awareness.

6. INFORMATION ON OUR GROUP (Cont'd)

6.8.7 We are authorised distributor for a range of electrical products and accessories

As at the LPD, we are an authorised distributor for 5 third party brands of electrical products and accessories namely Furse, FurseWeld, Noark, Solar-Log and Sungrow. As an authorised distributor, we benefit from the brand equity and customer loyalty developed by our principals, as well as their technical support, training for our personnel and product and technology updates where relevant.

As there are limited number of authorised distributors within Malaysia, we would be one of the authorised distributors that potential customers will seek if they require the products and the brands that we carry as authorised distributors.

6.8.8 We have an experienced key senior management and technical team to grow our business

We have an experienced key senior management team headed by Chin Soo Mau, our Managing Director, who has approximately 26 years of experience in the supply and installation of ELP systems and 11 years of experience in the solar PV industry. He is supported by our Executive Director, Tai Yee Chee, who has 25 years of experience in supply and installation of ELP systems and 11 years of experience in the solar PV industry and our Executive Director, Wee Chek Aik who brings with him 24 years of experience in the supply and installation of ELP systems and 11 years of experience in the solar PV industry.

Our management team also include the following key senior management:

- General Manager and Director of Pekat Solar, Chew Teik Siang with 17 years of experience with ELP systems and 11 years of experience in the solar PV industry;
- General Manager and Director of Pekat E&LP, Wong Boon Kwang with 9 years of experience in civil and structural works and 13 years of experience with ELP systems; and
- Chief Financial Officer, Oh Keng Jin, who has 27 years of experience in finance and accounting matters.

6.9 SEASONAL AND CYCLICAL EFFECTS

Our operations are not significantly affected by seasonal/cyclical effects our customers generally operate throughout the year, albeit marginal slowdowns during festive periods due to higher number of workforce going on leave for festive celebration. Nevertheless, the impact of the marginal slowdown is not significant to our Group.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.10 TYPES, SOURCES AND AVAILABILITY OF INPUT MATERIALS AND SERVICES**

The following are the major types of input materials and services that we purchased for our business operations for the FYE 2017, FYE 2018, FYE 2019 and FYE 2020:

Input materials and services	Countries	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
		RM'000	%	RM'000	%	RM'000	%	RM'000	%
Input materials									
Solar Division									
		5,958	14.4	34,933	43.1	24,312	36.7	34,356	42.8
Solar PV modules	Malaysia and China	3,635	8.8	21,829	26.9	10,556	15.9	21,252	26.5
Inverters	China and Hong Kong	572	1.4	3,968	4.9	3,848	5.8	3,450	4.3
Energy storage systems	China	3	-*	1,333	1.7	4,690	7.1	3,111	3.9
Others ⁽¹⁾	Malaysia, China, Germany, and Switzerland	1,748	4.2	7,803	9.6	5,218	7.9	6,543	8.1
ELP Division									
		11,453	27.7	13,255	16.3	11,198	16.9	13,278	16.6
Conductors	United Kingdom	5,059	12.2	6,514	8.0	5,794	8.7	6,006	7.5
Cables	Malaysia and China	2,758	6.7	2,599	3.2	3,181	4.8	2,872	3.6
Others ⁽²⁾	Malaysia, India, China and United Kingdom	3,636	8.8	4,142	5.1	2,223	3.4	4,400	5.5
Trading									
		14,387	34.7	22,275	27.5	20,361	30.8	16,911	21.1
ELP related products	Malaysia, India, China and United Kingdom	5,992	14.4	16,811	20.7	12,634	19.1	9,548	11.9
Solar PV related products	Malaysia, China and Hong Kong	5,265	12.7	2,016	2.5	5,351	8.1	4,466	5.6
Surge protection devices	China	2,689	6.5	3,220	4.0	2,329	3.5	2,497	3.1
Aviation warning light systems	China	441	1.1	228	0.3	47	0.1	400	0.5
Services									
Subcontracted services	Malaysia	9,598	23.2	10,639	13.1	10,332	15.6	15,648	19.5
Total purchases		41,396	100.0	81,102	100.0	66,203	100.0	80,193	100.0

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

* Negligible.

(1) Comprises accessories, conductors, surge protection systems, cables, mounting structure, solar PV monitoring system and other balance of system.

(2) Comprises accessories, ELP products and accessories include lightning rods, exothermic welding systems and earth enhancing compound.

Our main purchase of input materials in the past 4 FYEs 2017 to 2020 were:

- (i) solar PV modules for our Solar Division where it accounts for 8.8% to 26.9% of our total purchases;
- (ii) conductors for our ELP Division where it accounts for 8.0% to 12.2% of our total purchases; and
- (iii) ELP related products for our Trading Division where it accounts for 11.9% to 20.7% of our total purchases.

Some of the input materials we purchase for our Solar Division, ELP Division and Trading Division, are denominated in foreign currencies. In addition, input materials which are sourced from local suppliers are also subject to foreign currency fluctuation as it may be imported by our local suppliers. These products include solar PV modules, inverters, energy storage systems, conductors, cables, surge protection devices, mounting structure, solar PV monitoring system, lightning rods, exothermic welding systems and earth enhancing compound as well as aviation warning light systems.

Price fluctuations in such materials caused by shortages and price volatility of our input materials, which are beyond our control, could result in increased cost of sales, thus affecting our financial performance should we fail to pass the increase in cost to our customers.

Nonetheless, we also distribute our brands of electrical products and accessories which are used as input materials where we maintain a stock level for up to 3 months. In addition, our suppliers regularly keep us abreast of the supply condition and price trend of our raw materials so we may be prepared for any price increase.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.11 SALES AND MARKETING

6.11.1 Solar Division

Our sales and marketing team for our Solar Division is headed by Wee Chek Aik, our Executive Director and comprises 9 dedicated sales and marketing personnel.

We offer a total solution to carry out all aspects of the design, supply and installation of solar PV facilities backed by our track record of approximately 11 years. This is supported by our offices and support centres located in Selangor, Johor and Penang to cover the central, southern and northern regions of Peninsular Malaysia respectively.

We also position ourselves as a distributor of some solar PV related products where we have ready access to some components, devices and equipment at wholesale prices as a distributor.

We have and will continue to participate in local networking events such as exhibitions, conventions and tradeshows to promote and market our design, supply and installation of solar PV facility business.

The events that we have participated since 2017 and up to the LPD included the following:

Year	Event	Location
2017	International Greentech & Eco Product Exhibition & Conference Malaysia 2017	Kuala Lumpur
2018	4th International Sustainable Energy Summit 2018	Sarawak
2019	Malaysian Photovoltaic Industry Association ("MPIA") Solar Roadshow 2019-2020	Penang, Kedah, Melaka and Johor
2019	ASEAN Super 8 (ASEAN M&E 2019)	Kuala Lumpur
2019	International Greentech & Eco Product Exhibition & Conference Malaysia 2019	Kuala Lumpur
2020	MPIA Solar Roadshow 2020-2021	Selangor and Ipoh

In addition, we play an active role in the MPIA where our participation in MPIA include, among others, the following:

- our Managing Director, Chin Soo Mau, was the Vice President from 2013 to 2016 and is the President of the MPIA since 2017; and
- we were a sponsor of MPIA Solar Roadshow 2019-2020 and 2020-2021.

As at the LPD, we advertise our design, supply and installation of solar PV systems and power plants business in 2 billboards in Selangor and Penang to create awareness for our business. We believe that these advertisements will allow us to reach our target customers and assist us to secure orders from potential customers.

6. INFORMATION ON OUR GROUP *(Cont'd)*

6.11.2 ELP Division

Our sales and marketing team for our ELP Division is headed by Tai Yee Chee, our Executive Director and comprises 8 shared sales and marketing personnel for both ELP Division and Trading Division.

We position ourselves as a service provider with a track record of approximately 21 years in the industry and have carried out ELP systems for high rise buildings, facilities and infrastructure including those for the Pengerang Integrated Complex, MRT 2, LRT 3, Exchange 106 Tower and Merdeka 118 Tower. We also leverage from our potential cost advantage as we can purchase ELP related products at wholesale prices, as we distribute our own brand and are an authorised distributor of some third party brands of products.

We have participated in exhibitions, conventions and tradeshow to promote and market our supply and installation of ELP system business and we plan to continue to do so in the future. Since 2017 and up to the LPD the events that we have participated include the following:

Year	Event	Location
2017	International Greentech & Eco Product Exhibition & Conference Malaysia 2017	Kuala Lumpur
2019	ASEAN Super 8 (ASEAN M&E 2019)	Kuala Lumpur
2019	International Greentech & Eco Product Exhibition & Conference Malaysia 2019	Kuala Lumpur

6.11.3 Trading Division

Tai Yee Chee, our Executive Director, is also the head of our sales and marketing team for our Trading Division and the team comprises 8 shared sales and marketing personnel for both ELP Division and Trading Division as well as 3 dedicated sales and marketing personnel for the Trading Division.

We are authorised distributors of Furse, FurseWeld, Noark, Solar-Log and Sungrow electrical products and accessories, where we will be one of the first suppliers that customers would approach for these brands. In addition, we also carry our brands of products, namely "Pekat", "PWeld" and "LEDsystem," which are manufactured by third party manufacturers under our specifications and quality control.

We also position ourselves as a user of the products that we distribute, namely those used for solar PV facilities and ELP systems. As a user, we can provide technical advice based on our experience as a value-added service to drive purchases and increase customer loyalty from potential and existing customers. This is one of our key differentiations compared to other distributors that do not carry out actual implementation of projects.

Purchase orders are secured directly from customers who use the electrical products and accessories for their own purposes. Construction and EPCC companies and M&E contractors purchase electrical products and accessories from us for use in their respective projects for buildings, structures and facilities that require earthing and/or protection from lightning strikes. Manufacturers use these products for use in producing products such as switchgears, control panels and other electrical equipment, while distributors who buy from us resell them to their network of customers.

6. INFORMATION ON OUR GROUP (Cont'd)

We market and promote the electrical products and accessories that we distribute through networking events and plan to continue doing so in the future. The events that we have participated in since 2017 and up to the LPD include the following:

Year	Event	Location
2017	International Greentech & Eco Product Exhibition & Conference Malaysia 2017	Kuala Lumpur
2019	ASEAN Super 8 (ASEAN M&E 2019)	Kuala Lumpur
2019	International Greentech & Eco Product Exhibition & Conference Malaysia 2019	Kuala Lumpur

6.11.4 Publication of product catalogues and brochures

To complement our marketing efforts, we have print materials in the form of product catalogues and brochures to distribute to existing and potential customers. These will serve as marketing reminders and reference materials.

6.11.5 Corporate website



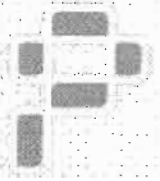

We have established our corporate website at <http://www.pekat.com.my> which provides immediate searchable information on our Group and details of our products and services.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.12 INTELLECTUAL PROPERTIES

Save for the trademarks (which are registered under Pekat Teknologi) disclosed below, we have not registered any brand names, patents, industrial design or other intellectual property rights:

No.	Design/Mark	Trademark no.	Validity	Place of registration
(i)		2018050711 2018050713 2018050716 2018050718	12 January 2018 to 12 January 2028	Malaysia
(ii)		09000002	2 January 2009 to 2 January 2029	Malaysia
(iii)		09015532 09015534	9 September 2009 to 9 September 2029	Malaysia
(iv)	Pekat	09015535 09015536 09015537	9 September 2009 to 9 September 2029	Malaysia
(v)		13436343 13436342	7 February 2015 to 6 February 2025	China*

Note:

* The registration of our trademarks in China is to prevent our third party manufacturers from selling our brands' products.

6. INFORMATION ON OUR GROUP (Cont'd)

6.13 LICENCES AND PERMITS

Save as disclosed below, there are no other licences and permits which our Group is materially dependent on for our business or profitability as at the LPD:

Licencee / Issuing authority	Date of issue / Date of expiry	Registration no. / Nature of approval or licences	Material conditions imposed	Compliance status
(i) Pekat Teknologi / Ministry of Finance Malaysia (MOF)	21 February 2019 / 20 February 2022	K60202724892181957 / Certificate of registration for the supply of products/services for government procurements.	(i) Any change of information stated in the certificate must be updated via online portal of MOF within 21 days from the date of change takes place. (ii) Newly registered company shall not change the shareholders or directors within 6 months from the date of registration.	Noted Complied
(ii) Pekat Solar / CIDB	15 June 2020 / 12 March 2023	0120131217-WP154027 / *Certificate of registration of Pekat Solar with CIDB as a Grade G7 contractor.	(iii) Company must submit a registration renewal application 3 months before the expiry of the registration period. (i) The contractor shall submit information in relation to any construction work or project within 14 days from the award of construction work or prior to work commencement or whichever comes first. (ii) The contractor shall apply for renewal of registration within 60 days prior to the expiry date as specified in this Certificate. (iii) All the workers at the construction site must have a valid CIDB Green Card.	Complied Complied Noted Complied

6. INFORMATION ON OUR GROUP (Cont'd)

Licencee / Issuing authority	Date of issue / Date of expiry	Registration no. / Nature of approval or licences	Material conditions imposed	Compliance status
(iii) Pekat Solar / Energy Commission	22 April 2019 / 21 April 2024	Registration No. ST(TKL)SGR/C/KE/02549/ 2015 / Certificate of registration to certify that Pekat Solar is empowered to carry out electrical work business as an Electrical Contractor under Class A pursuant to Regulation 75 of Electricity Regulation 1994.	None	Not applicable
(iv) Pekat Solar / SEDA	15 January 2021 / 31 December 2021	SEDA-RPVSP-2021/003 / Certificate of registration of Pekat Solar as Photovoltaic Service Provider eligible to participate in the Feed-in Tariff programme under the Renewable Energy Act 2011.	This registration must be renewed at least 60 days before the expiry.	Noted
(v) Pekat Solar / SEDA	15 January 2020 / 31 December 2021	SEDA-RPVI-2021/009 / Certificate of registration of Pekat Solar as Solar Photovoltaic Investor Under NEM Programme.	(i) This registration must be renewed at least 60 days before the expiry. (ii) Local company applicant must have a minimum share capital of RM1,000,000.00.	Noted Complied
(vi) Pekat Solar / TNB	9 September 2020 / 27 August 2023	3047956 / Registration of Pekat Solar with TNB as supplier and service provider.	The validity period of this registration is subject to the validity period of the Certificate of Registration with the Ministry of Finance Malaysia, CIDB and other relevant professional certification.	Complied
(vii) Pekat Solar / MOF	27 August 2020 / 26 August 2023	K66032748972649911 / Certificate of registration of Pekat Solar with MOF for the supply of products/services for government procurements.	(i) Any change of information stated in the certificate must be updated via online portal of MOF within 21 days from the date of change takes place.	Noted

6. INFORMATION ON OUR GROUP (Cont'd)

Licencee / Issuing authority	Date of issue / Date of expiry	Registration no. / Nature of approval or licences	Material conditions imposed	Compliance status
(viii) Pekat E&LP / CIDB	8 October 2020 / 5 December 2021	0120131206-WP153935 / *Certificate of registration of Pekat E&LP with CIDB as a Grade G7 contractor.	(ii) Newly registered company shall not change the shareholders or directors within 6 months from the date of registration. (iii) Company must submit a registration renewal application 3 months before the expiry of the registration.	Complied
(viii) Pekat E&LP / CIDB	8 October 2020 / 5 December 2021	0120131206-WP153935 / *Certificate of registration of Pekat E&LP with CIDB as a Grade G7 contractor.	(i) The contractor shall submit information in relation to any construction work or project within 14 days from the award of construction work or project.	Complied
(ix) Pekat E&LP / Energy Commission	13 April 2021 / 12 April 2026	ST(TKL)SGR/C/KE/02822/2017 / Certificate of Registration of Pekat E&LP as an Electrical Contractor under Class A pursuant to Regulation 75 of Electricity Regulation 1994.	(ii) The contractor shall apply for renewal of registration within 60 days prior to the expiry date of this certificate. (iii) All the workers at the construction site must have a valid CIDB Green Card.	Not applicable

Note:

* This certificate enables a company to tender for contracts with no limits on the value of the construction works.

6. INFORMATION ON OUR GROUP (Cont'd)

6.14 RESEARCH AND DEVELOPMENT

For the past 4 FYEs and up to the LPD, we have not undertaken any research and development activity as it is not relevant to our business.

6.15 TECHNOLOGY USED

We make use of several licenced third party systems and applications to help run our business operations. In addition, some of the off-grid solar PV systems that we designed, supplied and installed incorporate energy storage systems.

- (i) **Solar-Log** is a solar PV monitoring system that is designed to remotely monitor the performance of solar PV facilities, including power generation and consumption. The hardware is installed on-site and the application communicates with the control centre through the internet.
- (ii) **PVsyst** is a solar PV modelling application that is designed to predict the power generation and financial performance of a proposed solar PV facility over a period of time. The model can take into consideration parameters including weather conditions and shade at the prospective location, solar PV facility size and performance of solar PV components over time.
- (iii) **Helioscope** is used in the engineering and design of solar PV facilities. The application can be used to create 3-dimensional designs, line diagrams, designs in computer-aided design (CAD) format that can be exported to other applications and perform simulations of power generation performance based on weather data.
- (iv) **CDEGS** is an application package that is designed to analyse the performance of systems, facilities and objects with respect to electricity. We utilise this application package to analyse the performance of ELP systems that we supply and install, including the performance of ELP systems and soil in dissipating unintended electricity.
- (v) We incorporate **energy storage systems** in some of the off-grid solar PV systems that we design, supply and install for our customers. The energy storage system is designed to store power that is generated by the solar PV system, so that it can be used later when there is little or no sunlight. The system comprises a rechargeable battery pack to store the power and energy management system to control the charging and discharging of the battery pack to prevent damage.

6.16 MATERIAL CONTRACTS

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by our Company or our subsidiaries during the past 4 FYEs 2017 to 2020 and up to the date of this Prospectus:

- (i) Share sale agreement dated 11 September 2020 entered into between our Company and the Vendors for the Acquisition of Pekat Teknologi. The Acquisition of Pekat Teknologi was completed on 17 March 2021.

6. INFORMATION ON OUR GROUP (Cont'd)

- (ii) Tenancy agreement dated 13 April 2020 entered between Startige (as landlord) and Pekat Teknologi, Pekat E&LP, Pekat Solar and Pekat Engineering (collectively, as tenants) for rental of Cubic Space Office for a rental sum of RM972,000 per annum. The tenure of the tenancy was extended by a year to up to 31 March 2022 via an exchange of letter dated 1 April 2021.
- (iii) Sale and purchase agreement dated 19 November 2019 between Pekat Teknologi (as purchaser) and Benua Wang Sdn Bhd (as vendor) for the acquisition of Elmina Land for a total purchase consideration of RM17.1 million. The agreement was completed on 8 July 2020.
- (iv) Joint venture agreement dated 25 September 2019 entered between MFPI and Pekat Teknologi in respect of the incorporation of MFP Solar for the purpose of undertaking solar PV investment business activities in Malaysia and overseas, in which MFPI is the partner responsible for the financial, operation and management of MFP Solar, and Pekat Teknologi is in charge of the technical aspects of the solar PV investment, such as the design, supply and installation, as well as operations and maintenance in Malaysia for all solar PV power plants invested by MFP Solar ("MFP Solar JVA"). On 8 January 2021, MFPI had transferred its equity interest in MFP Solar to MFCI, its wholly-owned subsidiary. MFCI had further entered into a Deed of Accession with Pekat Teknologi and MFP Solar on 21 December 2020 whereby it had agreed to observe, perform and be bound by all the terms and conditions set out under the MFP Solar JVA.
- (v) Loan agreement dated 1 January 2019 entered between Pekat Solar (as lender), Multi Link Sdn Bhd ("Multi Link") (as borrower) and Lee Seng (as guarantor) for a term loan of up to RM2.0 million over a period of 6 months with an interest rate of 7.0% per annum, for the purposes of business expansion and working capital of Multi Link. Multi Link had fully repaid the loan including the interest on 15 July 2019.
- (vi) Trademark licencing agreement dated 15 November 2018 entered into between Pekat Teknologi (as licensor) and Pekat Energy Sarawak (as licensee) where a non-exclusive licence was granted to the licensee to use our trademarks at no monetary consideration for the purposes of procurement and implementation of projects in connection with the business activities of our Group and the distribution and marketing of products within Sarawak, Malaysia.
- In consideration of the rights granted by Pekat Teknologi, Pekat Energy Sarawak shall use its best endeavours to procure projects in Sarawak subject to the written consent of Pekat Teknologi to be involved or participate in the projects. In the event Pekat Energy Sarawak is successfully awarded any of the projects and Pekat Teknologi agrees to be involved or participate in the projects, then Pekat Energy Sarawak shall award to Pekat Teknologi the sub-contract to carry out or complete the project at the agreed fee of 85% of the contract sum.
- (vii) During 2012, Pekat Teknologi had financed the installation of a solar PV system with an installed capacity of 101.7 kWp on the roof of Units 5 and 6 of the Cubic Space Office. However, the application to SEDA for under the FIT programme was made by Chin Soo Mau. As such, the revenue from the sale of electricity to TNB was received by Chin Soo Mau.
- (a) On 18 June 2012, Pekat Teknologi and Chin Soo Mau entered into a collaboration agreement whereby it was agreed that all revenue from the sale of electricity to TNB shall accrue to Pekat Teknologi, while all incidental cost and expenses incurred by Chin Soo Mau with respect to the application, installation, maintenance and taxes, if any, shall be reimbursed by Pekat Teknologi accordingly.

6. INFORMATION ON OUR GROUP (Cont'd)

- (b) On 3 September 2020, Pekat Teknologi and Chin Soo Mau entered into an agreement wherein it was agreed that Chin Soo Mau agrees to acquire the solar PV system from Pekat Teknologi upon Pekat Teknologi relocating from Cubic Space Office to its new head office and operational facility at a purchase consideration equivalent to the market value assessed by an independent registered valuer acceptable to Pekat Teknologi.

- (viii) Underwriting agreement dated 22 April 2021 entered between our Company and M&A Securities for the underwriting of 48,372,800 Issue Shares as set out in Section 4.11.1. Please refer to Section 4.12 for the salient terms of the Underwriting Agreement.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.17 MATERIAL PROPERTIES OF OUR GROUP

6.17.1 Property owned by our Group

Details of the property owned by us as at the LPD are as follows:

(i) Elmina Land

Particulars of title : H.S.(D) 287163, Lot No. PT 50350, Mukim of Sungai Buloh, in the District of Petaling, State of Selangor

Registered proprietor : Pekat Teknologi

Land area based on title : 137,928 sq ft

Tenure / land use : Freehold / Industrial

Description and intended use : A parcel of vacant industrial land. This land is intended for the construction of our new head office and operational facility

NBV : RM17,821,681 as at 31 December 2020

Date of certificate of fitness : Not applicable

Encumbrances : Charged to Public Investment Bank Berhad

As at the LPD, the above property is not in breach of any land use condition or permissible land use.

6. INFORMATION ON OUR GROUP (Cont'd)

6.17.2 Properties rented by our Group

Details of properties rented by us as at the LPD are set out below:

No.	Description / Address	Owner/ Tenant	Existing Use	Built-up area	Period of tenancy / Rental per annum
(i)	Cubic Space Office comprising 3 units of 3-storey semi-detached factories / Lot 3A, 5 and 6, Cubic Space 6, Jalan Teknologi 3/4 Taman Sains Selangor 1 Kota Damansara 47810 Petaling Jaya, Selangor	Startige ⁽¹⁾ / Pekat Teknologi, Pekat E&LP, Pekat Solar and Pekat Engineering	Head office, warehouse, training centre and workshop	35,781 sq ft	1 April 2021 to 31 March 2022 / RM972,000
(ii)	Ground floor and 1st floor office unit located in a 2-storey commercial building / 1827-F2, Jalan Perusahaan Auto City, 13600 Perai Penang	Golden Highway Landmark Sdn Bhd / Pekat Solar	Penang branch office	1,300 sq ft	1 June 2019 to 31 May 2022 / RM45,600
(iii)	2nd floor office unit located in a 3-storey shop office / C-3-3, Block C, Pusat Komersial Bayu Tasek Persiaran Southkey 1, Kota Southkey 80150 Johor Bahru Johor	Anthony Teng Lung and Kueh Hong Ching / Pekat E&LP	Johor branch office	1,453 sq ft	1 August 2020 to 31 July 2021 / RM21,600

6. INFORMATION ON OUR GROUP (Cont'd)

Note:

- (1) Chin Soo Mau (our Managing Director), Tai Yee Chee and Wee Chek Aik (our Executive Directors), our Promoters and substantial shareholders, are the Directors and shareholders of Startige. The rental of this property is deemed a related party transaction.

Our Directors (save for the interested Directors) have reviewed the above related party transaction and are of the view that the transactions were conducted on an arm's length basis and on competitive commercial terms not more favourable to the related parties and were not to the detriment of our minority shareholders.

As at the LPD, the properties rented by our Group are not in breach of any land use or regulatory requirements.

6.18 REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES

Save as disclosed in Section 6.13, there are no other regulatory requirements and/or major environmental issues which may materially affect our operations and utilisation of our property, plant and equipment.

The following is an overview of the regulatory requirements governing our Group which are material to our business operations:

(i) Electricity Supply Act 1990 ("Electricity Supply Act")

The Electricity Supply Act, including the Electricity Regulations 1994 regulates the electricity supply industry, the supply of electricity, the licensing of electrical installation, the control of electrical installation, plant and equipment with respect to matters relating to the safety of persons and the efficient use of electricity. It provides that, subject to exemptions prescribed, no person other than a supply authority shall use, work or operate or permit to be used, worked or operated any installation or supply to any other person energy from any installation, except under and in accordance with the terms of a licence granted by the Energy Commission and expressly authorising the supply or use. Any person who supplies electricity from an installation to or for the use of any person without a licence shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 and to a further fine not exceeding RM1,000 for every day or part of a day during which the offence continues after conviction.

The Electricity Regulations 1994 also states that any Electrical Services Engineer, Competent Electrical Engineer, Electrical Supervisor, Chargeman, Wireman or Cable Jointer referred to in the Electricity Regulations 1994 shall possess a valid Certificate of Competency appropriate to such category, with restrictions, if any, issued to him by the Energy Commission.

As at the LPD, our subsidiaries, Pekat Solar and Pekat E&LP are certified under the Electricity Regulations 1994 to carry out electrical work business as an electrical contractor. Our employees who are categorised as Chargeman and Wireman, fall under the requirements of the Electricity Regulations 1994 have also been issued with Certificates of Competency in accordance with the Electricity Regulations 1994.

6. INFORMATION ON OUR GROUP (Cont'd)

(ii) Renewable Energy Act 2011 ("REA")

The REA provides for the establishment and implementation of a special tariff system to catalyse the generation of renewable energy.

The Renewable Energy (Technical and Operational Requirements) Rules 2011 ("RETO") sets out the categories of work under the FIT programme that should only be carried out by persons possessing the requisite qualifications, which includes possession of Certificates of Competency issued by the Energy Commission under the Electricity Supply Act.

In line with the introduction of the NEM programme, the Energy Commission had also issued the Guidelines for Solar Photovoltaic Installation on Net Energy Metering Scheme ("NEM Guidelines") under the Electricity Supply Act to implement the solar photovoltaic installation on the NEM programme. The NEM Guidelines set out, amongst others, the design criteria and requirement, the types of installation, capacity limit and application process of solar PV installations under the NEM programme.

As at the LPD, our subsidiary, Pekat Solar is also certified by SEDA as a Photovoltaic Service Provider eligible to participate in the FIT programme and as a Solar Photovoltaic Investor under the NEM programme.

(iii) Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994 ("CIDB Act")

The CIDB Act provides that a contractor must register with the CIDB and hold a valid certificate of registration issued by the CIDB under the CIDB Act in order to carry out or complete, undertake to carry out or complete any construction works or hold himself as a contractor. There are 4 categories of registration, namely building construction, civil engineering, mechanical and electrical and facility. The scope of registration may further be classified into the following 7 grades with each grade having different tendering capacity.

The CIDB Act also sets out that every contractor shall declare and submit to the CIDB, any contract which he has been awarded on any construction works. For every such contract having a contract sum of above RM50,000.00, the contractor shall be liable to pay to the CIDB a levy at the rate of a quarter per centum of the contract sum.

As at the LPD, our subsidiaries, Pekat Solar and Pekat E&LP hold valid Grade G7 certificates of registration issued under the CIDB Act, which enables Pekat Solar and Pekat E&LP to tender for contracts with no limits on the value of the construction works.

6.19 BUSINESS STRATEGIES AND PROSPECTS

6.19.1 Expansion of solar PV and ELP system business

We intend to expand our existing solar PV and ELP system business through increasing our working capital. We intend to allocate RM12.7 million from our IPO proceeds for our Group's working capital requirements. The increase in working capital will facilitate our capability to secure more contracts, carry out more projects concurrently and provide more maintenance services.

6. INFORMATION ON OUR GROUP (Cont'd)

Some of the solar PV and ELP projects that we are involved in require tender bonds and performance bonds as disclosed in Sections 6.6.3.11 and 6.6.4.5, which is normally a fixed sum that varies from tender to tender. This results in the lock-up of a portion of our capital during the duration of the project, thereby affecting our liquidity for that duration. As such, the allocation to working capital is expected to enhance our Group's liquidity and cash flows, so that we will be in a stronger position to secure and complete more projects moving forward.

(i) Securing more contracts

We operate throughout Malaysia for our solar PV and ELP system business. As such, we require more human and financial resources to address opportunities to grow our business.

As at the LPD, our sales and marketing team for our Solar Division comprises 9 dedicated sales and marketing personnel, while our ELP Division comprises 8 shared sales and marketing personnel. We plan to enhance our sales and marketing team by hiring 10 additional personnel by 2024 upon the completion of our new head office and operational facility. Our larger sales and marketing sales force will enable us to cover a larger geographic area in Malaysia as well as service a larger pool of potential customers. We intend to target all categories of customers for Solar Division (namely commercial, industrial, residential, community and solar farms) and ELP Division (namely commercial, mixed development, infrastructure, industrial, community and non-projects based supply and installation).

(ii) Implementing more projects concurrently

As we secure more contracts, we will also need to increase the number of our Solar Division and ELP Division staff, which comprised 66 staff and 38 staff respectively as at the LPD.

As part of our business strategy we intend to hire 10 additional staff for our Solar Division and 3 additional staff for our ELP Division by 2024 upon the completion of our new head office and operational facility.

(iii) Increase provision of maintenance services

Our business strategies also include providing maintenance services for more solar PV facilities, either bundled with our fixed lump sum contracts or entering into separate maintenance contracts. This business strategy is not relevant to our fixed lump sum plus variable periodic payment contracts. The provision of maintenance services will provide us with recurrent revenue stream to complement our current focus on project-based revenue streams. We aim to provide maintenance services for the solar PV facilities that we design, supply and install. Our focus will be on solar PV power plants generating capacity in excess of 1.0 MWp. As at the LPD, we have a total of 14 maintenance personnel for solar PV facilities, with 12 and 2 located at our Selangor and Penang operational premises respectively.

We intend to hire an additional of 10 maintenance personnel to support our plan to increase our provision of maintenance services for solar PV facilities by 2024 upon the completion of our new head office and operational facility.

We also plan to enhance our workshop area at our proposed new head office to support a higher level of repair and maintenance activities. The workshop area will be larger than our current workshop to support more people carrying out repair, maintenance and testing, more tools and equipment, as well as keeping more and larger range of consumable items.

Please refer to Section 6.19.2 for more details relating to the workshop areas of our proposed new head office.

6. INFORMATION ON OUR GROUP (Cont'd)

6.19.2 Construction of our new head office and operational facility

On 8 July 2020, we completed the acquisition of Elmina Land measuring approximately 137,928 sq ft. We intend to build a new head office integrated with a showcase, central monitoring station, training centre, workshop and warehouse. Our proposed new head office and operational facility will be a "zero net energy building", whereby the total energy used will be equal to the amount of renewable energy generated on-site on an annual basis.

This new head office and operational facility will replace our existing facilities housed in Cubic Space Office.

An artist's rendering of our new head office and operational facility



The proposed construction will have a total built-up area of approximately 114,252 sq ft. It will be an integrated facility with all of our operational facilities under one roof, comprising the following:

- 31,353 sq ft for head office;
- 7,937 sq ft for showcase area;
- 6,227 sq ft for central monitoring station;
- 8,696 sq ft for training centre;
- 9,284 sq ft for workshop; and
- 50,755 sq ft for warehouse (floor space of 49,755 sq ft and total racking space of 16,085 sq ft).

23,676 sq ft shall be allocated for roads, car parks and building set-back as required by the authorities.

6. INFORMATION ON OUR GROUP (Cont'd)

Head office

With the ongoing growth and development of our business, we are outgrowing our current head office. The number of employees who are based at our Cubic Space Office has increased from 61 personnel as at 31 December 2017 to 119 personnel as at the LPD. As such, we intend to move out of the Cubic Space Office and relocate to this new head office.

Showcase area

Our showcase area will feature our full range of business activities. Prospective customers and visitors can tour the showcase area to view mock-ups as well as functioning products. The showcase for solar PV facility will comprise, among others, the following:

- mock-up of a complete solar PV facility;
- examples of solar PV modules, mounting systems, inverters and other balance of system;
- demonstration of remote monitoring, measurement and energy management system;
- static displays, interactive applications and video presentations of some of our projects; and
- education on solar PV technology and the potential environmental benefits of power generation through solar PV compared to fossil fuels.

The showcase for ELP system will comprise, among others, the following:

- mock-up of a complete ELP system;
- examples of different method of ELP system;
- demonstration of lightning risk assessment system;
- choices of products and components for ELP system; and
- education on ELP systems and related topics.

The showcase for our electrical products and accessories will feature a selection of our brand and third party brand products.

Our new premises will also serve as a showcase for the use of solar PV as a renewable energy to power industries and commerce. In this respect, we have designed our proposed new premises to be a "zero net energy building". As such, all our energy requirements will be generated from our rooftop solar PV facility. We intend to install a solar PV facility with capacity of 300.0 kWp on the rooftop and carpark covered area for our new premises.

The new premises will also incorporate energy-saving design features, such as energy efficient air conditioning, lighting, electrical appliances, timers and sensors to minimise power consumption. In addition, our rooftop solar PV facility and internal energy consumption will be connected to our central monitoring station to provide overall monitoring, measurement and management of facilities and various energy management systems.

In this way, our new operational facility itself will serve as a showcase for our solar PV facility business as well as our integrated management, monitoring and assessment platform.

We envisage that our rooftop solar PV facility will be sponsored by our solar PV module and balance of system suppliers. Their sponsorships will serve as promotions for their products. We will begin to approach potential sponsors once the construction of the building commences. In the event that the solar PV sponsorship from suppliers is not obtained, we will proceed to setup the solar PV facility by utilising internally generated funds which is estimated to be RM0.6 million.

6. INFORMATION ON OUR GROUP (Cont'd)

Central monitoring station ("CMS")

We plan to develop a CMS at our new head office and operational facility. It will be connected to the solar PV facilities that we are monitoring and maintaining during the defect liability period as well as for the duration of our subsisting maintenance contracts.

An artist's illustration of our CMS



Our CMS will house our existing and proposed application platform as follows:

- solar PV monitoring and energy management system;
- lightning risk assessment system; and
- ELP monitoring system.

Data from solar PV facilities, lightning risk assessment system and ELP systems will be transmitted through the internet to our proposed CMS. The data will then be stored, processed, analysed and displayed on our computers at the CMS. Our CMS will provide monitoring, measurement and management data as well as enable remote devices such as mobile phones, tablets, laptops and desktops to be connected to the CMS to view selected data. Our customers will also be given restricted access to remotely view their respective data.

The systems at our CMS can raise alerts if abnormal performance or events are detected for our staff at the CMS to take appropriate actions.

Training centre

As at the LPD, we have an existing training centre at Cubic Space Office measuring approximately 690 sq ft. Our training centre is mainly used to train our staff. In some situations, we may also be required to train our customers of solar PV facilities on the proper and safe operation and maintenance of their solar PV facilities as part of our handover procedures.

As we will only be moving into our new premises at the end of 2023, we envisage that our training centre space requirements would have grown to cater for more customers and staff training.

6. INFORMATION ON OUR GROUP (Cont'd)

An artist's rendering of an aerial view of our new head office and operational



Workshop

Our workshop is used to carry out incoming product and equipment testing. We will have an expanded workshop at our new premises to support the anticipated growth of our business in general and increase in maintenance of solar PV facilities business driven by our plan to secure more maintenance contracts.

Warehouse

Our planned new warehouse will have storage space capacity comprising 49,755 sq ft of floor space and 16,085 sq ft of racking space, which will represent increases of 37,955 sq ft (321.7%) and 11,410 sq ft (244.1%) respectively compared to our existing warehouse storage space capacity. While our existing warehouse is operating at 99.1% capacity as at the LPD, the increased warehouse space at our new head office will allow us to store a higher volume of products and accessories that we distribute, as well as goods and materials for our Solar Division and ELP Division. This is also to cater to our future growth as it is targeted for us to move into the new premises at the end of 2023. We expect our need for warehouse space will increase by then. The utilisation rate of our existing warehouse storage space had progressively increased from 59.5% for FYE 2017 to 97.1% for FYE 2020, and as at the LPD, the utilisation rate was 99.1%.

Indicative Timeline

As at the LPD, we have submitted the planning application and building plan to Majlis Bandaraya Shah Alam. The indicative timeline for constructing the new head office and operational facility is expected to be as follows:

Timeline	Details
June 2021	Receipt of approved building plan
September 2021	Commencement of construction
March 2023	<ul style="list-style-type: none"> • Commencement of installation of rooftop solar PV • Completion of construction of the head office and operational facility

6. INFORMATION ON OUR GROUP (Cont'd)

Timeline	Details
June 2023	To obtain Certificate of Completion and Compliance for the head office and operational facility
September 2023	Commencement of relocation from Cubic Space Office
December 2023	Commencement of operations in the head office and operational facility

Cost of Construction

The construction cost of our new head office and operational facility is estimated at RM18.0 million, which will be fully funded from our IPO proceeds.

The breakdown of the construction cost for our new head office and operational facility is as follows:

Description	Total estimated cost ⁽²⁾
	RM'000
Construction works	9,100
M&E works	2,730
Infrastructural works	1,730
Professional fees ⁽¹⁾	1,200
Authority and utilities	270
Interior fit-out and loose furniture	2,730
Contingencies	240
	18,000

Notes:

(1) Comprising legal and project consulting fees.

(2) Total estimated cost is based on fees estimation by our professional consultants.

6.19.3 Develop integrated monitoring, management and assessment platform

We intend to develop an integrated monitoring, management and assessment platform for solar PV facilities and ELP systems that we install. This platform will be used in our central monitoring station as well as sold to customers for their solar PV facilities or ELP systems. This platform will be modular and can be customised to meet specific customer's facilities.

(i) Solar PV monitoring and energy management system

Pnexsoft is currently developing a solar PV monitoring system to provide online monitoring of solar PV facilities. This system is developed to meet the specific requirements of solar PV facilities that are installed in the southeast Asia region and will allow the monitoring of both on-grid and off-grid solar PV facilities on a single system.

The solar PV monitoring system comprises integrated application and communications software and hardware including sensors and monitoring equipment. The hardware will be installed on-site at the solar PV facilities' locations, where they will measure, monitor and transmit data to a central monitoring station. The data

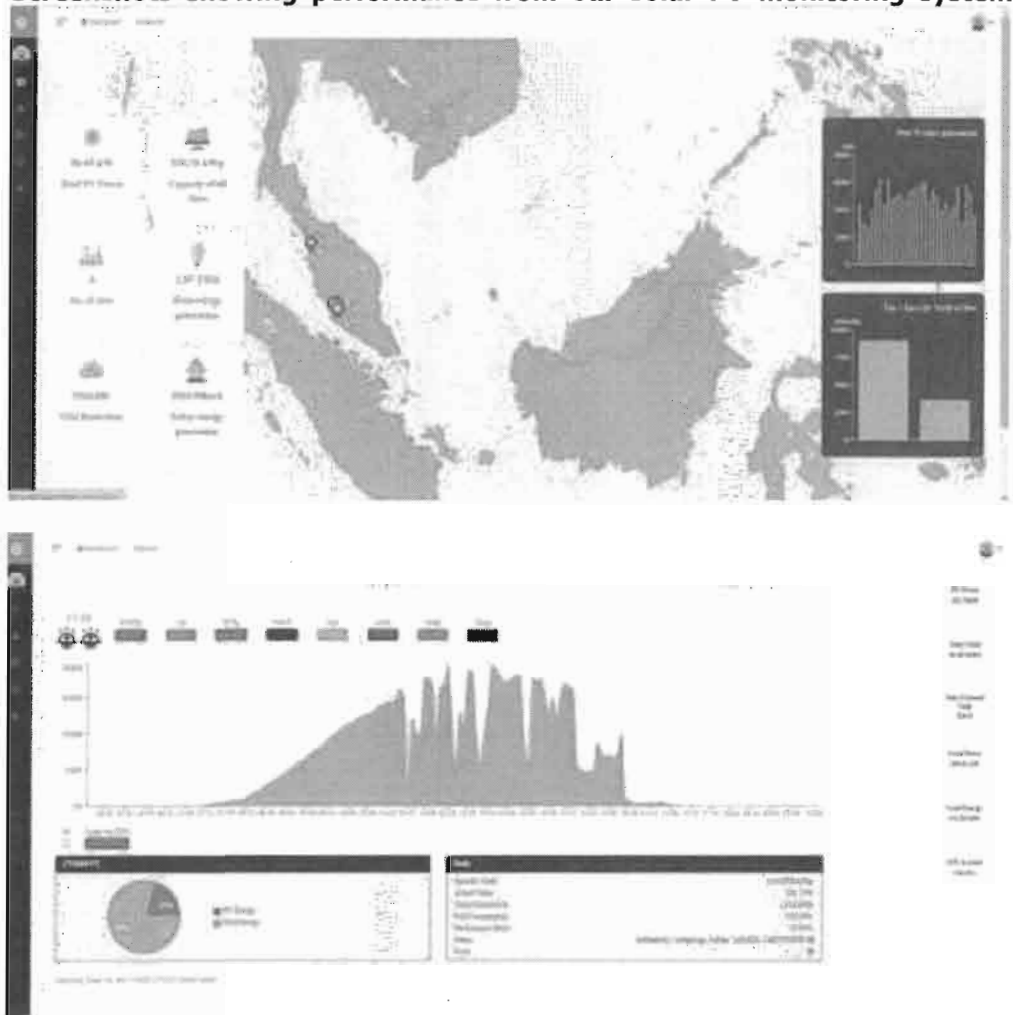
6. INFORMATION ON OUR GROUP (Cont'd)

collected includes real-time measurement of DC power generated by solar PV arrays, AC output from inverters, power from the solar PV systems or power plants, power exported to the power grid, power imported from the power grid and management of energy storage system. The platform will be modular such that customers will only use those modules relevant to their solar PV facilities.

The application software will receive, store and analyse data from connected solar PV facilities. Information gathered and processed by the system, such as activity, performance and management reports, are presented to users in dashboard and graphical format. The system also has alert functions to notify specified personnel in the event that a defined abnormal event occurs.

The solar PV monitoring system will be a cloud-based application, whereby all the data storage, processing and analysis are carried out on our servers. The solar PV facility can be at any location and monitoring is enabled as long as there is power and an internet connection. Data from the solar PV facility will automatically and continuously transmit to our servers through the internet. Authorised users will have access to their respective information through a graphics-based dashboard installed on internet connected devices such as smartphones, laptops and desktops.

Screenshots showing performance from our solar PV monitoring system



6. INFORMATION ON OUR GROUP (Cont'd)

As at the LPD, we have developed a reduced working version of the solar PV monitoring system and have installed it at some of the solar PV facilities that we have designed, supplied and installed. We are currently conducting tests on the current solar PV monitoring system to assess its performance to identify and rectify problems.

Our current reduced working version of the solar PV monitoring system is capable of the following:

- monitoring of DC power generated by solar PV arrays;
- monitoring of AC output from inverters;
- monitoring of power exported to the power grid; and
- monitoring of power imported from the power grid.

We are developing our energy management system for rechargeable battery storage used with solar PV facilities. Our energy management system will include monitoring of power stored in battery packs as well as to manage charging, duration of charging, stoppage of charging and discharging. All these will be carried out automatically with manual override in our energy management system. The management of energy storage is important to maximise lifespan of the batteries.

We have targeted the commercial launch of our solar PV monitoring and energy management system by the end of 2021. We also intend to integrate the solar PV monitoring and energy management system with our lightning risk assessment system and ELP monitoring system, once we have completed their development.

The total cost of developing the solar PV monitoring and energy management system is estimated at RM2.0 million and shall be funded via internally generated funds of Pnexsoft and/or capital injection by the shareholders of Pnexsoft. We intend to finance our portion of capital injection through our internally generated funds.

(ii) Lightning risk assessment system

We plan to develop a lightning risk assessment system application to assess the lightning risks at a particular location or facility, including the probability that lightning strike would cause damage. This application will be developed by Pnexsoft.

In general, the lightning risk assessment system application will take into consideration factors such as lightning strike density in a particular area, nearby buildings and structures, type of facility involved and the use and typical occupancy level of the facility. The risk assessment is used to determine the level of lightning protection that should be incorporated into the facility in accordance with the Energy Commission guidelines for lightning protection and will be used as a baseline to design the facility's lightning protection system.

On 3 January 2020, the Energy Commission issued the "Enforcement Instruction on the Application of Malaysian Standard MS IEC 62305 "Protection Against Lightning" for Lightning Protection System for Buildings" (Enforcement Instruction). The design, installation, supervision, testing, operation and maintenance of lightning protection systems in buildings must be based on the Malaysian Standard MS IEC 62305. Anyone who fails to comply with the instruction has committed an offence and can, if convicted, be fined not exceeding RM200,000, or jailed for not more than 2 years, or both. The Enforcement Instruction will be in force and implemented according to the following schedule:

6. INFORMATION ON OUR GROUP (Cont'd)

Stage	Date
Buildings under planning stage and new developments	1 January 2020
Building under construction	1 January 2021
Existing buildings:	
Hospitals, higher educational institutions, business and industrial buildings, condominiums, apartments and airports	1 January 2021
Flats, schools and Government buildings	1 January 2022
Landed residential property (other than condominiums, apartments and flats)	1 January 2023
Buildings other than those listed above	To be determined by the Energy Commission from time to time

The implementation of the Enforcement Instruction for buildings under planning stage and new developments from 1 January 2020 and the upcoming enforcement for buildings under construction from 1 January 2021, will mean that construction and EPCC companies and M&E contractors have to ensure that the lightning protection systems for the buildings that they are developing have to comply with MS IEC 62305. In addition, building owners of existing buildings will have to ensure that the lightning protection systems of their respective buildings comply with the standard, as the Enforcement Instructions are progressively implemented.

The lightning risk assessment system that we plan to develop is designed to facilitate this assessment. Moreover, the implementation of the Enforcement Instruction should result in increased business for our supply and installation of ELP system business for new buildings, as well as upgrading or retrofitting of existing buildings.

We intend to integrate the lightning risk assessment system with our solar PV monitoring and energy management system once we have completed its development.

The total cost of developing the lightning risk assessment system application is estimated at RM0.2 million and shall be funded via internally generated funds of Pnexsoft and/or capital injection by the shareholders of Pnexsoft. We intend to finance our portion of capital injection through our internally generated funds. We have targeted to complete this application by the end of 2022.

(iii) ELP monitoring system

We intend to develop an ELP monitoring system through Pnexsoft. This system is designed to monitor the performance of ELP systems and consists of integrated hardware and application software.

The hardware will be installed on-site and connected to the ELP system, where it measures and collects data on ELP system performance. The data that is collected includes the time, frequency, magnitude and amplitude of lightning strikes, time and magnitude of voltage surges and performance of the earthing system. The hardware comprising measurement and monitoring instruments will transmit the data to our central monitoring station through an internet connection.

6. INFORMATION ON OUR GROUP (Cont'd)

The data from the measurement and monitoring instruments will be received, stored and analysed by the platform's application software. Information such as performance and activity reports will be presented to users in dashboard and graphical format. The system will also include alert functionality to notify users of specified or abnormal events.

The ELP monitoring system is a cloud-based application where our servers carry out data storage, processing and analysis. Monitoring, data collection and transmission from ELP systems are carried out as long as there is power and an internet connection. Authorised users will also have access to data through connected devices such as smartphones, laptops and desktops.

We intend to integrate the ELP monitoring system with the lightning risk assessment system and solar PV monitoring and energy management system, once we have completed their development.

The total cost of developing the ELP monitoring system is estimated at RM0.5 million and shall be funded via internally generated funds of Pnexsoft and/or capital injection by the shareholders of Pnexsoft. We intend to finance our portion of capital injection through our internally generated funds. We have targeted to complete this system by the end of 2022.

(iv) Expand application development team

We intend to expand our application development team (under Pnexsoft) to enhance our capability to develop applications to support our business strategy as outlined above. As at the LPD, we have 2 application development personnel and we intend to hire 5 additional application development personnel by 2022.

The funding to expand the software development team is estimated at RM2.0 million over a period of 3 years, which we intend to finance through internally generated funds.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.20 EMPLOYEES**

As at the LPD, we have a total workforce of 164 employees, of which 159 are permanent employees and 5 are contractual workers. The following depicts the number of employees in our Group according to department and geographical location as at the LPD:

Department	Permanent		Contract/temporary		Total employee
	Local	Foreign	Local	Foreign	
Directors	3	-	-	-	3
Key senior management	3	-	-	-	3
Accounting, finance and human resources	14	-	-	-	14
Sales and marketing	20	-	-	-	20
Operations	38	-	3	1	42
Engineering	41	-	-	-	41
Quality control and testing	-	-	-	1	1
Administration and business support	11	-	-	-	11
Supply chain, procurement and logistic	29	-	-	-	29
TOTAL	159	-	3	2	164

As at the LPD, local employees accounted for approximately 98.8% of our total workforce while the remaining 1.2% were foreign workers. As at the LPD, we have a total of 2 foreign workers, of which 1 Russian is involved in the quality control and testing department and 1 Myanmar national is involved in operations. During the past FYEs 2017 to 2020 and up to the LPD, there is no major industrial dispute pertaining to our employees.

We have in place a management succession plan to identify key competencies and requirements of managers and higher ranking personnel, to take positive approach towards addressing talent management to ensure our Group has talent readily available from a capability perspective to undertake leadership positions and to frequently train our middle management to ensure they are well equipped with all the necessary knowledge to succeed at senior management positions in the future in our Group. None of our employees are members of any union.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.21 MAJOR CUSTOMERS

Our top 5 major customers for each of the past 4 FYEs 2017 to 2020 are as follows:

FYE 2017

No	Customers	Country	Business activities	Category of products / services sold	Revenue contribution in FYE 2017		Length of relationship as at the LPD
					RM'000	%	
1	Sunway Group*	Malaysia	Construction, civil engineering and building works	Supply and installation of ELP system	4,281	5.9	21
2	WCT Construction Sdn Bhd	Malaysia	Civil engineering, specialising in earthworks, highway construction and infrastructure works	Supply and installation of ELP system	4,092	5.6	13
3	SECM Sdn Bhd	Malaysia	M&E engineering	Supply and installation of ELP system and sale of ELP products and aviation warning light systems	2,756	3.8	12
4	Bekal Hikmat	Malaysia	Design, supply and installation of solar PV systems as well as trading of electrical and mechanical products	Design, supply and installation of solar PV facilities	2,601	3.6	4
5	Cypark Resources Bhd	Malaysia	Environmental engineering, landscaping and infrastructure, maintenance, investment holding and provision of management services	Sale of solar PV inverters and accessories	2,525	3.4	4
Sub-total					16,255	22.3	
Total					72,830	100.0	

6. INFORMATION ON OUR GROUP (Cont'd)

FYE 2018

No	Customers	Country	Business activities	Category of products / services sold	Revenue contribution in FYE 2018		Length of relationship as at the LPD Years
					RM'000	%	
1	MetTube Sdn Bhd	Malaysia	Manufacture and sale of copper and copper alloy mill products including billets, tubes, pipes, blanks, busbars and extrusions	Design, supply and installation of solar PV facility	7,724	6.4	2
2	Pacific Trustees Berhad (trustee for the KIP Real Estate Investment Trust)	Malaysia	Trustee for a real estate investment trust investing in a portfolio of income producing real estate primarily for retail purposes	Design, supply and installation of solar PV systems	6,881	5.7	2
3	Sunway Group*	Malaysia	Construction, civil engineering and building works	Design, supply and installation of solar PV facilities and supply and installation of ELP system	5,120	4.3	21
4	Metrod (Malaysia) Sdn Bhd	Malaysia	Procurement of raw materials, manufacturing and marketing of electrical conductivity grade copper wires, rods and strips and hospitality business	Design, supply and installation of solar PV facility	4,872	4.1	2
5	Bekal Hikmat	Malaysia	Design, supply and installation of solar PV systems as well as trading of electrical and mechanical products	Design, supply and installation of solar PV facilities	4,358	3.6	4
Sub-total					28,955	24.1	
Total					120,129	100.0	

6. INFORMATION ON OUR GROUP (Cont'd)

FYE 2019

No	Customers	Country	Business activities	Category of products / services sold	Revenue contribution in FYE 2019		Length of relationship as at the LPD Years
					RM'000	%	
1	Bekal Hikmat	Malaysia	Design, supply and installation of solar PV systems as well as trading of electrical and mechanical products	Design, supply and installation of solar PV facilities	18,716	15.6	4
2	Pekat Sarawak	Malaysia	Design, supply and installation of solar PV systems and power plants in Sarawak	Design, supply and installation of solar PV facilities	11,101	9.3	3
3	CTRM Composites Sdn Bhd	Malaysia	Manufacture of aerospace as well as non-aerospace composite components	Design, supply and installation of solar PV facilities	3,680	3.1	2
4	Sunway Group*	Malaysia	Construction, civil engineering and building works	Design, supply and installation of solar PV facilities and supply and installation of ELP system	3,677	3.1	21
5	PWF Feeds Sdn Bhd	Malaysia	Manufacturing and selling of broiler feed	Design, supply and installation of solar PV facilities	3,000	2.5	1
Sub-total					40,174	33.6	
Total					119,521	100.00	

6. INFORMATION ON OUR GROUP (Cont'd)

FYE 2020

No	Customers	Country	Business activities	Category of products / services sold	Revenue contribution in FYE 2020		Length of relationship as at the LPD as at the LPD
					RM'000	%	
1	MFP Solar	Malaysia	Build, own and operate solar PV power plants	Design, supply and installation of solar PV facilities	19,039	15.2	1
2	Pekat Sarawak	Malaysia	Design, supply and installation of solar PV systems and power plants in Sarawak	Design, supply and installation of solar PV facilities	11,566	9.2	3
3	ENGIE Services Malaysia Sdn Bhd	Malaysia	Provision of consultancy services on energy efficiency solutions	Design, supply and installation of solar PV facilities	7,121	5.7	1
4	Ideal Quality Sdn Bhd	Malaysia	Manufacturing of latex examination gloves	Design, supply and installation of solar PV facilities	5,277	4.2	3
5	InverPower Sdn Bhd	Malaysia	Wholesaling of electrical products and accessories	Distribution of electrical products and accessories	4,793	3.8	5
Sub-total					47,796	38.1	
Total					125,562	100.0	

Note:

* Comprising Sunway Construction Sdn Bhd, Sunway Engineering Sdn Bhd and Sunway Geotechnics (M) Sdn Bhd.

We were not dependent on any one of our customers during FYE 2017 to FYE 2020. Save for Bekal Hikmat which accounted for 15.6% of our total revenue for FYE 2019 and MFP Solar which accounted for 15.2% of our total revenue for FYE 2020, none of our other customers accounted for more than 10.0% of our total revenue for the past 4 FYEs.

6. INFORMATION ON OUR GROUP (Cont'd)

Although Bekal Hikmat was our largest customer for FYE 2019 having accounted for 15.6% of our total revenue for that year and accounted for 3.6% and 3.6% of our total revenue for FYE 2017 and FYE 2018 respectively, we are not dependent on them as a customer.

We secured a contract from Bekal Hikmat to provide the design, supply and installation of solar PV systems comprising a total of 1,620 on-grid solar PV systems as part of the MySuria programme. We implemented this MySuria project during FYE 2017 and FYE 2018. During this period and up to the LPD we have completed the design, supply and installation of solar PV systems for a total of 332 houses with cumulative installed capacity of approximately 1.0 MWp. Our contract was subsequently discontinued at the end of 2018, as the Government had discontinued the MySuria programme. Following the discontinuation of the MySuria programme, during FYE 2019 there was sale of inventory comprising solar PV systems to the Government through Bekal Hikmat. Our sale of inventory to the Government was because we had already purchased this inventory for the MySuria project, but they were not utilised due to the discontinuation of the MySuria programme at the end of 2018. Moving forward, we expect to recognise another RM2.2 million in revenue from the MySuria contract after FYE 2019 comprising retention sum of RM1.8 million and progress claims of RM0.4 million.

MFP Solar was our largest customer for FYE 2020 having accounted for 15.2% of our total revenue for that year. We are not dependent on them as a customer. Kindly refer to Section 6.6.3.14(ii) for additional information on MFP Solar.

Our Solar Division and ELP Division are project-based in nature. Revenue contribution from each customer would be based on progress billings as we carry out and progressively complete the solar PV projects or ELP projects and will cease after we complete the projects unless we subsequently secure new projects from the same customer.

While some of our customers for our Trading Division are recurring from year to year, the total revenue from sales of these products to each of these customers is relatively small compared to our total revenue. All sales to customers for our Trading Division are based on purchase orders. We have not entered into supply contracts with any of our Trading Division customers. As such, we are not dependent on any of our customers for the Trading Division.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.22 MAJOR SUPPLIERS

Our top 5 major suppliers for each of the past 4 FYEs 2017 to 2020 are as follows:

FYE 2017

No	Suppliers ⁽¹⁾	Country of origin	Products/services sourced	Value of purchases in FYE 2017		Length of relationship as at the LPD Years
				RM'000	%	
1	ABB Malaysia Sdn Bhd	Malaysia	ELP products and accessories	12,699	30.7	(2)13
2	Sungrow Power Group	China	Solar PV inverters	4,308	10.4	6
3	Jinko Solar Group	Malaysia	Solar PV modules	2,621	6.3	4
4	Chi-Tak Electrical (K.L) Sdn Bhd	Malaysia	ELP conductor cables and accessories	2,445	5.9	17
5	Homsen Construction Group	Malaysia	Subcontracted civil and structural works	2,202	5.3	17
			Sub-total	24,275	58.6	
			Total purchases	41,396	100.0	

FYE 2018

No	Suppliers ⁽¹⁾	Country of origin	Products/services sourced	Value of purchases in FYE 2018		Length of relationship as at the LPD Years
				RM'000	%	
1	ABB Malaysia Sdn Bhd	Malaysia	ELP products and accessories	15,842	19.5	(2)13
2	JA Solar Group	China	Solar PV modules	13,138	16.2	4
3	Jinko Solar Group	China, Malaysia	Solar PV modules	8,884	11.0	4
4	Sungrow Power Group	China, Hong Kong	Solar PV inverters	6,399	7.9	6
5	Chi-Tak Electrical (KL) Sdn Bhd	Malaysia	ELP conductor cables and accessories	2,674	3.3	17
			Sub-total	46,937	57.9	
			Total purchases	81,102	100.0	

6. INFORMATION ON OUR GROUP (Cont'd)

FYE 2019

No	Suppliers ⁽¹⁾	Country of origin	Products/services sourced	Value of purchases in FYE 2019		Length of relationship as at the LPD
				RM'000	%	
1	Sungrow Power Group	China, Hong Kong	Solar PV inverters	12,522	18.9	6
2	ABB Malaysia Sdn Bhd	Malaysia	ELP products and accessories	9,544	14.4	(2)13
3	JA Solar Group	China	Solar PV modules	8,119	12.3	4
4	Jinko Solar Group	China, Malaysia	Solar PV modules	3,899	5.9	4
5	JY Engineering	Malaysia	Subcontractor for solar PV system installation	2,592	3.9	3
			Sub-total	36,676	55.4	
			Total purchases	66,203	100.0	

FYE 2020

No	Suppliers ⁽¹⁾	Country of origin	Products/services sourced	Value of purchases in FYE 2020		Length of relationship as at the LPD
				RM'000	%	
1	JA Solar Group	China	Solar PV modules	11,876	14.8	4
2	Sungrow Power Group	China, Hong Kong	Solar PV inverters	11,548	14.4	6
3	W J Furse & Co Limited	United Kingdom	ELP products and accessories	8,944	11.2	(2)13
4	Longi Solar Technology Co Ltd	China	Solar PV modules	8,780	10.9	2
5	JY Engineering	Malaysia	Subcontractor for solar PV system installation	4,332	5.4	3
			Sub-total	45,480	56.7	
			Total purchases	80,193	100.0	

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

(1) The companies within our supplier grouping are as follows:

Supplier grouping	Companies
Sungrow Power Group	SUNGROW Power Supply Co Ltd, SUNGROW Power Global Sales Co Ltd and Evergreen Power Supply Co Limited
Homsen Construction Group	Homsen Construction Sdn Bhd and Homsen Construction Works
JA Solar Group	JA Solar (Hefei) PV Technology Co Ltd, JA Solar (Xingtai) PV Technology Co Ltd and JA Solar (Shanghai) PV Technology Co Ltd
Jinko Solar Group	Jinko Solar Co Ltd, Jinko Solar Technology Sdn Bhd and Zhejiang Jinko Solar Co Ltd

(2) Prior to 2015, the Furse and FurseWeld brands of ELP products and accessories were supplied to us via other companies related to ABB group. From 2020 onwards, the Furse and FurseWeld brands of ELP products and accessories will be supplied via W J Furse & Co Limited's appointed suppliers.

Although we do not have any long-term agreements or arrangements with our major suppliers, we have not faced any material supply disruptions or delays from our major suppliers in the past 4 FYEs.

Save for the authorised distributorship for Furse and FurseWeld brands of ELP products and accessories, we are not dependent on any other suppliers for input materials and subcontracted services. Our authorised distributorship for Furse and FurseWeld brands of ELP products and accessories is subject to annual renewal. If we fail to renew our authorised distributorship for any reason, or if it is terminated for any reason, we may need to source alternative suppliers. However, some of our customers may not accept alternative brands, specifications or suppliers. This will adversely affect our business operations and financial performance. Although the purchases for Furse and FurseWeld brands of ELP products and accessories represented 30.7% of our purchases for FYE 2017, our purchases from them have declined as a percentage of total purchases, to 19.5%, 14.4% and 11.2% for FYE 2018, FYE 2019 and FYE 2020 respectively. The decrease was due to our efforts in promoting the sale of our brands of ELP products.

Sungrow Power Group has been our top 5 major suppliers for the past 4 FYEs. However, we are not dependent on them as we are able to purchase similar solar PV related products from other suppliers with no switching costs to our business operations. We have not experienced any disruptions in supplies for the past 4 FYEs.