

PANTECH GROUP HOLDINGS BERHAD

Registration No. 200601013856 (733607-W)
(Incorporated in Malaysia)

SUMMARY OF 14TH ANNUAL GENERAL MEETING

DATE : **WEDNESDAY, 19 AUGUST 2020**

TIME : **11.00 AM**

VENUE : **BALLROOM 1 AND 2, LEVEL 2
RENAISSANCE JOHOR BAHRU HOTEL
2 JALAN PERMAS 11, BANDAR BARU PERMAS JAYA
81750 MASAI, JOHOR DARUL TAKZIM**

DIRECTORS PRESENT

Dato' Chew Ting Leng	Executive Chairman/Group Managing Director
Dato' Goh Teoh Kean	Group Deputy Managing Director
Mr. Tan Ang Ang	Executive Director
Mr. To Tai Wai	Executive Director
Ms. Ng Lee Lee	Executive Director
Pn. Sakinah Binti Salleh	Non-Independent Non-Executive Director
Mr. Lim Yoong Xiao	Independent Non-Executive Director
Pn. Nooraini Binti Mohd Yasin	Independent Non-Executive Director

SECRETARY IN ATTENDANCE

Ms Siew Suet Wei (MAICSA 7011254)

NO OF SHAREHOLDERS & PROXIES 81
PRESENT

1. CHAIRMAN

Dato' Chew Ting Leng, Executive Chairman/Group Managing Director presided over the Annual General Meeting.

2. QUORUM

The requisite quorum pursuant to Article 21.2 of the Company's Constitution was met.

3. NOTICE OF MEETING

The Notice of Meeting dated 21 July 2020 having been circulated to the shareholders and advertised in The Star newspaper with the consent of the shareholders, was taken as read.

4. VOTING BY POLL

Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of meeting were voted by way of poll.

5. RESOLUTIONS

5.1 Audited Financial Statements

The Company's Audited Financial Statements for the financial year ended 29 February 2020 were for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require approval of shareholders. There were no questions raised by the shareholders.

5.2 The Chairman informed that Minority Shareholders Watch Group ("MSWG") had on 27 July 2020 written to the Company seeking clarification on some financial and governance issues. Pantech had furnished MSWG with the appropriate reply and no further queries were received thereafter. For the benefit of all shareholders present, Mr. Tan Ang Ang, the Executive Director read out the questions and answers. Pantech's reply is attached as Appendix A.

5.3 A total of 7 Ordinary resolutions were voted by way of poll:

Resolution 1	Payment of Directors' Fees & Benefits up to the amount of RM200,000 for the financial year ending 28 February 2021
Resolution 2	Re-election of Dato' Goh Teoh Kean pursuant to Article 26.1
Resolution 3	Re-election of Mr. Tan Ang Ang pursuant to Article 26.1
Resolution 4	Re-election of Mr. Lim Yoong Xao pursuant to Article 26.1
Resolution 5	Re-appoint Grant Thornton Malaysia PLT as Auditors and to authorise the Directors to fix their remuneration
Resolution 6	Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016
Resolution 7	Proposed renewal of Share Buy Back Authority

5.4 There were no questions raised on the resolutions by the shareholders.

5.5 The polling was conducted using the Tricor e-Vote system and the Poll Administrator was Tricor Investor & Issuing House Services Sdn Bhd. The results were verified by Asia Securities Sdn Bhd as Independent Scrutineers.

5.6 **POLL RESULTS**

Resolutions	For		Against		Total Votes	
	No. of Shares	% of votes	No. of Shares	% of votes	No. of Shares	% of votes
1	281,341,711	99.999	4,022	0.001	281,345,733	100.00
2	278,221,372	98.857	3,216,473	1.143	281,437,845	100.00
3	278,221,372	98.857	3,216,473	1.143	281,437,845	100.00
4	281,437,845	100.00	0	0	281,437,845	100.00
5	280,451,861	99.650	985,984	0.350	281,437,845	100.00
6	281,437,845	100.00	0	0	281,437,845	100.00
7	281,436,633	100.00	0	0	281,436,633	100.00

5.7 Resolutions 1 to 7 were declared carried by the majority of votes polled.

Dated : 19 August 2020

APPENDIX A



PANTECH GROUP HOLDINGS BERHAD (PANTOH)

Listed on Main Market of Bursa Malaysia

3 August 2020

Minority Shareholders Watch Group

Tingkat 11, Bangunan KWSP
No. 3, Changkat Raja Chulan
Off Jalan Raja Chulan
50200 Kuala Lumpur

Attention: **Mr. Devanesan Evanson**
Chief Executive Officer

Dear Mr. Evanson,

Re: 14th Annual General Meeting ("AGM") of Pantech Group Holdings Berhad ("Pantech" or "the Company" or "the Group" to be held on Thursday, 19 August 2020

We received your questions via a letter dated 27 July 2020. We set out below our reply as follows:

Strategy/Financial Matters

1. The road ahead is challenging for Pantech Group. Due to the impact of COVID-19 and the subsequent MCO implemented in Malaysia, the Group anticipates the first quarter of the new financial year to be severely impacted (Page 14 of the Annual Report 2020).

- a) To what extent has the COVID-19 pandemic impacted Pantech Group's business prospects?

In Page 14 of our Annual Report 2020, we have noted that activities at Pantech Group's manufacturing plants ground to a halt for almost two months of the Movement Control Order (MCO) in Malaysia. Sales at trading and manufacturing divisions trickled and logistics became a challenge.

While a few orders came in, Pantech Group was unable to ship rapidly as workers were not allowed into the warehouse and plant.

In our Q1 FY2021 which was announced to Bursa Malaysia on 23 July 2020, the Group reported its first ever quarterly loss after tax of RM5.55 million. Barring unforeseen circumstances, the business will flow stronger in the second quarter of FY2021.

- b) What are the measures taken to mitigate the impact of the pandemic?

To mitigate the impact of the pandemic, the Group is aggressively securing order from customers, closely monitoring operating expenses and freezing salary increment Group-wide for FY2021. We are monitoring closely the economic picture, especially the oil and gas sector, and will respond appropriately.

2. a) What is the latest manufacturing capacity utilisation rate?

Subsidiary	Utilisation Rate as at July 2020
Pantech Steel Industries Sdn. Bhd.	70%
Pantech Stainless & Alloy Industries Sdn. Bhd.	85%
Pantech Galvanising Sdn. Bhd.	75%
Nautic Steels Industries Limited	65%

**Figures have been updated from that of the Annual Report 2020; page 13 & 14*

www.pantech-group.com

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- b) What are the planned optimal utilisation rates that Pantech expects for factories in FY2020?

Optimal utilisation rates remain the same regardless of financial year.

Subsidiary	Optimal Utilisation Rate
Pantech Steel Industries Sdn. Bhd.	90%
Pantech Stainless & Alloy Industries Sdn. Bhd.	90%
Pantech Galvanising Sdn. Bhd.	80%
Nautic Steels Industries Limited	80%

3. What is Pantech's required capital expenditure spending over the next two financial years?

Pantech Group exercises prudence in allocating capital expenditure for growth. We will continue investing into our core business to enhance our operational efficiency and productivity across our core businesses. As a whole, we will err on the side of caution before making any investment decision.

For the next financial year, Pantech Group has earmarked RM11 million for capital expenditure in plant and machinery in line with our growth aspirations. The capex allocation for FY2022 depends on market situation.

4. What are the reasons for the significant decline in share profit in associate company from RM719,293 in FY2019 to RM36,818 in FY2020?

The significant decline was due to:

- *In FY2020, the associate company suffered intense competition in securing orders, resulting in a lower margin.*
- *In FY2019, the associate company had orders with better product mix compared to FY2020, resulting in higher bottom line and hence, a higher share profit. Taken year-on-year, the decline in FY2020 was significant.*

Corporate Governance & Sustainability Matters

1. The Company has not applied Practice 8.2, as there is no statement stating that the Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.

The statement is set out in the Audit Committee (AC)'s Terms of Reference which is published on the Company's website. However, we take note and shall include the statement in our Annual Report next year.

2. The Company has not applied Practice 8.5 of MCCG, as not all members of the Audit Committee have attended formal training programmes or seminars for continuing professional development (Page 40 of the Annual Report 2020) relating to the development in accounting and auditing standard, practices and rules.

The AC members are aware of the need to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes. On this note, the AC members will strive to attend such programmes relating to accounting and auditing standard, practices and rules in the current financial year 2021.

3. The Company has not applied Practice 10.2 of MCCG, as there is no disclosure of the name and qualification of the person responsible for internal audit in the Corporate Governance Report/Annual Report 2020.

We take note and shall disclose the name and qualification of the person responsible for internal audit in our CG Report next year.

We hope this clarifies your queries.

Thank you.

Sincerely,

Pantech Group Holdings Berhad
(Co. No: 738807 W)



Adrian Tan
Executive Director