

**PANTECH GROUP HOLDINGS BERHAD**

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

**SUMMARY OF 18TH ANNUAL GENERAL MEETING**

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DATE : **TUESDAY, 30 JULY 2024**

TIME : **11.00 A.M.**

VENUE : **MEETING ROOM 2 AND 3, LEVEL 2,  
RENAISSANCE JOHOR BAHRU HOTEL,  
2, JALAN PERMAS 11, BANDAR BARU PERMAS JAYA,  
81750 JOHOR BAHRU, JOHOR**

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**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
Puan Sakinah Binti Salleh	Non-Independent Non-Executive Director
Dato' Sri Yap Tian Leong	Independent Non-Executive Director
Puan Nooraini Binti Mohd Yasin	Independent Non-Executive Director

**SECRETARY IN ATTENDANCE**

Ms Siew Suet Wei (MAICSA 7011254)

NO OF SHAREHOLDERS & PROXIES PRESENT 83

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**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 28 June 2024 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 and Reports of Directors and Auditors for the Financial Year Ended 29 February 2024

The Company's Audited Financial Statements for the financial year ended 29 February 2024 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 A total of 8 Ordinary resolutions were voted by way of poll:

Resolution 1	Payment of Directors' fees & benefits up to the amount of RM400,000 for the financial year ending 28 February 2025
Resolution 2	Payment of the Final Single Tier Dividend of 1.50sen per ordinary shares for the financial year ended 29 February 2024
Resolution 3	Re-election of Ms Ng Lee Lee pursuant to Article 26.1
Resolution 4	Re-election of Dato' Sri Yap Tian Leong pursuant to Article 26.1
Resolution 5	Re-election of Puan Nooraini binti Mohd Yasin pursuant to Article 26.1
Resolution 6	Re-appointment of Grant Thornton Malaysia PLT as Auditors and to authorise the Directors to fix their remuneration
Resolution 7	Authority to issue shares by the Company pursuant to Sections 75 and 76 of the Companies Act 2016
Resolution 8	Proposed renewal of Share Buy Back

5.3 The Chairman informed that the Company had on 23 July 2024 received the letter from the Minority Shareholders Watch Group ("MSWG"). Mr. Tan Ang Ang, the Executive Director read out MSWG's questions and Pantech's reply (referred to as **Appendix A**). The Company has also received questions from other shareholders (referred to as **Appendix B**).

5.4 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.

5.5 **POLL RESULTS**

Resolution(s)	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
Ordinary Resolution 1	415,983,250	99.98189	75,364	0.01811	416,058,614	100.00000
Ordinary Resolution 2	416,369,723	100.00000	0	0.00000	416,369,723	100.00000
Ordinary Resolution 3	412,017,515	98.95473	4,352,208	1.04527	416,369,723	100.00000
Ordinary Resolution 4	412,169,873	98.99134	4,199,750	1.00866	416,369,623	100.00000
Ordinary Resolution 5	415,295,923	99.74213	1,073,700	0.25787	416,369,623	100.00000
Ordinary Resolution 6	416,369,623	100.00000	0	0.00000	416,369,623	100.00000
Ordinary Resolution 7	416,369,601	99.99999	22	0.00001	416,369,623	100.00000
Ordinary Resolution 8	416,369,623	100.00000	0	0.00000	416,369,623	100.00000

5.6 Ordinary Resolutions 1 to 8 were declared carried by the majority of votes polled.

Dated : 30 July 2024

## APPENDIX A



# PANTECH GROUP HOLDINGS BERHAD (732607-W)

Listed on Main Market of Bursa Malaysia

Date: 29 July 2024

Badan Pengawas Pemegang Saham Minoriti Berhad  
Level 23, Unit 23-2, Menara AIA Sentral  
No. 30, Jalan Sultan Ismail  
50250 Kuala Lumpur

Attention: Dr. Ismet Yusoff  
Chief Executive Officer

Dear Dr. Ismet,

Re: 18<sup>th</sup> Annual General Meeting ("AGM") of Pantech Group Holdings Berhad  
("Pantech" or "the Company" or "the Group") to be held on Tuesday, 30 July 2024

We received your questions via email dated 23 July 2024. Our replies are set out below:

### Operational & Financial Matters

- 1) Pantech Group aims to be the preferred provider by being a One-Stop Centre for pipes, valves, and fittings (PVF) to professionals across the petroleum (onshore and offshore), petrochemical, oleochemical, and electrical & electronics sectors and other relevant sectors. (Page 19 of AR2024).

What is the revenue contribution from each of the mentioned industries to the Group's overall business in FY2024 as compared to the prior year?

	FY2024	FY2023
Oil and Gas	48%	55%
Palm oil, refineries and related industries	10%	16%
Others e.g. industrial engineering, paper mill, chemical, water treatment, and marine engineering	8%	19%

- 2) Trading Division delivered an outstanding performance in FY2024, achieving a 25.07% year-on-year (YOY) increase in segment profit to RM64.27 million. The Group experienced good sales demand, in particular within the local O&G sector where a better product mix with greater proportionate sales of high-value Pipes, Valves and Fittings (PVF) products enabled better returns. Pantech's strong professional relationships with customers and the relentless pursuit of leads secured significant contracts for large-scale O&G projects domestically. (Page 23 of AR 2024).

Page 1 of 4



- a) **Which are the high-value PVF product ranges that enabled better returns within the local O&G sector?**

We are in a highly competitive supply market to the O&G industry. Prudence in sharing specifics is key to protecting our margins, supply contracts and continued ability to create and share value.

- b) **What is the amount of the significant large-scale O&G contracts secured in FY2024 and what are the durations of these contracts?**

We supplied PVF products to engineering, procurement and construction contractors of projects such as Sarawak Shell Berhad's FaS gas field development, Petronas' Kasawari and Gas Malaysia. We are unable to disclose the amount as it is trade sensitive.

- 3) **The Manufacturing Division faced headwinds in FY2024, resulting in lower revenue of RM435.65 million, 17.10% lower compared to the stellar performance of FY2023 (RM525.55 million). Consequentially, the bottom line for the segment contracted by RM32.45 million to RM83.49 million. Two key factors contributed to the performance of the Manufacturing Division. Volume-wise, export demand for stainless steel products declined. The lower average selling prices compounded this. (Page 23 of AR 2024)**

- a) **By what percentage did the export volume of stainless-steel products decrease in FY2024 compared to the prior year? Please provide a breakdown of the Group's export sales by country for the past two financial years.**

Export volume of stainless steel products in FY2024 decreased by approximately 12% compared to the previous year.

Pantech Group's largest export markets are the US, Europe and the Middle East. We are unable to disclose performance by country due to the very competitive nature of our business.

- b) **What are the Group's expectations regarding the demand and selling price of stainless steel products, and what strategies are in place regarding the division's profit margin for FY2025?**

We expect demand to be resilient while selling price depends on market condition.

Part of our ongoing effort is to continue looking into upgrading machineries or equipment and studying ways to streamline work processes to increase productivity and efficiency. We also pay attention to enhancing our quality control checks and capability to provide greater levels of confidence for customers.

- c) **Will the weaker demand for stainless steel products affect the Group's prospects in listing its subsidiaries (i.e., Pantech Stainless & Alloy Industries Sdn Bhd and Pantech Steel Industries Sdn Bhd) primarily in the stainless steel and carbon steel pipe manufacturing business on the Main Market? What were the revenue and profit after tax contributed by these two subsidiaries in FY2024?**



We cannot disclose actual figures as it is part of the listing preparation process. Revenue and profit after tax contribution to the Group is approximately 46% and 47% respectively.

- 4) During FY2024, sales to the associate company, Tuah Nusa Sdn Bhd (Tuah Nusa) increased to RM158.96 million from RM131.31 million a year ago. However, the amount due from Tuah Nusa also increased sharply to RM56.9 million at the end of FY2024, which translates to 131 receivable turnover days in FY2024, a significant increase from 54 receivable turnover days a year ago. (Pages 105 and 161 of AR2024)
- a) **What is the usual credit term granted to Tuah Nusa by the Group?**  
We do not disclose credit terms due to confidentiality and the highly competitive nature of our business.
- b) **What are the reasons for the prolonged receivable turnover for sales to Tuah Nusa?**  
There were higher sales to the associate company towards the end of the financial year.
- c) **What is the amount that has been recovered up to date?**  
Subsequent to the financial year end, approximately RM39 mil million has been recovered.

#### Sustainability Matters

- 1) There are increasing cases of incidents, from 18 cases in FY2023 to 22 cases in FY2024, resulting in 4,640 man-hours lost. Of the incidents recorded, 9 were major incidents, same with prior year. The Group clarified that the increase was traceable to inadequate material handling techniques. Following a thorough investigation to identify the cause and any systemic failures, the Group has implemented corrective measures. (Page 41 of AR 2024)
- a) **Considering the increasing cases of incidents, is the current Health, Safety, and Environmental Policy still effective and operating as intended? Were any systemic failures identified?**  
The increase in number of incidents coincides with a growing workforce, from 1,050 employees to 1,184 employees.  
  
Our Occupational Safety and Health (OSH) Policy was formalised on 26 July 2023. It is based on a robust Occupational Health and Safety Management System (OHSMS) that adheres to the requirements of the Occupational Safety and Health Amendment Act 2022 (OSHA 2022) and ISO 45001:2018 standard. No systemic failures were identified by our Health, Safety and Environment (HSE) Working Committees during monthly Heads of Department meetings.
- b) **What is the Group's monitoring mechanism for the corrective measures implemented? Do these corrective measures meet the Group's expectations to lower the incident rate?**



We aim to nurture a culture of well-being where every employee actively contributes to maintain a safe workplace and embraces a proactive approach to occupational safety. We focus on trainings to strengthen the safety awareness and proper handling of materials and machines. Continuous monitoring will be conducted and we will seek new measures if necessary, reporting our progress by the end of the year.

**Corporate Governance Matters**

- 1) This marks the third consecutive year that the Company has adopted Practice 5.9 of the Malaysian Code on Corporate Governance 2021 (MCCG) which advocates that the Board comprises at least 30% women directors.

**What benefits has the Board experienced from increased gender diversity among its members? How have these benefits impacted the Board's performance?**

Increased gender diversity on the Board enables enhanced decision-making following input from diverse perspectives, leading to more comprehensive and strategic choices.

Thank you.

Sincerely,

**Dato' Chew Ting Leng (Jimmy)**  
Group Managing Director

## **APPENDIX B**

### **Re: Questions for AGM on 29 July 2024 – Shareholder**

#### **Management Discussion & Analysis**

1. There are analysis mentioning about the potential from carbon capture, utilisation and storage (CCUS), delivery of hydrogen (Hydrogen Economy and Technology Roadmap), and the growth of the chemical industry through NIMP 2030 and CIR2030, which all these may benefit Pantech in the future. Has Pantech formulated any plans or strategies to prepare the Group in seizing such market opportunities? We are participating in international trade exhibitions and holding discussions with companies involved in CCUS and hydrogen facility projects. These projects involve transmission of fluid which Pantech Group already has a track record of delivering for.
2. Page 23 to the Annual Report - It is disclosed that there is a new ERP system implemented for Trading Division to improve efficiency.
  - a. What is the name of this ERP and how much costs had Pantech incurred for setting up this new ERP system for Trading Division?  
We do not disclose the name of the ERP system as want to be seen as endorsing a particular brand; we procured the system from a company with over 20 years' experience and a global presence and reach. They are an existing vendor.
  - b. Will the new ERP system also being implemented to the Manufacturing Division?  
The new ERP system is an updated and upgraded version from our existing vendor. The implementation mainly involved complete migration from legacy system to the new one. Our Manufacturing units have already been using this system.
  - c. Did Grant Thornton perform any ITGC (Information Technology General Control) testing or any form of IT audit towards this change in IT system to new ERP system of Trading Division during the financial year?  
Yes, Grant Thornton completed an ITGC audit after the ERP upgrade was completed, in the financial year ended 29 February 2024.

#### **Financial Performance**

1. How is the financial performance of Unity Precision Engineering Sdn. Bhd. in FY2024? Does this subsidiary perform as intended or able to create synergy within the Pantech Group after the completion of the acquisition?  
Unity Precision Engineering Sdn. Bhd. (UPE) enlarges Pantech Group's value chain to provide metal precision machining, engineering and turnkey solutions, complementing our existing PVF production and trading, as well as galvanising services.
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UPE has recorded growth in revenue for the past two financial years since acquisition. This translated to a significant turnaround to profitability from its pre-acquisition lossmaking position, to a profit after tax return of above 10%.

2. How much of the outstanding receivables amount as at 29/2/2024 had been recovered as of today or latest applicable, especially for those outstanding debts past due more than 90 days?

We successfully recovered RM119 million since the financial year end.

### **Sustainability Statement**

1. Why several data of the FY2022 and FY2023 had been restated?  
Restatements were made in the energy section to better align with the definitions set forth in Bursa Malaysia's Sustainability Reporting Guideline. Other restatements were made to correct identified errors. Explanations for restatements are included in the Sustainability Statement.

2. Why most of the indicators do not have target set?  
We have set targets for certain indicators to drive our Sustainability efforts forward. Some indicators are complex, and we are in the process of identifying appropriate and meaningful targets to ensure that they are realistic and aligned to our long-term sustainability goals.

For certain indicators such as diversity, setting specific targets is not suitable as we hire on merit. We believe in promoting a fair and equitable workplace, ensuring employees are selected based on skills and qualifications.

3. How much costs incurred for the external independent limited assurance provided by Grant Thornton and why was it only covered for certain indicators? Does it create any threats to independence of Grant Thornton for performing this engagement and what safeguards had Grant Thornton placed in this regards?  
Grant Thornton Malaysia PLT ("Grant Thornton")'s engagement fee was RM25,000. We opted for a limited scope as it is the first time engaging an external independent assurance process. This approach aligns with Bursa Malaysia's Sustainability Reporting Guidelines for companies to progressively expand assurance scope as they mature in their sustainability practices and data collection.

Grant Thornton was appointed to render their professional opinion based on review and validation work provided by Pantech Group's management. Grant Thornton is not involved in the preparation, management or advisory role in the management and Sustainability reporting work. Grant Thornton maintained independence from the financial audit with clear separation of engagement teams.

**Others**

1. How much valuation that Pantech is expected for the listing of the two subsidiaries?  
What is the expected timeframe to complete the listing?  
We cannot disclose valuation as it is in the preparation process.

Thank you.