



PANTECH GROUP HOLDINGS BERHAD

(733607-W)

ANNUAL REPORT **2024**

ONE-STOP CENTRE

PIPES • VALVES • FITTINGS

Navigating Change and Unlocking Value

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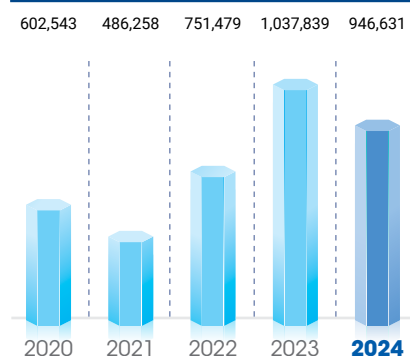
FINANCIAL HIGHLIGHTS

Ringgit Malaysia (RM'000)	FYE 29 Feb 2020	FYE 28 Feb 2021	FYE 28 Feb 2022	FYE 28 Feb 2023	FYE 29 Feb 2024
Revenue	602,543	486,258	751,479	1,037,839	946,631
EBITDA	74,654	61,547	121,324	182,878	168,232
Profit Before Tax	46,023	36,013	96,742	155,609	137,432
Profit After Tax	36,002	26,468	71,753	115,633	105,546
Profit Attributable to Shareholders	36,002	26,468	71,753	115,633	105,546
Paid-Up Capital	209,920	210,312	258,892	263,417	268,428
Shareholders' Equity	658,887	674,423	754,170	821,193	885,378
Total Assets	908,988	907,206	1,170,066	1,146,023	1,250,713
Total Net Tangible Assets	657,693	674,423	754,170	818,850	883,035
Total Borrowings	191,907	176,340	231,542	232,937	253,321
Basic Earnings Per Share (sen)	4.80	3.55	9.23	14.07	12.74
Diluted Earnings Per Share (sen)	4.78	3.53	9.15	13.96	12.68
Total Net Dividend Declared	14,087	17,415	32,337	49,429	49,864
Net Dividend Per Share (sen)	1.89	2.30	4.00	6.00	6.00
Net Tangible Assets Per Share (RM)	0.88	0.90	0.90	0.97	1.04

Total net dividend declared is **RM49.86** million, representing **47.25%** of our PAT

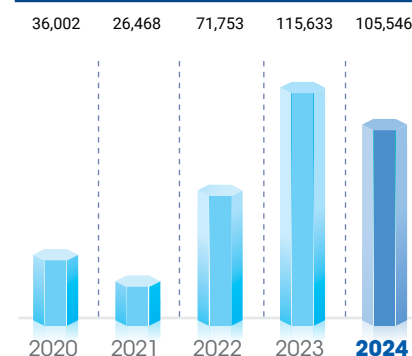
REVENUE

RM'000



PROFIT AFTER TAXATION

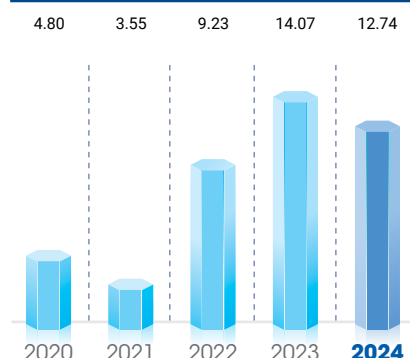
RM'000



NTA stands at **RM883.04** million, translating to a NTA/share of **RM1.04**

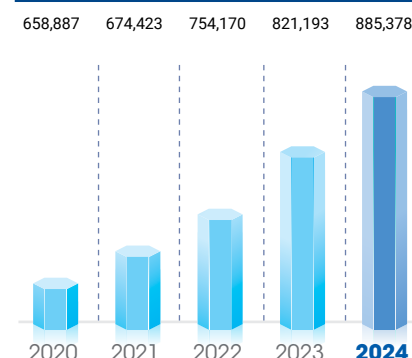
EARNING PER SHARE

SEN



SHAREHOLDERS' EQUITY

RM'000



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

MR. LIM YOONG XAO

Independent Non-Executive Director

DATO' SRI YAP TIAN LEONG

Independent Non-Executive Director

PUAN NOORAINI BINTI MOHD YASIN

Independent Non-Executive Director

PUAN SAKINAH BINTI SALLEH

Non-Independent Non-Executive Director

AUDIT COMMITTEE

Chairman

Mr. Lim
Yoong Xao

Members

Dato' Sri
Yap Tian Leong
Puan Nooraini
Binti Mohd
Yasin

REMUNERATION COMMITTEE

Chairman

Puan
Nooraini Binti
Mohd Yasin

Members

Dato' Sri
Yap Tian Leong
Mr. Lim
Yoong Xao

NOMINATING COMMITTEE

Chairman

Dato' Sri
Yap Tian
Leong

Members

Mr. Lim
Yoong Xao
Puan Nooraini
Binti Mohd
Yasin

COMPANY SECRETARIES

Ms. Siew Suet Wei
(MAICSA 7011254)
SSM Practicing Certificate
No. 202008001690

Ms. Liang Siew Ching
(MAICSA 7000168)
SSM Practicing Certificate
No. 202008000879

SOLICITORS

Ng Kee Chong & Company

AUDITORS

Grant Thornton Malaysia PLT
(Member of Grant Thornton International Ltd)
Chartered Accountants
Suite 28.01, 28th Floor, Menara Zurich
15, Jalan Dato' Abdullah Tahir, 80300 Johor Bahru
Johor Darul Takzim

REGISTERED OFFICE

Unit 7-01, Level 7, Lagenda Tower,
No. 3 Jalan SS20/27,
47400 Petaling Jaya, Selangor
Tel No. : 03-7727 0033 Fax No. : 03-7728 8955
Email : cosec@accoris.my

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad

STOCK CODE: 5125

SHARE REGISTRAR

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
Tel No. : 03-2783 9299 Fax No. : 03-2783 9222
Email : is.enquiry@my.tricorglobal.com

PRINCIPAL BANKERS

Affin Bank Berhad
Alliance Bank Malaysia Berhad
Alliance Islamic Bank Berhad
AmBank (M) Berhad
AmBank Islamic Berhad
CIMB Bank Berhad

CIMB Islamic Bank Berhad
Citibank Berhad
Hong Leong Bank Berhad
Hong Leong Islamic Bank Berhad
HSBC Amanah Malaysia Berhad
HSBC Bank Malaysia Berhad
HSBC Bank Plc

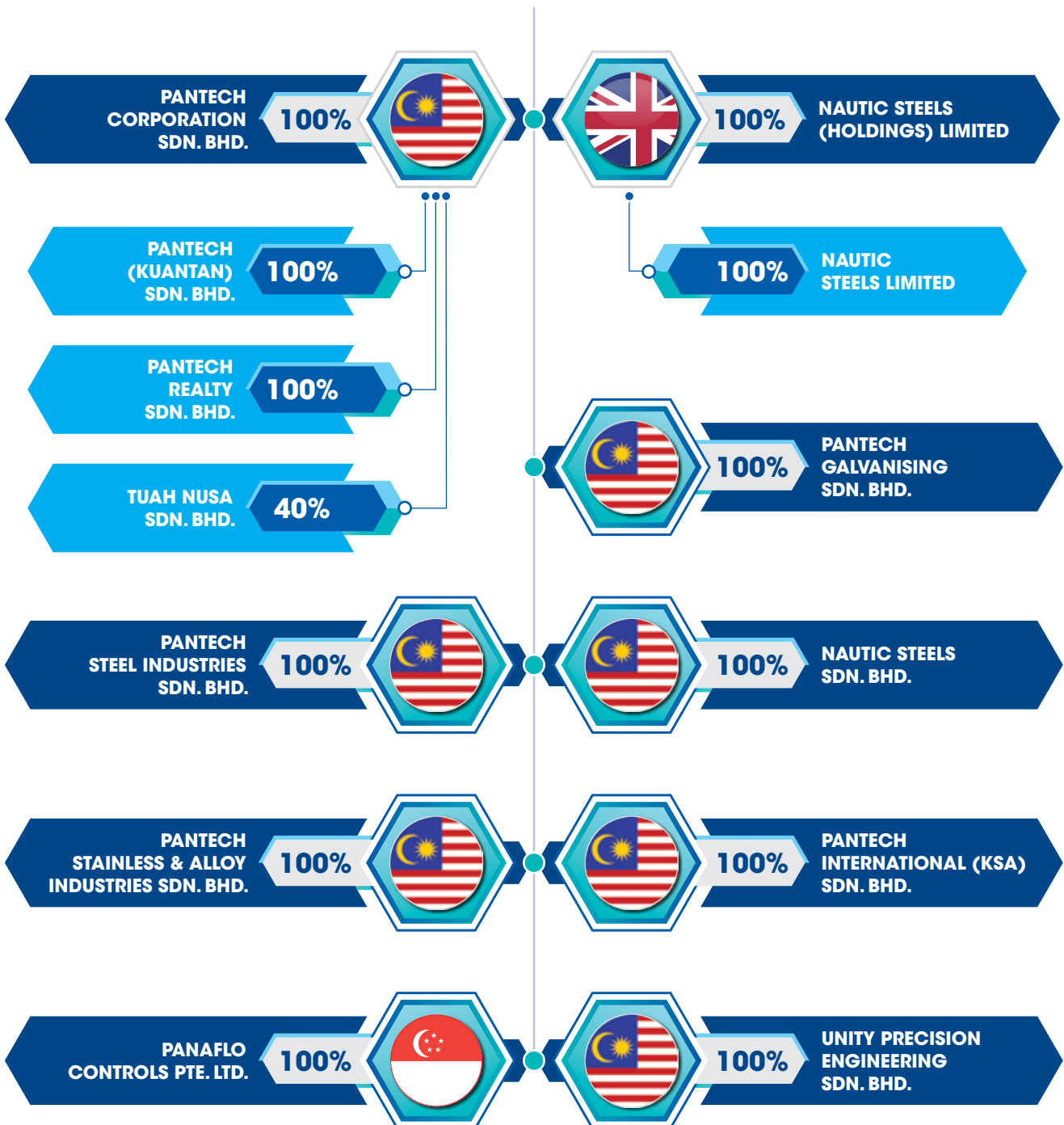
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
United Overseas Bank Limited
United Overseas Bank (Malaysia)
Berhad

GROUP STRUCTURE



PANTECH GROUP HOLDINGS BERHAD

Registration No. 200601013856 (733607-W)



DIRECTORS' PROFILE

DATO' CHEW TING LENG

Executive
Chairman/
Group Managing
Director



Gender

M

Nationality



Age

69

Dato' Chew Ting Leng is one of the co-founders of the Group. He has more than 30 years of experience in the Pipes, Valves and Fittings ("PVF") solutions industries. He was appointed as Group Managing Director and Executive Chairman of Pantech Group Holdings Berhad on 11 November 2006 and 13 November 2006 respectively.

He does not hold any directorship in any other public companies.

He has no conflict of interest with the Group and has not been convicted for offences within the past five years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year.

DATO' GOH TEOH KEAN

Group Deputy
Managing Director



Gender

M

Nationality



Age

68

Dato' Goh Teoh Kean graduated with Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College.

He has more than 30 years of experience in the PVF solutions industries. He is one of the co-founders of the Group and was appointed as the Group Deputy Managing Director on 11 November 2006. He is responsible for the financial functions of the Group.

He does not hold any directorship in any other public companies.

He has no conflict of interest with the Group and has not been convicted for offences within the past five years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year.

TAN ANG ANG

Executive Director



Gender

M

Nationality



Age

68

Mr. Adrian Tan was appointed as the Executive Director on 11 November 2006. He is responsible for the overall operation and performance of the Group's manufacturing business and is also the Managing Director of Pantech Steel Industries Sdn. Bhd., Pantech Stainless & Alloy Industries Sdn. Bhd. and Nautic Steels Limited. He obtained his professional Diploma from the Chartered Institute of Marketing in 1989.

He does not hold any directorship in any other public companies.

He has no conflict of interest with the Group and has not been convicted for offences within the past five years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year.

DIRECTORS' PROFILE (Cont'd)

TO TAI WAI

Executive Director

Gender

M

Nationality



Age

53

Mr. David To was appointed as the Executive Director on 11 November 2006. He started his career at Pantech Corporation Sdn. Bhd. since 1989 and has more than 30 years of experience in the PVF solution industries. He is primarily responsible for the domestic, international and project sales activities of the Group's trading division and trading operation in Malaysia.

He does not hold any directorship in any other public companies.

He has no conflict of interest with the Group and has not been convicted for offences within the past five years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year.

NG LEE LEE

Executive Director

Gender

F

Nationality



Age

57

Ms. Ng Lee Lee was appointed as the Executive Director on 8 May 2013. She started her career at Pantech Corporation Sdn. Bhd. since 1990. She is primarily responsible for the human resources, administration and project sales division.

She does not hold any directorship in any other public companies.

She has no conflict of interest with the Group and has not been convicted for offences within the past five years. There were no sanctions and/or penalties imposed on her by any regulatory body during the financial year.

SAKINAH BINTI SALLEH

Non-Independent
Non-Executive
Director

Gender

F

Nationality



Age

55

Pn. Sakinah Binti Salleh was appointed as Non-Independent Non-Executive Director on 21 July 2016. She graduated from Mara University of Technology (UITM) with Bachelor (Hons) in Accountancy. She is a Chartered Accountant and a member of Malaysian Institute of Accountants (MIA) since 2002. She has a Master of Business Administration from International Teaching University of Georgia (University Institute for International and European Studies) since August 2017.

She joined Koperasi Permodalan Felda Malaysia Berhad ("KPF") as a Manager, Accountant & Investment from August 2000 to 2004. Subsequently, she was promoted to General Manager, Investment & Finance, KPF from January 2004 to 2010 and Deputy Chief Executive Officer, KPF from January 2010 to 2014.

She was Acting Chief Executive Officer in January 2014. She was promoted to Chief Executive Officer & Group Senior Executive Director since November 2014 until to-date.

She is also an Independent Non-Executive Director of Inch Kenneth Kajang Rubber Public Ltd Co.

She has no conflict of interest with the Group and has not been convicted for offences within the past five years. There were no sanctions and/or penalties imposed on her by any regulatory body during the financial year.

DIRECTORS' PROFILE

(Cont'd)

LIM YOONG XAO

Independent Non-Executive Director



Gender

M

Nationality



Age

49

Mr. Lim Yoong Xao was appointed as an Independent Non-Executive Director on 26 July 2017. He completed his Bachelor of Commerce in Accounting from University of Otago, New Zealand in 1996. He is a Chartered Accountant of the Malaysian Institute of Accountants. He is also a member of Chartered Global Management Accountant and Associate Chartered Management Accountant (CIMA), UK.

Mr. Lim Yoong Xao started his career as a Cost Accountant in 2002 with Monsanto (Malaysia) Sdn. Bhd. and later held various managerial positions in multi-national companies between 2007 to 2012. From 2013 until 2017, he was a Director/SEA Regional Finance Manager of United Creation Packaging Solutions, South East Asia Division. From 2017 until present, he is the Asia Financial Controller of Samtec Asia Pacific (M) Sdn. Bhd.

He is the Chairman of the Audit Committee and a member of both the Nominating and Remuneration Committees.

He does not hold any directorship in any other public companies.

He has no conflict of interest with the Group and has not been convicted for offences within the past five years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year.

DATO' SRI YAP TIAN LEONG

Independent Non-Executive Director



Gender

M

Nationality



Age

65

Dato' Sri Yap Tian Leong was appointed as an Independent Non-Executive Director on 26 July 2017. He is a member of the Malaysian Association of Company Secretaries (MACS), Malaysian Institute of Corporate Governance (MICG) and Institute of Corporate Directors Malaysia (ICDM). Apart from these, he is also a member of The Chinese Chamber Of Commerce & Industry of Kuala Lumpur & Selangor and Hong Kong-Malaysia Business Association.

Dato' Sri Yap Tian Leong is currently the Group Managing Partner of MM Group of Companies.

He is the Chairman of the Nominating Committee and a member of both the Audit and Remuneration Committees.

He does not hold any directorship in any other public companies.

He has no conflict of interest with the Group and has not been convicted for offences within the past five years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year.

DIRECTORS' PROFILE (Cont'd)

NOORAINI BINTI MOHD YASIN

Independent Non-Executive Director



Gender

F

Nationality



Age

65

Puan Nooraini Binti Mohd Yasin was appointed as an Independent Non-Executive Director on 26 July 2017. She graduated from University of Buckingham, UK, with a BSc (Econs), Accounting and Financial Management degree.

Puan Nooraini gained experience in banking and journalism before moving into a leading stockbroking company in JB where she became the Head of the Research Department. She holds a Certified Financial Planner license with the Financial Planning Association of Malaysia (FPAM).

Puan Nooraini founded Sri Ara Private and International Schools and is the Chairman of the Board of Governors. She served as President of Non-Governmental Organisation, Soroptimist International Club of Johor Baru and is Charter President of Soroptimist International Club of Iskandar Puteri. She served as the Member Development Convenor from 2017 to 2020 and is currently the Programme Convenor on the Executive Committee of Soroptimist International Region of Malaysia as well the Programme Zone 2 Coordinator on the Programme of Service team for Soroptimist International South East Asia Pacific.

She is the Chairperson of the Remuneration Committee and a member of both the Audit and Nominating Committees.

She does not hold any directorship in any other public companies.

She has no conflict of interest with the Group and has not been convicted for offences within the past five years. There were no sanctions and/or penalties imposed on her by any regulatory body during the financial year.

OTHER INFORMATION:-

Directors' Shareholdings

Details of Directors' Shareholdings in the Company are as disclosed on page 193 of the Annual Report 2024.

Family relationship with Directors and/or Major Shareholders

Dato' Chew Ting Leng and his spouse, Datin Shum Kah Lin are major shareholders of Pantech Group Holdings Berhad ("PGHB") by virtue of their substantial shareholdings in CTL Capital Holding Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Dato' Goh Teoh Kean and his spouse, Datin Lee Sock Kee are major shareholders of PGHB by virtue of their substantial shareholdings in GL Management Agency Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Attendance at Board Meetings

The attendance of the Directors is disclosed in the Corporate Governance Overview Statement on page 84 of this Annual Report 2024.

KEY SENIOR MANAGEMENT PROFILE

DATO' CHEW TING LENG

Executive Chairman/Group Managing Director

Gender	Nationality	Age
M		69

Please refer to his Director's Profile appearing in Page 05 of this Annual Report 2024.

NG LEE LEE

Executive Director

Gender	Nationality	Age
F		57

Please refer to her Director's Profile appearing in Page 06 of this Annual Report 2024.

DATO' GOH TEOH KEAN

Group Deputy Managing Director

Gender	Nationality	Age
M		68

Please refer to his Director's Profile appearing in Page 05 of this Annual Report 2024.

WANG WOON CHIN

Chief Financial Officer

Gender	Nationality	Age
M		49

Mr. Wang Woon Chin is the Chief Financial Officer of the Group. He graduated in 1996 from University of Otago, New Zealand with a Bachelor of Commerce (Accounting) degree. He is a Chartered Accountant of the Malaysian Institute of Accountants (MIA) and a Fellow Chartered Certified Accountant (FCCA).

He has many years of experience in the field of audit, finance, accounting, taxation and human resource management before he joined the Group. He joined Pantech Group in February 2006 as Group Finance Manager and was promoted to Chief Financial Officer effective 1 August 2013. He is currently responsible for the finance and accounts function of the Group.

He does not hold any directorships in any other public listed companies.

He does not have any family relationship with any Director and/or Major Shareholder of the Company and does not have any conflict of interest with the Company. He has not been convicted for offences within the past five years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year.

TAN ANG ANG

Executive Director

Gender	Nationality	Age
M		68

Please refer to his Director's Profile appearing in Page 05 of this Annual Report 2024.

TO TAI WAI

Executive Director

Gender	Nationality	Age
M		53

Please refer to his Director's Profile appearing in Page 06 of this Annual Report 2024.

ABOUT THIS REPORT

INTRODUCTION

This annual report is prepared by Pantech Group Holdings Berhad (Pantech Group), offering insights into our strategies, business and financial performance as well as future direction. Covering the financial year from 1 March 2023 to 29 February 2024 (FY2024), it builds upon the reorganisation of information introduced last year.

Our objective is to uphold stakeholder trust through transparency, providing clear and accurate information on strategic progress, challenges, opportunities and risk management measures. This commitment aligns with our focus on Environmental, Social and Governance (ESG) principles as we strive to maintain our position as the preferred one-stop centre for fluid and gas transmission solutions.

REPORTING PHILOSOPHY AND PRINCIPLES

Pantech Group is guided by our philosophy of providing relevant and reliable information in the spirit of transparency and disclosure to enable more informed decision-making about the Group. The financial statements are prepared in compliance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and this report is produced in accordance to Malaysia's reporting requirements.

REPORTING FRAMEWORK

Local and global reporting standards guide the preparation of this report:

- Bursa Malaysia Securities Berhad Main Market Listing Requirements
- Bursa Malaysia Securities Berhad Corporate Governance Guide
- Bursa Malaysia Securities Berhad Sustainability Reporting Guide and Toolkit
- Malaysian Code on Corporate Governance 2021
- Companies Act 2016
- Malaysian Financial Reporting Standards
- IFRS Accounting Standards

ASSURANCE

- Internal controls and management assurance
- Internal audit and compliance
- External audit by Grant Thornton Malaysia PLT on financial information
- External assurance by Grant Thornton Malaysia PLT on selected Sustainability key indicators

REPORTING SCOPE AND BOUNDARIES

This report contains financial and non-financial performance, opportunities, risks and outcomes for FY2024. It consolidates information from our operating units in Malaysia, Singapore and the United Kingdom, unless otherwise stated.

FORWARD-LOOKING STATEMENTS

Forward-looking statements used to project Pantech Group's performance and plans are included in this report. These are based on assumptions made at the material time of this report's preparation and should not be taken as any guarantee of future results. Performance and outcomes may differ as a result of emerging risks, uncertainties and other scenarios which could materially impact Pantech Group's financial and non-financial performance.

ABOUT THIS REPORT (Cont'd)

MATERIAL MATTERS

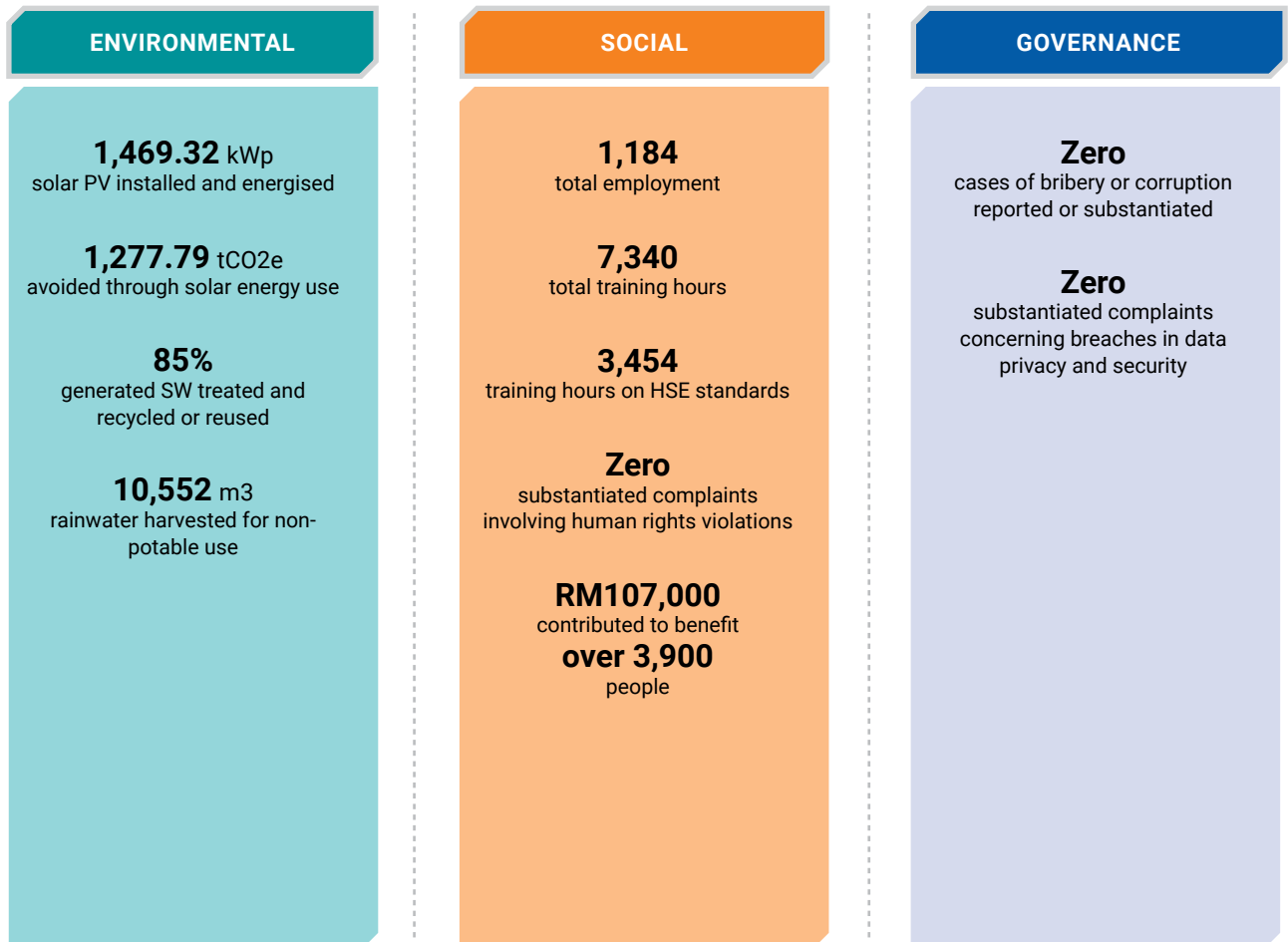
The purpose of this report is to disclose pertinent information surrounding the opportunities and challenges relevant to our business and stakeholders. Our non-financial materiality assessment, which involves engagement with both internal and external stakeholders throughout the year, informs our disclosures. This encompasses key material matters that have the most impact on our business and ability to generate value across short, medium, and long-term horizons.

APPROVAL BY THE BOARD

Pantech Group's Board of Directors (Board) acknowledges its duty in the production of a reliable and trustworthy report. To the Board's best knowledge, this report provides fair and balanced disclosures of Pantech Group's material matters and performance in FY2024.

This report was approved by the Board on 19 June 2024.

KEY HIGHLIGHTS



Executive Chairman's Statement

Dear Shareholders,

The financial year ended 29 February 2024 (FY2024) was one of normalisation after a milestone year in which we crossed the billion ringgit revenue mark for maiden time since inception. Pantech Group's ship held steady as we sailed through buffeting winds.



EXECUTIVE CHAIRMAN'S STATEMENT (Cont'd)

PERFORMANCE WITH STABILITY

Our dedicated team was laser focused on optimising available resources to secure and supply to various local oil and gas projects, mitigating the impact of a transitioning global economy. This enabled us to deliver another successful year, aligned with expectations.

Pantech Group recorded a year of steady performance where revenue normalised to RM946.63 million from the RM1.04 billion the year prior. Accordingly, profit after tax (PAT) dipped slightly from the highest ever recorded RM115.63 million to sustain above the RM100 million mark, at RM105.55 million.

Our strong performance translated to an earnings per share (EPS) of 12.74 sen. Holding true to our belief in sharing value with stakeholders, upon approval by shareholders at an upcoming general meeting, we shall maintain our record-high single tier dividend of 6.00 sen per ordinary share. This equates to a total 47.25% payout from PAT, while still retaining sufficient earnings for re-investment into the business.

Pantech Group's FY2024 financial position remained stable at 0.29 gearing on the back of prudent management and sound decision-making. This allows us to act on expansionary opportunities should suitable ones flow our way. Additionally, our healthy gearing ratios reflect the levels of risk involved with the company.

Shifting winds can cause worry but preparedness averts peril. We remain vigilant in monitoring global and local developments to manoeuvre appropriately. The current geopolitical climate and potential disruptions within the petroleum industry are reminders of the need for agility. We are prepared to adapt our strategies to navigate these uncertainties, and being perceptive in our approach to identify and implement actions to bolster performance and generate value for our stakeholders.

NAVIGATING A CHALLENGING LANDSCAPE

The International Energy Agency (IEA) reported a significant downturn in market sentiment as voluminous supply from non-OPEC+ countries coincided with subdued global demand. Despite supply disruption concerns due to geopolitical conflicts and OPEC+ cuts, record output from the United States (US), and steady production and exports by some countries put downward pressure on oil prices.

China's resilient demand provided a counterpoint, driven by a wide range of factors, including the recovering transportation activity. It is estimated that China accounted for around 75% of the increase in oil demand in 2023.

Consumption is expected to slow in 2024, reflecting the delayed impact of tighter monetary policy in advanced economies. Oil prices are forecast to average USD81 per barrel in 2024 (from USD83 per barrel in 2023) and moderate further in 2025. The outlook is subject to upside risks, including the extension of OPEC+ cuts beyond 2024Q1. Slower-than-expected growth, particularly in China, presents a key downside risk.

In light of these market dynamics, Pantech Group is actively exploring opportunities. China's resilience offers a bright spot, and we are well-positioned to capitalise on it. In addition, the European Union's anti-circumvention crackdown has unexpectedly opened doors for Pantech Group to expand our reach in Europe due to our genuine manufacturer status. Pantech Group is also in a favourable position whereby the industries we serve require uncompromising maintenance for compliance and safety, to keep the fluid flowing.

FIRMLY ETHICAL

Integrity and transparency are embedded in our DNA and guide our corporate governance practices.

Our commitment to ethical practices and strong governance paid off during the European Union's anti-circumvention crackdown on stainless steel fittings transited through Malaysia. Pantech Group was one of only two companies operating in Malaysia certified as genuine manufacturers. As every challenge has its silver lining, this crackdown led to greater prospects for us in Europe.

We appreciate the value of enhanced disclosure and transparency and thus, have begun shifting towards a more comprehensive Integrated Reporting <IR> format to provide stakeholders a more holistic view of our value creation, enabling them to make well-informed decisions. This ongoing initiative began last year.

Being proudly Malaysian, Bursa Malaysia Securities Berhad's Main Market Listing Requirements frames our corporate governance. We strive to maintain continued compliance with all relevant laws, regulations and industry standards. Detailed reading can be found on pages 82 to 89.

EXECUTIVE CHAIRMAN'S STATEMENT (Cont'd)

PROGRESSING ON SUSTAINABILITY

Sustainability is a matter of responsibility, and one which we take with utmost gravity. We have recently developed a three phase roadmap to outline our ambition of achieving net zero by 2050.

Pantech Group also engaged the professional services of an external consultant to identify areas for improvement in our sustainability practices. Initiated last year, we have completed baseline calculations for Scope 1 and 2 emissions, and are actively monitoring our impact on the environment. FY2024 forms the baseline for our data-based target setting process. We will continue monitoring our emissions and adjust our reduction strategies in response to market changes and new technological advancements, ensuring our approach remains effective and aligned with industry best practices.

As a manufacturer, energy enables our production operations. Following the successful energising of the solar PV system at our subsidiary, Pantech Steel Industries (PSI) in Klang, installation of a similar system is underway at our stainless alloy unit in Johor, as outlined in our roadmap. The increase in renewable energy mix demonstrates our continued commitment to clean energy solutions. The additional 2,800 kWp system is expected to power up in the coming financial year.

A cornerstone of operational excellence is our human capital and as such, we continue to invest into development and empowerment programmes that foster an engaged and motivated workforce. This is reflected in the doubling of our total training hours in FY2024, representing a new record for Pantech Group. On average, each employee attended 6.2 hours of training over 220 sessions on topics such as health and safety, anti-bribery and corruption, quality assurance and control, sustainability, and leadership.

Pantech Group also actively partners organisations making an impact on society. Just to cite an example, we extended support to Kechara Soup Kitchen, Trinity Community Children, and the National Stroke Association of Malaysia to sustain their initiatives. Being a firm believer of education as a vehicle to uplift the socioeconomy of our surrounding community, we supported the works of the UTAR Education Foundation and schools such as SJK(C) Johor Jaya and SJKC Pei Chih.

Further reading can be found in our Sustainability Statement on pages 27 to 73.

UNLOCKING VALUE

The Board has launched a key strategic initiative in the form of the potential listing of our manufacturing units, Pantech Stainless & Alloy Industries (PSA) and PSI, on the Main Market of Bursa Malaysia. The proposed listing via a special purpose vehicle (SPV) aims to unlock value for our stakeholders. We will keep you updated as this initiative progresses.

ACKNOWLEDGEMENT

To our loyal shareholders as well as valued customers who have placed their confidence in the Pantech brand, thank you for trusting us to deliver for you. Additionally, the commitment and tenacity shown by Pantech Group's Management team and employees in pursuing opportunities to sustain performance is highly commendable and appreciated.

To fellow Board members, I express my gratitude for their wise counsel in guiding the Group with integrity. Their valuable expertise and extensive experience have been instrumental in shaping our trajectory and upholding strong governance practices, modelled from our values.

Our stakeholders' unwavering trust in Pantech Group has been invaluable through the years, through thick and thin, and enabled us to push through challenges to emerge stronger. Investments will continue in our workforce, to enhance our products, and optimise our operations to remain competitive in a dynamic market, aligned with the changing requirements of customers. With this approach, I am optimistic that Pantech Group will sustain its track record of success in the upcoming year.

Dato' Chew Ting Leng (Jimmy)

Executive Chairman / Group Managing Director

BUSINESS STRATEGY

BUILDING A RESILIENT FUTURE: OUR STRATEGIC ROADMAP FOR INTERNATIONAL LEADERSHIP

Pantech Group is on a mission to fulfil our vision of becoming an international leader in the provision of total solutions for gas and fluid transmission systems. This ambition shapes our data-driven strategy, and mission of delivering high-quality products and services in a sustainable manner.

Our aim is to create long-term value for stakeholders through human capital development and technology adoption. As we allocate and deploy resources to generate value and minimise erosion, we are guided by our STEEL core values, an acronym of Sustainability, Trustworthy & Integrity, Excellence, Employee Empowerment, and Leadership & Innovation.

THE ROADMAP: THREE PILLARS FOR SUSTAINABLE GROWTH

Our strategic roadmap is built on three key pillars that informs our path towards international leadership.

Pillar 1 - Unlocking Efficiency and Sustainability Through Inventory Optimisation

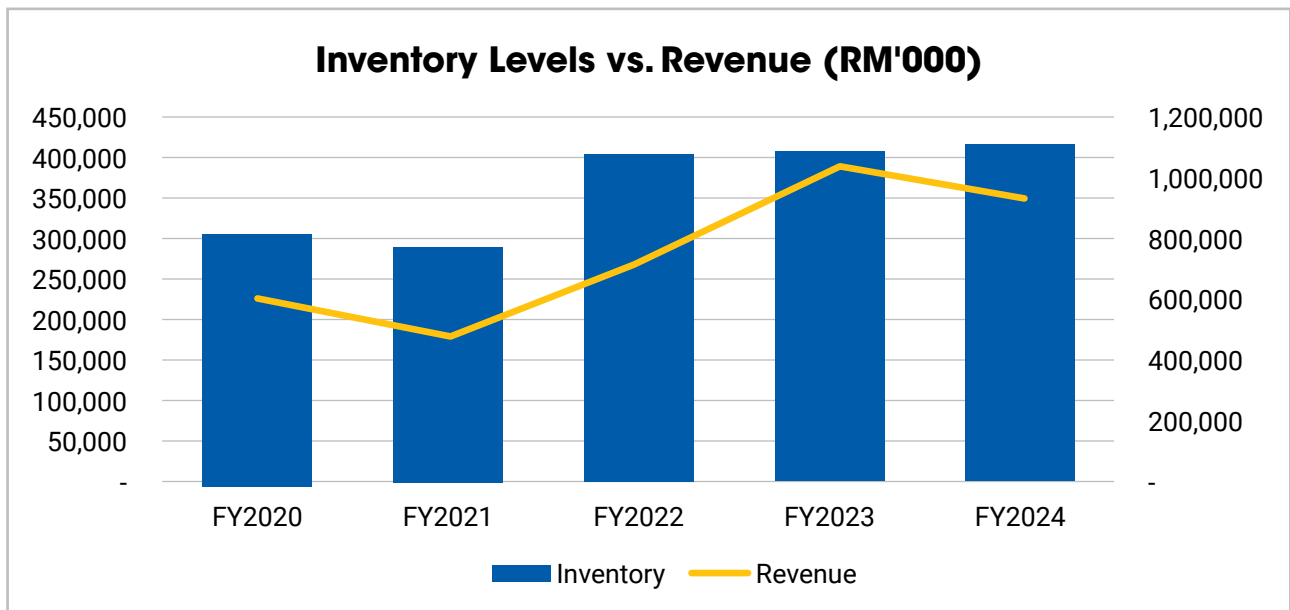
Central to what sets us apart as a One-Stop Centre for PVFs is our well-stocked inventory levels. We maintain a vast selection of over 30,000 PVF products across categories, sizes, grades and types in strategically located warehouses near ports, in free trade zones or near customer hubs. Together, these minimise time-to-market, ensuring we swiftly meet diverse fluid transmission requirements across industries.

This pillar allows us to deliver faster and more efficiently to customers, translating to a competitive advantage and increased customers confidence in our reliable and timely service.

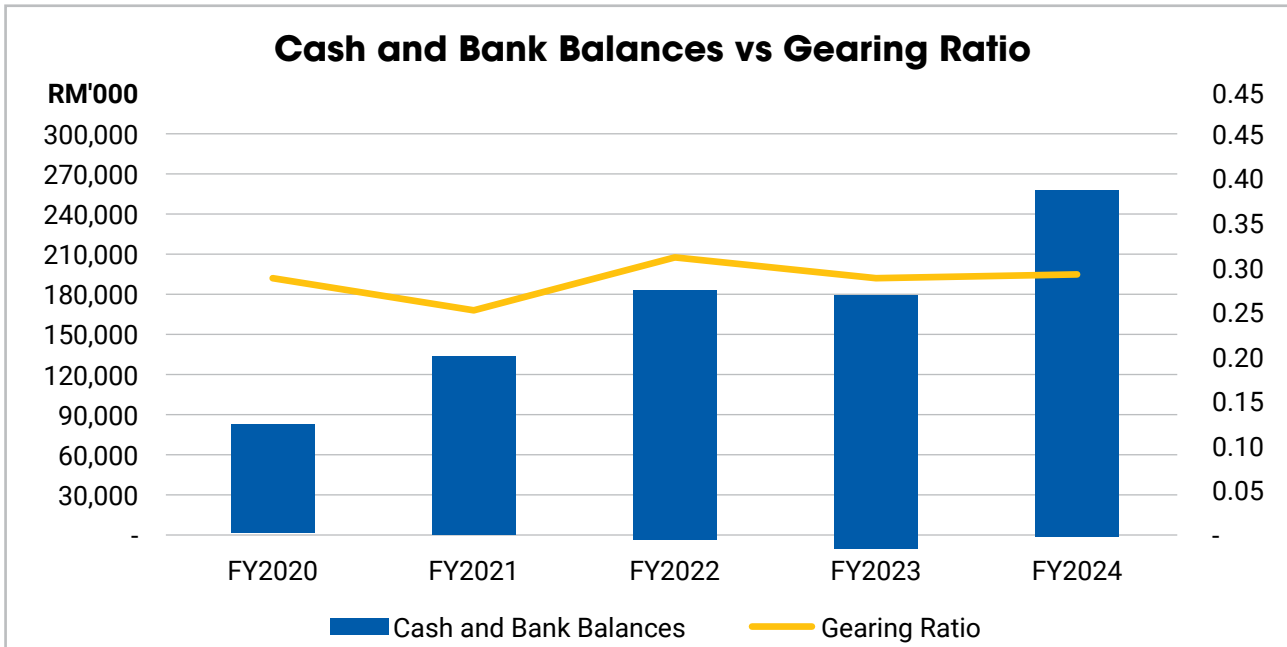
Our commitment to sustainable operational excellence starts with efficient inventory management. We leverage technology for real-time inventory tracking and optimisation.

Working in tandem with Pillar 2, we continuously refine and enhance our products and services to match expectations.

Senior management oversees inventory planning and management, considering external factors and conducting proactive audits to ensure efficient and risk-mitigated procurement and inventory control. This along with calculated working capital management through cash flow assessments and foreign exchange hedging grants Pantech Group greater flexibility in delivery times and pricing ultimately enhancing supply chain efficiency.



THE ROADMAP: THREE PILLARS FOR SUSTAINABLE GROWTH (CONT'D)



Pillar 2 - Nurturing Strong Partnerships Build on Trust & Integrity

Building trust and nurturing long-lasting relationships with our customers, some spanning decades, aligns perfectly with our core values. **Trustworthy & Integrity** alongside mutual respect in our interactions and transactions guide the development of strong relationships all around. It has resulted in consistently healthy order book throughout our 37 years of operation.

We have secured supply contracts to prestigious projects such as those in Kasawari, Pengerang and Bokor.

We prioritise and proactively seek to understand evolving customer needs through honest dialogue and continuously refine our offerings through **Employee Empowerment** to exceed expectations. This resulted in our customers trusting us to deliver high-quality products and sound project management.

We recognise our role in the overall supply chain and upholding good governance throughout our procurement and tender processes. Despite long-term relationships with customers, some decades-long, we uphold professionalism and integrity in all transactions, ensuring that our business practices are ethical and conducted with care and due diligence.

BUSINESS STRATEGY (Cont'd)

THE ROADMAP: THREE PILLARS FOR SUSTAINABLE GROWTH (CONT'D)

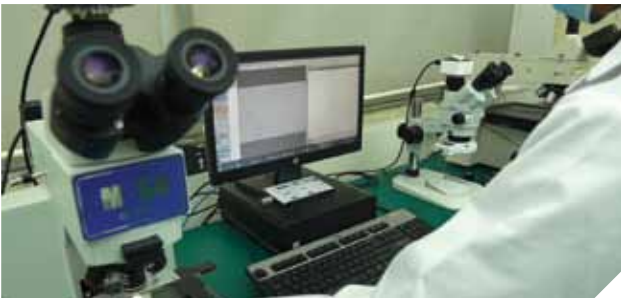
Pillar 3 - Leading with Innovation for a Sustainable Future

Pantech Group is recognised as an industry **leader**, courtesy of our extensive range of high quality products and unwavering commitment to customer satisfaction. This is the reflection of our core value of **Excellence**.

All our products undergo rigorous quality checks to ensure compliance with international standards and have full traceability. Our dedicated quality control labs located in Pasir Gudang, Klang, and Tamworth (United Kingdom) provide further assurance for customers.

In our pursuit of excellence and to hone our capabilities, we allocate and invest resources to enhance our competitive advantages, primarily in Pillar 1 and process improvements. As a responsible corporation, mindful of **Sustainability**, we actively consider and implement initiatives to reduce our environmental footprint and create long-term value for all stakeholders.

Timely and pertinent investments into our business functions and processes support our ability to anticipate customers' evolving needs. This extends to synergistic mergers and acquisitions when relevant opportunities present themselves. Our ability to deliver products that meet customised specifications gives Pantech Group a competitive edge.



By focusing on operational excellence, nurturing strong partnerships, and continuously innovating with a strong commitment to sustainability, Pantech Group is positioned for sustained growth in the dynamic fluid transmission market. Our approach ensures we remain agile and adaptable to future developments in the energy sector. This commitment extends to considering the economic, environmental, and social impacts of our business. Our sustainability direction, set by the Board, is supported by our Sustainability Governance Structure. This structure oversees our sustainability initiatives and conducts stakeholder engagements to address their expectations and generate long-term value for them. We are confident this strategic roadmap will propel us towards international leadership while delivering enduring value.



The following Management Discussion and Analysis provides insights into strategy in action.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING ENVIRONMENT

The reporting period of 1 March 2023 to 29 February 2024 (FY2024) was a year of normalisation and moderation for many economies, including our own.

The World Bank reported a global gross domestic product (GDP) of 2.6% in 2023 compared to the 3.0% in 2022. At home, the Malaysian GDP normalised to 3.7% in 2023, following a 22-year high (8.7%) in the previous year, mainly due to weaker export demand and cooler consumption momentum.

The global economy grappled with hurdles on its path to recovery, while the oil and gas (O&G) market experienced a complex year. Geopolitical tensions, supply pressures, surging natural disasters, humanitarian crises and trade protectionism contributed to a volatile oil prices while demand remained subdued. Pantech Group's steady results for the financial year reflected the overall slower economic growth and weaker oil and gas demand.

BUSINESS AND STRATEGY

In today's dynamic oil and gas landscape, reliable and comprehensive solutions are essential for fluid transmission systems. 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.

Our diverse portfolio of products supplied through our Manufacturing and Trading operations, coupled with project management and advisory services, ensures our solutions meet the exacting requirements of our customers.

This customer-centric approach extends our global reach. Drawing on our extensive experience and track record, Pantech Group serves customers in over 70 countries through operations and warehouses in 10 strategic locations in Malaysia, Singapore, and the United Kingdom. Our warehouses utilise clear roofs to capitalise on natural lighting, and high ceilings provide ventilation as part of our care for the environment and workers while reducing energy consumption.

We supply a diverse array of PVF products to professionals who construct and maintain fluid handling systems through our Manufacturing and Trading operations. Our solutions are trusted to meet the exacting requirements of, among others.

Pantech Group prioritises long-term value creation for stakeholders through three key strategic pillars:

- **Investing in human capital and technological advancements. This includes initiatives related to sustainability.**
- **Managing working capital and cash flow efficiently. This allows us to optimise productivity and offset rising input costs.**
- **Delivering high-quality products and services. We are committed to exceeding customer expectations.**

Read about our strategy on pages 16 to 18.

Trading

Proven quality and track record in fulfilling customers' precise requirements are the hallmark of our Trading Division. Beyond stockholding, we offer project management and solutions that leverage our expertise to provide valuable insights and guidance, embodying our One-Stop Centre approach to benefit customers.

With a catalogue exceeding 30,000 PVF and ancillary fluid transmission products sourced across the globe from reputable vendors including Pantech Group's own Manufacturing Division, our Trading Division ensures comprehensive product availability.

Strategically positioned near ports, free-trade zones, and customer sites, Pantech Group's five warehouses optimise time-to-market to cater to customer demands for quick turnaround.

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

BUSINESS AND STRATEGY (CONT'D)

Manufacturing

Pantech Group's Manufacturing Division produces both standard and customised pipes and fittings that adhere to international standards. With four facilities in Malaysia and one in the United Kingdom, including one of the largest galvanising baths in Southern Peninsular Malaysia, our land area spans a combined 173,000 square meters.

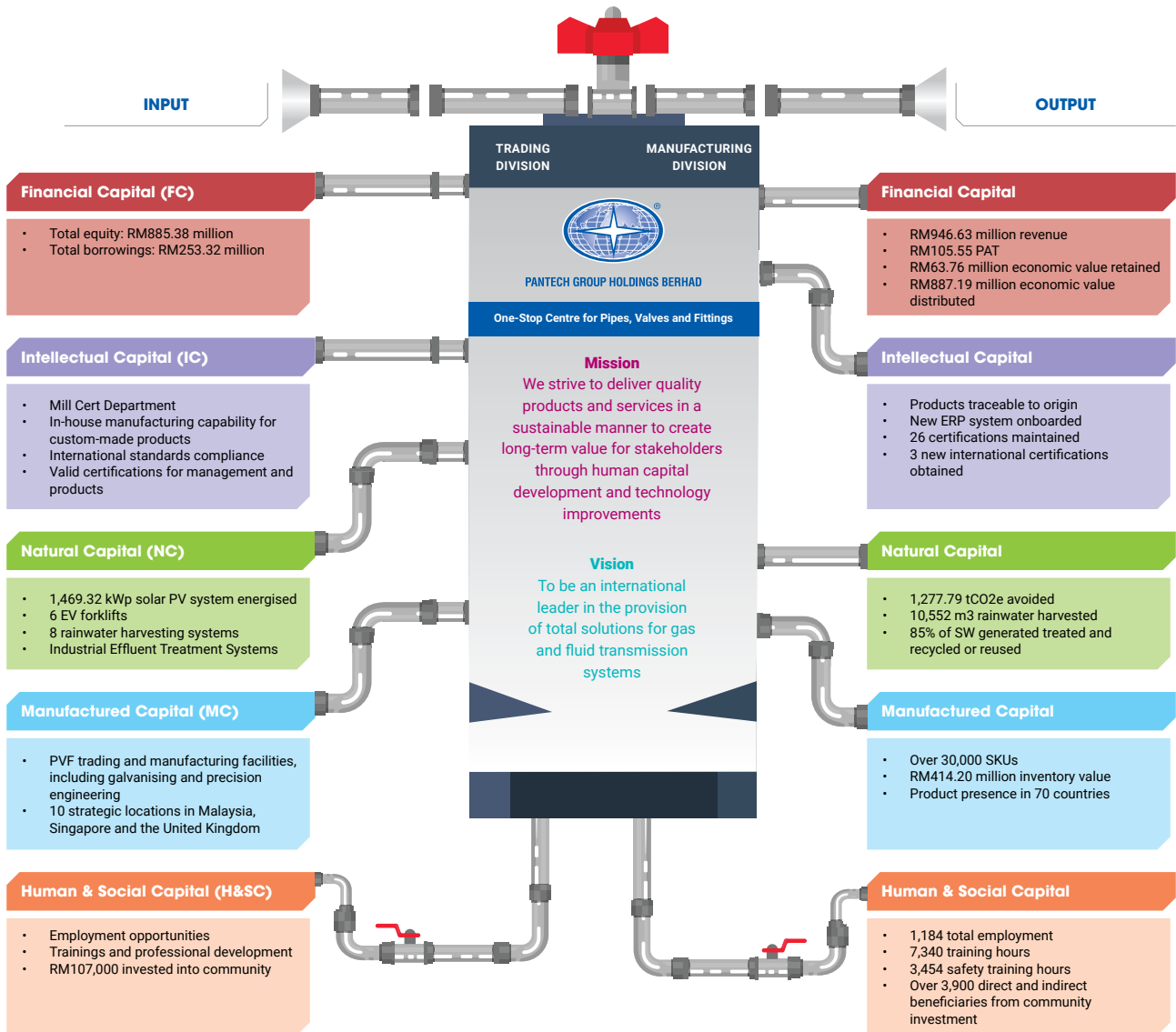
Operated by dedicated subsidiaries, our plants are built and operated with sustainability in mind. Among other things, we harness solar power as a source of renewable energy. We have the capability and capacity to fabricate bespoke products in various metals to precise customer specifications. The "Made in Malaysia" mark is proudly stamped on all our manufactured products.

Besides manufacturing fittings such as elbows, tees, reducers, stub ends, and endcaps, made of carbon steel, stainless steel, nickel alloys, duplex, and other alloys, Pantech Group has precision metal machining and comprehensive engineering and turnkey solutions capabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

VALUE CREATION MODEL



MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

RISK AND OPPORTUNITIES

Pantech Group recognises the importance of a robust risk management framework to navigate a dynamic operating environment and achieve sustainable value creation for stakeholders. The Board, with support from the Audit and Risk Management Committees, provides strong oversight for our internal controls and risk management systems.

Pantech Group's key risks and risk mitigation activities can be read further on pages 79 to 81.

FINANCIAL & OPERATIONAL REVIEW

Symbolic of the economy as a whole, Pantech Group's fortunes moderated in FY2024, mirroring that of the O&G industry. As anticipated in the FY2023 annual report, our performance held steady. The ability to secure supply contracts for large O&G projects locally helped us sustain a PAT of over RM100 million for the second consecutive year, amounting to RM105.55 million.

Challenges

The ongoing tensions in Eastern Europe and heightened uncertainty in the Middle East have caused significant concern surrounding the security of O&G supply. This has resulted in volatile prices that weighed on economic growth at a time when interest rates are at higher levels due to central banks' efforts to tame inflation.

High interest rates keep input costs high. Yet, energy security necessitates industry investment to ensure supply continues to flow for consumers. This creates a challenging situation where companies need to invest despite high costs. Major O&G companies are taking calculated risks, with Final Investment Decisions (FIDs) being made on projects that were previously shelved during the pandemic, as the near-term outlook for demand improves.

Despite the challenges, O&G remains a crucial player in the economy. For example, natural gas fuels the growth of emerging markets; its relevance is solidified by a USD290 billion investment in a liquefied natural gas (LNG) projects such as in the world's largest natural export facility in Qatar.

Nevertheless, it is incumbent on players to actively support a just transition to a more renewable economy while maintaining energy security, until green infrastructure is saturated.

Pantech Group acknowledges our position within the O&G supply chain and the responsibility to contribute to our customers' sustainability agenda. We are committed to continuous learning and implementation of relevant sustainability practices to achieve our own sustainability goals and support our customers in their sustainability journey. This commitment is reflected in ongoing system upgrades through investments in infrastructure, technology and employee engagement. Specific examples include the utilisation of solar PV panels to harness renewable energy and the deployment of electric vehicle (EV) forklifts in the company's fleet.

We operate with a clear strategic direction, allowing us to focus on our core strengths and doing what we do best, delivering excellent service to our customers. We recognise our vital role within the fluid transmission system supply chain and are committed to providing high-quality, timely solutions that meet the specific requirements of our customers.

This commitment extends beyond simply offering excellent products. We actively engage with stakeholders throughout the supply chain to ensure that our solutions not only meet the requirements but also align with the customers' broader sustainability goals. This collaborative approach ensures Pantech Group remains a reliable partner for our customers' success.

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

FINANCIAL & OPERATIONAL REVIEW (CONT'D)

Trading Division

KEY DEVELOPMENTS	
IC	5 certificates maintained
H&SC	2,826 training hours
IC	New ERP system for improved efficiency
NC, MC	1 unit of new EV forklift

Our Trading Division delivered an outstanding performance in FY2024, achieving a 25.07% year-on-year (YOY) increase in segment profit to RM64.27 million. This stellar growth came despite a slight dip in revenue, which settled at RM510.98 million revenue (FY2023: RM512.29 million).

The success can be attributed to several key factors. We experienced good sales demand, in particular within the local O&G sector where a better product mix with greater proportionate sales of high-value PVF products enabled better returns. Our team's strong professional relationships with customers and their relentless pursuit of leads secured significant contracts for large-scale O&G projects domestically.

These relationships proved valuable in negotiating favourable solutions and delivery terms with suppliers. This, coupled with our prudent working capital management that ensured a healthy cashflow, allowed us to meet customers' demands effectively.

These factors along with our comprehensive product mix, readily available with rapid time-to-market, played a crucial role in securing contracts and boosting the overall contribution of this division.

Manufacturing Division

KEY DEVELOPMENTS	
NC, MC	1,469 kWp solar PV system fully operational at PSI
NC, MC	2,800 kWp solar PV system installation underway at PSA
IC	21 certificates maintained; 3 new international certifications
NC, MC	5 units of new EV forklifts
H&SC	4,514 training hours

Our 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 our Manufacturing Division. Volume-wise, export demand for stainless steel products declined. This was compounded by the lower average selling prices. Despite this, there was a positive development. We registered a significant improvement in exports to Europe due to the European Union anti-dumping circumvention crackdown. This resulted in Pantech Group being recognised as one of only two legitimate stainless steel fittings producers in Malaysia.

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

FINANCIAL & OPERATIONAL REVIEW (CONT'D)

Manufacturing Division (Cont'd)

Other manufacturing units performed better on a YOY basis due to brighter market conditions. However, their performance was overshadowed by heavily moderated performance of our stainless steel unit. It is important to note that the stainless steel unit had an exceptionally strong performance in FY2023, making YOY comparisons more difficult.

Performance notwithstanding, we remain committed to sustainability practices. Following the successful installation of solar PV systems installed in PSI, we are currently installing a 2,800 kWp solar PV system in PSA's facility in Johor, with completion expected in the coming financial year.

Optimising production processes for maximum efficiency and economic viability remains a key priority. We achieve this by continuously monitoring our manufacturing output.

Manufacturing Company	PANTECH STEEL INDUSTRIES SDN BHD	PANTECH STAINLESS & ALLOY INDUSTRIES SDN BHD	NAUTIC STEELS LIMITED	PANTECH GALVANISING SDN BHD	UNITY PRECISION ENGINEERING SDN BHD
Products	Carbon steel butt welded fittings and induction long bends	Stainless steel pipes & fittings	Copper nickel & nickel alloy pipes & fittings, flanges and ancillary products	Hot-dip galvanising treatment and coating services	CNC turning, CNC milling, wire cut, grinding, and deep hole drilling
Annual Capacity	21,000 metric tonnes	18,000 metric tonnes	800 metric tonnes	48,000 metric tonnes	60,000 hours
Output Achieved	90%	80%	65%	65%	80%

Group

Pantech Group performance normalised following a record-setting year. Revenue eased to RM946.63 million from RM1.04 billion, marking an 8.8% contraction. PAT remained stable at RM105.55 million, albeit a slight dip compared to FY2023's RM115.63 million, demonstrating the Group's profit resilience.

Our performance benefitted from the Trading Division's increased ability to secure and supply large O&G projects in the domestic market. This success stemmed from a well-aligned product mix, evinced in the stable inventory value of RM414.20 million (FY2023: RM405.44 million). Our focus on diverse product offerings with faster turnaround time allowed us to meet customers' needs efficiently, leading to increased contribution from the segment vis-à-vis the prior year. Pantech Group diligently monitors market trends to anticipate evolving needs and adjust inventory levels accordingly.

Beyond inventory management, we maintain a vigilant approach to working capital and cash flow, ensuring we can capitalise on growth opportunities. This financial discipline is evident in our increased cash and cash equivalent of RM261.97 million (up by RM81.95 million) and a healthy gearing ratio of 0.29 for the second year running.

In addition, strong relationships with stakeholders allow us to negotiate favourable terms to support our growth plans.

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

FINANCIAL & OPERATIONAL REVIEW (CONT'D)

Group (Cont'd)

With an eye on exciting future prospects, we are actively exploring the potential public listing of our stainless steel and carbon steel pipes and fittings manufacturing subsidiaries for a future listing under a special-purpose vehicle.

On the back of yet another profitable and successful year, Pantech Group is once again sharing value created with loyal shareholders. Thus far, we have declared and paid out three tranches of interim single tier dividend of 1.50 sen per ordinary shares each, amounting to RM37.38 million.

The Board is pleased to propose a final single tier dividend of 1.50 sen per ordinary share for the financial year, subject to shareholder approval at the upcoming Annual General Meeting. Upon approval, total dividend per share for FY2024 amounts to 6.0 sen per ordinary share. This matches the dividend paid in our previous, record-setting fiscal year. This will also translate to a total dividend payout of RM49.86 million, or 47.25% of PAT.

OUTLOOK

The global economy is expected to experience a third straight year of slow growth in 2024 according to the World Bank's Global Economic Prospects report. It projects a global GDP growth of 2.4% and a slight pick-up to 2.7% in 2025, a downward revision anticipating sluggishness in advanced economies. While the International Monetary Fund maintained a slightly higher 3.2% forecast for 2024 and 2025, both indicate a year of slow but steady growth as the global economy pushes through the headwinds with resilience.

The downside risks are present. Weaker-than-expected global growth and the geopolitical climate could negatively impact economic progress. Growth in China, a key O&G importer, could disappoint due to the persistent weakness in property markets or less-than-anticipated fiscal support. High geopolitical tensions remain a significant near-term risk to activity and inflation, particularly if the evolving conflict in the Middle East and in the Red Sea escalate further.

After the normalisation in 2023 to 3.7%, the Malaysian economy has expanded faster in the first quarter of 2024. Bank Negara Malaysia projects Malaysia's economy to progress in 2024, reaching a range of 4% and 5% growth. The optimism stems from several key factors. Stronger domestic demand is a major contributor, with rising private spending and continued investments fuelling economic activity. Additionally, exports have rebounded, with both the electrical and electronics (E&E) products and non-E&E sectors showing signs of improvement. Increased trade activities and commodities exports are positive news for the O&G industry, a key supplier to these manufacturing sectors.

A recovery in travel and economic activities is a support for O&G prices. The recent correction of Brent crude prices reflect the concerns about the global economy and oil demand. Brent crude currently trades around USD83 a barrel despite the International Energy Agency (IEA) projecting a record supply of 102.7 million barrels a day in May.

The volatility in the oil market is further complicated by supply disruptions from Russia due to EU sanctions, G7 price cap and the Organisation of the Petroleum Exporting Countries (OPEC)+ alliance output cuts. The OPEC+ aims for market stability and is seen taking action to prevent a slowing global economy from sending prices down.

As the world transitions towards a low-carbon future, the O&G sector remains vital despite challenges as massive investments continue in various projects. At the same time, the financial sector is pushing for greener investments. This requires a balance between securing traditional energy supplies for decades to come with the support of maintenance activities for continued use, and encouraging renewable energy (RE). For an oil producing nation like Malaysia, decarbonisation is crucial to remain competitive and contribute to a sustainable future.

Pantech Group recognises heightening the need for a just energy transition and is committed to sustainability practices to support maintenance activities and a smoother transition towards renewables. While the O&G sector remains an anchor in our portfolio, we are well-positioned to seize opportunities in fluid transmission within the clean energy spaces such as hydrogen, and carbon capture and storage. We will continue shoring up existing revenue generating streams while exploring opportunities in the clean energy areas.

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

OUTLOOK (CONT'D)

We prioritise continuous improvement as a One-Stop Centre for PVF solutions. This commitment to operational excellence, combined with our expanding sustainability practices, positions us as a preferred vendor in a highly demanding industry. We anticipate performance in FY2025 to be strong and are exploring strategies to increase overall production capability, strengthening our value proposition as a One-Stop Centre for PVF.

SUSTAINABILITY STATEMENT

ABOUT PANTECH GROUP HOLDINGS BERHAD

Pantech Group operates as a leading One-Stop Centre for pipes, valves, and fittings (PVF), with a strong presence across three countries serving an international market. Our head office in Malaysia acts a hub, catering to diverse range of industries including petroleum (onshore and offshore), petrochemical, electrical & electronics sectors. Sustainability is a core principle for Pantech Group. We are wholly committed to conducting business in a sustainable and ethical manner. We integrate sustainable practices throughout our Trading and Manufacturing divisions, aiming to deliver comprehensive solutions while minimising environmental impact and upholding social responsibility. This commitment to sustainability is a key driver for our long-term growth and success. It allows us to contribute positively to the communities we serve and operate within.

OUR CORE BUSINESSES

TRADING DIVISION

The Trading Division offers a comprehensive portfolio exceeding 30,000 PVFs and ancillary products, sourced globally. Combined with project management expertise and customer insights, this Division delivers a seamless One-Stop Centre experience, ensuring customers receive the right solutions quickly.

Revenue: RM510.98 million

Inventory: RM198.11 million

MANUFACTURING DIVISION

Pantech's Manufacturing Division produces both standard and custom-made pipes and fittings to international standards across five facilities. This Division leverages in-house expertise, sustainable practices, and precision metalworking to deliver high-quality products for customers.

Revenue: RM435.65 million

Total Capacity: 87,800 metric tonnes and 60,000 hours

More information on our businesses and financial performance can be read on pages 19 to 26.

OUR OPERATING LOCATIONS

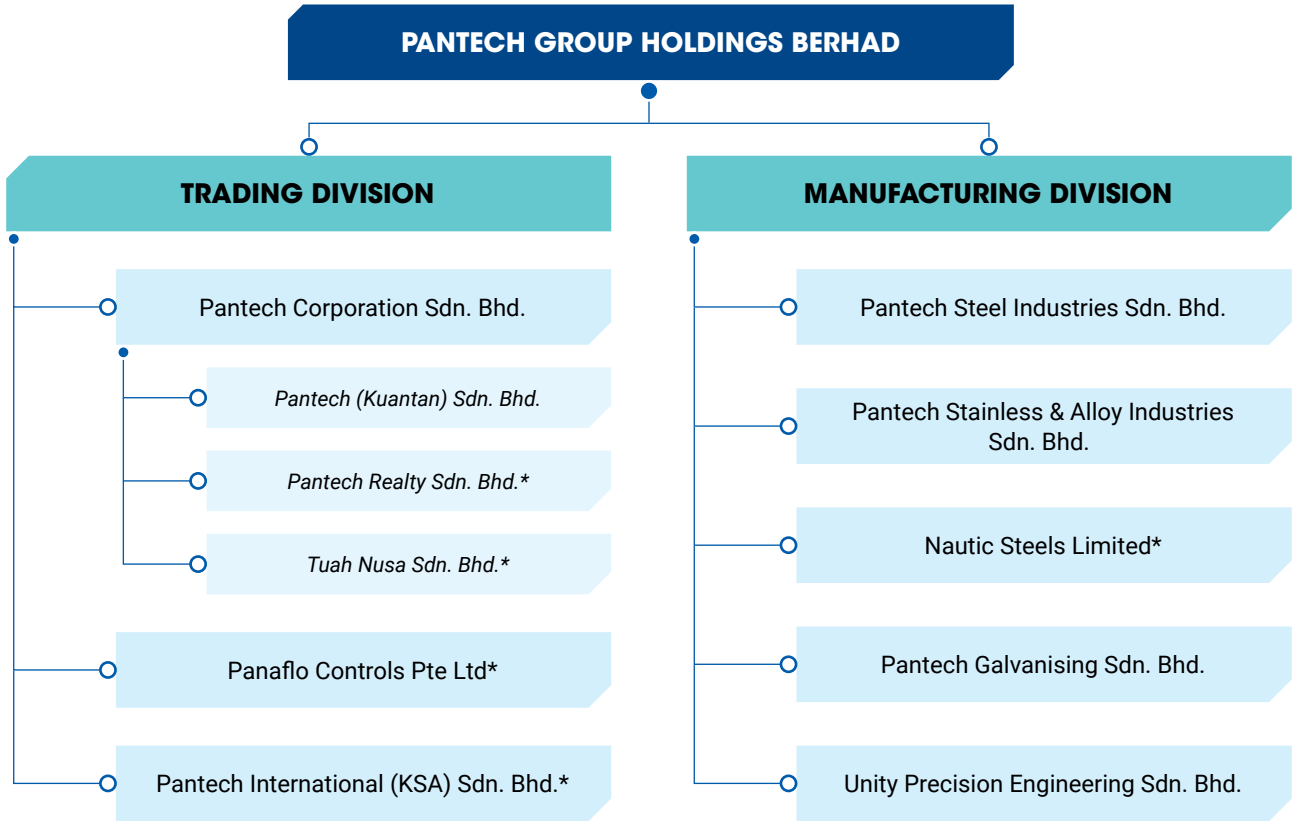
Pantech Group maintain operating bases in Malaysia, Singapore and the United Kingdom. The Trading Division operates with warehouses in Malaysia and Singapore, while our Manufacturing Division has production plants in Malaysia and the United Kingdom.

Further details on our operating locations and key developments are on pages 19 to 26.

SUSTAINABILITY STATEMENT

(Cont'd)

GROUP STRUCTURE AND OPERATING ENTITIES



Note: The following have been excluded from our reporting scope:

- a) *Pantech Realty Sdn. Bhd. as this is real estate holding company for our assets and is not involved in the trading or manufacturing operations, therefore has minimal impact on Pantech Group’s overall sustainability performance.*
- b) *Tuah Nusa Sdn. Bhd. as this company functions as our sales arm and does not have significant impact on Pantech Group’s overall sustainability performance.*
- c) *Panaflo Controls Sdn. Bhd. as this is a sales office in Singapore and has minimal impact on Pantech Group’s overall sustainability performance and progress.*
- d) *Pantech International (KSA) Sdn. Bhd. as this is a dormant company and has no ongoing operations.*
- e) *Nautic Steels Limited in the United Kingdom as their contribution is minimal to the Group in totality. We strive to build capacity and incorporate this unit into our report in the near future.*

ABOUT THIS STATEMENT

Pantech Group is pleased to present our FY2024 Sustainability Statement (“Statement”) which contains an overview of the Group’s sustainability performance and progress during the reporting cycle of 1 March 2023 to 29 February 2024.

This Statement is prepared as part of our ongoing commitment to providing holistic disclosure to stakeholders.

Restatement of information or data can be found in the Performance Data table on pages 64 to 68.

SUSTAINABILITY STATEMENT (Cont'd)

SCOPE AND BASIS OF SCOPE

Unless stated otherwise, this Statement covers Pantech Group's wholly-owned subsidiaries which:

1. Have business operations in Malaysia, and
2. Have substantial revenue contribution or impact to the Group.

These subsidiaries fall under the said scope:

- Pantech Corporation Sdn. Bhd.
- Pantech Galvanising Sdn. Bhd.
- Pantech (Kuantan) Sdn. Bhd.
- Pantech Stainless & Alloy Industries Sdn. Bhd.
- Pantech Steel Industries Sdn. Bhd.
- Unity Precision Engineering Sdn. Bhd.

We excluded the following from our reporting scope:

- a) companies that are not directly involved in the business, functions as sales offices, or are dormant, and therefore have insignificant or no impact on Pantech Group's overall sustainability performance and progress
- b) our operations in the United Kingdom; explanation follows the note in Group Structure and Operating Activities

This year's scope has expanded to include full year data for Unity Precision Engineering Sdn. Bhd. following completion of acquisition at the end of April 2022.

REPORTING FRAMEWORK

This Statement is prepared on the basis of Bursa Malaysia's Listing Requirements and Bursa Malaysia's Sustainability Reporting Guide. Additional reference has been made to Bursa Malaysia's Illustrative Sustainability Report to enhance our disclosure through visual representation in a coherent manner.

FEEDBACK

We welcome and encourage our stakeholders to share their feedback about this Statement to help us continue improving our disclosure practices. Stakeholders can write to info@pantechcorp.com.

SUSTAINABILITY GOVERNANCE

Pantech Group prioritises sustainability by integrating it into our core corporate governance framework. This ensures sustainability considerations are embedded across the organisation, both strategically and operationally. To achieve this, we have broadened the responsibilities of the Board of Directors to encompass sustainability elements in the Board Charter. Pantech Group's Board remains ultimately accountable for the Group's strategic direction on sustainability, with ongoing support from relevant committees.

A Sustainability Management Committee (SMC) chaired by our Executive Chairman supports the Board in carrying out strategic management of the organisation's material sustainability matters. Supporting the SMC is our Sustainability Taskforce comprising senior management and representatives from the companies included in the reporting scope. The taskforce manages the Group's day-to-day material sustainability matters by way of policies, principles and procedures.

The SMC plays a critical role in integrating sustainability into our business practices. They consider the economic, environmental, and social impacts of our activities when formulating a Sustainability Strategy aligned with the Group's vision, mission, and core values.

The SMC's wide-ranging responsibilities include:

- Guiding decision-making by establishing policies and guidelines that comply with regulations.
- Monitoring ESG performance against key indicators and evaluating policy effectiveness.
- Evaluating policy effectiveness, identifying areas for improvement and developing corrective actions.
- Leveraging external consultation for objective insights.

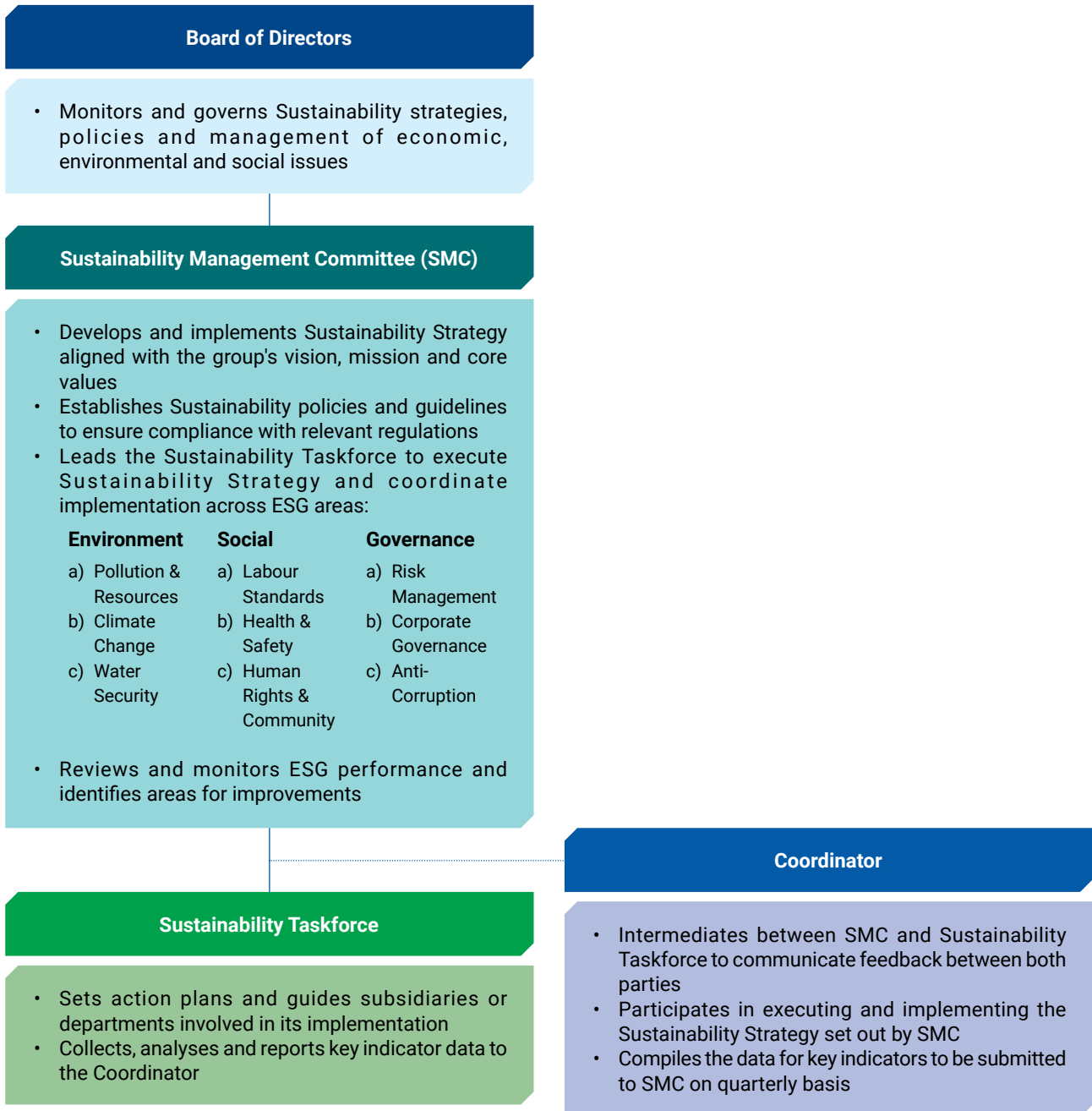
SUSTAINABILITY STATEMENT

(Cont'd)

SUSTAINABILITY GOVERNANCE (CONT'D)

The SMC's wide-ranging responsibilities include (cont'd):

- Leading the Sustainability Taskforce to implement and coordinate strategy execution.
- Providing regular updates to the Board on the Group's progress towards sustainability goals.



The Board of Directors continuously strengthens its knowledge on sustainability, including climate-related risks and opportunities. They attend capacity-building programmes to ensure informed decision-making and effective oversight of these critical matters. The Board also ensures relevant sustainability competencies are assessed periodically to strengthen leadership and oversight. Key performance indicators (KPIs) are embedded into performance evaluation of the Board and senior management to drive accountability. More reading about this can be found in our Corporate Governance Report.

SUSTAINABILITY STATEMENT

(Cont'd)

SUSTAINABILITY GOVERNANCE (CONT'D)

Independence of Audit for Greater Governance

On the advice of the Audit Committee (AC) helmed by an Independent Non-Executive Director, Pantech Group requires the lead partners involved in the external audit process to be rotated every seven years and observe a cooling-off period of at least five years before re-appointment. The AC oversees this practice, and is consistent with professional standards required by the Malaysian Institute of Accountants.

Further reading can be found the AC terms of reference on our website.

Policies In Effect

The following policies are in effect:

- Anti Bribery and Corruption Policy
- Environmental Policy
- Fit and Proper Policy
- Human Rights Policy
- Occupational Safety and Health Policy
- Sustainability Policy
- Whistle Blowing Policy
- Code of Ethics

The Board Charter, Terms of Reference and policies are available for reading on our website <https://pantech-group.com/investor-relations/>.

STAKEHOLDER ENGAGEMENT

Pantech Group has a broad range of stakeholder groups that have an effect on or are affected by our business activities. Stakeholders are identified based on their overall influence and dependence on our Economic, Environmental, Social and Governance impact. These include employees, regulators, customers, suppliers, investors, and the communities in which we operate.

To align their interests with our business strategy, we proactively engage them through established channels to obtain their input on matters of importance to them. Such interactions help us ascertain material matters and provide insights into emerging opportunities and risks.

Stakeholder group	Engagement channels	Fwocus areas	Our responses
Employee	<p>Ongoing</p> <ul style="list-style-type: none"> - Internal communications (i.e. memo, emails) - Meetings and discussions - Sports activities - Festive celebrations <p>As needed</p> <ul style="list-style-type: none"> - Learning and development trainings <p>Annually</p> <ul style="list-style-type: none"> - Performance appraisals - Employee surveys - Company events 	<ul style="list-style-type: none"> - Career development & progression - Performance management - Workplace conduciveness - Occupation safety and health - Employee welfare - Balanced lifestyle 	<ul style="list-style-type: none"> - Transparent communication with employees - Training and upskilling opportunities for professional and personal development - Occupational safety and health sessions to reinforce good practices as shared responsibility - Merit-based evaluation and career growth trajectory

SUSTAINABILITY STATEMENT

(Cont'd)

STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder group	Engagement channels	Focus areas	Our responses
Government Agencies and Regulatory Bodies	<p>Ongoing</p> <ul style="list-style-type: none"> - Statutory submissions - Participation in government/regulatory events <p>As needed</p> <ul style="list-style-type: none"> - Scheduled/ad hoc meetings - Scheduled inspections - Written communications 	<ul style="list-style-type: none"> - Regulatory compliance - Waste management and environmental compliance - Labour practice and safety compliance 	<ul style="list-style-type: none"> - Full compliance with regulatory requirements - Adoption of practices outlined in the Malaysian Code on Corporate Governance - Aware of and support initiatives driven by government or regulatory bodies
Customers	<p>Ongoing</p> <ul style="list-style-type: none"> - Customer visits - Customer satisfaction surveys - Meetings and business communication - Participation in exhibitions / trade shows - Corporate website 	<ul style="list-style-type: none"> - Quality of products and services - Relationship management 	<ul style="list-style-type: none"> - Offer comprehensive range of quality PVF that meet their requirements with quick turnaround - Adhere to strict international quality standards - Visits to customer sites to better understand their needs and challenges
Suppliers	<p>Ongoing</p> <ul style="list-style-type: none"> - Supplier evaluation and registration - Supplier visits - Meetings and business communications - Participation in exhibitions / trade shows 	<ul style="list-style-type: none"> - Supply chain management - Relationship management - Quality of products and services - Corporate governance and compliance 	<ul style="list-style-type: none"> - Comply with Procurement policies and procedures - Supplier visits for firsthand understanding of processes and procedures in place, including new technology
Investors and Shareholders	<p>Ongoing</p> <ul style="list-style-type: none"> - Corporate website <p>Annually</p> <ul style="list-style-type: none"> - General meeting - Annual report <p>Quarterly</p> <ul style="list-style-type: none"> - Public filings - Investor relations sessions <p>As needed</p> <ul style="list-style-type: none"> - Extraordinary general meetings - Company announcements 	<ul style="list-style-type: none"> - Financial performance - Return on investment - Corporate governance and compliance - Business strategy and outlook 	<ul style="list-style-type: none"> - Timely updates on strategy and financial performance via investor briefings and announcements - Uphold good governance practices - Outline, monitor and disclose sustainability targets and performance
Community	<p>Ongoing</p> <ul style="list-style-type: none"> - Corporate responsibility initiatives <p>As needed</p> <ul style="list-style-type: none"> - Job vacancy advertisements 	<ul style="list-style-type: none"> - Environmental practices - Social responsibility - Work opportunities 	<ul style="list-style-type: none"> - Support community welfare through contributions and assistance programmes

SUSTAINABILITY STATEMENT

(Cont'd)

MATERIAL MATTERS

We are aware that material matters can directly and indirectly impact our long-term value creation for our stakeholders. Periodic assessments are conducted to review and align Pantech Group's strategies, resource allocation, performance management and reporting. These assessments help us address stakeholders' evolving concerns about Economic, Environmental, Social and Governance matters that significantly influence our ability to create value.

Pantech Group conducted and concluded a comprehensive materiality assessment in FY2024 to gauge continued relevance of our prioritised Economic, Environment, Social and Governance impacts arising from day-to-day activities. Based on the results, we have introduced an updated set of material matters that are aligned with our priorities and stakeholder expectations.

From our engagements, the material matters have been aligned with Pantech Group's priorities and stakeholder expectations.

Notable changes:

Previous Material Matter	Updated Material Matter	Remarks
Procurement practices	Supply Chain Management	Updated to better reflect broader scope, including responsible sourcing with ESG considerations and support of local suppliers whenever possible.
Energy; Emissions; Transport	Climate Change Strategy and Initiatives	Regrouped the material matters under the overarching theme of "Climate Change Strategy and Initiatives" to streamline our approach, enhance the management of climate change issues, and ensure a more cohesive and effective strategy in addressing our environmental impact.
Materials	Materials Management	Revised for better clarity.
Water	Water Usage	
Waste and Effluents	Waste and Effluent Management	
Training and Education; Labour practices; Employment; Grievance Mechanism	Human Capital Management; Human Rights	Reorganised these material matters under two new themes i.e. "Human Capital Management" and "Human Rights". This change is in the spirit of aligning our focus on developing and managing our workforce with an emphasis on skills development and fair labour practices, while also ensuring a strong commitment to upholding and protecting human rights throughout our operations.
Diversity	Diversity and Equal Opportunity	Revised for better clarity.
Local Communities	Contribution to Local Communities & Society	
Anti-Corruption	Anti-Bribery and Corruption	Revised for better clarity.
	Corporate Governance	<p>New material matter identified through the materiality assessment process.</p> <p>Definition: Accountability at the highest level in addressing sustainability issues.</p> <p>Organisations with strong corporate governance culture will be better positioned in managing sustainability risks and opportunities.</p>

SUSTAINABILITY STATEMENT

(Cont'd)

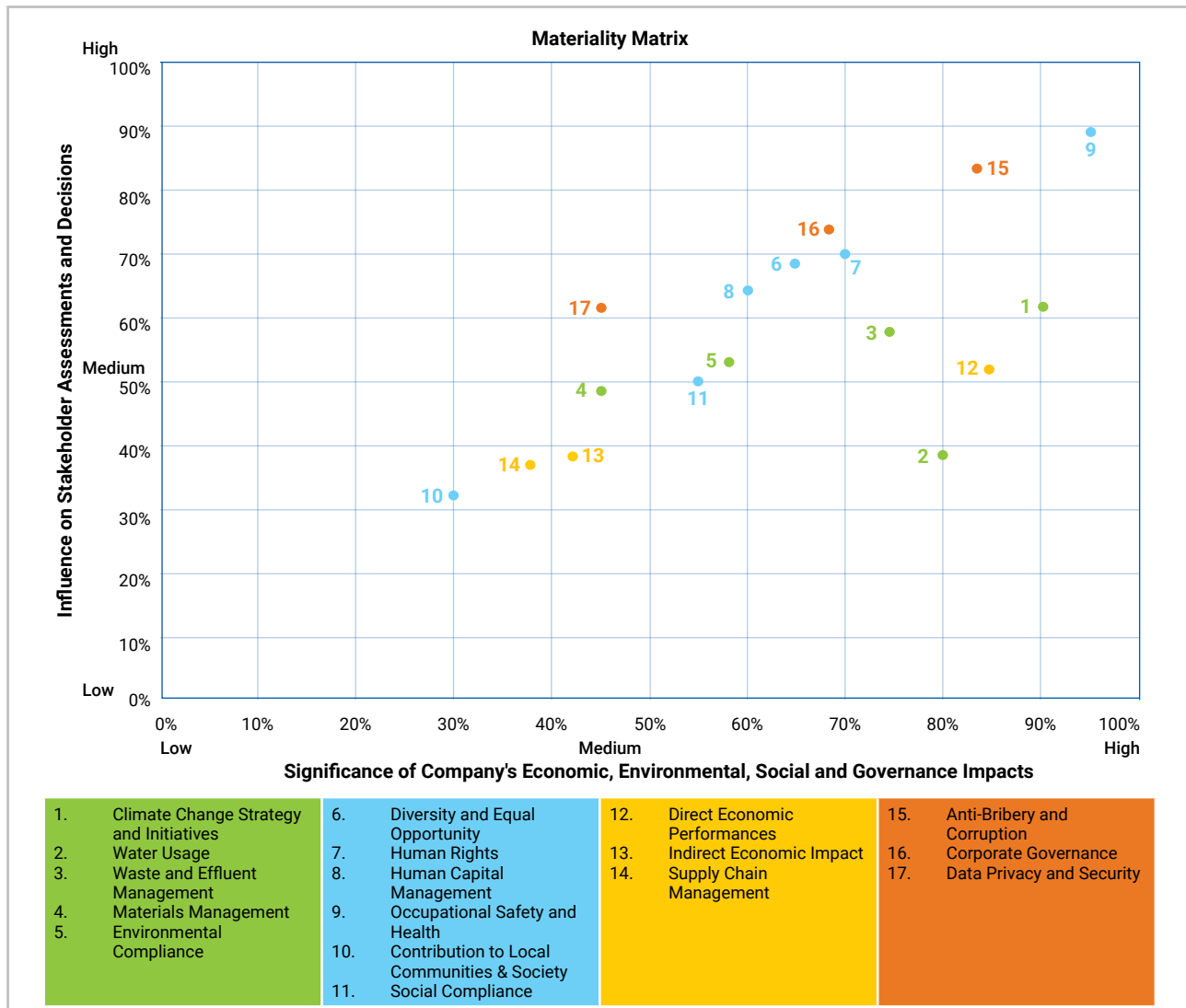
MATERIAL MATTERS (CONT'D)

Previous Material Matter	Updated Material Matter	Remarks
	Data Privacy and Security	New material matter identified through the materiality assessment process. Definition: Identify cyber security risks and implement actions to prevent breaches of customer privacy and losses of customer data.

Our engagement showed Occupational Safety & Health remained the top consideration. It is noteworthy that greater proliferation of sustainability literacy sees Climate Change Strategy and Initiatives being scrutinised more by stakeholders, which is reflected in it being in the priority quadrant. Other focus areas are direct Economic Performance, Waste and Effluent Management, Environmental Compliance, Human Rights, Diversity, Equity and Inclusion, Human Capital Management, Social Compliance, and Corporate Governance.

The SMC reviewed the updated materiality matrix, informed by the recent materiality assessment process, and this was subsequently endorsed by the Board of Directors.

Our material matters are outlined in this chart which depicts the importance of each material matter based on its influence on stakeholder assessments and decisions.



SUSTAINABILITY STATEMENT

(Cont'd)

RISKS AND OPPORTUNITIES OF MATERIAL MATTERS

Our risk management processes help build readiness and resilience through the identification and management of potential risks encountered by Pantech Group. This framework integrates corporate, financial and operational risks.

Component	Risks	Opportunities
Economic Performance	Lacklustre economic performance corroding ability create and distribute value.	Sustainable financial performance delivers long-term value for stakeholders and attracts new investors.
Supply Chain Management	Disruptions in supply chain due to unethical practices by suppliers and poor supplier compliance can lead to production delays and reputational damage.	Sustainable sourcing practices and strong supplier relationships can ensure a stable supply chain, reduce risks, and enhance corporate reputation.
Occupational Safety and Health	Workplace incidences, health hazards and non-compliance with safety regulations can lead to loss in productivity and legal liabilities.	Implementing robust safety and health measures contributes to conducive environment for enhanced productivity.
Human Rights	Breaches in human rights practices can result in legal penalties, loss of business partnerships and significant reputational damage.	Strong human rights practices reinforce Pantech Group's reputation as a responsible employer.
Diversity, Equity and Inclusion	Discriminatory employment practices can lead to a toxic workplace culture and reputational damage.	Inclusive and empowering work culture helps attract and retain talent with greater breadth of experience and viewpoints to create an inclusive workplace culture that drives innovation.
Human Capital Management	Low employee morale and inadequate training can result in high turnover rates and decreased productivity.	Investing in human capital through training, development and engagement initiatives leads to a skilled workforce, higher employee satisfaction and improved performance.
Contribution to Local Communities and Society	Negative impacts on local communities can lead to opposition and legal challenges.	Positive community engagement and contributions enhance corporate reputation and build strong community relations.
Anti-Bribery and Corruption	Lapse in corporate governance structure and practices can lead to reputational damage, legal penalties, loss of business opportunities and erosion of stakeholder trust.	Effective corporate governance practices enhance business integrity and build stakeholder trust.
Data Privacy and Cyber Security	Data breaches and inadequate cyber security can lead to financial losses and damage to customer trust.	Robust data privacy and cyber security measures help to protect sensitive information which enable Pantech Group to maintain trust among stakeholders.

SUSTAINABILITY FRAMEWORK

Pantech Group's sustainability framework aligns with our business strategy and is guided by our vision and mission and underpinned by our STEEL core values. The framework outlines our focus areas which are:

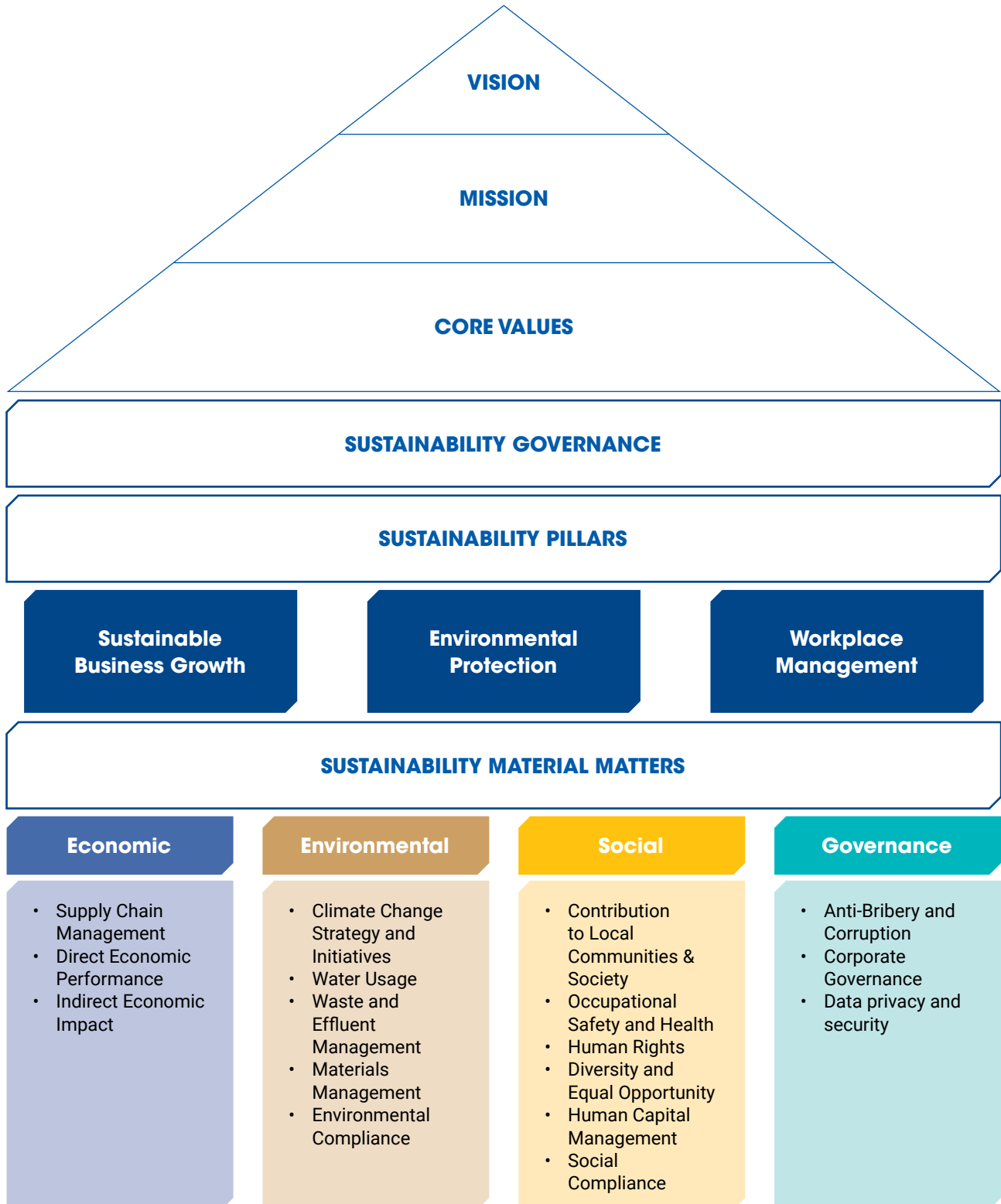
- Sustainable Business Growth
- Environmental Protection
- Workplace Management

SUSTAINABILITY STATEMENT

(Cont'd)

SUSTAINABILITY FRAMEWORK (CONT'D)

We aim to deliver on the objectives across our focus areas by addressing the concerns related to our material matters. FY2023 forms the baseline year against which we set targets to monitor our performance and progress. We strive to make continuous improvements towards these targets in respect of the UN SDGs.



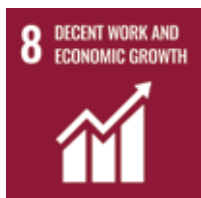
SUSTAINABILITY STATEMENT

(Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS

Sustainable Business Growth - Economic Performance

Related UN SDGs:



Why is this important?

As a business, Pantech Group's going concern and economic performance directly supports the creation of positive and lasting value for stakeholders. We are mindful of our responsibility in providing decent employment opportunities, which can cascade into economic development within local communities. We ensure long-term resilience by strategically deploying resources to generate and share value with our stakeholders.

Our approach

Our approach to sustaining good economic performance is by executing on our business strategy, as outlined in pages 16 to 18. This includes maintaining a robust catalogue of PVF and other fluid transmission solutions that meet specific customer requirements, prudently managing cashflow and investing into upgrades for efficiency, and bolstering existing revenue generating streams while exploring complementary opportunities.

We utilise capitals carefully, guided by monitoring and assessment of risk and opportunities. To remain agile and adaptable to the dynamic business environment, Pantech Group practises continuous learning and improvement with relevant trainings.

With presence in over 70 countries, our operations have a wider economic effect on our stakeholders, especially customers who depend on our PVF for fluid transmission systems to keep their operations flowing.

Our performance

In FY2024 Pantech Group generated a total of RM946.63 million in revenue, of which 93.7% was distributed to stakeholders. The economic value generated and distributed (EVG&D) arising from our business operations is illustrated in the table below.

	FY2022 RM'000	FY2023 RM'000	FY2024 RM'000
Direct Economic Value Generated			
Revenue	751,479	1,037,839	946,631
Interest income	1,573	2,270	4,309
	753,052	1,040,109	950,940
Operating Costs			
Materials, operating and administrative expenses	546,803	748,500	700,399
Selling and distribution expenses	30,813	48,606	24,996
	577,616	797,106	725,395
Employee Wages and Benefits			
Wages, salaries, defined contributions and others	57,148	67,052	68,564

SUSTAINABILITY STATEMENT

(Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Sustainable Business Growth - Economic Performance (Cont'd)

Our performance (cont'd)

	FY2022 RM'000	FY2023 RM'000	FY2024 RM'000
Payments to Providers of Capital			
Interest payments	5,340	9,052	10,556
Dividend paid to shareholders	23,242	45,176	49,719
	28,582	54,228	60,275
Community Investments			
Contributions to charities, community and social programmes	129	112	107
Payments to Government			
Tax expense	15,658	38,008	32,844
Economic Value Distributed	679,133	956,506	887,185
Economic Value Retained	73,919	83,603	63,755

Economic - Supply Chain Management

Related UN SDGs:



Why is this important?

Pantech Group prioritises responsible sourcing with a focus on supply chain resilience and sustainability. We have built a reputation over time as a trusted leader in the provision of total solutions for gas and fluid transmission systems through our commitment to integrity. This commitment is reflected in our:

- **Traceable Materials**
All products and components are traceable to their origin, which are documented and updated by our dedicated Mill Cert department. We maintain rigorous controls throughout our supply chain and procurement process to ensure integrity.
- **Local Focus**
We firmly believe in supporting local businesses and contributing to economic growth in the communities where we operate. We do this by prioritising local sourcing for administrative and operating expenses, and also fostering partnerships with local SMEs whenever feasible.
- **Sustainability Collaboration**
We aim to gradually introduce and encourage awareness of our sustainability expectations pertaining to procurement practices are extended to our suppliers, which include contractors, service providers, and consultants. Our goal is to align them with our sustainability objectives.

SUSTAINABILITY STATEMENT (Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Economic – Supply Chain Management (Cont'd)

Our approach

We uphold a fair and ethical procurement practice.

To ensure equal opportunity, we provide a level playing field to all potential and existing suppliers through a transparent selection process based on objective criteria such as quality of material, reliability, lead time and cost.

Pantech Group strives to maintain conscious sourcing and procurement by taking into account social and environmental considerations. We plan to gradually communicate our relevant policies including Anti Bribery and Corruption, Environmental, Human Rights, Occupational Safety and Health and Whistle Blowing to existing and potential suppliers. We also ensure compliance with all applicable laws, regulations and internal policies throughout our procurement function.

Cognisant of our role in the wider supply chain, we prioritise sourcing products and services from local suppliers to the best extent possible. This not only contribute positively to the local economy but also reduces our logistics carbon footprint at the same time. Due to the nature of our business, raw materials for our Manufacturing Division and purchases of trading goods under our Trading Division mainly come from overseas. Functions such as administrative and operating purchases are locally sourced.

Pantech Group fosters open communication and builds trust with our suppliers and vendors, aiming for mutually beneficial relationships. This collaborative relationship promotes a win-win partnership. Relationships notwithstanding, the Group does not compromise our objectivity in upholding responsible procurement practices. Our team follows established guidelines to ensure competitiveness and avoid conflicts of interest.

Our performance

	FY2024
Proportion of spending on local suppliers	36%

Social – Occupational Safety and Health

Related UN SDGs:



Why is this important?

At Pantech Group, employee and contractor health and safety are paramount. We take proactive approach by creating safe and healthy work environments in all our business operations and workplaces. We firmly believe that a healthy, safe, and conducive work environment is essential for preventing injuries and illnesses. By proactively managing safety and creating a culture of well-being, we aim to keep everyone working at their best, ultimately contributing to increased efficiency and productivity.

SUSTAINABILITY STATEMENT

(Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Social - Occupational Safety and Health (Cont'd)

Our approach

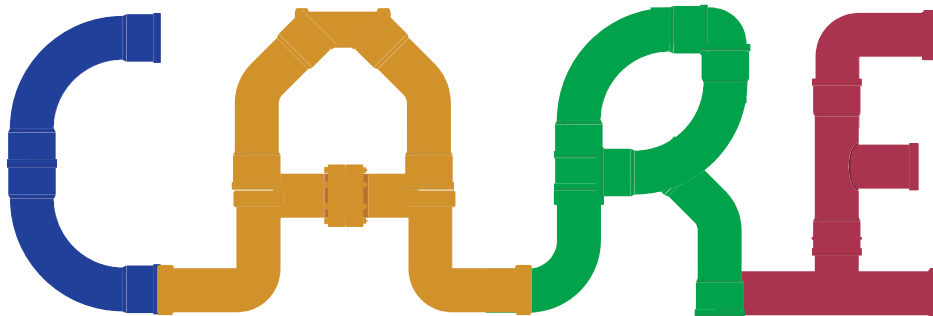
Pantech Group’s Occupational Safety & Health (OSH) Policy outlines our approach to conducting business operations in a safe and responsible manner. Our OSH Policy is built upon a robust Occupational Health and Safety Management System (OHSMS) that adheres to the requirements of the Occupational Safety and Health Amendment Act 2022 (OSHA 2022) and ISO 45001:2018 standard.

To ensure ongoing improvement and effective communication, Health, Safety and Environment (HSE) Working Committees are established across relevant divisions and companies. The HSE Working Committees need to join monthly Heads of Department meetings, which is attended by directors and senior management, to present updates on safety performance.

Our Sustainability Management Committee is chaired by our Executive Chairman/ Group Managing Director, supported by four (4) Executive Directors. Directors of subsidiaries sit in the Sustainability Taskforce which oversees implementation of initiatives.

We have rigorous safety and health management systems in place to assess risks, identifying potential hazards and reducing risk levels. These systems are continuously monitored and periodically assessed for their effectiveness. The HSE committees collaborate with the Board and management to revise safety and health procedures when necessary, aiming for zero safety and health incidences for all stakeholders.

Our CARE Policy, updated in July 2023 following a Board meeting, captures the essence of Pantech Group’s safety commitment and culture, and is embedded into our OSH Policy.



<p>Comply with the relevant legal and other OSH requirements</p>	<p>Aim to be an organisation free from pollution, accidents and occupational diseases</p>	<p>Reduce risks and eliminate hazards to promote a safe work environment</p>	<p>Empower directors, management and employees to engage in OSH consultation and communication, while fostering a culture of continual improvement</p>
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Progressing towards being a leader in the provision of total solutions for gas and fluid transmission systems calls for prioritising safety among our workforce. We provide health and safety training during the onboarding of new employees. Regular trainings on HSE and Personal Protective Equipment (PPE) are conducted to promote a safe and conducive workplace for all. This extends to external contractors who are subject to mandatory HSE briefings before beginning work at our premises.

SUSTAINABILITY STATEMENT (Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Social - Occupational Safety and Health (Cont'd)

Our approach (cont'd)

Embedding a culture of safety throughout our organisation and ensuring the highest standards of safety and preventing workplace incidences, we actively encourage each employee to embrace a proactive approach to occupational safety and health and actively contributes to maintaining a safe workplace. Weekly Toolbox Sessions, led by the HSE committees at the respective subsidiary promote open dialogue and reinforce safety practices.

Our performance

Health and safety sessions

Pantech Group takes an inclusive approach to workplace safety and employee development. In FY2024, a total of 911 persons were given various formal trainings on Health and Safety Standards, totalling 3,454 hours. These sessions reflect our commitment to equipping employees with the required knowledge to actively contribute to workplace safety.

	FY2022	FY2023	FY2024
Number of employees trained on Health and Safety Standards	658	537	911
Training hours on Health and Safety Standards	669	1,841	3,454

We strive to ensure that all workers return home safely at the end of the day. Regular safety related sessions helped Pantech Group maintain a track record of zero fatalities in our premises.

Unfortunately, there was an increase of incidences recorded in the reporting period traceable to inadequate material handling techniques. Following a thorough investigation to identify the cause and any systemic failures, we have implemented corrective measures. These measures included briefing all production workers on the cause and providing guidance on the correct material safe handling technique. Other measures implemented include installation of safety guards & signs, improving safety elements, housekeeping, reviewing the maintenance procedure, and if necessary, enhancing supervision.

Our commitment to continuous improvement extends to our preventive measures, ensuring we minimise the risk of a recurrence in the future.

Correspondingly, Pantech Group recorded a Lost Time Incident Rate (LTIR) of 1.48 for FY2024. LTIR reflects loss of productivity associated with safety incidents and is calculated according to Bursa Malaysia's Sustainability Reporting Guide.

	FY2022	FY2023	FY2024
No. of Fatalities Involving Employees	0	0	0
No. of Fatalities Involving Contractors	0	0	0
No. of Incidents	25	18	22
• Major Incidents	4	9	9
• Minor Incidents	21	9	13
Total Man-Hours Lost	2,236	3,924	4,640
LTIR (Employees)	2.37*	1.44*	1.48

* Restatement of LTIR reflecting total manhours previously erroneously recorded

SUSTAINABILITY STATEMENT

(Cont'd)

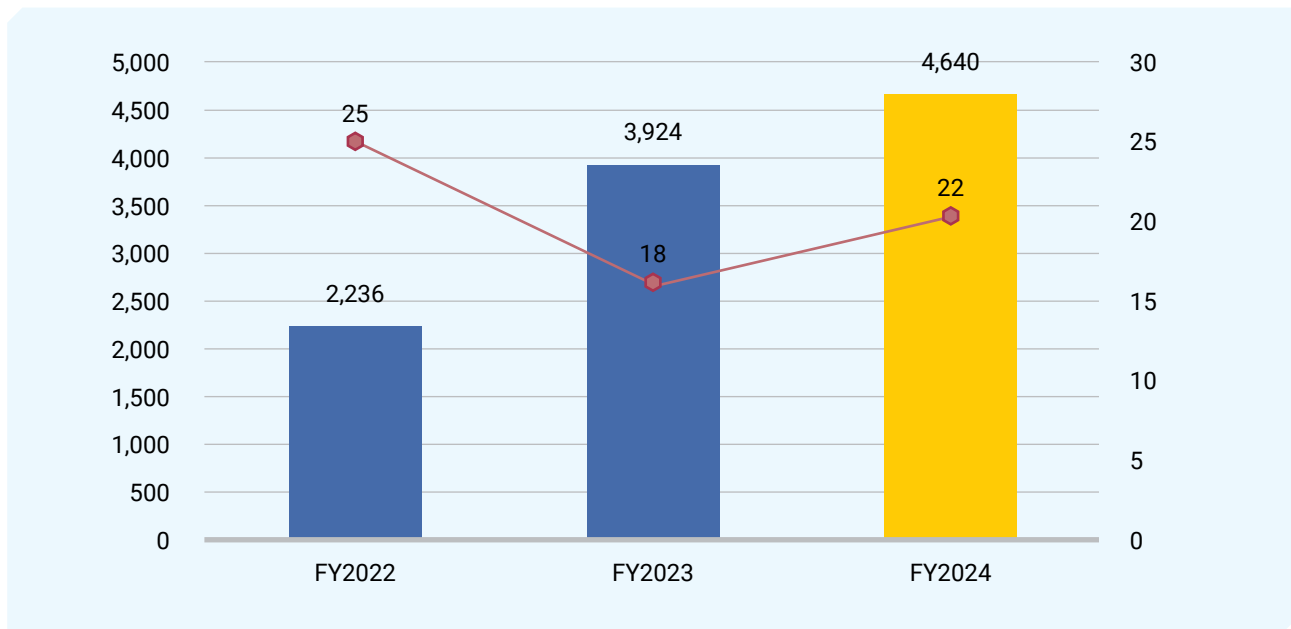
MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Social - Occupational Safety and Health (Cont'd)

Our performance (cont'd)

Incident Type	Description
Fatal	<ul style="list-style-type: none"> Incidents that result in death
Major	<ul style="list-style-type: none"> Incidents that result in non-fatal injury but cause permanent disability Prolonged but non-permanent disability with absence from work or on medical leave (MC) of more than 3 weeks
Minor	<ul style="list-style-type: none"> Incidents that result in minor injuries but not permanent disability Not critical or life threatening, minor abrasions, bruises, cuts and first aid type injury Absence from work or MC of less than 3 weeks

Number of Safety Incidents and Total Man-Hours Lost (Employees)

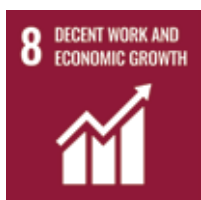


SUSTAINABILITY STATEMENT (Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Social - Human Rights

Related UN SDGs:



Why is this important?

Pantech Group is unwavering in our commitment to human rights. We believe respecting and upholding human rights across our business operations is not just a responsibility, it is a non-negotiable moral obligation. We are dedicated to fostering a work environment where human rights are respected and actively promoted. We firmly believe that strong human rights practices complemented by fair and ethical treatment for all employees, contribute to a more productive workforce and a healthy, positive healthy work culture.

Our approach

We support the UN Guiding Principles on Business and Human Rights, International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and International Bill of Human Rights. Furthermore, we adhere to applicable laws and regulations in our operational footprint, which include but are not limited to Malaysia's Employment Act 1955.

We are committed to upholding human rights in line with guidelines issued by key authorities. Our commitment is reflected in our Human Rights policy which was formalised in June 2023. The policy outlines our approach to managing and mitigating potential negative human rights impact and comprises six tenets:

- Non-Discrimination
- Fair Employment Conditions
- Health and Safety
- Freedom of Association and Collective Bargaining
- No Forced and Child Labour
- Free from Harassment and Abuse

In addition to fair wages, we commit to competitive compensation and decent living quarters for our workers. We prioritise training programs to ensure all employees, including foreign workers, can perform their jobs safely and effectively.

We have an established secure and confidential whistleblowing channel, as outlined in our Whistle Blowing Policy. This empowers employees and other stakeholders to report, without fear of retaliation, potential breaches of company policy, labour practices, disputes or inappropriate behaviour. All reports are thoroughly investigated while protecting the whistleblower's identity, and necessary actions are taken based on the findings.

Our performance

Pantech Group continued to have no substantiated grievances surrounding lapses in human rights in our reporting period.

	FY2022	FY2023	FY2024
No. of substantiated complaints involving human rights violations	0	0	0

We will continue observing human rights practices to maintain our track record and reputation.

SUSTAINABILITY STATEMENT

(Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Social - Diversity, Equity and Inclusion

Related UN SDGs:



Why is this important?

Pantech Group recognises that diversity and inclusion are not just the right thing to do, but also a strategic advantage by way of accumulation of, and ability to tap into a wide range of knowledge, perspectives, and ideas. We are firmly committed to equal employment opportunities and actively promote diversity across all aspects of our organisation, including gender, race, religion, age, and nationality. We believe that every employee has the right to work in a respectful, dignified, and fair environment free from discrimination of any kind.

Our approach

We reclassified the previously-titled Diversity and Equal Opportunity to Diversity, Equity and Inclusion (DEI) to better describe our focus on creating a work environment where everyone feels welcome, respected, and has the opportunity to thrive, regardless of their background or identity.

Our DEI efforts go beyond prohibiting discrimination, as outlined in our Human Rights Policy, and ensuring fair treatment as stipulated in our compensation and benefits practices. The policy also provides for employees to be free from harassment and abuse. We actively cultivate an inclusive environment where employees from diverse backgrounds can contribute their unique talents and perspectives.

We recognise the strength that comes from a workforce rich in experience, knowledge, and ideas. We provide employees with platforms to share perspectives and opinions, fostering open communication and collaboration. This inclusive approach embraces the diverse strengths and talents of our employees, supports a harmonious workforce and enhances the value of our operations.

We champion equitable treatment and just working conditions to all our employees. This translates to providing fair wages, reasonable working hours, adequate benefits and other forms of remuneration that comply with all applicable laws and regulations. We believe a well-supported and fairly compensated workforce is essential for fostering a sense of belonging and ensuring everyone has the opportunity to grow.

Our performance

	FY2022	FY2023	FY2024
Total employees	801	1,050	1,184

As an employer that believes in nurturing talents and investing into their growth and development, 42.7% of our workforce are below 30 years old (FY2023: 42.9%), and 94.1% are below age 50.

Employees By Age Group	FY2022	FY2023	FY2024
<30	43.3%	42.9%	42.7%
30 - 50	49.3%	52.7%	51.4%
>50	7.4%	4.4%	5.9%

SUSTAINABILITY STATEMENT (Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Social - Diversity, Equity and Inclusion (Cont'd)

Our performance (cont'd)

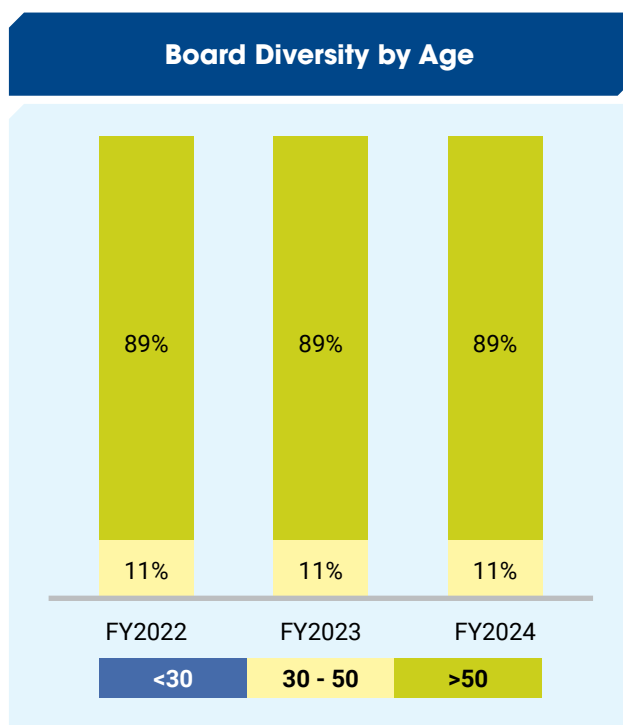
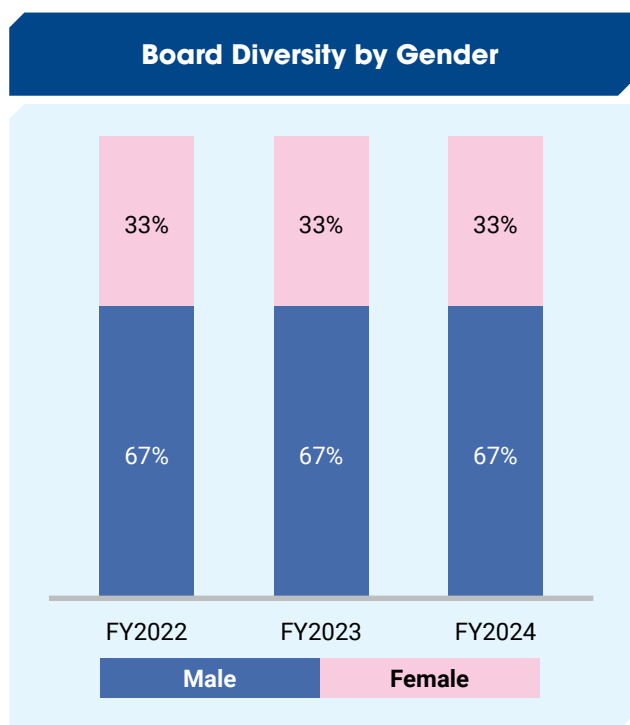
To provide us with strategic vision and guidance, our Board consists primarily of individuals above 50 years. They are instrumental in steering the company and giving sage advice for us to make better informed decisions.

Board Composition by Gender	FY2022	FY2023	FY2024
Male	67%	67%	67%
Female	33%	33%	33%

Board Composition by Age Group	FY2022	FY2023	FY2024
<30	0%	0%	0%
30 - 50	11%	11%	11%
>50	89%	89%	89%

With operations involving the manufacture of PVF, physically taxing work is necessitated within our premises. Due to this nature, our workforce is skewed towards the male gender.

Nevertheless, our gender ratio continues to see improvement as we provide equal opportunity in more office-bound roles. This enabled us to improve our local workforce female composition to 40%, up from 39% previously. In totality, 66.7% of non-Operation employees are female (FY2023: 64%), and one-third of the seats in our Board are held by women.



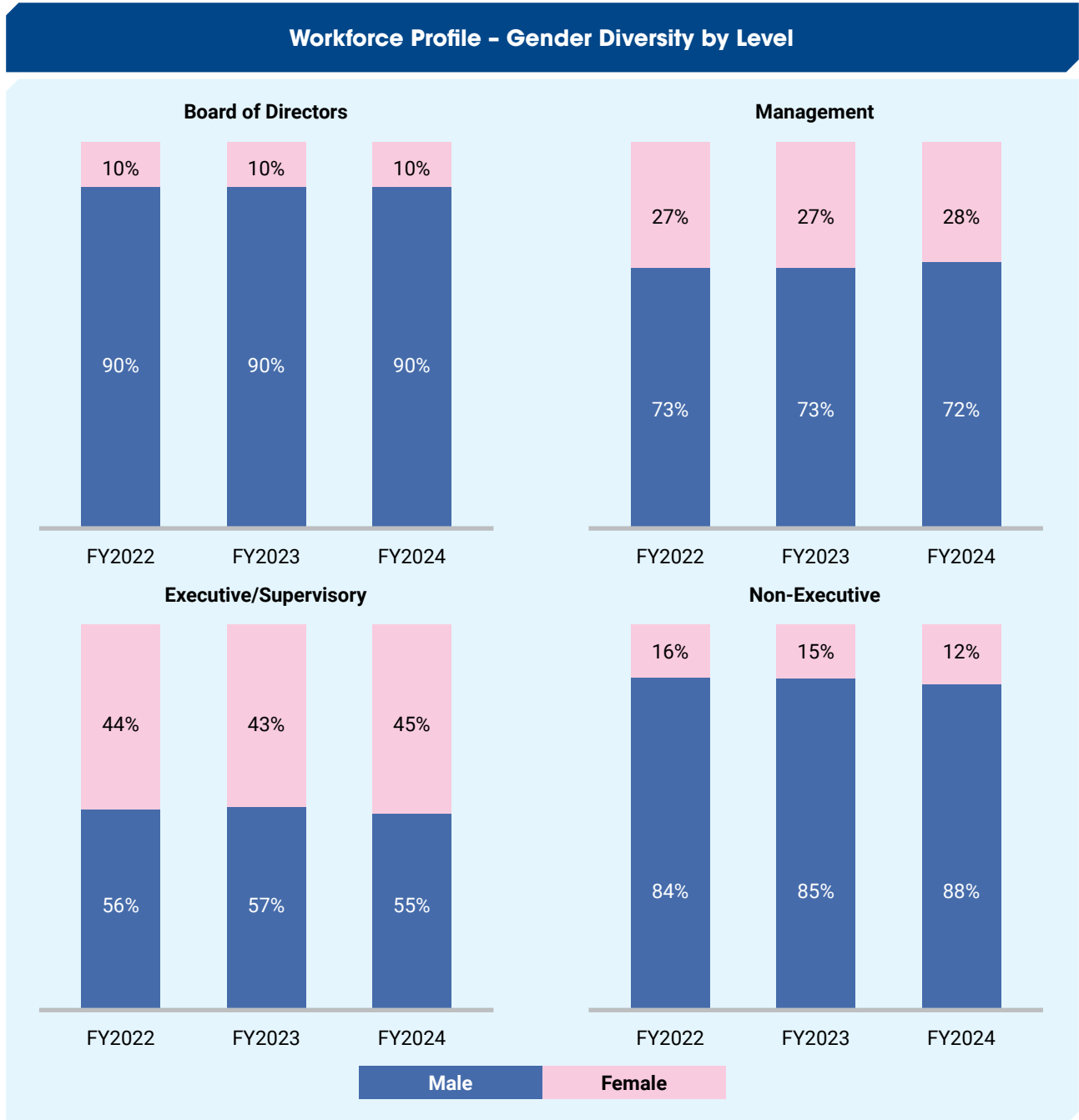
SUSTAINABILITY STATEMENT

(Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Social - Diversity, Equity and Inclusion (Cont'd)

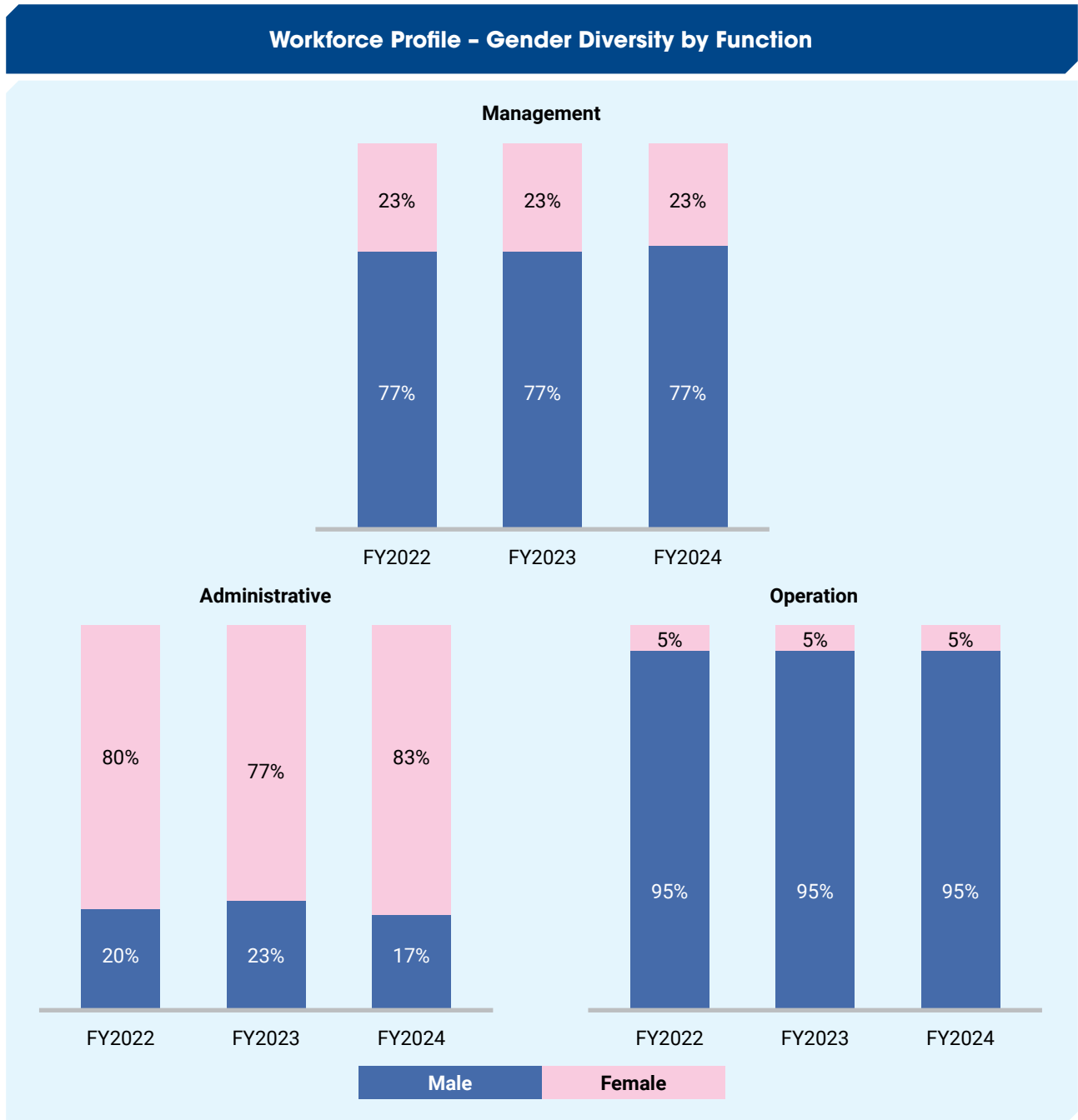
Our performance (cont'd)



MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Social - Diversity, Equity and Inclusion (Cont'd)

Our performance (cont'd)



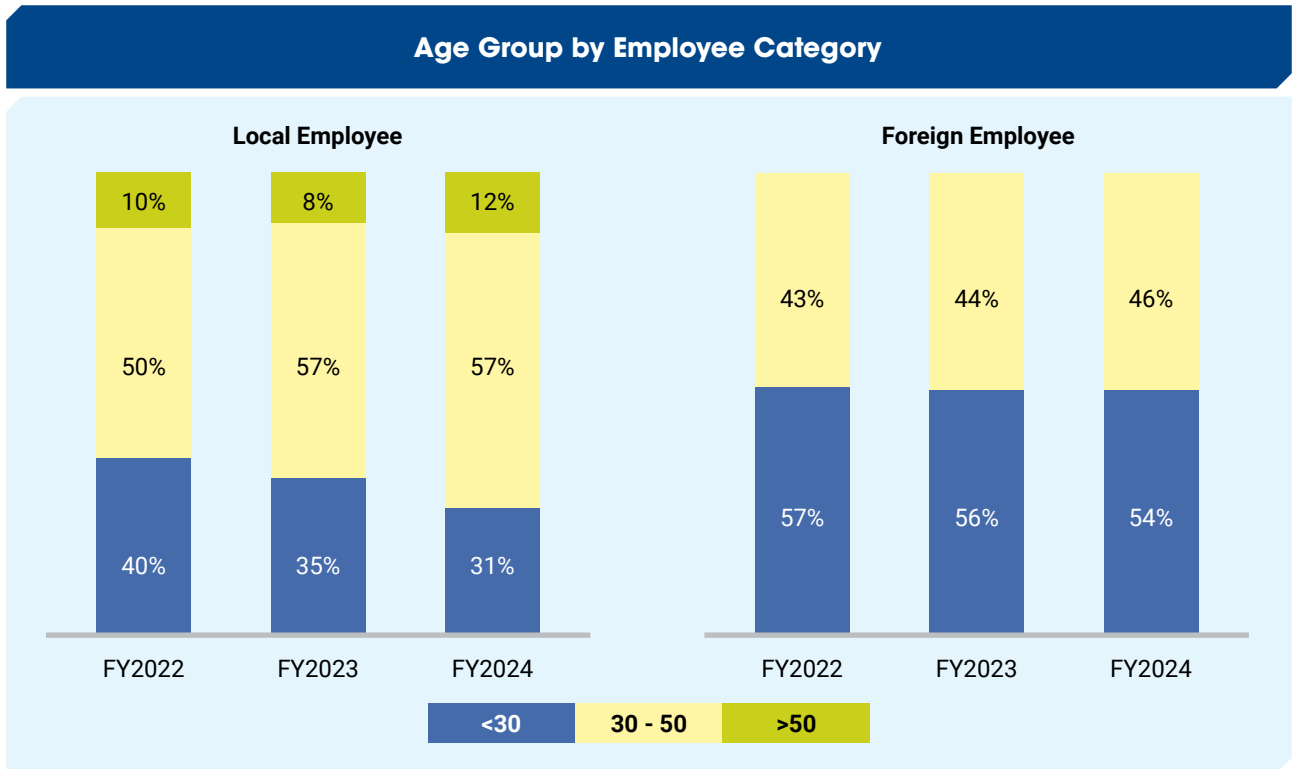
SUSTAINABILITY STATEMENT

(Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Social - Diversity, Equity and Inclusion (Cont'd)

Our performance (cont'd)



Social - Human Capital Management

Related UN SDGs:



Why is this important?

Pantech Group recognises that our employees are our most value asset and the continued success of our company is intrinsically linked to the development of our people. Their talent, dedication, and innovation are the driving force behind our success and growth. We are committed to fostering a high-performing workforce through strategic human capital management practices.

By investing in our people, through both development programmes and a positive work environment, we empower them to reach their full potential and contribute to the long-term value creation for Pantech Group and our stakeholders.

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Social - Human Capital Management (Cont'd)

Our approach

Our human capital management under the Human Resource department is guided by two of our core values to create an engaged and motivated workforce:

<p>Employee Empowerment</p>	<p>Pantech Group invests in our employees' growth by supporting their pursuit of new skills and capabilities through relevant development courses. We foster an energetic and enthusiastic workforce by valuing individual contributions and promoting teamwork. We encourage employees to step up and lead by inculcating a nurturing culture of continuous learning and adaptability to make decisions based on critical thinking.</p>
<p>Trust & Integrity</p>	<p>Our human capital practices are built on transparency and fairness, adhering to all local labour and employment laws.</p>

Our strategic human capital management focuses on these key pillars:



Our strategic framework fosters a culture of talent development, recognising individual contributions and empowering leaders to be agile. We design training programmes that unlock employee potential and drive continuous performance improvement.

Talent Acquisition and Retention

Building a strong and sustainable talent pipeline is crucial for Pantech Group's future success. We achieve this through effective talent attraction and recruitment practices, guided by merit-based hiring, focusing on skills, experience, and alignment with our values, culture, and vision. By attracting top talent without bias, we build a strong employer brand, leading to increased customer loyalty and improved organisational performance.

Beyond attraction, we retain top performers through competitive compensation and benefits packages, a positive work environment, and clear career development pathways. Additionally, we actively promote diversity and inclusion, fostering a workplace where everyone feels valued and empowered to contribute.

Talent Development and Upskilling

Evolving our approach to employee empowerment, we have renamed the initiative to Talent Development and Upskilling. This shift reflects our commitment to fostering a skilled, resilient, and agile workforce prepared to thrive in an ever-changing market.

SUSTAINABILITY STATEMENT

(Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Social - Human Capital Management (Cont'd)

Our approach (cont'd)

Talent Development and Upskilling (cont'd)

Pantech Group fosters a culture of continuous learning by investing in a comprehensive suite of development programmes. This includes leadership development, technical skills training, and soft skills development, all designed to equip our employees with the knowledge and skills needed to thrive in an ever-evolving business landscape.

We leverage both internal expertise and external subject-matter experts to deliver these programmes, ensuring our employees gain valuable knowledge on a wide range of topics relevant to our business and sustainability goals. These programmes address current and emerging skills trends, ensuring our workforce remains competitive and adaptable in a dynamic business environment. In FY2024, we continued this commitment by offering diverse programmes like onboarding, leadership development, upskilling courses aligned with job functions, industry leader seminars on sustainability, and curated in-house safety programmes.

Performance and Compensation

Pantech Group fosters a high-performance culture that fuels individual and team success. Our focus of being result-driven, accountable, collaborative, and striving for shared success underpin our performance-oriented culture.

This is achieved through a combination of clear performance management practices and competitive compensation and benefits. Our performance management system sets defined goals aligned with individual roles and company objectives. We provide regular, constructive feedback to encourage continuous improvement and empower employees to take ownership of their professional development. Additionally, we foster a culture of open communication and offer engaging programmes to create a stimulating and motivating work environment. We offer competitive compensation and benefits packages.

Leadership Pipeline

Pantech Group recognises the importance of building a strong leadership pipeline from within. We achieve this through a comprehensive training programme that extends across all levels of the organisation. This ensures a continuous flow of talent prepared to take on future leadership roles.

Our multi-level training approach cultivates future leaders via:

- **Investing in All Levels:** The majority of our training programmes are for employees outside of managerial positions. This empowers individuals with the skills and knowledge necessary for advancement, promoting a culture of internal growth.
- **Supervisory Development:** We recognise the importance of supervisory roles in leadership development. We organised our training sessions specifically tailored for supervisory levels, equipping them with the skills necessary to mentor and guide their teams. This prepares them for the natural progression to more senior leadership positions.
- **Comprehensive Training Focus:** We go beyond basic skills training. Our programmes address a wide range of topics including governance (anti-bribery & compliance), quality assurance, information technology, and manufacturing skills. This equips all employees with the necessary knowledge and skills to function effectively in their roles and contribute to the organization's success.
- **Safety & Health as Core Focus:** While leadership development is crucial, employee safety and well-being remain paramount. We maintain a strong focus on health and safety training throughout all levels of the organisation.

This multi-level approach ensures a well-rounded leadership pipeline. By investing in the development of all employees, Pantech fosters a culture of continuous learning and empowers individuals to reach their full potential, paving the way for a strong future leadership team.

SUSTAINABILITY STATEMENT (Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Social - Human Capital Management (Cont'd)

Our approach (cont'd)

Building a Sense of Belonging

By actively engaging with our employees, we cultivate a strong sense of community and proactively address their needs. In FY2024, we conducted a series of targeted employee engagement activities, including:

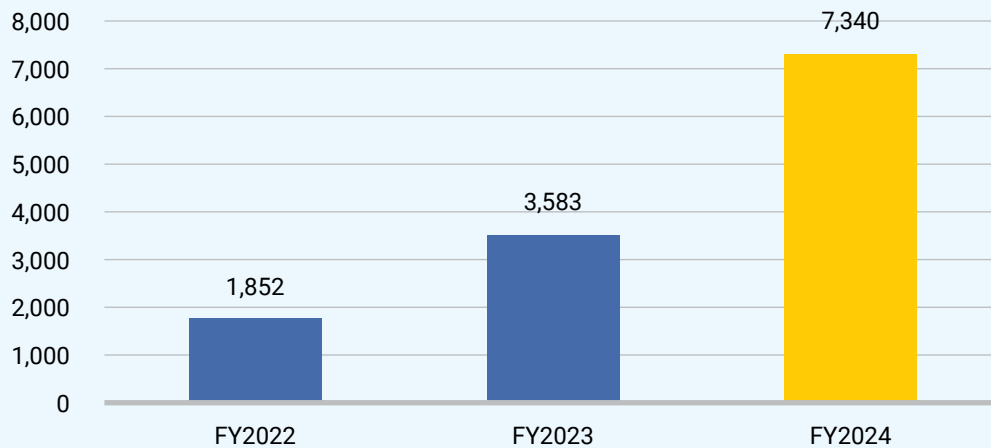
1. Employee appreciation programmes such as annual dinners and long service awards
2. Festive celebrations
3. Back-to-School programme for employees with school going children

By prioritising employee development, fostering a culture of trust and empowerment, and offering competitive rewards and recognition, Pantech Group strives to build a high-performing and engaged workforce. This approach not only drives our continued success but also contributes to the sustainability and long-term value creation for stakeholders.

Our performance

FY2024 set the record for Pantech Group in terms of total training hours attended by employees, more than doubling the hours of the previous year. The 220 sessions attended for a total of 7,340 hours logged translates to an average of 6.2 hours of training per employee, which exceeds our set target of at least 4 hours per employee (+55%). FY2024 is the first year in which Pantech Group formally collected data on human resource metrics.

Total Number of Training Hours



Employee by Level	FY2024
Board	68
Management	726
Executive/supervisory	3,142
Non-executive	3,404
TOTAL	7,340

SUSTAINABILITY STATEMENT

(Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

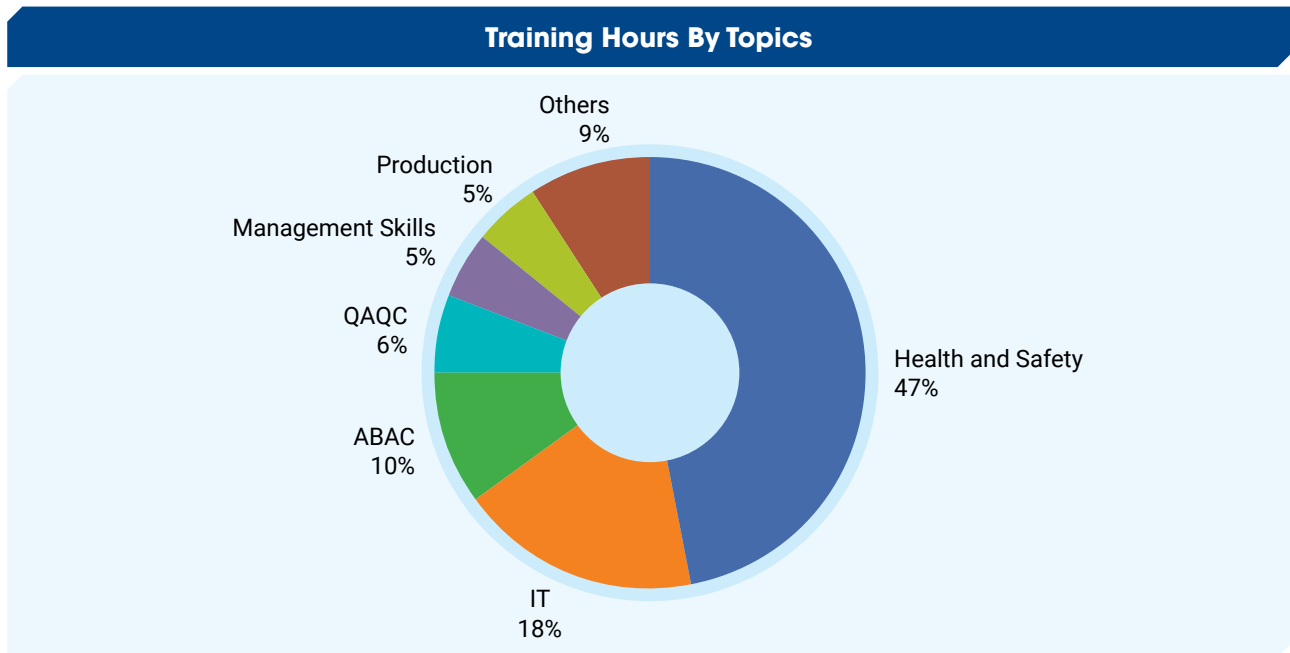
Social - Human Capital Management (Cont'd)

Our performance (cont'd)

Employee by Function	FY2024
Management	609
Administrative	2,341
Operation	4,390
TOTAL	7,340

	FY2024
Overall average training hours per employee	6.2

We have a target of an average of at least 4 training hours per employee.



Other topics include Sustainability, HR and Leadership Skill.

Employee Retention and Attrition

We continue to provide our employees with a stable income source to support their families. Our headcount continued to grow in FY2024, with 220 new hires.

New Hires	Male	Female	Total
< 30	114	39	153 (70%)
30 – 50	55	10	65 (29%)
> 50	2	0	2 (1%)
TOTAL	171	49	220

SUSTAINABILITY STATEMENT

(Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Social - Human Capital Management (Cont'd)

Our performance (cont'd)

A breakdown in voluntary turnover is provided below.

	Male	Female	Total
By Age Group			
< 30	45	25	70 (60%)
30 – 50	26	17	43 (37%)
> 50	4	0	4 (3%)
By Level			
Board	0	0	0
Management	2	2	4 (3%)
Executive/supervisory	18	19	37 (32%)
Non-executive	55	21	76 (65%)
By Function			
Management	1	2	3 (3%)
Administrative	13	33	46 (39%)
Operations	61	7	68 (58%)

	FY2024
New hire rates (%)	20.9%
Turnover rates (%)	11.1%

Social - Contribution to Community

Related UN SDGs:



Why is this important?

Pantech Group firmly believes that businesses have a responsibility to actively engage with their communities. This fosters social inclusion, builds resilience, and creates a more favourable environment for everyone, ultimately driving sustainable socioeconomic development. Our commitment to being a responsible corporate citizen is reflected in our targeted community engagement and impact activities, focusing on areas like social welfare to empower individuals and unlock their full potential. Our social welfare initiatives strengthen our connection with the communities we operate in, fostering a sense of shared purpose and mutual benefit. This collaborative approach ensures long-term prosperity for both Pantech Group and the communities we serve.

SUSTAINABILITY STATEMENT

(Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Social - Contribution to Community (Cont'd)

Our approach

We evaluate potential community initiatives based on the ability to contribute towards the UN SDGs. Where feasible, we support the same organisations or initiatives annually to amplify impact and drive positive change.

Our performance

In FY2024, we continued to invest into the community where the target beneficiaries are external to us. Pantech Group contributed RM107,000 in financial and non-financial assistance to a non-governmental organisation, schools, and a children's home. Non-financial assistance include but are not limited to contribution of computers to support education.

Highlights of our community investment initiatives are as follows:

No.	Activity/ Recipient	Remarks
1	Tabung Kebajikan dan Pendidikan Pertubuhan Buddhist Tzu-Chi Merits Malaysia	Supported the organisation of an event which aimed to raise environmental awareness as well as a workshop to create eco enzymes.
		Contributed to the relief efforts for Turkiye-Syria earthquake victims and flood victims in Johor.
2	National Stroke Association of Malaysia (NASAM)	Provided stainless-steel training stair to the centre.
		Sponsored a team to join the Happy Walk that aimed to raise funds for NASAM's operational needs.
		Contributed to fix wiring and install new air-conditioner for patients' benefit.
3	Pusat Kebajikan Care Haven Bhd	Supported the organisation's operations to provide care and assisted-upbringing for underprivileged children.
4	UTAR Education Foundation	Contributed to the development and operation of UTAR Hospital to benefit patients.
5	SJKC Pei Chih	Contributed computers to the school which can benefit its 1,700 students.
6	Trinity Community Children	Provided computers to the organisation which has 25 children under their care for their use.
7	SJK(C) Johor Jaya	Contributed to upgrade the school facilities including science lab, school library, classrooms and lecture buildings which can be utilised by its 2,000 students.

SUSTAINABILITY STATEMENT (Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Social - Contribution to Community (Cont'd)

Our performance (cont'd)

Highlights of our community investment initiatives are as follows: (cont'd)

No.	Activity/ Recipient	Remarks
8	Hospital Sultanah Aminah	Organised a blood donation campaign and encouraged employees to donate blood. 68 employees voluntarily donated blood which can benefit up to 204 recipients in need, based on the World Health Organisation.
9	Kechara Soup Kitchen	Provided used computers for use in Orang Asli tutoring centres and distribution to vulnerable families.

Direct beneficiaries: 61; Indirect beneficiaries: 3,900

Environment - Climate Change

Related UN SDGs:



Why is this important?

We recognise that we have a role to play in addressing climate change matters. We are cognisant that our energy consumption, water withdrawal, and GHG emissions contribute to climate change impacts. Understanding the importance of environmental stewardship, we are committed to proper waste and effluent management practices that safeguard air and water quality, minimise soil contamination, and prioritise the safety of our employees and the communities in the areas where we operate.

Our approach

Pantech Group aims to reduce the impacts our operations leave on the environment in our effort to deliver long-term value to stakeholders. This aim is enshrined in our **Environmental Policy**, with a commitment to five areas aptly initialising EARTH:

E

Environmental Management

A

Adherence to Laws and Regulations

R

Resource Efficiency

T

Transparency and Accountability

H

Heightened Environmental Awareness and Training

SUSTAINABILITY STATEMENT

(Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Environment - Climate Change (Cont'd)

Our approach (cont'd)

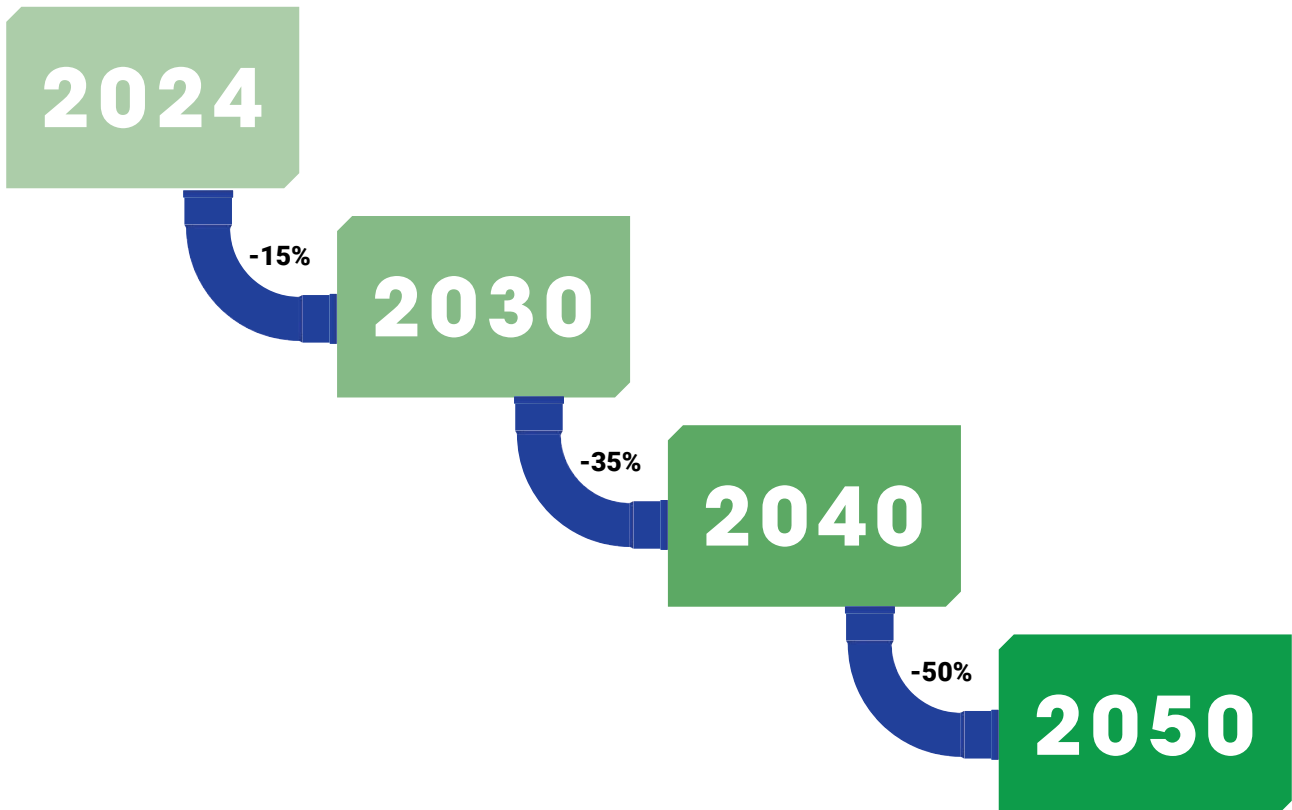
We strive to achieve net zero carbon emissions by 2050 by enhancing resource efficiency and applying conservation measures in our operations to reduce GHG emissions. Pantech Group has a **Sustainability Policy** which incorporates indicators for Climate Change. The policy reflects our commitment to bring positive Economic, Environmental and Social (EES) impact and integrate sustainability principles, UN SDGs, and other applicable international standards and goals, into our strategic decision-making processes.

We also engaged an external consultant to advise us on our ESG journey. Their input helped us develop our capacity for GHG emissions recording and target setting.

Net Zero by 2050 Roadmap

“ We strive to achieve net zero carbon emissions by 2050 ”

We introduced a roadmap which outlines our current strategy and structure in achieving net zero carbon emissions by 2050. We will continue monitoring our emissions and adjust our reduction strategies in response to market changes and new technological advancements, ensuring our approach remains effective and aligned with industry best practices.



SUSTAINABILITY STATEMENT (Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Environment - Climate Change (Cont'd)

Our approach (cont'd)

Net Zero by 2050 Roadmap (cont'd)

Phase 1: 2024 – 2030 Target: 15% Reduction from baseline	<p>Initiatives:</p> <ul style="list-style-type: none"> a) Solar installation: install solar panels to reduce reliance on grid electricity. b) Electric Vehicle (EV) forklifts: replace conventional forklifts with EV forklifts. c) Improve energy efficiency and optimise operational processes: conduct energy audits to understand current energy use and identify opportunities for improvement. We will also implement actionable recommendations, including equipment upgrades, process improvements, and behaviour changes, to reduce energy consumption, cut costs, and lower emissions. Progress will be tracked continuously to ensure sustained improvements through regular reviews and strategy adjustments.
Phase 2: 2030 – 2040 Target: 35% Reduction from baseline	<p>Initiatives:</p> <ul style="list-style-type: none"> a) Continue initiatives i.e. solar installation, enhanced energy efficiency through advanced energy management systems and optimisation of operational processes. b) Upgrade/transform infrastructure: explore opportunities to upgrade/transform existing infrastructure to reduce LNG use.
Phase 3: 2040 – 2050 Target: Remaining reduction to net zero	<p>Initiatives:</p> <ul style="list-style-type: none"> a) Technological innovations i.e. explore and implement new technologies to lower carbon emissions. b) Renewable energy: continue expanding solar and other renewable energy sources.

Pantech Group’s Sustainability Policy was tabled and approved by the Board in October 2023. With this policy guiding our way forward, we are acting on it step by step:

Monitoring and Managing

In line with our net-zero ambition, Pantech Group adopted the calculation and monitoring of our carbon emissions, for data-based target setting, with FY2024 being the baseline year for reduction targets. We track our climate-related performance using these metrics:

- Energy consumption (GJ)
- Water consumption (m3)
- Scope 1 and Scope 2 emissions (tCO2e)
- Waste generated and disposed (MT)

Responding via Strategic Initiatives

We invest into initiatives that reduce our consumption and emissions.

Focus Area	Key Initiative	Description
Energy efficiency	Reinforcing good practices	Reminders placed at strategic points throughout our buildings to encourage and remind all staff to adhere to good energy consumption practices e.g. switching off non-critical machineries, lights and air-conditioning system when not in use.
	Translucent roofing	Capitalise on natural sunlight to reduce use of lighting and electricity consumption, especially in warehouses.

SUSTAINABILITY STATEMENT

(Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Environment - Climate Change (Cont'd)

Our approach (cont'd)

Responding via Strategic Initiatives (cont'd)

Focus Area	Key Initiative	Description
Energy efficiency	Solar photovoltaic (PV) systems	<ul style="list-style-type: none"> 1,469.32 kWp solar PV system installed in PSI and energised in January 2023. 2,800.24 kWp solar PV system installation is underway in PSA. Power-up is scheduled in FY2025. This addition is projected to offset a further 2,773 tCO₂e annually.
	Daily monitoring	Surges in electricity use are reported to the Head of Production and Management team to verify and investigate reported incidences to reconcile consumption usage with on-going production activities and take remedial action.
Water security	Use of World Resource Institute (WRI) Aqueduct Water Risk Atlas Tool	Identify water stress levels of our operating locations, for action if necessary.
	Rainwater harvesting	Eight rainwater catchment tanks form part of our rain harvesting systems which include collection, filtration, and storage systems with a total capacity of 0.27 ML, for non-potable use
	Reinforcing good practices	Strategically placed notices to remind employees to switch off taps when not in use.
	Daily monitoring	Monitoring of water consumption usage to reconcile with on-going production activities and take remedial action.
Waste and effluent management	Industrial Effluent Treatment Systems (IETS)	Three IETS installed to properly treat wastewater from manufacturing activities before disposal. The system comprises wastewater and sludge treatment facilities capable of treating and neutralising up to 0.126 ML of acid water per day.
	Proper storage	Scheduled waste (SW) is properly stored and managed from its collection to its final disposal by licensed contractors.
	Licensed vendors	Appointed licensed waste disposal companies to properly dispose scheduled waste from our operations.
	Air scrubber systems	Scrubbers neutralise and filter acidic fumes emitted from the pickling process; dust collectors systems supplement the scrubbers to filter air and keep release of dust particles within permissible limits.
	Recycling bins	Segregated and labelled collection bins for different material kinds available in our premises to promote more responsible consumption.
	Scrap metal contractors	Recycling contractors have access to recover valuable resources.
Climate action	Use of EV forklifts	Replaced 6 aging diesel forklifts with EV ones to reduce emission footprint. Plans are afoot to gradually phase out the diesel models.
Environmental compliance	Department of Environment	Continuous monitoring of air and water quality and waste management towards a safer environment for the communities around our operating sites.
	Local councils e.g. Majlis Bandaraya Pasir Gudang	Inspections and audits ensure continued compliance.

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Environment - Climate Change (Cont'd)

Our performance

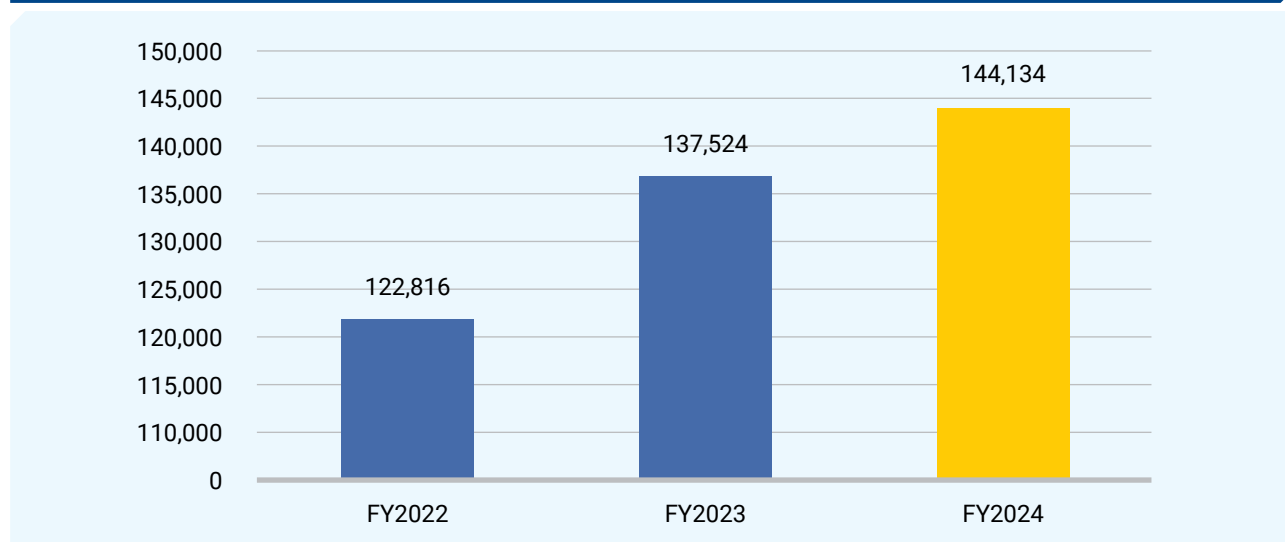
Energy

Energy powers every single machine on our production floors. We previously reported our energy consumption based solely on electricity usage. This year we recalculated our energy consumption to be more representative of our actual consumption, taking into consideration non-renewable fuel consumed. The updated figures are tabulated below:

FY	Energy Consumption (GJ)	Remarks
2022	122,816*	• Reporting covered five entities (PSI, PSA, PGSB, PCSB, PK)
2023	137,524*	• Reporting increased to six entities, following completion of UPE acquisition in April 2022
2024	144,134	• 69% of the energy consumption from electricity usage • 21% derived from natural gas usage (galvanising process) • 9% from diesel use

* Restated to better align with Bursa Malaysia's Sustainability Reporting Guideline

Energy Consumption (GJ)



The increase in total energy consumed is in tandem with the greater production output at PSI and the full year consumption reporting for UPE. This consumption figure is inclusive of the renewable energy generated from PSI's solar installation. Pantech Group is progressively installing more solar PV capacity.

Carbon emissions

Reducing our emissions is part of our action plan as we strive towards net zero by 2050. For this reporting period, Pantech Group engaged an external GHG consultant to assist us in our calculation of GHG in the spirit of more accurate disclosure. We track our Scope 1 and Scope 2 emissions.

The Group's Scope 1 comprised stationary sources from fuel such as liquified petroleum gas (LPG), liquified natural gas (LNG), acetylene gas and carbon shielding gas at the manufacturing facilities, and mobile sources from fuels such as petrol and diesel to power our fleet of vehicles and forklifts.

SUSTAINABILITY STATEMENT

(Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Environment - Climate Change (Cont'd)

Our performance (cont'd)

Carbon emissions (cont'd)

Our reduction in Scope 2 emissions compared to the previous year is attributable to the fully commissioned solar PV system installed in PSI. During the year, the total carbon emissions avoided enabled by use of the solar PV system at PSI is 1,277.79 tCO₂e.

Emissions (tCO ₂ e)	FY2022	FY2023	FY2024
Scope 1	2,585	2,651	2,870
Scope 2	17,461*	20,379*	19,648
Total	20,046*	23,030*	22,518

* Note: Upon reviewing our available data, we noticed discrepancies in our Scope 2 disclosures for FY2022 and FY2023. This has been amended in this year's report.

FY2024 Emissions

Category	Scope 1 Emissions	Scope 2 Emissions
Manufacturing Division	84%	95%
Trading Division	16%	5%

This FY2024 emissions recorded forms the baseline upon which we are setting our emissions reduction target, in line with our net zero ambitions. We are seeking consultancy on limited Scope 3 data disclosure as guided by Bursa Malaysia.

Water

Water is a critical component in our manufacturing process. We are committed to managing our consumption, ensuring that increase corresponds to higher production output.

Water Usage Source	FY2022 (m3)	FY2023 (m3)	FY2024 (m3)
Municipal potable water	65,715 ¹	68,452 ¹	80,988
Rainwater Harvesting System	No data	7,702 ²	10,552 ²
Total	65,715¹	76,154¹	91,540

Note 1: We restated the water consumption data after review revealed that usage at one warehouse was overlooked.

Note 2: Data for harvested rainwater usage is unfortunately incomplete in FY2023 and FY2024 due to recurrence of faulty meters. Moving forward we will schedule more checks on the meter to ensure better collection of data and reporting.

“

We use the World Resource Institute (WRI) Aqueduct Water Risk Atlas Tool to identify the water stress level at our operation locations.

100% of our sites draw from municipal potable water with low stress levels i.e. below 10%.

”

SUSTAINABILITY STATEMENT (Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Environment - Climate Change (Cont'd)

Our performance (cont'd)

Water (cont'd)

In FY2024, there was an increase in water consumption, mainly due to:

- 43% more water usage at UPE due to increase in production, which also contributed to increased revenue;
- 30% increase in water usage in PSA due 16% increase in pipes production;
- 16% increase of water usage in PSI due to greater production volume.

Waste and effluent management

Guided by our Environmental Policy, we take steps to use resources efficiently and recover valuable resources where possible via a Recycle and Recover approach.

In an effort to improve disclosure of waste and effluent management, we began formally recording how our SW is processed. Of the 1,710 tonnes of SW disposed, 85% (1,453 MT) was treated and recycled or reused for other purposes while the remaining 257 MT was treated and disposed.

	FY2022	FY2023	FY2024
SW generated (MT)	586	1,139	1,710
SW directed from disposal (MT)			1,453
SW directed to disposal (MT)			257

Environmental compliance

During the financial year, Pantech Group received RM27,000 in compounds from the Department of Environment (DOE), a significant decrease from the RM93,000 in FY2023. Nevertheless, this falls short of our target of zero compounds, maintaining compliance with regulations and best practices at all times.

Together with the authorities, we identified irregularities in SW storage and disposal procedures, as well as inadequate scrubber maintenance and a faulty pH meter. We have since rectified these and reminded employees to be more mindful and to adhere to industry guidelines. The rectification works include:

- More frequent scheduled scrubber maintenance, including inspection conducted by third-party vendor
- Proper storage, labelling and disposal of SW by production floor, to be checked by HSE team for accountability
- Upgrading and expansion of the SW storage area.

We will continue to invest in waste and effluent management trainings for employees to emphasise the importance of caring for the environment and the well-being of employees and the surrounding community.

Governance - Anti-Bribery and Corruption

Related UN SDGs:



SUSTAINABILITY STATEMENT

(Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Governance – Anti-Bribery and Corruption (Cont'd)

Why is this important?

At Pantech Group, ethical conduct is paramount. Conducting ourselves ethically in all business activities is a non-negotiable commitment for all at Pantech Group. Our STEEL core values reflect this, as we dedicate ourselves to conducting business honestly and with integrity at all times to develop trust and strengthen relationships with all stakeholders. It is a win-win situation that reinforces stakeholder confidence in Pantech Group.

Our approach

All Pantech Group employees are expected to abide by all national, provincial and local laws, ordinances, regulations of their localities, as well as our Code of Ethics (CoE). The CoE communicates our fundamental principles of honesty, impartiality and fairness, as well as guides our policies and procedures in all our dealings. This applies in any situation involving customers, suppliers and other related parties of our business. We embed the principles of honesty, impartiality, and fairness in our operations to eliminate the possibility of bribery and corruption.

Pantech Group reinforces our zero-tolerance approach to corruption through our Anti-Bribery & Corruption (ABAC) policy. This non-negotiable stance, along with CoE and other policies and guidelines, is mandatory for all employees and communicated to all stakeholders. We recently incorporated ABAC acknowledgement as a mandatory field in our new client registration form. New hires of Pantech Group are formally introduced to these principles, values, CoE, ABAC, and other policies and procedures during the onboarding process.

We conducted workshops and training sessions on anti-bribery and corruption throughout the year to reinforce the message and expected conduct of all Pantech Group staff. The Board and SMC oversee both the CoE and ABAC implementation.

We have established a confidential whistleblowing channel for stakeholders to lodge any suspected wrongdoing or breaches via email, or mail without fear of retaliation. As outlined by our Whistle Blowing Policy, all reports will be subject to an internal investigation and subsequently, if found in breach, commensurate action will be taken. Our CoE, ABAC, Whistle Blowing Policy and other policies are published on our website (<https://pantech-group.com/investor-relations/>) for accessibility by all stakeholders.

Our performance

Corruption-related Risk Assessment

In November 2023, Pantech Group completed a voluntary corruption risk assessment for all our Manufacturing and Trading entities within the scope of this report.

“ 100% of our operations within the reporting scope underwent the corruption risk assessment. ”

Anti-Bribery and Corruption Training

All employees are required to complete the trainings on ABAC, which were held in several sessions throughout the year to enable more participation. These trainings are either a refresher or introduction to the ABAC concept. Almost all employees completed at least one session.

Employees who complete the training will be prompted with the ABAC policy at the end of the session and must declare acknowledgement and acceptance the policy before their module is considered complete. New employees are also required to sign acknowledgement of the ABAC policy.

SUSTAINABILITY STATEMENT

(Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Governance - Anti-Bribery and Corruption (Cont'd)

Our performance (cont'd)

Anti-Bribery and Corruption Training (cont'd)

Employee by Function	Completion Rate (FY2024)
Management	98.63%
Administrative	99.50%
Operation	99.89%

Employee by Level	Completion Rate (FY2024)
Board of Directors	100.00%
Management	98.11%
Executive/supervisory	100.00%
Non-executive	99.77%

We endeavour to ensure all employees, new and existing, complete at least one ABAC training.

Bribery and Corruption Incidents

Pantech Group is pleased to report that once again we recorded zero incidents of corruption across our operations during the financial year.

	FY2022	FY2023	FY2024
Confirmed incidents of corruption and action taken	0	0	0
Substantiated bribery cases reported	0	0	0
Substantiated corruption cases reported	0	0	0

Governance - Data Privacy and Cybersecurity

Related UN SDGs:



Why is this important?

In the wake of the digital surge post-2020, digitalisation has become an industry standard rather than a competitive differentiator. While it streamlines workflows and fosters flexibility, it also exposes data, particularly sensitive personal information, to heightened cybersecurity threats. We hold a paramount responsibility to manage these cybersecurity threats, especially when it comes to safeguarding sensitive information like personal data, and prevent any potential breaches or compromising situations.

SUSTAINABILITY STATEMENT

(Cont'd)

MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

Governance – Data Privacy and Cybersecurity (Cont'd)

Our approach

We adhere to strict data privacy and security controls in handling data. Our website has a general Personal Data Protection notice that outlines how the Group collects and uses personal data. On the IT infrastructure front, we maintain robust cybersecurity practices that are embedded within our operations and processes.

On the aspect of our people dealing with the information, our CoE outlines the strict prohibition of any suspicious or illegal intelligence gathering, adhering to all regulatory requirements in the different regions where we operate. We take reasonable measures to ensure we collect data by lawful means and remain forthcoming about how we use the gathered data. Only personnel required for the completion of duty are afforded access. User access and activities are reviewed to prevent unauthorised access or misuse of authority. This protects our reputation and to avoid the occurrence of any unethical business behaviour.

Pantech Group conducts periodical audits on the adequacy of our data privacy and security control measures in mitigating breaches. Beyond just a firewall and email filtering, we have routine offsite backups and use endpoint security with threat protection solutions that can detect script emulation, zero-day exploits, and targeted and password-protected malware commonly associated with ransomware. The solution also uses information on known threats to discover ransomware through pattern and reputation-based analysis.

Pantech Group adheres to strict protocols in handling highly sensitive information such as bank details changes and payment request to help protect both the company and the stakeholder it is dealing with.

Our performance

FY2024 is our first year disclosing matters on data privacy and security in response to an increasing emphasis on its materiality to our operations. There were zero substantiated breaches reported or experienced in the year.

	FY2024
No. of substantiated complaints concerning breaches in data privacy and security	0

SUSTAINABILITY PERFORMANCE REPORT

Indicator	Unit	FY2022	FY2023	FY2024	Target
Economic Performance					
Economic value generated (i.e., revenue and other income)	RM '000	753,052	1,040,109	950,940	–
Economic value distributed (i.e., operating costs, employee wages and benefits, payments to providers of capital, payments to government, and community investments)	RM '000	679,133	956,506	887,185	–
Economic value retained	RM '000	73,919	83,603	63,755	–
Anti-Bribery and Corruption					
Percentage of employees who have received training on anti- corruption by employee category					
By Function					
Management	Percentage			98.63	–
Administrative	Percentage			99.50	–
Operation	Percentage			99.89	–

SUSTAINABILITY STATEMENT

(Cont'd)

SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Unit	FY2022	FY2023	FY2024	Target
Anti-Bribery and Corruption (cont'd)					
Percentage of employees who have received training on anti-corruption by employee category (cont'd)					
By Level					
Board of Directors	Percentage			100.00	–
Management	Percentage			98.11	–
Executive/ Supervisory	Percentage			100.00	–
Non-Executive	Percentage			99.77	–
Percentage of operations assessed for corruption-related risks	Percentage			100.00	–
Confirmed incidents of corruption and action taken	Number	0	0	0	–
Substantiated bribery cases reported	Number	0	0	0	–
Substantiated corruption cases reported	Number	0	0	0	–
Health & Safety					
Number of Fatalities involving Employees	Number	0	0	0	Zero fatality annually
Number of Fatalities involving Contractors	Number	0	0	0	Zero fatality annually
Number of employees trained on health and safety standards	Number	658	537	911	–
Total hours of training on Health and Safety Standards	Hours	669	1,841	3,454	–
Number of safety incident	Number	25	18	22	–
Major Incident	Number	4	9	9	–
Minor Incident	Number	21	9	13	–
Manhours Lost	Hours	2236	3924	4640	–
Lost Time Incident Rate ("LTIR")	Rate	2.37	1.44	1.48	–
Cybersecurity & Data Protection					
Number of substantiated complaints concerning breaches of customer privacy or losses of customer	Number			0	–
Climate Change					
Total energy consumption	Gj	122,816	137,524	144,134	–
Total Carbon Emissions in tonnes of CO ₂ e	tCO ₂ e	20,046	23,030	22,518	–
Scope 1 emissions in tonnes of CO ₂ e	tCO ₂ e	2,585	2,651	2,870	Reduce Scope 1 & 2 emissions by 15% from the FY2024 baseline by FY2030
Scope 2 emissions in tonnes of CO ₂ e	tCO ₂ e	17,461	20,379	19,648	
Human Capital Management					
Total hours of training by employee category	Hours	1,852	3,583	7,340	–
By Function					
Management	Hours			609	–
Administrative	Hours			2,341	–
Operation	Hours			4,390	–

SUSTAINABILITY STATEMENT

(Cont'd)

SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Unit	FY2022	FY2023	FY2024	Target
Human Capital Management (cont'd)					
By Level					
Board of Directors	Hours			68	–
Management	Hours			726	–
Executive/ Supervisory	Hours			3,142	–
Non-Executive	Hours			3,404	–
Average Training Hours per employee	Hours			6.20	Average 4 training hours per employee
Total number of employee turnover by employee category	Number	89	269	117	–
By Function					
Management	Number	0	4	3	–
Administrative	Number	42	44	46	–
Operation	Number	47	221	68	–
By Level					
Board of Directors	Number	0	0	0	–
Management	Number	0	4	4	–
Executive/ Supervisory	Number	29	36	37	–
Non-Executive	Number	60	229	76	–
Total new hires	Number	49	245	220	–
Diversity, Equity & Inclusion					
Total Number of Employees	Number	801	1,050	1,184	–
Percentage of employees by gender and age group by employee category					
Gender group by employee category					
By Function					
Management - Male	Percentage	77%	77%	77%	–
Management - Female	Percentage	23%	23%	23%	–
Administrative - Male	Percentage	20%	23%	17%	–
Administrative - Female	Percentage	80%	77%	83%	–
Operation - Male	Percentage	95%	95%	95%	–
Operation - Female	Percentage	5%	5%	5%	–
By Level					
Board of Directors - Male	Percentage	90%	90%	90%	–
Board of Directors - Female	Percentage	10%	10%	10%	–
Management - Male	Percentage	73%	73%	72%	–
Management - Female	Percentage	27%	27%	28%	–
Executive/ Supervisory - Male	Percentage	56%	57%	55%	–
Executive/ Supervisory - Female	Percentage	44%	43%	45%	–
Non-Executive - Male	Percentage	84%	85%	88%	–
Non-Executive - Female	Percentage	16%	15%	12%	–

SUSTAINABILITY STATEMENT (Cont'd)

SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Unit	FY2022	FY2023	FY2024	Target
Diversity, Equity & Inclusion (cont'd)					
Age group by Employee Category					
Local Employee - Under 30	Percentage	40%	35%	31%	–
Local Employee - Between 30 - 50	Percentage	50%	57%	57%	–
Local Employee - Above 50	Percentage	10%	8%	12%	–
Foreign Employee - Under 30	Percentage	57%	56%	54%	–
Foreign Employee - Between 30 - 50	Percentage	43%	44%	46%	–
Foreign Employee - Above 50	Percentage	0%	0%	0%	–
Percentage of directors by gender and age group					
Male	Percentage	67%	67%	67%	–
Female	Percentage	33%	33%	33%	–
Under 30	Percentage	0%	0%	0%	–
Between 30 - 50	Percentage	11%	11%	11%	–
Above 50	Percentage	89%	89%	89%	–
Percentage of employees that are contractors or temporary staff	Percentage	0.62%	0.48%	0.25%	–
Human Rights					
Number of substantiated complaints concerning human rights violations	Number	0	0	0	Zero substantiated complaints concerning human rights violations annually
Supply Chain Management					
Proportion of spending on local suppliers	Percentage			36%	–
Community Investment					
Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM '000	129	112	107	–
Total number of beneficiaries of the investment in communities	Number			3,961	–
Water Management					
Total volume of water used	m3	65,715	76,154	91,540	–
	Megalitres	65.715	76.154	91.540	–
Volume of water used sourced by municipal potable water	m3	65,715	68,452	80,988	–
Volume of water used sourced by rainwater harvesting system	m3		7,702	10,552	–
Waste Management					
Scheduled Waste generated	MT	586	1,139	1,710	–
Scheduled Waste directed from disposal	MT			1,453	–
Scheduled Waste directed to disposal	MT			257	–

SUSTAINABILITY STATEMENT

(Cont'd)

SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Unit	FY2022	FY2023	FY2024	Target
Environmental Compliance					
Total Amount of Compounds received by local authorities/ regulatory bodies	RM		93,000	27,000	-

Indicators

Restated

External Assurance

SUSTAINABILITY STATEMENT (Cont'd)

ASSURANCE STATEMENT

To strengthen the credibility of our report, we have engaged an external auditor to perform assurance in accordance with recognised assurance standards for selected indicators in our Sustainability Statement.

Please refer the following for the Independent Limited Assurance Report provided by Grant Thornton Malaysia PLT.

INDEPENDENT LIMITED ASSURANCE REPORT TO THE MEMBERS OF

PANTECH GROUP HOLDINGS BERHAD

(Incorporated in Malaysia)

Company Registration No: 200601013856 (733607-W)

Independent Limited Assurance Report on Subject Matter Information in Pantech Group Holdings Berhad's Sustainability Statement 2024

We, Grant Thornton Malaysia PLT ("Grant Thornton") were engaged by Pantech Group Holdings Berhad ("Pantech Group") to provide limited assurance on selected material sustainability indicators ("Subject Matter Information") as reported by Pantech Group in its Sustainability Statement for the year ended 29 February 2024 ("Sustainability Statement").

Limited Assurance Conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of this report.

Subject Matter Information

The scope of our work was limited to assurance over selected material sustainability indicators reported in the Pantech Group's Sustainability Statement, as presented below.

Underlying Subject Matter	Units	Page location of Annual Report
Total energy consumptions	Gigajoules	Page 59
Total volume of water used	Meter cube	Page 60
Total hours of training by employee category	Hours	Page 51-52
Average training hours per employee	Hours	Page 52
Number of work-related fatalities	Number	Page 41
Lost time incident rate	Rate	Page 41
Number of employees trained on health and safety standards	Number	Page 41
Training on anti-corruption by employee category	Percentage	Page 63
Operations assessed for corruption related risks	Percentage	Page 62
Confirmed incidents of corruption and action taken	Cases	Page 63

SUSTAINABILITY STATEMENT

(Cont'd)

Independent Limited Assurance Report on Subject Matter Information in Pantech Group Holdings Berhad's Sustainability Statement 2024 (cont'd)

Subject Matter Information (cont'd)

Our assurance is with respect to the year ended 29 February 2024 Subject Matter Information only and we have not performed any procedures with respect to earlier periods or any other information included in the Pantech Group's Sustainability Statement and, therefore, do not express any conclusion thereon.

Reporting Criteria

The Subject Matter Information needs to be read and understood together with the Reporting Criteria, which Pantech Group is solely responsible for selecting and applying.

The reporting criteria adopted for reporting the Subject Matter Information are based on Pantech Group's internal sustainability reporting guidelines along with their definitions and calculation methodologies as disclosed within the Sustainability Statement ("Reporting Criteria").

Board of Directors and Management's Responsibilities

The Directors and Management of Pantech Group are responsible for:

- the design, implementation and maintenance of internal control relevant to the preparation and presentation of Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or establishing suitable Reporting Criteria;
- measuring or evaluating and presenting the Subject Matter Information in accordance with the Reporting Criteria; and
- the preparation of the Sustainability Statement and the Reporting Criteria and their contents.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information has been prepared in accordance with the Reporting Criteria;
- forming an independent limited assurance conclusion, based on the work we have performed and the evidence we have obtained; and
- reporting our limited assurance conclusion to Pantech Group.

Our Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Assurance standards and level of assurance

We performed a limited assurance engagement in accordance with the approved standard for assurance engagements in Malaysia, International Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements other than Audits and Reviews of Historical Financial Information" ("ISAE 3000 (Revised)"). This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

SUSTAINABILITY STATEMENT (Cont'd)

Independent Limited Assurance Report on Subject Matter Information in Pantech Group Holdings Berhad's Sustainability Statement 2024 (cont'd)

Assurance standards and level of assurance (cont'd)

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks which vary in nature from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not report a reasonable assurance conclusion.

Work performed

Considering the circumstances of the engagement our work included, but was not restricted to:

- assessing the suitability of the Reporting Criteria as the basis of preparation for the Subject Matter Information;
- conducting interviews with management and relevant staff at group level and selected business unit level concerning sustainability strategies and policies for material issues, and the implementation of these across the business operations;
- assessing the risk of material misstatement of the Subject Matter Information, whether due to fraud or error, and responding to the assessed risk as necessary in the circumstances;
- conducting interviews with relevant management of Pantech Group and examining selected documents to obtain an understanding of the processes, systems and controls in use for measuring or evaluating, recording, managing, collating and reporting the Subject Matter Information;
- conducting interviews with sites, selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria;
- performing analytical procedures for consistency of data with trends and our expectation;
- performing selected limited substantive testing including agreeing a selection of the Subject Matter Information to corresponding supporting information;
- considering the appropriateness of a selection of selected unit conversion factor calculations and other calculations used by Pantech Group to prepare the Subject Matter Information including by reference to widely recognised and established conversion factors;
- considering the organisational boundary of Pantech Group for the reporting of Subject Matter Information;
- evaluating the overall presentation of the Subject Matter Information; and
- reading the Sustainability Statement and narrative accompanying the Subject Matter Information in the Sustainability Statement with regard to the Reporting Criteria, and for consistency with our findings.

Inherent Limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Sustainability Statement may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Sustainability Statement, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Intended use of this report

This limited assurance report, including our conclusion, is made solely to Pantech Group in accordance with the terms of the agreement between us. Our work has been undertaken so that we might state to Pantech Group those matters we are required to state to them in an independent limited assurance report and for no other purpose. We have not considered the interest of any other party in the Subject Matter Information.

To the fullest extent permitted by law, we do not accept nor assume responsibility and deny any liability to any party other than Pantech Group for our work or this report, or for the conclusion we have reached.

SUSTAINABILITY STATEMENT

(Cont'd)

Independent Limited Assurance Report on Subject Matter Information in Pantech Group Holdings Berhad's Sustainability Statement 2024 (cont'd)

Intended use of this report (cont'd)

Our report is released to Pantech Group on the basis that it shall not be copied, referred to or disclosed, in whole (save for Pantech Group's own internal purposes) or in part, without our prior written consent.

Grant Thornton Malaysia PLT
(201906003682 & LLP0022494-LCA)
Chartered Accountants

Kuala Lumpur
Date: 28 June 2024

SUSTAINABILITY STATEMENT

(Cont'd)

SUSTAINABILITY PERFORMANCE REPORT EXTRACTED FROM ESG REPORTING PLATFORM/BURSA LINK

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Board of Directors	Percentage	100.00
Management	Percentage	98.11
Executive/Supervisory	Percentage	100.00
Non-Executive	Percentage	99.77
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.48
Bursa C5(c) Number of employees trained on health and safety standards	Number	911
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	144,134,306.00
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Board of Directors	Hours	68
Management	Hours	726
Executive/Supervisory	Hours	3,142
Non-Executive	Hours	3,404
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.25
Bursa C6(c) Total number of employee turnover by employee category		
Board of Directors	Number	0
Management	Number	4
Executive/Supervisory	Number	37
Non-Executive	Number	76
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Board of Directors Under 30	Percentage	0.00
Board of Directors Between 30-50	Percentage	21.00
Board of Directors Above 50	Percentage	79.00
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	63.00
Management Above 50	Percentage	37.00
Executive/Supervisory Under 30	Percentage	31.00
Executive/Supervisory Between 30-50	Percentage	57.00
Executive/Supervisory Above 50	Percentage	12.00
Non-Executive Under 30	Percentage	53.00
Non-Executive Between 30-50	Percentage	46.00
Non-Executive Above 50	Percentage	1.00
Gender Group by Employee Category		
Board of Directors Male	Percentage	90.00
Board of Directors Female	Percentage	10.00
Management Male	Percentage	72.00
Management Female	Percentage	28.00
Executive/Supervisory Male	Percentage	55.00
Executive/Supervisory Female	Percentage	45.00
Non-Executive Male	Percentage	88.00
Non-Executive Female	Percentage	12.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	67.00
Female	Percentage	33.00
Under 30	Percentage	0.00
Between 30-50	Percentage	11.00
Above 50	Percentage	89.00
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	36.00
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	107,000.00

Internal assurance External assurance No assurance (*)Restated

CORPORATE EVENTS

13 - 15 September 2023

Oil & Gas Asia (OGA) 2023
 Kuala Lumpur Convention Centre,
 Malaysia



7 - 9 November 2023

MPOB International Palm Oil Congress
 and Exhibition (PIPOC) 2023
 Kuala Lumpur Convention Centre,
 Malaysia



27 Feb - 1 March 2024

Offshore Technology
 Conference (OTC) Asia 2024
 Kuala Lumpur Convention Centre,
 Malaysia



AUDIT COMMITTEE REPORT

The primary objective of the Audit Committee is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting process and internal control system.

The Audit Committee has adopted practices aimed at maintaining appropriate standards of responsibility, integrity and accountability for all the Company's shareholders.

MEMBERSHIP

The Audit Committee comprises of three (3) members of which all are Independent Non-Executive Directors, in compliance with Paragraph 15.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The members of the Audit Committee and details of their attendance at the Audit Committee Meetings during the financial year ended 29 February 2024 ("FYE 2024") are as follows:

Name	Designation	Number of Meeting(s) Attended
Lim Yoong Xao ^	Chairman, Independent Non-Executive Director	5/5
Dato' Sri Yap Tian Leong	Member, Independent Non-Executive Director	5/5
Nooraini Binti Mohd Yasin	Member, Independent Non-Executive Director	5/5

^ Member of the Malaysian Institute of Accountants

MEETINGS

The Audit Committee met five (5) times during the financial year. Other Board members and senior management staff attended the meetings by invitation from the Audit Committee. The representatives of internal and external auditors were also present during deliberations on the subjects which required their input and advice. During the financial year, the Audit Committee also met with the representatives of the internal auditors and external auditors, both without the presence of Executive Directors and Management team.

TERMS OF REFERENCE

The Terms of Reference of the Audit Committee are aligned with the MMLR of Bursa Securities and recommendations of the Malaysian Code on Corporate Governance. The Terms of Reference will be revised accordingly, to cater for changes, if any. The Terms of Reference is available at www.pantech-group.com.

AUDIT COMMITTEE REPORT

(Cont'd)

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

In line with the Terms of Reference of the Audit Committee, the following is a summary of work undertaken by the Audit Committee during the financial year ended 29 February 2024 in discharging its functions and duties:

Date of Meeting	Subject matters
27 April 2023	<ul style="list-style-type: none"> Audit Status Report for FYE 28 February 2023 by Grant Thornton Malaysia PLT Performance review on external auditors & private session with Grant Thornton Malaysia PLT Review and approval of Internal Audit Plan for FYE 2024 Performance review on internal auditor Review of Fourth Quarter Results ended 28 February 2023 Review of Risk Management Report on Pantech (Kuantan) Sdn Bhd Review of Employees' Share Option Scheme (ESOS) allocation
13 June 2023	<ul style="list-style-type: none"> Review draft financial statement for FYE 28 February 2023 Review and approval of Audit Committee Report and Statement on Risk Management and Internal Control for Annual Report 2023 Update of Terms of Reference of Audit Committee Update of Internal Audit Charter
26 July 2023	<ul style="list-style-type: none"> Review of First Quarter Results ended 31 May 2023
19 October 2023	<ul style="list-style-type: none"> Audit Planning Memorandum for FYE 29 February 2024 by Grant Thornton Malaysia PLT Review of Internal Audit Report on Procurement Management of Pantech Steel Industries Sdn Bhd and Pantech Galvanising Sdn Bhd Review of Second Quarter Results ended 31 August 2023 Update of Terms of Reference of Audit Committee Review of Related Party Transaction
18 January 2024	<ul style="list-style-type: none"> Review of Internal Audit Report on Procurement Management of Pantech Corporation Sdn Bhd and Pantech Stainless & Alloy Industries Sdn Bhd Review and approval of Internal Audit Plan for FYE 2025 Review of Third Quarter Results ended 30 November 2023

1. Financial Reporting

- a) The Audit Committee had reviewed all the four (4) unaudited quarterly financial results of the Group and ensured that it is in compliance with the Malaysian Financial Reporting Standards ("MFRS") and Appendix 9B of the MMLR.
- b) The Audit Committee had on 13 June 2023 reviewed and made recommendation to the Board in respect of the annual Audited Financial Statements of the Group and the Company for the financial year ended 28 February 2023 to ensure that the financial statements of the Group and the Company give a true and fair view in accordance with MFRSs, International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

2. Annual Reporting

The Audit Committee approved the Audit Committee Report and Statement on Risk Management & Internal Control in respect of the Annual Report 2023 to ensure compliance to the regulatory reporting requirements and recommended the same to the Board for approval.

AUDIT COMMITTEE REPORT

(Cont'd)

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE (CONT'D)

3. External Audit

- a) Deliberated on the external auditors' report at its meeting on 13 June 2023 with regards to the relevant disclosures in the annual Audited Financial Statement for the financial year ended 28 February 2023.
- b) Reviewed the external auditors' findings arising from audits, particularly comments and response in management letters in order to be satisfied that appropriate action is being taken.
- c) Discussed and reviewed with the external auditors the applicability and the impact of the new accounting standards issued by the Malaysian Accounting Standards Board.
- d) Private sessions are held with the external auditors, without the presence of the Executive Directors and management.
- e) Evaluated the external auditors' independence and objectivity, as well as their ability to serve the Group in terms of technical competencies and manpower resource sufficiency and reviewed the reasonableness of the proposed audit fees against the size and complexity of the Group.
- f) Reviewed and evaluated the performance and effectiveness of the external auditors. The Audit Committee assessed the integrity, capability, professionalism and work ethics of the external auditors. The Audit Committee was satisfied with the external auditor's performance and therefore, the Audit Committee recommended to the Board, the re-appointment of the external auditors at the Annual General Meeting.
- g) On 19 October 2023, the Audit Committee discussed and reviewed the external auditors' Audit Plan for the financial year ended 29 February 2024 outlining the auditors' responsibilities, engagement team, significant risks and areas of audit focus, proposed scope of work, independence policies and procedures and audit fees.

4. Internal Audit

- a) The Group has an in-house internal audit function and supported by an independent professional consulting firm to assist the Audit Committee in discharging their responsibilities and duties. The role of the internal audit function is to undertake independent, regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively.
- b) During the FYE 2024, the Audit Committee:
 - i) Reviewed the Internal Audit Reports of the subsidiaries in scope and assessed the internal audits' findings, recommendations together with the Management's comments. The audit areas covered were procurement management.
 - ii) Reviewed the adequacy and performance of Internal Audit function and its comprehensiveness of the coverage of activities within the Group.
 - iii) Reviewed and approved the Risk Management Report.
 - iv) Reviewed and approved the Internal Audit Plans for the financial years ending 29 February 2024 and 28 February 2025.
- c) The professional fee and other costs incurred in respect of the internal audit function for the financial year ended 29 February 2024 was RM307,937.
- d) The main role of the internal audit function is stated in the Statement on Risk Management and Internal Control of this Annual Report. During the financial year under review, the Internal Audit Department activities were:
 - i) Presented and obtained approval from the Audit Committee the annual internal audit plan, its audit strategy and scope of audit work.
 - ii) Performed audits according to the annual internal audit plan, to review the adequacy and effectiveness of the internal control system, compliance with policies and procedures and reported ineffective and inadequate controls and made recommendations to improve their effectiveness.

AUDIT COMMITTEE REPORT

(Cont'd)

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE (CONT'D)

5. Related Party Transaction

The Audit Committee also reviewed related party transactions and conflict of interest situations that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions on management integrity.

6. Review of Employees' Share Option Scheme (ESOS) Allocation

Pursuant to paragraph 8.17(2) of the Listing Requirements, the Audit Committee verified that the allocation of ESOS as of 29 February 2024 is in compliance with the criteria for allocation of options pursuant to the ESOS Bye-Laws to ensure the quantum of ESOS offered is within the approved limit and to eligible employees only.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“the Board”) is pleased to present this Statement on Risk Management and Internal Control (“Statement”) which has been prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as guided by the Statement on Risk Management and Internal Controls: Guidelines for Directors of Listed Issuers and Malaysian Code on Corporate Governance. This Statement outlines the state of risk management and internal control of the Group.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility in establishing an effective risk management and internal control system and has in place an on-going process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of business objectives and strategies during the financial year and up to the date of approval of this statement for inclusion in the Annual Report. The risk management and internal control system are designed to manage and mitigate, rather than eliminate the risk that may impede the achievement of the Group’s business objectives and strategies. Due to the inherent limitations of internal controls, the system can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board also takes into consideration the need to balance the business risks and the potential returns to stakeholders in its daily operations, with the dynamic business climate it operates in. The Board recognises the need for a concerted effort from management, head of departments and senior staff members in ensuring that the integrity, effectiveness and adequacy of the control mechanism are monitored and maintained throughout the financial year.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

During the financial year, the Group monitored significant risks and implement risk mitigation strategies on an ongoing basis through its Executive Directors, management and Risk Management Committee (“RMC”) within its risk appetite.

The Board has established a Risk Management Committee (“RMC”) which comprises of Executive Directors and Senior Management of the Group. Executive Directors, senior management personnel and Departmental Heads are responsible for identifying, assessing and managing the risks of their respective business units, operational units and departments. The specific business risks identified encompasses risks on finance, operations, regulatory compliance, reputation, cyber security and sustainability, including respective internal controls in place to manage the risks. For the financial year under review, a reassessment of business risks with risk mitigation and response management was conducted and the report has been submitted to the Audit Committee and the Board. Significant issues and risks identified are also discussed during Executive Group Directors Meeting and Monthly Management Meeting which are attended by Executive Directors and senior management personnel on a monthly basis.

INTERNAL AUDIT FUNCTION

The Group has an in-house internal audit function and supported by an independent professional consulting firm. The in-house internal audit function reports directly to the Audit Committee on its findings and recommendations for improvements. An internal audit plan has been submitted and approved by the Audit Committee.

For the financial year under review, the internal auditors have carried out their review according to the approved internal audit plan. The review covered the assessment on the adequacy and effectiveness of the Group’s risk management and internal control system. Upon completion, the internal audit observations, recommendations and management comments were reported to the Audit Committee. The Audit Committee reviews internal control matters and updates the Board on significant issues for the Board’s attention and action.

Total cost incurred for the internal audit function in respect of the financial year ended 29 February 2024 was RM307,937.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

KEY ELEMENTS OF THE GROUP'S INTERNAL CONTROL SYSTEM

- Responsibilities of the Board and management are defined to ensure effective discharge of roles and responsibilities;
- The Board and the Audit Committee meet every quarter to discuss matter(s) raised by Management and/or Internal Auditor on business and operational matters including potential risks and control issues;
- The Board and Audit Committee receive feedback from the External Auditor on the risk and control issues (if any) highlighted during the course of their statutory audit;
- The Board has established and documented a Schedule of Matters Reserved for the Board to facilitate the effective reporting and operation of the Board at regular Board meeting. Major capital investment, acquisition, disposals or any other transaction that are not in the ordinary course of business exceeding a certain threshold must be referred to the Board for approval;
- Management reports to the Board on material findings and/or variances, if any, and the Board will review their implications to the Group and advise accordingly;
- Annual budgeting process is in place and performance is monitored on an ongoing basis;
- Senior Management attends management meetings on a regular basis to address budgets, operational and financial performance, business planning, control environment and other key issues;
- Key personnel from respective subsidiaries provide monthly reports to the corporate office on the subsidiaries' performance;
- Communication channels have been established between subsidiaries, business units, divisions and employees through internal memorandums, staff briefings and operational meetings to achieve the Group's overall business objectives;
- Close and active involvement of the Executive Directors on the day-to-day business operations of the Group;
- Health, Safety and Environmental Committee has been established in order to review and ensure compliance with occupational safety and health policies and procedures on a continuous basis;
- System access controls are established to ensure the information systems are duly safeguarded and secured from unauthorised access. Regular review on user access rights for the Enterprise Resource Planning Systems is also in place; and
- The Group has adopted a whistle blowing policy, providing an avenue for employees and external parties to raise concerns, in confidence, about actual or suspected misconduct, malpractice or irregularities in any matters related to the Group.
- The Group has adopted an Anti-Bribery and Corruption Policy prohibiting bribery and corruptions activities in its daily operations and dealings with stakeholders.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

CONCLUSION

In reviewing the risk management and internal control system of the Group, the Board has, through the Audit Committee, received reports from External Auditors and Internal Auditors in relation to the findings on risk and internal control system. The Board has also received reasonable assurance from the Group Managing Director and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material respects.

No major weaknesses in the internal control system were noted that may have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

The Board is of the opinion that the risk management and internal control system in place is adequate and effective at its current level of operations and will continuously strive to enhance the Group's risk management and internal control system in safeguarding stakeholders' interest, shareholders' investment and Group's assets.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, this Statement has been reviewed by the external auditors for inclusion in the Annual Report for the financial year ended 29 February 2024. The review was conducted in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3"): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control issued by the Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing had come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the risk management and internal control processes implemented by the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

THE BOARD OF DIRECTORS (“BOARD”) OF PANTECH GROUP HOLDINGS BERHAD (“PANTECH” OR “THE COMPANY”) PRESENTS THIS STATEMENT TO PROVIDE SHAREHOLDERS AND INVESTORS WITH AN OVERVIEW OF THE CORPORATE GOVERNANCE PRACTICES OF THE COMPANY DURING THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (“FYE 2024”).

The Corporate Governance Overview Statement (“CG Statement”) is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and guidance was drawn from Practice Note 9 of Bursa Securities’ Listing Requirements and the Corporate Governance Guide (4th Edition) issued by Bursa Securities with reference to the following three (3) key principles under the leadership of the Board:

Principle A	Principle B	Principle C
Board leadership and effectiveness	Effective audit and risk management	Integrity in corporate reporting and meaningful relationships with stakeholders
<ul style="list-style-type: none"> • Board responsibilities • Board composition • Remuneration 	<ul style="list-style-type: none"> • Audit Committee • Risk management and internal control 	<ul style="list-style-type: none"> • Engagement with stakeholders • Conduct of general meetings

This CG Statement is to be read together with the Corporate Governance Report 2024 (“CG Report”) of the Company which is available at www.pantech-group.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1.0 BOARD RESPONSIBILITIES

1.1 The Board takes full responsibility for the oversight and overall performance of the Group and provides leadership within a framework of prudent and effective controls which enables risk to be appropriately assessed and managed.

To ensure effective discharge of their function and responsibilities, the Board has defined and collectively reviewed and approved the roles and responsibilities as well as the schedule of reserved matters in the Board Charter. In order to assist the Board in the oversight function on specific responsibility areas, the Board has established three (3) Board Committees, namely:

- (i) Audit Committee (“AC”)
- (ii) Nominating Committee (“NC”)
- (iii) Remuneration Committee (“RC”)

Governed by their respective Terms of References, the Chairman of the respective Board Committees shall report to the Board on their meeting proceedings and deliberations as well as make recommendations to the Board on the matters under their purview. The Board ensure all Directors have unrestricted access to the advice and services of Senior Management and Company Secretaries and may obtain independent professional advice at the Company’s expense in order to discharge their duties effectively.

The Executive Chairman instils good governance practices, leadership and effectiveness in the Board through chairing of board meetings and deliberating together with the Board members on board matters and policies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.0 BOARD RESPONSIBILITIES (CONT'D)

1.1 (Cont'd)

The positions of the Executive Chairman and Group Managing Director are held by Dato' Chew Ting Leng. He implements the Group's strategies, policies and decision adopted by the Board and is supported by Dato' Goh Teoh Kean, Group Deputy Managing Director and three (3) Executive Directors. Both Dato' Chew Ting Leng and Dato' Goh Teoh Kean have extensive exposure and experience in the businesses of the Group and have shown great commitment and exercised due care in managing the operations of the Group's businesses in the best interest of the shareholders. The Board believes that for its current size, it is more expedient for the roles of Executive Chairman and Group Managing Director to be held by the same person as long as there are pertinent checks and balance to ensure no one person in the Board has unfettered powers to make major decisions for the Company unilaterally.

The Chairman of the Board is not a member of any Board Committees. However, the Chairman and other Executive Directors are invited to attend the Board Committee meetings to provide explanation and answers where appropriate.

The Board is supported by two (2) professional Chartered Company Secretaries who carry out the responsibilities of the company secretarial function for the Group. Both Company Secretaries have the requisite credentials and are qualified to act as Company Secretaries under Section 235(2)(a) of the Companies Act 2016. The Company Secretaries assists the Board in discharging its duties in regard to compliance with regulatory requirements, guidelines, legislations and the principles of best corporate governance practices.

During the FYE 2024, the Board had reviewed and approved, amongst others:

- 1) Audited Financial Statements for FYE 28 February 2023;
- 2) Annual Report 2023;
- 3) AC's Report on Audit Plan for FYE 2024;
- 4) AC's Report on Internal Audit Plan for FYE 2024 and FYE 2025;
- 5) Revised Terms of Reference of the AC and Internal Audit Charter;
- 6) Quarterly Results;
- 7) Interim and Final Dividends;
- 8) Sustainability Policy and Report;
- 9) Annual Budget for FYE 2024;
- 10) Share Buy-Back Statement 2023;
- 11) Proposed listing of Pantech Stainless & Alloy Industries Sdn Bhd and Pantech Steel Industries Sdn Bhd; and
- 12) Corporate Calendar for the year 2024

The Board had established the Anti-Bribery and Corruption Policy in keeping with the commitment set forth to prevent bribery and corruption. Pantech takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings and relationships wherever the Group operates and expects the individuals and organization the Group works with to uphold and adopt the same approach.

As an additional measure to safeguard the integrity of the Group, the Board has defined its Whistleblowing Policy to provide guidance for stakeholders to report genuine concerns of any possible improprieties pertaining to financial reporting, compliance, malpractices and unethical business conduct within the Group. In addition, the Board has also defined its Code of Ethics which serves as a tool for the Board to convey and instil its values into the organization.

The Board Charter, Terms of Reference of the Board Committees, Director's Fit and Proper Policy, Anti-Bribery and Corruption Policy, Whistleblowing Policy and Code of Ethics are also available on the Company's website at www.pantech-group.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2.0 BOARD COMPOSITION

The NC oversees and reviews the overall composition of the Board in terms of size, the required mix of skills, experience and other qualities and core competencies for the Directors of the Company. The effectiveness of the Board as a whole and the contribution and performance of each individual Director to the effectiveness of the Board and the Board Committees will also be assessed by the NC on an annual basis.

During the FYE 2024, the Board comprised of nine (9) members, consisting of five (5) Executive Directors and four (4) Non-Executive Directors out of which three (3) are Independent Directors. The Board's composition is in compliance with the provisions of the Listing Requirements of Bursa Securities for independent non-executive directors to make up at least one third (1/3) of the Board membership. The profiles of the individual Directors are set out in the Directors' Profile in this Annual Report 2024.

The presence of Independent Non-Executive Directors from various fields are invaluable assets to the Company and fulfil the pivotal role in corporate accountability. The role of Independent Non-Executive Directors is particularly important as they provide unbiased and independent views, advices and judgments to take into account the interests of the Group and stakeholders.

The Board is supportive of boardroom diversity as it can offer greater depth and breadth compared to non-diverse board. The Board practices no discrimination in terms of appointment of Directors as well as hiring employees wherein the Directors and Senior Management are recruited based on their merit, skills and experiences and not driven by age, cultural background and gender.

The Board understands that quality of information affects the effectiveness of the Board to oversee the conduct of business and to evaluate the Managements' performance of the Group. Information and materials that are important to the Board's understanding of the business to be conducted at a Board or committee meeting will be distributed to the Directors in order to provide ample time for review beforehand. Notice of Board meetings are usually issued at least five (5) working days prior to the meeting. Upon conclusion of meeting, the Company Secretary will ensure that accurate and proper records of proceedings and resolutions passed are recorded and the minutes is circulated to the Board members before the next meetings.

During FYE 2024, there were five (5) Board meetings held and all the Board Papers were circulated to the Board in a timely manner. The Directors attendance at the Board meetings during FYE 2024 were as follows:

	Board of Directors	Audit Committee	Nominating Committee	Remuneration Committee
Dato' Chew Ting Leng	5/5	–	–	–
Dato' Goh Teoh Kean	5/5	–	–	–
Tan Ang Ang	5/5	–	–	–
To Tai Wai	5/5	–	–	–
Ng Lee Lee	5/5	–	–	–
Sakinah binti Salleh	5/5	–	–	–
Lim Yoong Xao	5/5	5/5	1/1	1/1
Dato' Sri Yap Tian Leong	5/5	5/5	1/1	1/1
Nooraini binti Mohd Yasin	5/5	5/5	1/1	1/1

	Chairman
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CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2.0 BOARD COMPOSITION (CONT'D)

The Directors are encouraged and afforded the opportunity to upskill and keep themselves abreast with the market and regulatory changes throughout the financial year. During the FYE 2024, the Directors attended the following training programmes:

Director	Programme	Date
Dato' Chew Ting Leng	<ul style="list-style-type: none"> Driving Sustainable Success: Strategic Sustainability for Executives Mandatory Accreditation Programme Part II: Leading for Impact (LIP) 	<p>25 July 2023</p> <p>11-12 December 2023</p>
Dato' Goh Teoh Kean	<ul style="list-style-type: none"> Webinar: SVDP (Special Voluntary Disclosure Programme (Direct Tax)) Webinar: VDP (Voluntary Disclosure Programme (Indirect Tax)) Driving Sustainable Success: Strategic Sustainability for Executives Mandatory Accreditation Programme Part II: Leading for Impact (LIP) 	<p>21 June 2023</p> <p>22 June 2023</p> <p>25 July 2023</p> <p>11-12 December 2023</p>
Tan Ang Ang	<ul style="list-style-type: none"> Driving Sustainable Success: Strategic Sustainability for Executives Mandatory Accreditation Programme Part II: Leading for Impact (LIP) 	<p>25 July 2023</p> <p>22 August & 20 September 2023</p>
To Tai Wai	<ul style="list-style-type: none"> Driving Sustainable Success: Strategic Sustainability for Executives 	25 July 2023
Ng Lee Lee	<ul style="list-style-type: none"> Driving Sustainable Success: Strategic Sustainability for Executives Mandatory Accreditation Programme Part II: Leading for Impact (LIP) 	<p>25 July 2023</p> <p>19-20 September 2023</p>
Sakinah Binti Salleh	<ul style="list-style-type: none"> Driving Sustainable Success: Strategic Sustainability for Executives Mandatory Accreditation Programme Part II: Leading for Impact (LIP) 	<p>25 July 2023</p> <p>5-6 February 2024</p>
Lim Yoong Xao	<ul style="list-style-type: none"> Driving Sustainable Success: Strategic Sustainability for Executives MIA Webinar Series: Understanding & Application of Auditing Standards in Practice (Module 1) – ISA 300 Audit Planning & Audit Strategy – Concluding Risk Assessment Prior to Commencement of Audit MIA Webinar Series: AMLA: Protect Your Organisation by Raising STR MIA Webinar Series: Latest Tax Implications on Digital Transactions in Malaysia 	<p>25 July 2023</p> <p>1 September 2023</p> <p>12 December 2023</p> <p>18 December 2023</p>

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2.0 BOARD COMPOSITION (CONT'D)

Director	Programme	Date
Dato' Sri Yap Tian Leong	• SSM Corporate Talk 2023	13 April 2023
	• Practical Guide for the Company Secretaries – Share Capital in Private Companies and its Practice, MCCG	15 April 2023
	• Driving Sustainable Success : Strategic Sustainability for Executives	25 July 2023
	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	22-23 August 2023
	• Share and Capital Maintenance with Illustration for Ordinary and Preference Shares	7 October 2023
	• Company Secretaries Training Programme Essential 1.0 (Part C)	12 October 2023
	• SSM Corporate Talk 2023 : Transformasi Identiti Digital Melalui SSM Biztrust	16 November 2023
	Nooraini Binti Mohd Yasin	• E-Learning for Market Surveillance Topics on Electronic Trading (ET)
• Driving Sustainable Success: Strategic Sustainability for Executives		25 July 2023
• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)		22 – 23 August 2023
• Campaigns & Programme Training – Learn How to Design Campaigns & Report into the Program Database		2 September 2023
• E-Learning for Market Surveillance Topics on Price Manipulation		17 November 2023
• E-Learning for Market Surveillance Topics on False Trading and Order Book Manipulation		17 November 2023
• Google Forms Training		25 November 2023

The directors will continue to undergo a periodic training in the relevant courses as well as attend seminars, conferences and similar events in keeping themselves abreast with the latest skills and knowledge to discharge their duties effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2.0 BOARD COMPOSITION (CONT'D)

NOMINATING COMMITTEE STATEMENT

During the FYE 2024, the NC comprised of three (3) Independent Non-Executive Directors as follows:

Name	Designation	Directorship
Dato' Sri Yap Tian Leong	Chairman	Independent Non-Executive Director
Nooraini binti Mohd Yasin	Member	Independent Non-Executive Director
Lim Yoong Xao	Member	Independent Non-Executive Director

Activities of the NC

During the FYE 2024, the NC met once and performed the following activities in the discharge of its duties:

- Recommended the re-election of the directors who are to retire by rotation at the 17th AGM of the Company
- Reviewed the contribution and performance of each individual director to assess the character, experience, integrity and competence to effectively discharge their role as a director through a comprehensive assessment system
- Evaluated the performance of the Board and the Board committees
- Assessed the independence of the Independent Directors of the Company
- Reviewed the term of office of the AC and assessed its effectiveness as a whole

In recommending suitable candidates for directorships and Board committees to the Board, the NC takes into consideration the candidate's experience, competency, character, time commitment and potential contribution to the Group. Any new nomination received is recommended to the Board after a comprehensive assessment and the NC's endorsement.

3.0 REMUNERATION

The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively. The RC oversees the remuneration of directors. The remuneration for directors is in line with the Board's aim to retain, attract and reward talent based on industry benchmarks.

The remuneration packages for Executive Directors are reviewed by the RC and recommended to the Board for approval. It is then decided by the Board without the respective Executive Directors' participation in determining their remuneration.

Bonuses payable to executive directors are performance-based and relate to the individual and the Company's as well as Group's achievement of specific goals. The non-executive directors do not receive any performance related remuneration.

The remuneration details of the individual Directors for FY 2024 are disclosed in Practice 8.1 of the CG Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1.0 AUDIT COMMITTEE

The members of AC comprise of all Independent Non-Executive Directors. The Chairman of the AC is distinct from the Chairman of the Board to promote unfettered objectivity during the Board's review of the AC's findings and recommendations. The current AC composition meets the requirements of Paragraph 15.09 of Listing Requirements of Bursa Securities where the AC Chairman, Mr Lim Yoong Xao is a member of Malaysian Institute of Accountants. The present composition of the AC allows it to possess the requisite level of financial literacy and business acumen to have a sound understanding of the financial matters of the Group as well as an understanding of the latest developments in financial reporting, accounting and auditing standards.

None of the members of the AC are former audit partners of the current external audit firm of the Group. As stated in the Terms of Reference of the AC, the Committee is mindful of the minimum three (3) years cooling off period best practice under the Malaysian Code of Corporate Governance ("MCCG") when considering the appointment of former key audit partner from its current external audit firm to ensure that the review of the Group's financial statements and the performance and independence of the External Auditors are being done objectively by the Committee.

Before the commencement of the current financial year audit, the AC had reviewed and deliberated with the External Auditors on their audit planning memorandum, covering the audit risk areas, approach, emphasis and timeline. The AC also noted the External Auditors' independence check and confirmation procedures carried out in the firm as well as no conflict of interest for rendering their non-audit services to the Group presently.

Full details of the AC's duties and responsibilities are stated in its Terms of Reference which is made available on the Company's website at www.pantech-group.com and the detailed disclosure on the role and activities undertaken by the AC during the financial year is provided in the AC Report of this Annual Report 2024.

2.0 RISK MANAGEMENT AND INTERNAL CONTROL

The Board has ultimate responsibility for reviewing the Company's risks, approving the risk management framework and policy and overseeing the Company's strategic risk management and internal control framework to achieve its objectives within an acceptable risk profile as well as safeguarding the interest of stakeholders and shareholders and the Group's assets.

The Board has established a Risk Management Committee ("RMC") which comprises of Executive Directors and Senior Management of the Group. Executive Directors, senior management personnel and Departmental Heads are responsible for identifying, assessing and managing the risks of their respective business units, operational units and departments. The specific business risks identified encompasses risks on finance, operations, regulatory compliance, reputation, cyber security and sustainability, including respective internal controls in place to manage the risks. Significant issues and risks identified are also discussed during Executive Group Directors Meeting and Monthly Management Meeting which are attended by Executive Directors and senior management personnel on a monthly basis.

The Group has an in-house internal audit function and supported by an independent professional consulting firm whose work is performed with impartiality, proficiency and due professional care. The internal audit function is independent of the operations of the Company and provides reasonable assurance that the Company's system of internal control is satisfactory and operating effectively. The internal auditor undertakes regular reviews of the adequacy and effectiveness of the Group's system of internal controls and risk management process, as well as appropriateness and effectiveness of the corporate governance practices. Further details on the internal audit function can be found in the AC Report and the Statement on Risk Management and Internal Control in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

2.0 RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

The Group's Internal Auditor has more than 10 years of Internal Audit related working experience and currently is an Associate Member of The Institute of Internal Auditors Malaysia. The Internal Auditor is supported by Affluence Consulting, an independent professional consulting firm, whose member is a Chartered Member of the Institute of Internal Auditors with more than 19 years of Internal Audit working experience. The internal audit was conducted using a risk-based approach and was guided by the International Professional Practice Framework (IPPF).

The process of the risk management and internal control are ongoing, which are undertaken by each department within the Company. The Company will continuously enhance the existing system of risk management and internal control by taking into consideration the changing business environment.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

1.0 Engagement with Stakeholders

The Board is committed to provide effective, transparent and regular communication with its shareholders and other stakeholders regarding the business, operations and financial performance of the Group to enable them to make informed decisions.

Through its website at www.pantech-group.com and its announcements on Bursa Malaysia's website, the Group shares mandatory public announcements as well as publishes its quarterly and annual results. The quarterly financial results are announced via Bursa LINK immediately after the Board's approval. This is important in ensuring equal and fair access to information by the investing public. Any comments, queries and suggestions can be directed to a designated e-mail address, namely info@pantechcorp.com.

2.0 Conduct of General Meetings

The AGM serves as the primary platform for shareholders to engage the Board and Senior Management in a productive two-way dialogue. Shareholders are accorded with the opportunity to put forward questions and seek clarifications on the broad areas of the Group's performance, business activities and outlook during a Question & Answer session held during the AGM.

The Notice for the 17th AGM that was held on 26 July 2023 was issued on 28 June 2023 which is the 28 days recommended notice period under Practice 13.1 of the MCCG. This gave shareholders sufficient time to read and consider the resolutions to be resolved and enable shareholders to make an informed decision in exercising their voting rights.

The Minutes of the 17th AGM, which includes the questions raised by shareholders together with the responses by the Company and outcome of the voting results, was made available to the shareholders within thirty (30) business days after the 17th AGM at www.pantech-group.com.

Barring any unforeseen circumstances, all Directors of the Company will attend the 18th AGM of the Company scheduled on 30 July 2024 to engage with shareholders and proxies proactively. The Chairman will ensure that sufficient opportunities are given to shareholders and proxies to raise questions relating to the affairs of the Company and that adequate responses are given.

COMPLIANCE STATEMENT

Saved as disclosed above, the Board is satisfied that throughout the FYE 2024, the Company has applied the principles and recommendations set out in the MCCG, where necessary and appropriate.

This CG Statement has been reviewed and approved by the Board on 19 June 2024.

ADDITIONAL COMPLIANCE STATEMENT

1. UTILISATION OF PROCEEDS

During the financial year ended 29 February 2024, there were no proceeds raised from any corporate proposal.

2. OPTIONS, WARRANTS OF CONVERTIBLE SECURITIES EXERCISED

During the financial year ended 29 February 2024, a total of 8,310,800 ESOS was exercised under the Company's ESOS as follows:

	No of ESOS exercised	Exercise Price (per unit)
1.	2,612,800	RM0.47
2.	5,698,000	RM0.49

3. EMPLOYEES SHARE OPTION SCHEME

The Employees' Share Option Scheme of the Company ("ESOS" or "Scheme") was implemented on 23 January 2017 and shall be in force for a duration of ten (10) years.

There is one ESOS in existence during the financial year. The total number of options granted, exercised and outstanding under the ESOS are set out in the table below:

Description	Number of Options (Since commencement of ESOS to 29 February 2024)	
	All Eligible Employees including Directors and Chief Executive	Directors and Chief Executive
(a) Total options granted	84,621,000	13,600,000
(b) Total options exercised	63,859,350	12,835,000
(c) Total options outstanding	7,794,500	0

No ESOS was granted during the financial year ended 29 February 2024.

In accordance with the Company's ESOS Bye-Laws, not more than forty per centum (40%) of the Company's ordinary shares available under the Scheme shall be allocated, in aggregate, to Directors and senior management of the Group. Since the commencement of the Scheme up to the financial year ended 29 February 2024, the Company has granted 31.61% of options to the Directors and senior management.

No ESOS was granted to the Non-Executive Directors during the financial year ended 29 February 2024. A total of 450,000 options were exercised by the Non-Executive Directors during the financial year.

Name of Director	No. of options granted	No. of options exercised during the financial year ended 29 February 2024	No. of options outstanding
1. Lim Yoong Xao	300,000	300,000	–
2. Dato' Sri Yap Tian Leong	300,000	75,000	–
3. Nooraini Binti Mohd Yasin	300,000	75,000	–

ADDITIONAL COMPLIANCE STATEMENT (Cont'd)

4. MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOANS

There were no contracts relating to loan and material contracts of the Company and its subsidiaries involving the interests of the Directors or major shareholders during the financial year or since the end of the previous financial year.

5. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE ("RRPT")

There was no RRPT entered during the financial year.

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("the Act") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs"), the requirements of the Act in Malaysia and the Main Market Listing Requirements.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- (i) adopted appropriate accounting policies and applied them consistently;
- (ii) made judgements and estimates that are reasonable and prudent; and
- (iii) prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company and to detect and prevent fraud and other irregularities.



Financial Statement

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DIRECTORS' REPORT

The Directors of Pantech Group Holdings Berhad have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 29 February 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and provision of management services.

The principal activities and details of the subsidiary companies and associate company are disclosed in Notes 6 and 7 to the Financial Statements respectively.

There have been no significant changes in the nature of these activities of the Company, its subsidiary companies and associate company during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	105,546,032	65,479,664
Attributable to:-		
Owners of the Company	105,546,032	65,479,664

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

DIVIDENDS

The amount of dividends paid and declared since the end of the last financial year were as follows:-

	RM
Final single tier dividend of 1.50 sen per ordinary share in respect of the financial year ended 28 February 2023 and paid on 15 September 2023.	12,437,507
First interim single tier dividend of 1.50 sen per ordinary share in respect of the financial year ended 29 February 2024 and paid on 20 October 2023.	12,452,379
Second interim single tier dividend of 1.50 sen per ordinary share in respect of the financial year ended 29 February 2024 and paid on 12 January 2024.	12,462,066
Third interim single tier dividend of 1.50 sen per ordinary share in respect of the financial year ended 29 February 2024 and paid on 26 March 2024.	12,464,790

At the forthcoming Annual General Meeting, a final single tier dividend of 1.50 sen per ordinary share, in respect of the financial year ended 29 February 2024, will be proposed for shareholder's approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of unappropriated profit in the financial year ending 28 February 2025.

DIRECTORS' REPORT

(Cont'd)

DIRECTORS

The Directors who held office during the financial year and up to the date of this report are as follows:-

Dato' Chew Ting Leng (Executive Chairman/Group Managing Director)*
 Dato' Goh Teoh Kean (Group Deputy Managing Director)*
 Tan Ang Ang (Executive Director)*
 To Tai Wai (Executive Director)*
 Ng Lee Lee (Executive Director)*
 Sakinah Binti Salleh (Non-Independent Non-Executive Director)
 Dato' Sri Yap Tian Leong (Independent Non-Executive Director)
 Lim Yoong Xao (Independent Non-Executive Director)
 Nooraini Binti Mohd Yasin (Independent Non-Executive Director)

* Directors of the Company and its subsidiary company(ies).

The Directors of the subsidiary companies who held office during the financial year and up to the date of this report, not including those Directors listed above are as follows:-

Jairus Tan Vern Hsien
 Kong Chiong Lee
 Lim Soon Beng
 Teo Tiong Teck
 Wang Woon Chin
 Chew Zhiyin
 Chew Zhiqi
 Chang Siew Ping (Appointed w.e.f 1.9.2023)
 Freddie Chew Sun Ghee (Resigned w.e.f 1.9.2023)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the beneficial interests of those who were Directors at the end of the financial year in shares and Employee Share Option Scheme ("ESOS") of the Company and its related corporations are as follows:-

	Number of ordinary shares				As at 29.2.2024
	As at 1.3.2023	Exercise of ESOS	Acquired	(Sold)	
Dato' Chew Ting Leng					
- direct interest	10,793,491	75,000	300,000	-	11,168,491
- deemed interest through CTL Capital Holding Sdn. Bhd.	142,349,429	-	90,000	-	142,439,429
- deemed interest through his daughter, Chew Zhiyin	1,220,515	132,500	-	-	1,353,015

DIRECTORS' REPORT

(Cont'd)

DIRECTORS' INTERESTS (CONT'D)

According to the Register of Directors' Shareholdings, the beneficial interests of those who were Directors at the end of the financial year in shares and Employee Share Option Scheme ("ESOS") of the Company and its related corporations are as follows (cont'd):-

	As at 1.3.2023	Number of ordinary shares			As at 29.2.2024
		Exercise of ESOS	Acquired	(Sold)	
Dato' Goh Teoh Kean					
- direct interest	8,256,321	75,000	-	-	8,331,321
- deemed interest through GL Management Agency Sdn. Bhd.	102,266,209	-	-	-	102,266,209
Tan Ang Ang					
- direct interest	13,040,697	75,000	280,000	(3,000,000)	10,395,697
- deemed interest through his spouse, Yong Yui Kiew	2,039,165	-	-	-	2,039,165
- deemed interest through his son, Jairus Tan Vern Hsein	685,300	-	-	-	685,300
To Tai Wai					
- direct interest	16,293,126	300,000	-	-	16,593,126
Ng Lee Lee					
- direct interest	10,159,176	150,000	-	(400,000)	9,909,176
Sakinah Binti Salleh					
- direct interest	301,809	-	-	-	301,809
Dato' Sri Yap Tian Leong					
- direct interest	-	75,000	-	(75,000)	-
Lim Yoong Xiao					
- direct interest	-	300,000	-	(100,000)	200,000
- deemed interest through his spouse, Wong Hui Chin	2,040	-	-	-	2,040
Nooraini Binti Mohd Yasin					
- direct interest	39,500	75,000	-	(105,200)	9,300

DIRECTORS' REPORT

(Cont'd)

DIRECTORS' INTERESTS (CONT'D)

According to the Register of Directors' Shareholdings, the beneficial interests of those who were Directors at the end of the financial year in shares and Employee Share Option Scheme ("ESOS") of the Company and its related corporations are as follows (cont'd):-

	Unexercised as at 1.3.2023	Number of ordinary shares under ESOS			Unexercised as at 29.2.2024
		Granted	(Exercised)	(Expired)	
Dato' Chew Ting Leng	75,000	-	(75,000)	-	-
- deemed interest through his daughter, Chew Zhiyin	232,500	-	(132,500)	-	100,000
Dato' Goh Teoh Kean	75,000	-	(75,000)	-	-
Tan Ang Ang	75,000	-	(75,000)	-	-
- deemed interest through his son, Jairus Tan Vern Hsein	202,500	-	-	-	202,500
To Tai Wai	300,000	-	(300,000)	-	-
Ng Lee Lee	150,000	-	(150,000)	-	-
Dato' Sri Yap Tian Leong	75,000	-	(75,000)	-	-
Lim Yoong Xao	300,000	-	(300,000)	-	-
Nooraini Binti Mohd Yasin	75,000	-	(75,000)	-	-

DIRECTORS' REMUNERATION

During the financial year, the salaries, fees and other benefits received and receivable by the Directors of the Company are as follows:-

	Incurred by the Company RM	Incurred by the Subsidiaries RM	Total RM
Directors of the Company:-			
Salaries, allowances and bonuses	1,847,074	5,495,543	7,342,617
Fee	225,000	530,000	755,000
Others	119,196	149,190	268,386
	2,191,270	6,174,733	8,366,003

The estimated monetary value of benefits provided to the Directors of the Company during the financial year by way of usage of the Group's assets and other benefits amounted to RM144,566.

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling the Directors of the Company to acquire any benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

(Cont'd)

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

During the financial year, the total amount of insurance premium paid for the Directors and Officers of the Company is RM33,696. No other indemnity coverage paid for Directors and Officers of the Company during the financial year.

ISSUE OF SHARES AND DEBENTURES

During the current financial year, the Company had increased its issued and fully paid-up ordinary share capital from RM263,417,332 to RM268,428,449 by way of:-

- (a) 5,698,000 new ordinary shares arising from the exercise of employee's share option (Batch 2) at an exercise price of RM0.490 per ordinary share;
- (b) 2,612,800 new ordinary shares arising from the exercise of employee's share option (Batch 3) at an exercise price of RM0.470 per ordinary share;

All the new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

There were no issuance of debentures during the financial year.

TREASURY SHARES

The shareholders of the Company, through the Annual General Meeting held on 21 August 2008, approved the Company's plan to repurchase up to 10% of the issued and paid-up share capital of the Company ("Share Buy Back"). The authority granted by the shareholders was subsequently renewed in every Annual General Meeting held and it was last renewed in the Annual General Meeting held on 26 July 2023. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the purchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year ended 29 February 2024, the Company repurchased 1,345,000 ordinary shares of its issued share capital from the open market. The average price paid for the repurchased shares was RM0.81 per share. The repurchased transactions were financed by internally generated funds. These repurchased shares were held as treasury shares and treated in accordance with the requirements of Section 127 of the Companies Act 2016.

The Company has the right to cancel, resell these shares and/or distributes as dividends at a later date. As treasury shares, the rights attached to voting, dividends and participation in other distribution is suspended. None of the treasury shares repurchased had been sold as at the reporting date.

As at financial year end, the number of ordinary shares issued and fully paid-up after deducting treasury shares against equity is 831,465,979 ordinary shares.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issuance of options pursuant to the Employee Share Option Scheme ("ESOS").

At an extraordinary general meeting held on 2 December 2016, the Company's shareholders approved the establishment of an ESOS of not more than 10% of the issued and paid-up share capital of the Company (excluding treasury shares) to eligible Directors and employees of the Group.

The salient features and other terms of the ESOS are disclosed in the Note 32 to the Financial Statements.

DIRECTORS' REPORT

(Cont'd)

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their values in the ordinary course of business as shown in the accounting records had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:-

- (a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:-

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the current financial year in which this report is made.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

Significant event after the reporting period is disclosed in Note 37 to the Financial Statements.

DIRECTORS' REPORT
(Cont'd)

AUDITORS' REMUNERATION

The amount of audit and other fees paid or payable to the external auditor and its local affiliate by the Group and the Company for the financial year ended 29 February 2024 amounted to RM547,030 and RM60,700 respectively. Further details are disclosed in Note 28 to the Financial Statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the provision of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year ended 29 February 2024.

AUDITORS

The Auditors, Grant Thornton Malaysia PLT have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

.....)	
DATO' CHEW TING LENG)	
)	
)	DIRECTORS
)	
)	
.....)	
DATO' GOH TEOH KEAN)	

Johor Bahru
19 June 2024

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 105 to 182 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 29 February 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

.....
DATO' CHEW TING LENG

.....
DATO' GOH TEOH KEAN

Johor Bahru
19 June 2024

STATUTORY DECLARATION

I, Wang Woon Chin, being the Officer primarily responsible for the financial management of Pantech Group Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 105 to 182 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Johor Bahru in the)
State of Johor this day of)
19 June 2024)

.....
WANG WOON CHIN
(MIA No. 19232)

Before me:

VASANTHI A/P VADIVELOO
No. J258
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANTECH GROUP HOLDINGS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pantech Group Holdings Berhad ("the Company"), which comprise the statements of financial position as at 29 February 2024, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 105 to 182.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 29 February 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment on doubtful receivables

The risk

Referring to Note 39(c) to the Financial Statements. We focused on this area because the Group has trade receivables that are past due but not impaired. The key associate risk was the recoverability of billed trade receivables as management judgement is required in determining the completeness of the trade receivables provision and in assessing its adequacy through considering the expected recoverability of the year-end trade receivables.

Our response

We have obtained an understanding of the Group's policy on impairment of trade receivables and evaluated management's judgement in calculating the allowance for impairment of trade receivables. This includes reviewing the ageing of receivables and testing the integrity of ageing by calculating the due date for a sample of invoices. We also checked the recoverability of outstanding receivables through examination of subsequent cash receipts and tested the operating effectiveness of the relevant policies and control procedures that management has in place.

The basis of management's judgement over the recoverability of billed trade receivables are disclosed in Note 39(c) to the Financial Statements.

INDEPENDENT AUDITORS' REPORT (Cont'd)

Key Audit Matters (Cont'd)

Inventory valuation

The risk

Refer to Note 11 to the Financial Statements. The Group's inventories is subject to a risk that the inventories become slow-moving or obsolete and rendering it not saleable or can only be sold for selling prices that are lesser than the carrying value. There is inherent subjectivity and estimation involved in determining the accuracy of inventory obsolescence provision and in making an assessment of its adequacy due to risks of inventory prices not valid and inventory not stated at the lower of cost or market.

Our response

We have obtained an understanding on the Group's accounting policy in making the accounting estimates for inventories write-down. We have also attended the year-end physical inventories count to validate counts performed by the Group. Besides that, we also tested a sample of inventories to ensure that they were held at the lower of cost and net realisable value. We have also evaluated management judgement and Group's accounting policy with regards to the application of provision to the inventories.

We have determined that there are no key audit matters to communicate in our report in relation to our audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards applied.

From the matters communicated with Directors, we determined those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

(Cont'd)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as Auditors, are disclosed in Note 6 to the Financial Statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

.....
GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

.....
MOHAMAD HEIZRIN BIN SUKIMAN
(NO: 03046/05/2025 J))
CHARTERED ACCOUNTANT

Johor Bahru
19 June 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 29 FEBRUARY 2024

	Note	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	346,170,170	343,862,447	123,002	–
Capital work-in-progress	4	2,837,762	20,000	–	–
Investment properties	5	12,400,000	11,750,000	–	–
Investment in subsidiary companies	6	–	–	266,310,458	266,310,458
Investment in an associate company	7	3,517,130	3,197,846	–	–
Other investment	8	–	2,022,698	–	–
Goodwill on acquisition	9	2,342,882	2,342,882	–	–
Deferred tax assets	10	–	–	–	–
Total non-current assets		367,267,944	363,195,873	266,433,460	266,310,458
Current assets					
Inventories	11	414,204,326	405,441,261	–	–
Trade receivables	12	126,837,044	147,707,199	–	–
Other receivables	13	20,747,383	28,129,221	24,951	23,578
Dividend receivables		–	–	–	13,763,000
Amount due from subsidiary companies	6	–	–	11,542,691	6,071,861
Amount due from an associate company	7	56,943,194	19,314,123	–	–
Tax recoverable		2,738,329	10,445	–	–
Fixed deposits with licensed banks	14	7,308,365	2,733,826	–	–
Cash and bank balances	15	254,666,253	177,291,370	38,625,713	11,612,894
Total current assets		883,444,894	780,627,445	50,193,355	31,471,333
Non-current asset held for sale	16	–	2,200,000	–	–
Total assets		1,250,712,838	1,146,023,318	316,626,815	297,781,791

STATEMENTS OF FINANCIAL POSITION
AS AT 29 FEBRUARY 2024
(Cont'd)

	Note	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	268,428,449	263,417,332	268,428,449	263,417,332
Treasury shares	18	(10,241,081)	(9,156,065)	(10,241,081)	(9,156,065)
Revaluation reserve	19	57,803,259	58,708,372	–	–
Employees share option reserve	20	906,767	1,630,084	906,767	1,630,084
Exchange translation reserve		14,510,735	9,256,957	–	–
Share application money		50,459	51,563	50,459	51,563
Unappropriated profit		553,918,923	497,284,520	44,464,527	28,801,605
Total equity		885,377,511	821,192,763	303,609,121	284,744,519
LIABILITIES					
Non-current liabilities					
Lease liabilities	21	11,121,153	11,074,410	–	–
Borrowings	22	17,730,188	21,348,979	–	–
Deferred tax liabilities	23	25,132,611	26,053,558	–	–
Total non-current liabilities		53,983,952	58,476,947	–	–
Current liabilities					
Trade payables	24	41,381,016	23,560,307	–	–
Other payables	25	25,910,386	21,509,818	293,029	344,786
Amount due to an associate company	7	71,035	–	–	–
Derivatives financial instruments	26	–	12,390	–	–
Lease liabilities	21	2,584,878	2,286,467	–	–
Borrowings	22	221,884,846	198,227,294	–	–
Dividend payable		12,464,790	12,367,488	12,464,790	12,367,488
Tax payable		7,054,424	8,389,844	259,875	324,998
Total current liabilities		311,351,375	266,353,608	13,017,694	13,037,272
Total liabilities		365,335,327	324,830,555	13,017,694	13,037,272
Total equity and liabilities		1,250,712,838	1,146,023,318	316,626,815	297,781,791

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	27	946,631,334	1,037,838,655	69,399,889	57,254,427
Cost of sales		(724,055,966)	(763,610,560)	-	-
Gross profit		222,575,368	274,228,095	69,399,889	57,254,427
Other income		15,039,932	8,807,072	48,016	4,440
Finance income		4,308,807	2,269,908	610,501	394,771
Selling and distribution expenses		(24,996,121)	(48,606,050)	-	-
Administration expenses		(66,290,280)	(68,628,992)	(3,636,549)	(3,954,779)
Finance costs		(11,643,830)	(9,862,097)	(2,090)	(1,392)
Other expenses		(863,348)	(937,166)	-	(15,208)
Allowance for impairment on receivables	12	(1,017,599)	(2,274,879)	-	-
Profit from operations		137,112,929	154,995,891	66,419,767	53,682,259
Share of profit in associate company		319,284	612,748	-	-
Profit before tax	28	137,432,213	155,608,639	66,419,767	53,682,259
Tax expense	29	(31,886,181)	(39,975,593)	(940,103)	(940,599)
Profit for the financial year		105,546,032	115,633,046	65,479,664	52,741,660
Other comprehensive income/(loss), net of tax					
Items that will not be reclassified subsequently to profit or loss					
Realisation of revaluation reserve upon depreciation of revalued assets		905,113	1,087,406	-	-
Transfer of revaluation reserve to unappropriated profit		(905,113)	(1,087,406)	-	-
Revaluation of land and buildings		-	48,500	-	-
Tax effect on item that will not be reclassified to profit or loss		-	(11,640)	-	-
		-	36,860	-	-
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations, net of tax		5,253,778	(2,018,816)	-	-
		5,253,778	(2,018,816)	-	-

STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024
(Cont'd)

	Note	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Other comprehensive income/(loss) for the financial year, net of tax		5,253,778	(1,981,956)	-	-
Total comprehensive income for the financial year		110,799,810	113,651,090	65,479,664	52,741,660
Profit attributable to:-					
Owners of the Company		105,546,032	115,633,046	65,479,664	52,741,660
Non-controlling interest		-	-	-	-
Profit for the financial year		105,546,032	115,633,046	65,479,664	52,741,660
Total comprehensive income attributable to:-					
Owners of the Company		110,799,810	113,651,090	65,479,664	52,741,660
Non-controlling interest		-	-	-	-
Total comprehensive income for the financial year		110,799,810	113,651,090	65,479,664	52,741,660
Earnings per share attributable to owners of the Company					
Earnings per ordinary share					
- Basic (sen)	30	12.74	14.07	-	-
- Diluted (sen)	30	12.68	13.96	-	-

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

Group	Attributable to owners of the Company										Total equity RM
	Non-distributable					Distributable					
	Share capital RM	Treasury shares RM	Revaluation reserve RM	Employees share option reserve RM	Exchange translation reserve RM	Share application money RM	Unappropriated profit RM	Total RM	Non-controlling interest RM	Total equity RM	
Balance at 1 March 2022	258,891,721	(7,590,553)	59,758,918	1,894,101	11,275,773	28,820	429,910,770	745,169,550	-	754,169,550	
Transactions with owners:-											
Share option granted under ESOS	-	-	-	585,245	-	-	-	585,245	-	585,245	
Exercise of ESOS	4,525,611	-	-	(849,262)	-	(28,820)	-	3,647,529	-	3,647,529	
Acquisition of treasury shares	-	(1,565,512)	-	-	-	-	-	(1,565,512)	-	(1,565,512)	
Shares pending allotment	-	-	-	-	-	51,563	-	51,563	-	51,563	
Final single tier dividend of 1.50 sen per ordinary share for the financial year ended 28 February 2022	-	-	-	-	-	-	(12,315,346)	(12,315,346)	-	(12,315,346)	
First interim single tier dividend of 1.50 sen per ordinary share for the financial year ended 28 February 2023	-	-	-	-	-	-	(12,318,593)	(12,318,593)	-	(12,318,593)	
Second interim single tier dividend of 1.50 sen per ordinary share for the financial year ended 28 February 2023	-	-	-	-	-	-	(12,345,275)	(12,345,275)	-	(12,345,275)	
Third interim single tier dividend of 1.50 sen per ordinary share for the financial year ended 28 February 2023	-	-	-	-	-	-	(12,367,488)	(12,367,488)	-	(12,367,488)	
Total transactions with owners	4,525,611	(1,565,512)	-	(264,017)	-	22,743	(49,346,702)	(46,627,877)	-	(46,627,877)	
Profit for the financial year	-	-	-	-	-	-	115,633,046	115,633,046	-	115,633,046	
Other comprehensive loss for the financial year	-	-	(1,050,546)	-	(2,018,816)	-	1,087,406	(1,981,956)	-	(1,981,956)	
Total comprehensive income for the financial year	-	-	(1,050,546)	-	(2,018,816)	-	116,720,452	113,651,090	-	113,651,090	
Balance at 28 February 2023	263,417,332	(9,156,065)	58,708,372	1,630,084	9,256,957	51,563	497,284,520	821,192,763	-	821,192,763	

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

(Cont'd)

	Attributable to owners of the Company										Total equity RM
	Non-distributable					Distributable					
	Share capital RM	Treasury shares RM	Revaluation reserve RM	Employees share option reserve RM	Exchange translation reserve RM	Share application money RM	Unappropriated profit RM	Total RM	Non-controlling interest RM	Total equity RM	
Group (cont'd)											
Balance at 1 March 2023	263,417,332	(9,156,065)	58,708,372	1,630,084	9,256,957	51,563	497,284,520	821,192,763	-	821,192,763	
Transactions with owners:-											
Share option granted under ESOS	-	-	-	305,908	-	-	-	305,908	-	305,908	
Exercise of ESOS	5,011,117	-	-	(1,029,225)	-	(51,563)	-	3,930,329	-	3,930,329	
Acquisition of treasury shares	-	(1,085,016)	-	-	-	-	-	(1,085,016)	-	(1,085,016)	
Shares pending allotment	-	-	-	-	-	50,459	-	50,459	-	50,459	
Final single tier dividend of 1.50 sen per ordinary share for the financial year ended 28 February 2023	-	-	-	-	-	-	(12,437,507)	(12,437,507)	-	(12,437,507)	
First interim single tier dividend of 1.50 sen per ordinary share for the financial year ended 29 February 2024	-	-	-	-	-	-	(12,452,379)	(12,452,379)	-	(12,452,379)	
Second interim single tier dividend of 1.50 sen per ordinary share for the financial year ended 29 February 2024	-	-	-	-	-	-	(12,462,066)	(12,462,066)	-	(12,462,066)	
Third interim single tier dividend of 1.50 sen per ordinary share for the financial year ended 29 February 2024	-	-	-	-	-	-	(12,464,790)	(12,464,790)	-	(12,464,790)	
Total transactions with owners	5,011,117	(1,085,016)	-	(723,317)	-	(1,104)	(49,816,742)	(46,615,062)	-	(46,615,062)	
Profit for the financial year	-	-	-	-	-	-	105,546,032	105,546,032	-	105,546,032	
Other comprehensive income for the financial year	-	-	(905,113)	-	5,253,778	-	905,113	5,253,778	-	5,253,778	
Total comprehensive income for the financial year	-	-	(905,113)	-	5,253,778	-	106,451,145	110,799,810	-	110,799,810	
Balance at 29 February 2024	268,428,449	(10,241,081)	57,803,259	906,767	14,510,735	50,459	553,918,923	885,377,511	-	885,377,511	

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024
(Cont'd)

Company	Non-distributable			Distributable		Total equity RM
	Share capital RM	Treasury shares RM	Employees share option reserve RM	Share application money RM	Unappropriated profit RM	
Balance at 1 March 2022	258,891,721	(7,590,553)	1,894,101	28,820	25,406,647	278,630,736
Transactions with owners:-						
Share option granted under ESOS	-	-	585,245	-	-	585,245
Exercise of ESOS	4,525,611	-	(849,262)	(28,820)	-	3,647,529
Acquisition of treasury shares	-	(1,565,512)	-	-	-	(1,565,512)
Shares pending allotment	-	-	-	51,563	-	51,563
Final single tier dividend of 1.50 sen per ordinary share for the financial year ended 28 February 2022	-	-	-	-	(12,315,346)	(12,315,346)
First interim single tier dividend of 1.50 sen per ordinary share for the financial year ended 28 February 2023	-	-	-	-	(12,318,593)	(12,318,593)
Second interim single tier dividend of 1.50 sen per ordinary share for the financial year ended 28 February 2023	-	-	-	-	(12,345,275)	(12,345,275)
Third interim single tier dividend of 1.50 sen per ordinary share for the financial year ended 28 February 2023	-	-	-	-	(12,367,488)	(12,367,488)
Total transactions with owners	4,525,611	(1,565,512)	(264,017)	22,743	(49,346,702)	(46,627,877)
Profit for the financial year	-	-	-	-	52,741,660	52,741,660
Other comprehensive income for the financial year	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	52,741,660	52,741,660
Balance at 28 February 2023	263,417,332	(9,156,065)	1,630,084	51,563	28,801,605	284,744,519

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

(Cont'd)

Company	Non-distributable			Distributable		Total equity RM
	Share capital RM	Treasury shares RM	Employees share option reserve RM	Share application money RM	Unappropriated profit RM	
Balance at 1 March 2023	263,417,332	(9,156,065)	1,630,084	51,563	28,801,605	284,744,519
Transactions with owners:-						
Share option granted under ESOS	-	-	305,908	-	-	305,908
Exercise of ESOS	5,011,117	-	(1,029,225)	(51,563)	-	3,930,329
Acquisition of treasury shares	-	(1,085,016)	-	-	-	(1,085,016)
Shares pending allotment	-	-	-	50,459	-	50,459
Final single tier dividend of 1.50 sen per ordinary share for the financial year ended 28 February 2023	-	-	-	-	(12,437,507)	(12,437,507)
First interim single tier dividend of 1.50 sen per ordinary share for the financial year ended 29 February 2024	-	-	-	-	(12,452,379)	(12,452,379)
Second interim single tier dividend of 1.50 sen per ordinary share for the financial year ended 29 February 2024	-	-	-	-	(12,462,066)	(12,462,066)
Third interim single tier dividend of 1.50 sen per ordinary share for the financial year ended 29 February 2024	-	-	-	-	(12,464,790)	(12,464,790)
Total transactions with owners	5,011,117	(1,085,016)	(723,317)	(1,104)	(49,816,742)	(46,615,062)
Profit for the financial year	-	-	-	-	65,479,664	65,479,664
Other comprehensive income for the financial year	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	65,479,664	65,479,664
Balance at 29 February 2024	268,428,449	(10,241,081)	906,767	50,459	44,464,527	303,609,121

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
OPERATING ACTIVITIES					
Profit before tax		137,432,213	155,608,639	66,419,767	53,682,259
Adjustments for:-					
Allowance for impairment of receivables		1,531,983	3,637,259	-	-
Allowance for impairment of receivables no longer required		(514,384)	(1,362,380)	-	-
Bad debts written off		20,776	1,228	-	-
Inventories written down		1,474,173	473,417	-	-
Depreciation of property, plant and equipment		16,698,476	14,873,029	18,923	-
Depreciation of right-of-use assets		3,544,571	3,344,315	-	-
Interest expense		9,986,265	8,381,230	-	-
Lease liabilities interest expense		570,016	670,631	-	-
Property, plant and equipment written off		8,791	326,186	-	-
Reversal of inventories written down		(332,562)	(2,002,783)	-	-
Employees Share Option Scheme expenses		305,908	585,245	305,908	585,245
Interest income		(4,308,807)	(2,269,908)	(610,501)	(394,771)
Share of profit from associate company		(319,284)	612,748	-	-
Dividend income		-	-	(65,926,000)	(53,544,650)
Dividend income from other investment		(153,778)	-	-	-
Gain on disposal of property, plant and equipment		(304,475)	(328,041)	-	-
Gain on disposal of non-current asset held for sale		(180,000)	-	-	-
Gain on disposal of other investment		(124,453)	-	-	-
Fair value (gain)/loss on derivative financial instrument		(12,390)	8,450	-	-
Fair value loss/(gain) on other investment		55,497	(16,497)	-	-
Fair value (gain)/loss on investment properties		(650,000)	283,998	-	-
Unrealised (gain)/loss on foreign exchange		(1,095,846)	(755,964)	(26)	115
Waiver of debts		-	(117,165)	-	-
Operating profit before working capital changes		163,632,690	180,728,141	208,071	328,198
Changes in working capital:-					
Inventories		(9,904,676)	(3,079,459)	-	-
Receivables		27,717,971	52,117,014	(1,373)	21,074
Payables		22,089,079	(110,018,603)	(51,757)	101,404
Associate company		(35,876,493)	(11,103,651)	-	-
Cash flows from operations		167,658,571	108,643,442	154,941	450,676
Tax refunded		515,314	429	-	-
Tax paid		(36,979,236)	(31,301,057)	(1,005,226)	(836,052)
Net cash flows from/(used in) operating activities		131,194,649	77,342,814	(850,285)	(385,376)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

(Cont'd)

	Note	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
INVESTING ACTIVITIES					
Addition/Acquisition of an investment property		-	(233,998)	-	-
Acquisition of a subsidiary, net of cash acquired	6(b)(iii)	-	119,325	-	-
Investment in a subsidiary company	A	-	-	-	(550,000)
Dividend received		-	-	79,689,000	39,781,650
Dividend received from other investment		153,778	-	-	-
Interest received		4,308,807	2,269,908	610,501	394,771
Purchase of property, plant and equipment	B	(18,195,860)	(14,383,716)	(141,925)	-
Proceeds from disposal of property, plant and equipment		323,200	525,063	-	-
Proceeds from disposal of non-current asset held for sale		2,380,000	-	-	-
Proceed from disposal of other investment		2,585,733	-	-	-
Addition in other investment		(494,079)	(1,568,201)	-	-
Capital work-in-progress incurred		(2,941,469)	(815,265)	-	-
Net cash flows (used in)/from investing activities		(11,879,890)	(14,086,884)	80,157,576	39,626,421
FINANCING ACTIVITIES					
Dividend paid		(49,719,440)	(45,175,742)	(49,719,440)	(45,175,742)
Proceeds from issuance of share capital		3,980,788	3,699,092	3,980,788	3,699,092
Purchase of treasury shares		(1,085,016)	(1,565,512)	(1,085,016)	(1,565,512)
Interest paid		(9,986,265)	(8,381,230)	-	-
Lease liabilities interest paid		(570,016)	(670,631)	-	-
Repayment of lease liabilities		(2,536,356)	(2,464,079)	-	-
Loan to subsidiary companies		-	-	(5,500,000)	(19,400,000)
Advances to subsidiary companies		-	-	29,196	(60,544)
Drawdown of short-term borrowings		433,526,601	423,831,432	-	-
Repayment of short-term borrowings		(407,372,693)	(408,862,001)	-	-
Repayment of term loans		(13,413,893)	(24,393,561)	-	-
Drawdown of term loans		6,220,000	1,100,400	-	-
Net cash flows used in financing activities		(40,956,290)	(62,881,832)	(52,294,472)	(62,502,706)
CASH AND CASH EQUIVALENTS					
Net changes		78,358,469	374,098	27,012,819	(23,261,661)
Effect of exchange rate changes		3,590,953	(1,628,229)	-	-
At beginning of financial year		180,025,196	181,279,327	11,612,894	34,874,555
At end of financial year	C	261,974,618	180,025,196	38,625,713	11,612,894

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

(Cont'd)

NOTES TO THE STATEMENTS OF CASH FLOWS

A. INVESTMENT IN A SUBSIDIARY COMPANY

In the previous financial year, the Company acquired 100% equity interest in Unity Precision Engineering Sdn. Bhd. Details of the investment are as follows:-

	Company RM
Capitalisation from deposit paid in previous financial year	50,000
Capitalisation from amount due from subsidiary company	13,400,000
Cash payment	550,000
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Total cost of investment (Note 6(b))	14,000,000

B. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Acquired by means of finance lease arrangements	2,881,510	2,630,210	-	-
Addition to right-of-use in exchange for increased lease liabilities	-	41,681	-	-
Cash payments	18,195,860	14,383,716	141,925	-
<hr/>				
	21,077,370	17,055,607	141,925	-

C. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	254,666,253	177,291,370	38,625,713	11,612,894
Fixed deposits with licensed banks	7,308,365	2,733,826	-	-
<hr/>				
	261,974,618	180,025,196	38,625,713	11,612,894

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

(Cont'd)

NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

D. CASH OUTFLOWS FOR LEASES AS A LESSEE

	2024 RM	Group 2023 RM
Included in net cash from operating activities		
- Payment relating to short-term leases and low-value assets	871,635	774,529
Included in net cash used in financing activities		
- Interest paid in relation to lease liabilities	570,016	670,631
- Payment of principal portion of lease liabilities	2,536,356	2,464,079
	3,978,007	3,909,239

Reconciliation of liabilities arising from financing activities

Group

	Lease liabilities RM	Term loans RM	Short-term borrowings RM	Total RM
At 1 March 2022	11,558,305	48,831,604	171,152,234	231,542,143
Additions	2,671,891	1,100,400	423,831,432	427,603,723
Additions through acquisition of a subsidiary company	-	8,732,146	-	8,732,146
Repayment	(2,464,079)	(24,393,561)	(408,862,001)	(435,719,641)
Lease modification	1,594,760	-	-	1,594,760
Foreign exchange movement	-	-	(815,981)	(815,981)
At 28 February 2023/1 March 2023	13,360,877	34,270,589	185,305,684	232,937,150
Additions	2,881,510	6,220,000	433,526,601	442,628,111
Repayment	(2,536,356)	(13,413,893)	(407,372,693)	(423,322,942)
Foreign exchange movement	-	-	1,078,746	1,078,746
At 29 February 2024	13,706,031	27,076,696	212,538,338	253,321,065

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 29 FEBRUARY 2024

1. GENERAL INFORMATION

The Company is principally engaged in investment holding and provision of management services.

The principal activities of the subsidiary companies and associate company are disclosed in Notes 6 and 7 to the Financial Statements respectively.

There have been no significant changes in the nature of these activities of the Company, its subsidiary companies and associate company during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office of the Company is located at Unit 7-01, Level 7, Lagenda Tower, No.3, Jalan SS20/27, 47400 Petaling Jaya, Selangor. The principal place of business of the Company is located at PTD 204334, Jalan Platinum Utama, Kawasan Perindustrian Pasir Gudang, Zon 12B, 81700 Pasir Gudang, Johor Darul Takzim.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 19 June 2024.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under historical cost convention, except for land and buildings and financial instruments that are measured at revalued amount or fair value respectively as indicated in the material accounting policy information.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and its measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS

- 29 FEBRUARY 2024

(Cont'd)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.2 Basis of measurement (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

The Group and the Company have established control framework in respect of measurement of fair values of financial instruments. The Board of Directors has overall responsibility for overseeing all significant fair value measurements. The Board of Directors regularly reviews significant unobservable inputs and valuation adjustments.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

2.4 MFRSs

2.4.1 Adoption of New or Revised MFRSs

The Group and the Company have applied the following new MFRS and amendments to published standards approved by Malaysian Accounting Standards Board ("MASB") for the first time for the financial year beginning on 1 March 2023:-

- MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts*
- Amendments to MFRS 17 – *Initial Application of MFRS 17 and MFRS 9 – Comparative Information**
- Amendments to MFRS 101 Presentation of Financial Statements – *Disclosure of Accounting Policies*
- Amendments to MFRS 108 Accounting Policies - Changes in Accounting Estimates and Errors - *Definition of Accounting Estimates*
- Amendments to MFRS 112 Income Taxes – *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to MFRS 112 Income Taxes – *International Tax Reform: Pillar Two Model Rules*

* Not applicable to the Group's and the Company's operations.

NOTES TO THE FINANCIAL STATEMENTS

- 29 FEBRUARY 2024
(Cont'd)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.4 MFRSs (cont'd)

2.4.1 Adoption of New or Revised MFRSs (cont'd)

The adoption of the above new MFRSs and amendments to publish standards did not have any material impact on the current and prior year financial statements of the Group and the Company except as follows:-

2.4.1.1 Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies

The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The MASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in MFRS Practice Statement 2.

The amendments have had an impact on the Group's and the Company's disclosure of accounting policies but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

2.4.2 Standards Issued But Not Yet Effective

The following are MFRSs, Amendments to MFRSs and IC Interpretations with effective dates on or after 1 January 2024 issued by the MASB and they have not been early adopted by the Group and the Company. The Group and the Company intend to adopt these new standards, amendments to the published standards and interpretations, if applicable, when they become effective.

(a) Amendments effective for financial period beginning on or after 1 January 2024

- Amendments to MFRS 16 Leases – *Lease liability in a Sale and Leaseback*
- Amendments to MFRS 101 Presentation of Financial Statements – *Non-Current Liabilities with Covenants*
- Amendments to MFRS 101 Presentation of Financial Statements – *Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: *Disclosure – Supplier Finance Arrangements*

NOTES TO THE FINANCIAL STATEMENTS

- 29 FEBRUARY 2024

(Cont'd)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.4 MFRSs (cont'd)

2.4.2 Standards Issued But Not Yet Effective (cont'd)

(b) Amendments effective for period beginning on or after 1 January 2025

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - *Lack of Exchangeability*

(c) Amendments effective for date yet to be confirmed

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

* Not applicable to the Group's and the Company's operations.

The initial application of the above standards is not expected to have any material impact on the current period and prior period financial statements of the Group and the Company upon adoption.

2.5 Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2.5.1 Estimation uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful lives of depreciable assets

The management estimates the useful lives of the property, plant and equipment other than right-of-use assets to be within 3 to 50 years and reviews the useful lives of depreciable assets at each reporting date. At 29 February 2024, the management assesses that the useful lives represent the expected utility of the assets to the Group and the Company. The carrying amounts are analysed in Note 3 to the Financial Statements. Actual results, however, may vary due to change in the expected level of usage and technological developments, which result in adjustment to the Group's and the Company's assets.

The management anticipate that the expected useful lives of the property, plant and equipment other than right-of-use assets would not have material difference from their estimates and hence it would not result in material variance in the Group's and the Company's profit for the financial year.

Impairment of inventories

The management reviews inventories to identify damaged, obsolete and slow-moving inventories which require judgement and changes in such estimates could result in revision to valuation of inventories.

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 11 to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

- 29 FEBRUARY 2024
(Cont'd)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.1 Estimation uncertainty (cont'd)

Provision for expected credit losses ("ECLs") for trade receivables

The Group undergoes a specific review of its trade receivables through an analysis of the customers' credit risk and the ageing of the trade receivables balances. Further details of how the credit risk is determined and managed is described in Note 39(c) to the Financial Statements. The information about the ECLs on the Group's trade receivables is disclosed in Note 12 to the Financial Statements.

Impairment of property, plant and equipment and right-of-use assets

The Group and the Company carries out impairment tests based on a variety of estimation including value-in-use of cash-generating unit to which the property, plant and equipment and right-of-use assets are allocated. Estimating the value-in-use requires the Group and the Company to make an estimate of the expected future cash flows from cash-generating unit and also to choose a suitable discount rate in order to calculate present value of those cash flows.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Further details of the carrying values, key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are disclosed in Note 9 to the Financial Statements.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses, unabsorbed capital allowances and unused tax credits to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences, unutilised tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statement of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

NOTES TO THE FINANCIAL STATEMENTS

- 29 FEBRUARY 2024

(Cont'd)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.1 Estimation uncertainty (cont'd)

Income taxes/Deferred tax liabilities

Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Employees share option

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and model used for estimating fair value for share-based payment transactions, sensitivity analysis and the carrying amounts are disclosed in Note 32 to the Financial Statements.

Fair value measurement and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting. Significant judgement is involved in determining the appropriate valuation techniques and inputs for fair value measurements where active market quotes are not available.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in measuring the assets and liabilities. Where Level 1 inputs are not available, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting date. For the valuation of land and buildings, the Group engages third party qualified valuers to perform the valuation.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the Notes 3 and 5 to the Financial Statements respectively.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for Group that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the Group's functional currency). The Group estimate the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Group's stand-alone credit rating).

NOTES TO THE FINANCIAL STATEMENTS

- 29 FEBRUARY 2024
(Cont'd)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.2 Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. The Group accounts for the portions separately if the portions could be sold separately (or leased out separately under a finance lease). If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

NOTES TO THE FINANCIAL STATEMENTS

- 29 FEBRUARY 2024

(Cont'd)

3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Leasehold land RM	Buildings RM	Total land and buildings RM	Renovation and electrical installation RM	Crane, machinery, equipment, furniture and fittings RM	Forklift and motor vehicles RM	Total RM
Cost/Valuation								
At 1 March 2022	40,867,566	89,781,525	130,766,633	261,415,724	6,172,144	182,588,657	15,073,555	465,250,080
Additions through acquisition of a subsidiary company	3,600,000	-	4,800,000	8,400,000	1,367,246	10,611,015	91,245	20,469,506
Additions	-	2,076,852	3,813,164	5,890,016	307,764	8,292,902	2,564,925	17,055,607
Disposals	-	-	-	-	-	(476,196)	(1,726,382)	(2,202,578)
Written off	-	-	-	-	-	(1,638,851)	-	(1,638,851)
Transferred from capital work-in-progress	-	-	6,999,811	6,999,811	88,852	7,243,776	-	14,332,439
Lease modification	-	1,594,760	-	1,594,760	-	-	-	1,594,760
Derecognition of right-of-use assets	-	-	(149,253)	(149,253)	-	-	-	(149,253)
Revaluation	-	23,148	25,352	48,500	-	-	-	48,500
Currency translation difference	(12,287)	-	(246,577)	(258,864)	3,554	(401,793)	1,333	(655,770)
At 28 February 2023	44,455,279	93,476,285	146,009,130	283,940,694	7,939,560	206,219,510	16,004,676	514,104,440
Representing:-								
At cost	-	8,876,285	20,505,162	29,381,447	7,939,560	206,219,510	16,004,676	259,545,193
At valuation	44,455,279	84,600,000	125,503,968	254,559,247	-	-	-	254,559,247
At 1 March 2023	44,455,279	93,476,285	146,009,130	283,940,694	7,939,560	206,219,510	16,004,676	514,104,440
Additions	-	-	826,102	826,102	5,100	17,433,135	2,813,033	21,077,370
Disposals	-	-	-	-	-	(208,862)	(957,518)	(1,166,380)
Written off	-	-	-	-	-	(5,661,094)	-	(5,661,094)
Transferred from capital work-in-progress	-	-	8,000	8,000	-	115,707	-	123,707
Currency translation difference	38,952	-	1,308,735	1,347,687	3,099	1,516,783	13,024	2,880,593
At 29 February 2024	44,494,231	93,476,285	148,151,967	286,122,483	7,947,759	219,415,179	17,873,215	531,358,636

NOTES TO THE FINANCIAL STATEMENTS

- 29 FEBRUARY 2024
(Cont'd)

3. PROPERTY, PLANT AND EQUIPMENT

Group (Cont'd)	Freehold land RM	Leasehold land RM	Buildings RM	Total land and buildings RM	Renovation and electrical installation RM	Crane, machinery, equipment, furniture and fittings RM	Forklift and motor vehicles RM	Total RM
Cost/Valuation (cont'd)								
Representing:-								
At cost	-	8,876,285	21,452,949	30,329,234	7,947,759	219,415,179	17,873,215	275,565,387
At valuation	44,494,231	84,600,000	126,699,018	255,793,249	-	-	-	255,793,249
At 29 February 2024	44,494,231	93,476,285	148,151,967	286,122,483	7,947,759	219,415,179	17,873,215	531,358,636
Accumulated depreciation								
At 1 March 2022	-	4,141,611	7,381,654	11,523,265	5,015,547	115,290,696	12,222,775	144,052,283
Additions through acquisition of a subsidiary company	-	-	(22,319)	(22,319)	1,351,156	10,360,080	91,244	11,780,161
Charge for the financial year	-	1,943,097	3,667,755	5,610,852	343,037	11,016,424	1,247,031	18,217,344
Disposals	-	-	-	-	-	(287,291)	(1,718,265)	(2,005,556)
Written off	-	-	-	-	-	(1,312,665)	-	(1,312,665)
Derecognition of right-of-use assets	-	-	(149,253)	(149,253)	-	-	-	(149,253)
Currency translation difference	-	-	(7,326)	(7,326)	2,138	(333,395)	(1,738)	(340,321)
At 28 February 2023	-	6,084,708	10,870,511	16,955,219	6,711,878	134,733,849	11,841,047	170,241,993
Charge for the financial year	-	2,000,413	3,905,880	5,906,293	407,368	12,413,552	1,515,834	20,243,047
Disposals	-	-	-	-	-	(158,137)	(989,518)	(1,147,655)
Written off	-	-	-	-	-	(5,652,303)	-	(5,652,303)
Currency translation difference	-	-	276,172	276,172	14,316	1,189,171	23,725	1,503,384
At 29 February 2024	-	8,085,121	15,052,563	23,137,684	7,133,562	142,526,132	12,391,088	185,188,466
Net carrying amount								
At 28 February 2023	44,455,279	87,391,577	135,138,619	266,985,475	1,227,682	71,485,661	4,163,629	343,862,447
At 29 February 2024	44,494,231	85,391,164	133,099,404	262,984,799	814,197	76,889,047	5,482,127	346,170,170

NOTES TO THE FINANCIAL STATEMENTS

- 29 FEBRUARY 2024

(Cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company

	Motor vehicle RM
At cost	
At 1 March 2022, 28 February 2023 and 1 March 2023	-
Addition	141,925
At 29 February 2024	141,925
Accumulated depreciation	
At 1 March 2022, 28 February 2023 and 1 March 2023	-
Charge for the financial year	18,923
At 29 February 2024	18,923
Net carrying amount	
At 28 February 2023	-
At 29 February 2024	123,002

Revaluation on land and buildings

Group

The Directors revalued all land and buildings based on professional revaluations made by Sr. Chong Shek Heong, M. Com. (Applied Finance), B. Bus. (Property), MRISM and Registered Valuer (V-0951), & Sr. Ungku Mohd Iskandar Ungku Ismail, BSc. (Hons) Property Management, MRISM, MPEPS, MMIPFM and Registered Valuer (V-855) of C H Williams Talhar & Wong Sdn. Bhd., on the market value basis. The valuations were incorporated in the financial statements for the financial year ended 29 February 2020.

Subsequently the Directors revalued new land and buildings owned by certain subsidiaries based on professional revaluations made by Sr. Zulkamal Ruhaizat Ooi, B.Sc (Hons) Property Management, MRISM, MPEPS, MMIPFM and Registered Valuer (V-1124) of CBRE WTW Valuation & Advisory Sdn. Bhd. (formerly known as CH Williams Talhar and Wong Sdn. Bhd.) and Choy Wei Yin Debbie, MRICS, MRISM and Registered Valuer (V-1056) of Knight Frank Malaysia Sdn. Bhd., on the market value basis. The valuations were incorporated into the financial statements for the financial year ended 28 February 2023.

The market value is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. The market value of the land and buildings was determined based on the comparison approach and cost approach.

NOTES TO THE FINANCIAL STATEMENTS

- 29 FEBRUARY 2024
(Cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Revaluation on land and buildings (cont'd)

Group (cont'd)

Land and buildings at valuation are categorised at Level 2 fair value.

Level 2 Fair Value of Freehold and Leasehold Land

Level 2 fair value of freehold and leasehold land has been generally derived using the comparison approach or cost approach. The most significant input into these valuation approaches is price per square foot of comparable properties.

Level 2 Fair Value of Freehold Building and Leasehold Building

Level 2 fair value of freehold building and leasehold building has been generally derived using the comparison approach and cost approach. The most significant input into comparison approach and cost approach is construction cost of comparable properties.

3.1 Comparison approach

The comparison approach entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purpose with adjustments made for differences in location, accessibility, terrain, size, and shape of land, tenure, visibility and exposure, planning status, title restriction if any and other relevant characteristics to arrive at the market value.

3.2 Cost approach

The cost approach entails separate valuations of the land and building to arrive at the market value.

The land is valued by reference to transactions of similar lands in the surrounding with adjustments made for differences in location, terrain, size and shape of land, tenure, title restrictions if any and other relevant characteristics.

The buildings are valued by reference to their depreciated replacement costs, i.e. the replacement cost of the buildings as new less an appropriate adjustment for profits and depreciation or obsolescence to reflect the existing condition of the buildings at the date of valuation.

The land and buildings values are then summated to arrive at the market value of the subject property.

NOTES TO THE FINANCIAL STATEMENTS

- 29 FEBRUARY 2024

(Cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Revaluation on land and buildings (cont'd)

Group (cont'd)

At the reporting date, had the revalued land and buildings of the Group been carried under the cost model, the net carrying amount would have been as follows:-

	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
2024				
Cost	21,847,860	41,963,126	135,398,436	199,209,422
Accumulated depreciation	–	(6,475,074)	(31,004,002)	(37,479,076)
Currency translation difference	24,339	–	2,448,918	2,473,257
Net carrying amount	21,872,199	35,488,052	106,843,352	164,203,603
2023				
Cost	21,847,860	41,963,126	135,398,436	199,209,422
Accumulated depreciation	–	(6,219,820)	(29,583,415)	(35,803,235)
Currency translation difference	(14,613)	–	1,751,965	1,737,352
Net carrying amount	21,833,247	35,743,306	107,566,986	165,143,539

Included in the property, plant and equipment is right-of-use assets as follows:-

	Leasehold land RM	Buildings RM	Forklift and motor vehicles RM	Crane, machinery, equipment, furniture and fittings RM	Total RM
Net carrying amount					
At 1 March 2022	85,639,914	4,377	1,854,818	8,338,806	95,837,915
Additions	2,076,852	41,681	2,130,439	1,000,000	5,248,972
Depreciation charges	(1,943,097)	(11,970)	(866,966)	(522,282)	(3,344,315)
Lease modification	1,594,760	–	–	–	1,594,760
Disposal	–	–	(8,117)	–	(8,117)
Revaluation	23,148	–	–	–	23,148
Fully settlement of lease liabilities	–	–	(119,217)	(3,925,661)	(4,044,878)
At 28 February 2023	87,391,577	34,088	2,990,957	4,890,863	95,307,485
Additions	–	–	2,253,108	1,247,050	3,500,158
Depreciation charges	(2,000,413)	(16,479)	(1,104,475)	(423,204)	(3,544,571)
Fully settlement of lease liabilities	–	–	–	(570,314)	(570,314)
At 29 February 2024	85,391,164	17,609	4,139,590	5,144,395	94,692,758

NOTES TO THE FINANCIAL STATEMENTS

- 29 FEBRUARY 2024
(Cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Material accounting policy information

(a) Recognition and measurement

Property, plant and equipment

Property, plant and equipment are initially stated at cost. Land and buildings are subsequently shown at market value, based on valuations by external valuers, less subsequent depreciation and any impairment losses. All other property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses.

Revaluation is made at least once in every five years based on valuation by an independent valuer on an open market value basis. Any revaluation increase is credited to equity as a revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case, the increase is recognised in profit or loss to the extent of the decrease previously recognised. A revaluation decrease is first offset against an increase on unutilised revaluation surplus in respect of the same asset and is thereafter recognised as an expense. Upon the disposal of revalued assets, the attributable revaluation surplus remaining in the revaluation reserve is transferred to unappropriated profit.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, except for leasehold land which is measured at revalued amount, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated.

The principal annual depreciation rates used are as follows:-

Buildings	2.00% - 5.50%
Renovation and electrical installation	10.00% - 33.33%
Crane, machinery, equipment, furniture and fittings	7.00% - 33.33%
Forklift and motor vehicles	20.00% - 25.00%

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:-

	<u>Estimated useful lives</u>
Leasehold land	20 – 96 years
Buildings	2 years
Crane, machinery, equipment, furniture and fittings	5 – 14 years
Forklift and motor vehicles	5 years

NOTES TO THE FINANCIAL STATEMENTS

- 29 FEBRUARY 2024

(Cont'd)

4. CAPITAL WORK-IN-PROGRESS

Group

	Buildings RM	Renovation and electrical installation RM	Crane, machinery, equipment, furniture and fittings RM	Total RM
At 1 March 2022	6,763,805	88,852	6,684,517	13,537,174
Additions	248,006	–	567,259	815,265
Transferred to property, plant and equipment	(6,999,811)	(88,852)	(7,243,776)	(14,332,439)
At 28 February 2023	12,000	–	8,000	20,000
Reclassification	8,000	–	(8,000)	–
Additions	147,035	–	2,794,434	2,941,469
Transferred to property, plant and equipment	(8,000)	–	(115,707)	(123,707)
At 29 February 2024	159,035	–	2,678,727	2,837,762

Material accounting policy information

Capital work-in-progress is not depreciated until the assets are ready for their intended use.

5. INVESTMENT PROPERTIES

	Leasehold land RM	Buildings RM	Total land and buildings RM	Freehold land and shophouse building RM	Total RM
Group					
At fair value:-					
At 1 March 2022	8,000,000	3,200,000	11,200,000	600,000	11,800,000
Addition through acquisition of a subsidiary company	–	–	–	2,200,000	2,200,000
Addition	233,998	–	233,998	–	233,998
Fair value loss	(233,998)	–	(233,998)	(50,000)	(283,998)
Transferred to non-current asset held for sale	–	–	–	(2,200,000)	(2,200,000)
At 28 February 2023	8,000,000	3,200,000	11,200,000	550,000	11,750,000
Fair value gain	600,000	–	600,000	50,000	650,000
At 29 February 2024	8,600,000	3,200,000	11,800,000	600,000	12,400,000

The investment properties consist of land and buildings and are valued annually at fair value, comprising market value, by an external independent professionally qualified property valuer having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued.

NOTES TO THE FINANCIAL STATEMENTS

- 29 FEBRUARY 2024
(Cont'd)

5. INVESTMENT PROPERTIES (CONT'D)

The market value is defined as the estimated amount for which an asset or an interest in a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion. The market value of the investment properties was determined based on the comparison approach and cost approach.

Investment properties at valuation are categorised at Level 2 fair value.

Level 2 Fair Value of Freehold Land and Shophouse Buildings

Level 2 fair value of freehold land and shophouse building has been generally derived using the comparison approach. The most significant input into this valuation approach is price per square foot of comparable properties.

Level 2 Fair Value of Leasehold Land and Buildings

Level 2 fair value of leasehold land and buildings has been generally derived using the cost approach. The most significant input into this valuation approach is price per square foot and cost of construction of comparable properties.

5.1 Comparison approach

The comparison approach analysing recent transactions and asking prices of similar property in and around the locality for comparison purpose with adjustments made for differences in location, size, age and condition of property, tenure, title restriction if any and other relevant characteristics to arrive at the market value.

5.2 Cost approach

The cost approach entails separate valuations of the land and buildings to arrive at the market value.

The land is valued by reference to transactions of similar lands in the surrounding with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restriction if any and other relevant characteristics.

The building is valued by reference to its depreciated replacement costs, i.e. the replacement cost of the building as new less an appropriate adjustment for profits and depreciation or obsolescence to reflect the existing condition of the building at the date of valuation.

The land and buildings values are then summated to arrive at the market value of the subject property.

Included in the investment properties is right-of-use assets as follows:-

	Leasehold land RM	Total RM
At fair value		
At 1 March 2022	8,000,000	8,000,000
Addition	233,998	233,998
Fair value loss	(233,998)	(233,998)
At 28 February 2023	8,000,000	8,000,000
Fair value gain	600,000	600,000
At 29 February 2024	8,600,000	8,600,000

NOTES TO THE FINANCIAL STATEMENTS

- 29 FEBRUARY 2024

(Cont'd)

5. INVESTMENT PROPERTIES (CONT'D)

Material accounting policy information

Investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise.

6. SUBSIDIARY COMPANIES

(a) Investment in subsidiary companies

	Company	
	2024 RM	2023 RM
Unquoted shares - At cost:-		
At beginning of financial year	266,310,458	252,310,458
Acquisition of a new subsidiary company	-	14,000,000
At end of financial year	266,310,458	266,310,458

The particulars of the subsidiary companies are as follows:-

Name of company	Principal place of business	Effective equity interest		Principal activities
		2024 %	2023 %	
1. Pantech Corporation Sdn. Bhd.	Malaysia	100	100	Trading, supply and stocking of high pressure seamless and specialised steel pipes, fittings, flanges, valves and other related products for use in the oil and gas, gas reticulation, marine, onshore and offshore heavy engineering, power generation, petrochemicals, palm oil refining and other related industries.

Subsidiary companies of Pantech Corporation Sdn. Bhd.

1.1 Pantech Realty Sdn. Bhd.	Malaysia	100	100	Investment holding and property investment.
1.2 Pantech (Kuantan) Sdn. Bhd.	Malaysia	100	100	Trading and supply of high pressure seamless and specialised steel pipes, fittings, flanges, valves and other related products for use in the oil and gas, gas reticulation, marine, onshore and offshore heavy engineering, power generation, petrochemicals, palm oil refining and other related industries.

NOTES TO THE FINANCIAL STATEMENTS

- 29 FEBRUARY 2024
(Cont'd)

6. SUBSIDIARY COMPANIES (CONT'D)

(a) Investment in subsidiary companies (cont'd)

The particulars of the subsidiary companies are as follows (cont'd):-

Name of company	Principal place of business	Effective equity interest		Principal activities
		2024 %	2023 %	
2. Pantech Steel Industries Sdn. Bhd.	Malaysia	100	100	Manufacturing and supply of butt-welded carbon steel fittings such as elbows, tees, reducers, end-caps and high frequency induction long bends for use in the oil and gas and other related industries.
3. Panaflo Controls Pte. Ltd.#	Singapore	100	100	Supplier of flow control solutions such as valves, actuators and controls for the oil and gas, petrochemicals, water treatment and other related industries and trading of specialised steel pipes and related products.
4. Pantech International (KSA) Sdn. Bhd.	Malaysia	100	100	Dormant. On 25 April 2024, the subsidiary commenced a Member's Voluntary Winding Up in accordance with Section 439(1)(b) of the Companies Act 2016.
5. Pantech Stainless & Alloy Industries Sdn. Bhd.	Malaysia	100	100	Manufacturing and supply of stainless steel and alloy pipes, fittings and related products for use in the oil and gas, marine, onshore and offshore heavy engineering, petrochemical and chemical, palm oil refinery and oleochemical, power generation, pharmaceutical, water and other related industries.
6. Nautic Steels (Holdings) Limited#	United Kingdom	100	100	Investment holdings.
Subsidiary company of Nautic Steels (Holdings) Limited:-				
6.1 Nautic Steels Limited#	United Kingdom	100	100	Milling, machining and welding of tube and pipe fittings in special metals for the oil industry.

NOTES TO THE FINANCIAL STATEMENTS

- 29 FEBRUARY 2024
(Cont'd)

6. SUBSIDIARY COMPANIES (CONT'D)

(a) Investment in subsidiary companies (cont'd)

The particulars of the subsidiary companies are as follows (cont'd):-

Name of company	Principal place of business	Effective equity interest		Principal activities
		2024 %	2023 %	
7. Nautic Steels Sdn. Bhd.	Malaysia	100	100	Dormant.
8. Pantech Galvanising Sdn. Bhd.	Malaysia	100	100	Hot dip galvanising, treatment and coating of metals and its related activities, engineering fabrication works and its related activities and manufacturing of industrial consumable products.
9. Unity Precision Engineering Sdn. Bhd.	Malaysia	100	100	Metal precision machining, engineering and turnkey solutions that mainly serves the oil and gas industry.

Not audited by Grant Thornton Malaysia PLT.

(b) Acquisition of a subsidiary

On 25 April 2022, the Company completed the acquisition of 400,000 ordinary shares, representing 100% equity interest in Unity Precision Engineering Sdn. Bhd. The initial purchase consideration was RM50,000. Subsequently the Company increased its cost of investment to RM14,000,000 by way of capitalisation of amount due from Unity Precision Engineering Sdn. Bhd. amounted to RM13,400,000 and cash payment of RM550,000.

Consideration transferred, assets recognised and liabilities assumed

(i) Fair value of consideration transferred

	Group and Company 2023 RM
Consideration transferred	
Unity Precision Engineering Sdn. Bhd.	50,000

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

6. SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of a subsidiary (cont'd)

Consideration transferred, assets recognised and liabilities assumed (cont'd)

(ii) Fair value of identified assets acquired and liabilities assumed

	Group 2023 RM
Property, plant and equipment	8,689,345
Investment properties	2,200,000
Trade and other receivables	630,355
Current tax assets	1,310
Cash and bank balances	169,325
Trade and other payables	(3,041,935)
Amount due to a director	(2,068,534)
Borrowings	(8,732,146)
Deferred tax liabilities	(140,602)
Total identifiable assets and liabilities	(2,292,882)

(iii) Net cash inflow arising from acquisition of subsidiary

	Group 2023 RM
Purchase consideration settled in cash	(50,000)
Cash and bank balances acquired	169,325
Net cash inflow	119,325

(iv) Goodwill arising from business combination

Goodwill was recognised as a result of the acquisition as follows:-

	Group 2023 RM
Fair value of consideration transferred	50,000
Fair value of identifiable assets acquired and liabilities assumed	(2,292,882)
Goodwill	2,342,882

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

6. SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of a subsidiary (cont'd)

Consideration transferred, assets recognised and liabilities assumed (cont'd)

(v) Impact of the acquisition on the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 28 February 2023

From the date of acquisition, the newly acquired subsidiary has contributed RM4,329,752 and RM778,196 to the Group's revenue and profit for the year respectively. If the combination had taken place at the beginning of the financial year, the contribution to the Group's revenue and profit for the year would have been RM4,133,745 and RM1,904,783 respectively. The subsidiary's contribution to the Group's revenue if the combination had taken in place at the beginning of the financial year is lower than from contribution to the Group's revenue from the date of acquisition is mainly due to elimination of inter-company transaction.

(c) Amount due from subsidiary companies

The amount due from subsidiary companies is non-trade in-nature, bears no interest and repayable upon demand except for a temporary loan to a subsidiary company amounted to RM11,500,000 (2023: RM6,000,000) which bears interest at rates ranging from 3.16% to 3.57% (2023: 2.42% to 3.18%) per annum.

The amount due from subsidiary companies is denominated in Ringgit Malaysia.

Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

7. ASSOCIATE COMPANY

(a) Investment in an associate company

	2024 RM	Group 2023 RM
Unquoted shares - at cost	288,717	288,717
Share of post acquisition profit		
- At beginning of financial year	3,354,629	2,741,881
- Share of post acquisition profit during the financial year	319,284	612,748
- At end of financial year	3,673,913	3,354,629
Less: Dividend received (cumulative)	(445,500)	(445,500)
	3,517,130	3,197,846
Represented by:-		
Share of net assets	3,517,130	3,197,846

NOTES TO THE FINANCIAL STATEMENTS

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7. ASSOCIATE COMPANY (CONT'D)

(a) Investment in an associate company (cont'd)

Summarised financial information of associate company is as follows:-

	2024 RM	Group 2023 RM
Assets and liabilities		
Current assets	68,653,121	27,763,843
Non-current assets	262,400	6,240
Total assets	68,915,521	27,770,083
<hr/>		
Current liabilities	59,960,045	19,775,169
Non-current liabilities	162,352	-
Total liabilities	60,122,397	19,775,169
<hr/>		
Results		
Revenue	162,177,234	133,997,703
Profit for the financial year	798,210	1,531,869

There is no share of commitments and contingent liabilities from the associate company to the Group.

The particulars of the associate company are as follows:-

Name of company	Principal place of business	Effective equity interest		Principal activities
		2024 %	2023 %	
Tuah Nusa Sdn. Bhd.	Malaysia	40	40	Trading and supply of specialised industrial products, alloys and ferrous materials for the oil and gas and related industries.

(b) Amount due from an associate company

The amount due from an associate company is trade in-nature, unsecured, bears no interest and repayable upon demand.

The currency exposure profile of the amount due from an associate company is as follows (foreign currency balances are unhedged):-

	2024 RM	Group 2023 RM
Ringgit Malaysia	14,077,776	6,128,308
United State Dollar	42,865,418	13,185,815
	56,943,194	19,314,123

NOTES TO THE FINANCIAL STATEMENTS

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7. ASSOCIATE COMPANY (CONT'D)

(c) Amount due to an associate company

The amount due to an associate company is trade in-nature, unsecured, bears no interest and repayable upon demand.

The entire amount due to an associate company is denominated in Ringgit Malaysia.

Material accounting policy information

The Group's investment in associate company is accounted for using the equity method. Under the equity method, investment in associate company is carried at cost plus post-acquisition changes in the Group's share of net assets of the associate company.

8. OTHER INVESTMENT

	2024 RM	Group 2023 RM
Fair value through profit or loss:-		
<u>Quoted share in Malaysia</u>		
At beginning of financial year	2,022,698	438,000
Addition	494,079	1,568,201
Disposal	(2,461,280)	-
Fair value (loss)/gain	(55,497)	16,497
At end of financial year	-	2,022,698

9. GOODWILL ON ACQUISITION

	2024 RM	Group 2023 RM
Cost		
At beginning of financial year	3,537,013	1,194,131
Addition	-	2,342,882
At end of financial year	3,537,013	3,537,013
Accumulated impairment loss		
At beginning of financial year	1,194,131	1,194,131
Charge during the financial year	-	-
At end of financial year	1,194,131	1,194,131
Net carrying amount	2,342,882	2,342,882

The goodwill arise from the acquisition of Nautic Steels (Holdings) Limited and Unity Precision Engineering Sdn. Bhd. on 7 March 2012 and 25 April 2022 respectively.

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

9. GOODWILL ON ACQUISITION (CONT'D)

Impairment tests for goodwill

(a) Allocation of goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's cash generating units ("CGU") identified as follows:-

	2024 RM	Group	2023 RM
Subsidiary companies			
Nautic Steels (Holdings) Limited	1,194,131		1,194,131
Unity Precision Engineering Sdn. Bhd.	2,342,882		2,342,882
	3,537,013		3,537,013

In the previous financial years, impairment loss is provided on goodwill allocated to Nautic Steels (Holdings) Limited due to uncertainty in economic condition and business environment encountered by this subsidiary company as a result of the COVID-19 pandemic.

(b) Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a period of not more than five years. Key assumptions and management's approach to determine the values assigned to each key assumption are as follows:-

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the period immediately before the budgeted period and revised for expected demand of their products.

(ii) Growth rate

The average growth rates used are based on management's estimate of average growth rate based on the past and current trends of the industry.

(iii) Discount rate

The pre-tax discount rate of 8.76% (2023: 8.77%) for Unity Precision Engineering Sdn. Bhd. was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the weighted average cost of capital of the subsidiary.

The Directors believe that any reasonably possible changes in the above key assumptions applied are not likely to materially cause the recoverable amount to be lower than its carrying amount except for the changes in prevailing operating environment which is not ascertainable.

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

10. DEFERRED TAX ASSETS

	2024 RM	Group 2023 RM
At beginning of financial year	-	3,200
Transferred to profit or loss (Note 29)	-	(3,200)
At end of financial year	-	-

The balance in the deferred tax assets made up of temporary differences arising from:-

	2024 RM	Group 2023 RM
Carrying amount of qualifying property, plant and equipment in excess of their tax base	-	(15,749)
Inventories written down	-	15,749
	-	-

The following temporary differences (stated at gross amount) have not been recognised in the financial statements:-

	2024 RM	Group 2023 RM
Carrying amount of qualifying property, plant and equipment in excess of their tax base	(9,308,110)	(8,551,368)
Allowance for impairment of receivables	1,737,000	1,732,928
Inventories written down	13,266	101,996
Unabsorbed business losses	14,049,631	14,049,631
Unabsorbed business losses for foreign subsidiaries	6,370,853	9,243,574
Unrealised gain on foreign exchange	(5,398)	(5,364)
Unutilised reinvestment allowance	6,110,108	6,110,108
Unutilised capital allowances	8,259,879	11,010,128
	27,227,229	33,691,633

Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of the subsidiary companies in the Group in the foreseeable future and they have arisen in subsidiary companies that have recent history of losses.

The unutilised reinvestment allowances can only be carried forward up to seven (7) consecutive years of assessment ("YA") upon expiry of the qualifying period of that reinvestment allowances, which is specifically until YA 2045 for a subsidiary. Any such amount that would not be fully deducted after YA 2045 shall be disregarded.

The unutilised capital allowances are available indefinitely for offset against future taxable profits of the subsidiary companies in which those items arose. As for unabsorbed business losses, it can only be carried forward up to ten (10) consecutive years of assessment ("YA"). Upon expiry of the 10 years, the unabsorbed business losses shall be disregarded.

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

10. DEFERRED TAX ASSETS (CONT'D)

The expiry of the unabsorbed business losses is as follows:-

	2024 RM	2023 RM	Group Carried forward up to YA	Unabsorbed amount will be disregard in YA
Business losses incurred in:-				
YA 2018	7,619,757	7,619,757	2028	2029
YA 2019	3,952,471	3,952,471	2029	2030
YA 2020	60,585	60,585	2030	2031
YA 2021	519,013	519,013	2031	2032
YA 2022	511,605	511,605	2032	2033
YA 2023	1,386,200	1,386,200	2033	2034
	14,049,631	14,049,631		

Unabsorbed business losses arise from foreign subsidiary companies are available indefinitely for offset against future taxable profits of the foreign subsidiary companies.

Material accounting policy information

Refer to Note 23 to the Financial Statements.

11. INVENTORIES

	2024 RM	Group 2023 RM
Raw materials	59,985,092	46,216,274
Work-in-progress	42,853,142	39,421,765
Goods in transits	18,407,690	4,196,226
Finished goods	292,958,402	315,606,996
Total inventories	414,204,326	405,441,261
Recognised in profit or loss:-		
Inventories recognised in cost of sales	623,569,341	668,333,201
Inventories written down	1,474,173	473,417
Reversal of inventories written down	(332,562)	(2,002,783)

The reversal of inventories written down was made when the related inventories were subsequently sold above their carrying amount and increased in net realisable value because of changed in economic circumstances.

Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

NOTES TO THE FINANCIAL STATEMENTS

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12. TRADE RECEIVABLES

	2024 RM	Group 2023 RM
Trade receivables	133,700,336	153,650,907
Less: Allowance for impairment of trade receivables	(6,863,292)	(5,943,708)
	126,837,044	147,707,199

Movement in allowance for impairment of trade receivables:-

	2024 RM	Group 2023 RM
At beginning of financial year	(5,943,708)	(3,668,829)
Impairment written off	156,983	-
Charge for the financial year	(1,531,983)	(3,637,259)
Reversal of impairment - payment received	514,384	1,362,380
	(1,017,599)	(2,274,879)
Currency translation	(58,968)	-
At end of financial year	(6,863,292)	(5,943,708)

The currency exposure profile of the trade receivables is as follows (foreign currency balances are unhedged):-

	2024 RM	Group 2023 RM
Ringgit Malaysia	77,623,305	94,358,853
United States Dollar	49,679,968	53,694,768
Singapore Dollar	2,229,774	1,444,713
Great Britain Pound Sterling	4,167,289	3,891,950
Euro	-	260,623
	133,700,336	153,650,907

Trade receivables comprise amounts receivable from sales of goods. The credit terms granted on sales of goods ranged from 7 days to 120 days (2023: 7 days to 120 days). Allowance has been made for estimated irrecoverable of trade receivables based on the default experience of the Group.

An impairment analysis is performed at each reporting date to measure ECLs. Information regarding the Group's and the Company's exposure to the credit risk and ECLs for trade receivables is disclosed in Note 39(c) to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

13. OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-trade receivables	250,774	90,684	-	-
Advance payment to suppliers	15,141,072	22,783,028	-	-
Deposit for purchase of property, plant and equipment	9,500	1,000	-	1,000
Deposits	1,303,803	1,342,269	-	-
Prepayment of expenses	3,287,532	3,177,584	24,951	22,578
Goods and Services Tax ("GST")/ Value-Added Tax ("VAT") receivables	754,702	734,656	-	-
	20,747,383	28,129,221	24,951	23,578

The currency exposure profile of the other receivables is as follows (foreign currency balances are unhedged):-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	4,716,659	4,383,747	24,951	23,578
United States Dollar	15,073,377	22,422,028	-	-
Singapore Dollar	57,670	11,492	-	-
Great Britain Pound Sterling	898,775	1,280,267	-	-
Euro	902	31,687	-	-
	20,747,383	28,129,221	24,951	23,578

14. FIXED DEPOSITS WITH LICENSED BANKS

Group

The fixed deposits with licensed banks of the Group are on fixed rate basis and will mature within 1 month to 6 months (2023: 1 month to 6 months) period.

The effective interest rates on fixed deposits with licensed banks ranged from 0.80% to 3.50% (2023: 0.80% to 2.40%) per annum.

The currency exposure profile of the fixed deposits with licensed banks are as follows (foreign currency balances are unhedged):-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	2,755,665	2,733,826	-	-
United States Dollar	4,552,700	-	-	-
	7,308,365	2,733,826	-	-

NOTES TO THE FINANCIAL STATEMENTS

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15. CASH AND BANK BALANCES

The currency exposure profile of the cash and bank balances is as follows (foreign currency balances are unhedged):-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	190,553,239	110,514,853	38,226,532	11,349,688
United States Dollar	42,499,919	54,148,895	-	-
Singapore Dollar	10,162,417	6,294,158	-	-
Great Britain Pound Sterling	11,325,374	6,218,216	399,181	263,206
Euro	125,304	115,248	-	-
	254,666,253	177,291,370	38,625,713	11,612,894

16. NON-CURRENT ASSET HELD FOR SALE

Group

	Freehold land and building RM
At 1 March 2022	-
Transferred from investment properties	2,200,000
At 28 February 2023	2,200,000
Disposal	(2,200,000)
At 29 February 2024	-

On 6 December 2022, the Group entered into a Sale and Purchase arrangement for disposal of a freehold land and building for a total sale consideration of RM2,380,000. The sale of the property was completed during the financial year.

17. SHARE CAPITAL

	2024 Unit	2024 RM	2023 Unit	2023 RM
Group and Company				
Issued and fully paid with no par value:-				
<u>Ordinary shares</u>				
At beginning of financial year	843,186,472	263,417,332	835,739,072	258,891,721
Pursuant to exercise of ESOS	8,310,800	5,011,117	7,447,400	4,525,611
At end of financial year	851,497,272	268,428,449	843,186,472	263,417,332

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

17. SHARE CAPITAL (CONT'D)

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company residual assets. In respect of the Company's treasury shares that are held by the Group, all rights are suspended until those shares are reissued.

18. TREASURY SHARES

Group and Company

The shareholders of the Company, through the Annual General Meeting held on 21 August 2008, approved the Company's plan to repurchase up to 10% of the issued and paid-up share capital of the Company ("Share Buy Back"). The authority granted by the shareholders was subsequently renewed in every Annual General Meeting held and it was last renewed in the Annual General Meeting held on 26 July 2023. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the purchase plan can be applied in the best interest of the Company and its shareholders.

The Company repurchased 1,345,000 (2023: 2,600,000) ordinary shares of its issued share capital from the open market. The average price paid for the repurchased shares was RM0.81 (2023: RM0.59) per share. The repurchased transactions were financed by internally generated funds. These repurchased shares were held as treasury shares and treated in accordance with the requirements of Section 127 of the Companies Act 2016.

The shares purchased were retained as treasury shares. The Company has the right to cancel, resell these shares and/or distributes as dividends at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

As at the financial year end, the Company held 20,031,293 (2023: 18,686,293) of the Company's shares and the number of outstanding shares in issue after setting treasury shares off against equity are 831,465,979 (2023: 824,500,179).

No treasury shares were sold during the current and previous financial year.

19. REVALUATION RESERVE

Group

The revaluation reserve arose from the revaluation of land and buildings and is not available for distribution as dividends.

20. EMPLOYEES SHARE OPTION RESERVE

Group and Company

Employees share option reserve represents the equity-settled share option granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share option, and is reduced by the expiry or exercise of the share option.

The employees share option reserve is not available for distribution as dividends.

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(Cont'd)

21. LEASE LIABILITIES

21.1 Lease liabilities are presented in the statements of financial position as follows:-

	Group	
	2024 RM	2023 RM
Current	2,584,878	2,286,467
Non-current	11,121,153	11,074,410
	13,706,031	13,360,877

21.2 Future minimum lease payments were as follows:-

Group	Minimum lease payment due			Total RM
	Within 1 year RM	1 to 5 years RM	After 5 years RM	
2024				
Lease payment	3,151,008	7,356,014	6,048,850	16,555,872
Less: Finance charges	(566,130)	(1,307,088)	(976,623)	(2,849,841)
Net present values	2,584,878	6,048,926	5,072,227	13,706,031
2023				
Lease payment	2,825,136	6,813,374	6,774,712	16,413,222
Less: Finance charges	(538,669)	(1,317,804)	(1,195,872)	(3,052,345)
Net present values	2,286,467	5,495,570	5,578,840	13,360,877

21.3 Lease payments not recognised as a liability

The Group has elected not to recognise lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred. The expense relating to payments not included in the measurement of the lease liabilities is as follows:-

	Group	
	2024 RM	2023 RM
Low-value assets		
- Administration expenses	64,179	69,710
Short-term leases		
- Cost of sales	807,456	704,819

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

21. LEASE LIABILITIES (CONT'D)

21.4 Nature of leasing activities

Lease liabilities of the Group arise from lease of land, rental of buildings and acquisition of crane and machinery, equipment, furniture and fittings, forklift and motor vehicles under hire purchase contracts.

Each lease generally imposes a restriction that the right-of-use assets can only be used by the Group. The Group is prohibited from selling or pledging the underlying leased assets as security.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on statements of financial position:-

Group	Number of right-of-use assets leased	Range of remaining term	Number of lease with extension options
Type			
2024			
Leasehold land	1	160 months	-
Buildings	2	7 - 18 months	-
Crane, machinery, equipment, furniture and fittings	8	12 - 47 months	-
Forklift and motor vehicles	32	3 - 60 months	-
2023			
Leasehold land	1	172 months	-
Buildings	2	19 - 30 months	-
Crane, machinery, equipment, furniture and fittings	18	4 - 59 months	-
Forklift and motor vehicles	25	2 - 60 months	-

All lease liabilities are denominated in Ringgit Malaysia.

Material accounting policy information

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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22. BORROWINGS

	2024 RM	Group 2023 RM
<u>Current</u>		
Unsecured:-		
Term loans	727,380	1,524,147
Term loans-i	8,619,128	11,397,463
Trade loans:-		
- Accepted bills-i	8,301,311	16,735,545
- Bankers' acceptance	164,875,768	143,968,622
- Onshore foreign currency loans	24,214,607	24,601,517
- Trust receipts	15,146,652	-
Total current	221,884,846	198,227,294
<u>Non-current</u>		
Unsecured:-		
Term loans	3,150,048	783,041
Term loans-i	14,580,140	20,565,938
Total non-current	17,730,188	21,348,979
Total borrowings	239,615,034	219,576,273

- (i) The term loans, term loans-i, accepted bills-i and bankers' acceptance are obtained by way of corporate guarantee from the Company and negative pledge on subsidiary companies' assets.

A term loan of a subsidiary company is obtained by way of facility agreement and corporate guarantee from the Company.

The term loans bear interest at rates ranging from 3.63% to 5.63% (2023: 3.76% to 5.10%) per annum.

The term loans-i bear interest at rates ranging from 2.65% to 6.20% (2023: 2.99% to 5.89%) per annum.

All term loans are repayable by monthly installments.

The accepted bills-i bears interest at rates ranging from 3.50% to 4.74% (2023: 2.56% to 4.30%) per annum.

The bankers' acceptance bears interest at rates ranging from 3.22% to 4.68% (2023: 2.28% to 4.22%) per annum.

- (ii) The onshore foreign currency loans are obtained by way of corporate guarantee from the Company. Certain onshore foreign currency loans are obtained by way of negative pledge on subsidiary companies' assets.

It bears interest at rates ranging from 5.15% to 6.82% (2023: 0.92% to 5.90%) per annum.

- (iii) The trust receipts are obtained by way of corporate guarantee from the Company.

The trust receipts bear interest at rates ranging from 3.98% to 4.24% (2023: Nil) per annum.

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

22. BORROWINGS (CONT'D)

The currency exposure profile of the borrowings is as follows (foreign currency balances are unhedged):-

	2024 RM	Group 2023 RM
Ringgit Malaysia	215,400,427	194,974,756
United States Dollar	24,214,607	24,601,517
	239,615,034	219,576,273

23. DEFERRED TAX LIABILITIES

	2024 RM	Group 2023 RM
At beginning of financial year	26,053,558	23,949,044
Additions through acquisition of a subsidiary company	-	140,602
Transferred (to)/from profit or loss (Note 29)	(694,192)	2,236,027
Transferred from other comprehensive income	-	11,640
Realisation of deferred tax liabilities upon depreciation of revalued assets	(265,274)	(265,509)
Under/(over) provision of deferred tax liabilities in prior year (Note 29)	2,000	(6,000)
Currency translation difference	36,519	(12,246)
	25,132,611	26,053,558

The balance in the deferred tax liabilities is made up of temporary differences arising from:-

	2024 RM	Group 2023 RM
Carrying amount of qualifying property, plant and equipment in excess of their tax base	15,543,786	15,623,459
Revaluation of land and buildings	13,312,825	13,578,099
Allowance for impairment of receivables	(993,000)	(969,000)
Inventories written down	(1,717,000)	(1,625,000)
Provision of expenses	(1,093,000)	(564,000)
Unrealised gain on foreign exchange	79,000	10,000
	25,132,611	26,053,558

Material accounting policy information

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the asset and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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24. TRADE PAYABLES

Group

Trade payables comprise amounts outstanding for trade purchases. The credit terms granted to the Group ranged from 30 days to 90 days (2023: 30 days to 90 days).

The currency exposure profile of the trade payables is as follows (foreign currency balances are unhedged):-

	Group	
	2024 RM	2023 RM
Ringgit Malaysia	16,063,367	13,293,594
United States Dollar	22,145,759	8,099,197
Singapore Dollar	2,405,695	1,714,900
Great Britain Pound Sterling	–	147,716
Euro	766,195	304,900
	<hr/>	<hr/>
	41,381,016	23,560,307

25. OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-trade payables	12,252,880	5,671,863	18,283	10,328
Deposits received	42,820	27,500	–	–
Accrual of expenses	12,044,507	11,805,027	274,746	334,458
Advance payment from customers	1,568,174	3,999,745	–	–
Sales and Service Tax ("SST") payable	2,005	5,683	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	25,910,386	21,509,818	293,029	344,786

The currency exposure profile of the other payables is as follows (foreign currency balances are unhedged):-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	23,730,752	18,882,033	293,029	344,786
United States Dollar	1,645,248	2,107,221	–	–
Singapore Dollar	94,905	97,267	–	–
Great Britain Pound Sterling	439,481	423,297	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	25,910,386	21,509,818	293,029	344,786

NOTES TO THE FINANCIAL STATEMENTS

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26. DERIVATIVES FINANCIAL INSTRUMENTS

Group	Contract/ Notional amount RM	Assets RM	Liabilities RM	Net RM
<u>2024</u>				
Liability				
Non-hedging derivatives:-				
- Forward currency contract	-	-	-	-
	-	-	-	-
<u>2023</u>				
Liability				
Non-hedging derivatives:-				
- Forward currency contract	3,126,200	3,126,200	3,138,590	(12,390)
	3,126,200	3,126,200	3,138,590	(12,390)
			2024 RM	2023 RM
Analysed as:-				
- Within 1 year			-	(12,390)
- More than 1 year but less than 5 years			-	-
			-	(12,390)

Non-hedging activities

The Group uses forward currency contracts to manage some of the transaction exposure. Trading derivatives are classified as a current asset or liability. The full fair value of a derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

27. REVENUE

Revenue for the Group comprise of revenue from contract with customers.

27.1 Disaggregation of revenue from contract with customers

Revenue from contracts with customers is disaggregated by major products, primary geographical markets and timing of revenue recognition as follows:-

Group	2024 RM	2023 RM
Major products		
Manufacturing and trading of pipes, fittings, flanges, valves and other related products	946,631,334	1,037,838,655
Primary geographical markets		
Malaysia	516,231,382	545,613,533
Other countries	430,399,952	492,225,122
	946,631,334	1,037,838,655
Timing of revenue recognition		
Products transferred at a point in time	946,631,334	1,037,838,655
Company		
	2024 RM	2023 RM
Dividend income	65,926,000	53,544,650
Management fee	3,473,889	3,709,777
	69,399,889	57,254,427

NOTES TO THE FINANCIAL STATEMENTS

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28. PROFIT BEFORE TAX

Profit before tax has been determined after charging/(crediting), amongst others, the following items:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration				
Grant Thornton Malaysia PLT:-				
- statutory audit	255,000	247,500	22,000	22,000
- assurance related service	183,300	24,000	25,500	24,000
- non-assurance related service	13,500	95,000	7,500	95,000
Local affiliates of Grant Thornton Malaysia PLT:-				
- other service	95,230	81,350	5,700	6,800
Other auditors	191,428	170,139	-	-
Direct operating expenses:-				
- revenue generating investment properties during the financial year	63,787	39,603	-	-
Directors' fee	1,015,000	955,000	225,000	225,000
Expenses relating to short-term leases	807,456	704,819	-	-
Expenses relating to lease of low-value assets	64,179	69,710	-	-
Realised (gain)/loss on foreign exchange	(8,569,277)	(2,470,233)	(42,156)	15,093
Rental income				
- associate company	(60,000)	(60,000)	-	-
- third parties	(592,320)	(519,000)	-	-
Wages subsidies received*	(51,000)	-	-	-

* The Group received financial incentive from Daya Kerjaya Programme implemented by Malaysia Social Security Organisation ("SOCSO").

The estimated monetary value of benefits provided to the Directors of the Company during the financial year by way of usage of the Group's assets and other benefits amounted to RM144,566 (2023: RM116,783).

The remuneration paid (Company and Group basis) to the Directors of the Company is categorised as follows:-

	Fees RM	Other emoluments RM	Benefits- in-kind RM	Total RM
Group				
<u>2024</u>				
Executive Directors	530,000	7,491,807	144,566	8,166,373
Non-Executive Directors	225,000	119,196	-	344,196
Total	755,000	7,611,003	144,566	8,510,569
<u>2023</u>				
Executive Directors	530,000	9,309,160	116,783	9,955,943
Non-Executive Directors	225,000	-	-	225,000
Total	755,000	9,309,160	116,783	10,180,943

NOTES TO THE FINANCIAL STATEMENTS

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28. PROFIT BEFORE TAX (CONT'D)

The remuneration paid (Company and Group basis) to the Directors of the Company is categorised as follows (cont'd):-

	Fees RM	Other emoluments RM	Benefits- in-kind RM	Total RM
Company				
<u>2024</u>				
Executive Directors	–	1,847,074	–	1,847,074
Non-Executive Directors	225,000	119,196	–	344,196
Total	225,000	1,966,270	–	2,191,270
<u>2023</u>				
Executive Directors	–	1,810,613	–	1,810,613
Non-Executive Directors	225,000	–	–	225,000
Total	225,000	1,810,613	–	2,035,613

The remuneration paid to the Directors of the Company analysed into bands are as follows:-

Number of Directors	<RM100,000	RM100,000 to	RM1,000,001 to	RM2,000,001 to	RM3,000,001 to
		RM1,000,000	RM2,000,000	RM3,000,000	RM4,000,000
<u>2024</u>					
Executive Directors	–	1	3	1	–
Non-Executive Directors	4	–	–	–	–
<u>2023</u>					
Executive Directors	–	–	2	2	1
Non-Executive Directors	4	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

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29. TAX EXPENSE

Tax recognised in profit or loss

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>In Malaysia</u>				
<u>Current tax expense</u>				
Current year's tax expense	32,153,831	38,222,957	945,475	943,008
Over provision of tax expense in prior financial year	(228,628)	(215,082)	(5,372)	(2,409)
	31,925,203	38,007,875	940,103	940,599
<u>Deferred tax expense</u>				
Under/(over) provision of deferred tax liabilities in prior financial year (Note 23)	2,000	(6,000)	-	-
Realisation of deferred tax liabilities upon depreciation of revalued assets (Note 23)	(265,274)	(265,509)	-	-
Transferred (to)/ from deferred tax liabilities (Note 23)	(653,603)	2,241,400	-	-
Transferred from deferred tax assets (Note 10)	-	3,200	-	-
	(916,877)	1,973,091	-	-
Property gain tax	100,100	-	-	-
	31,108,426	39,980,966	940,103	940,599
<u>Outside Malaysia</u>				
<u>Current tax expense</u>				
Current year's tax expense	818,344	-	-	-
<u>Deferred tax expense</u>				
Transferred to deferred tax liabilities (Note 23)	(40,589)	(5,373)	-	-
	777,755	(5,373)	-	-
Total	31,886,181	39,975,593	940,103	940,599

Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated taxable profits for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

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29. TAX EXPENSE (CONT'D)

The reconciliations of income tax expense applicable to profit before tax at the statutory tax rate to the income tax expense at the effective tax rate of the Group and of the Company are as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	137,432,213	155,608,639	66,419,767	53,682,259
Tax expense at Malaysian statutory tax rate of 24% (2023: 24%)	32,983,731	37,346,073	15,940,744	12,883,742
Tax effects in respect of:-				
Expenses not deductible for tax purposes	2,067,709	3,354,979	826,971	909,982
Income not subject to tax	(456,356)	(574,752)	(15,822,240)	(12,850,716)
Property gain tax	100,100	-	-	-
Deferred tax not recognised in current financial year	(713,444)	334,881	-	-
Different tax rate of subsidiary companies in overseas	(290,774)	4,534	-	-
Under/(over) provision of deferred tax liabilities in prior financial year	2,000	(6,000)	-	-
Utilisation of deferred tax assets previously not recognised	(54,726)	(3,531)	-	-
Over provision of tax expense in prior financial year	(228,628)	(215,082)	(5,372)	(2,409)
Realisation of deferred tax liabilities upon depreciation of revalued assets	(265,274)	(265,509)	-	-
Recognition of tax benefits arising from reinvestment allowances	(1,258,157)	-	-	-
Total tax expense	31,886,181	39,975,593	940,103	940,599

Tax expense for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The Group has unutilised capital allowances, unabsorbed business losses and unutilised reinvestment allowances which can be carried forward to offset against future taxable profit amounted to approximately RM8,259,879, RM14,049,631 and RM6,110,108 (2023: RM11,010,128, RM14,049,631 and RM6,110,108) respectively.

NOTES TO THE FINANCIAL STATEMENTS

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30. EARNINGS PER ORDINARY SHARE

Group

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share was based on Group's profit for the financial year attributable to owners of the Company and weighted average number of ordinary shares calculated as follows:-

	2024	Group	2023
Profit after tax for the financial year attributable to owners of the Company (RM)	105,546,032		115,633,046
Weighted average number of ordinary shares in issue	828,643,983		821,600,879
Basic earnings per ordinary share (sen)	12.74		14.07

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share was based on Group's profit attributable to owners of the Company and weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

	2024	Group	2023
Profit after tax for the financial year attributable to owners of the Company (RM)	105,546,032		115,633,046
Weighted average number of ordinary shares in issue (basic)	828,643,983		821,600,879
Adjustment for dilutive effect on exercise of ESOS	3,949,564		6,917,506
Weighted average number of ordinary shares in issue (diluted)	832,593,547		828,518,385
Diluted earnings per ordinary share (sen)	12.68		13.96

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

31. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Staff costs	68,564,165	67,051,699	2,310,784	2,174,667

Employee benefits expense of the Group and of the Company consists of, amongst others, the following items:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors' remuneration				
- Salaries, allowances and bonuses	6,901,900	8,753,750	1,847,074	1,702,400
- others	709,103	555,410	119,196	108,213
Defined contribution plan – staff EPF	3,728,082	3,922,757	33,468	38,872

32. EMPLOYEE SHARE OPTION SCHEME

At an extraordinary general meeting held on 2 December 2016, the Company's shareholders approved the establishment of Employee Share Option Scheme ("ESOS" or "Scheme") for the eligible Directors and employees of the Group.

The salient features of the Scheme are as follows:-

- The maximum number of new ordinary shares in the Company ("Shares") which may be available under the Scheme shall not be more than ten per centum (10%) of the issued and fully paid-up share capital (excluding treasury shares) of the Company at any point in time during the Duration of the Scheme.
- The Company will for the Duration of the Scheme make available sufficient number of new Shares in the unissued share capital of the Company to satisfy all outstanding options, which may be exercisable from time to time.
- Any employee or Director of any company comprised in the Group (save for any subsidiaries which are dormant) shall be eligible to participate in the ESOS if, as at the date of offer, the employee is at least eighteen (18) years of age or above; and is employed on a continuous full time basis (either permanent or on contract) and on the payroll of that corporation comprised in the Group and has been given notification in writing that the employee is a confirmed employee.
- The option price shall be determined by the Board of Directors of the Company upon recommendation of the Option Committee at a discount of not more than 10% from the volume weighted average market price of the Company's shares as quoted on Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of the offer.
- The shares under options shall remain unissued until the options are exercised and shall, on allotment, rank pari passu in all respects with the existing issued and fully paid-up Shares at the time of allotment save that they will not entitle the holders thereof to receive any rights and bonus issues announced or to any dividend or other distribution declared to the shareholders of the Company as at a date which precedes the date of the exercise of the options.

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

32. EMPLOYEE SHARE OPTION SCHEME (CONT'D)

(i) Employee Share Option Scheme (Batch 2)

The Scheme shall be in force for a duration of ten (10) years from the date of commencement from 23 January 2017. On 3 April 2019, the Company has granted batch 2 options under the Scheme and the options are exercisable within a period of five (5) years from the date commencing from 4 April 2019.

Number of unexercised share option

	Company	
	2024	2023
At beginning of financial year	6,426,000	12,557,400
Exercised during the financial year	(5,698,000)	(5,700,150)
Forfeited during the financial year	(62,200)	(431,250)
At end of financial year	665,800	6,426,000
Analysed as:-		
Exercisable in financial year 2023	-	2,564,000
Exercisable in financial year 2024	665,800	3,862,000
	665,800	6,426,000

Option price

	Company
	RM
Option granted	
- on grant date	0.490

Share option exercised during the financial year

During the financial year, 5,698,000 (2023: 5,700,150) number of ordinary shares were issued under the Company's ESOS.

Fair value of share option granted

The fair value of share option granted was estimated by an external valuer using the Binomial Model, taking into consideration the terms and conditions upon which the option was granted.

The fair value of the share option measured at grant date and the assumptions are as follows:-

Fair value of share option granted on 4 April 2019 based on vesting date (RM)	
- 4 April 2019	0.125865
- 4 April 2020	0.122563
- 4 April 2021	0.123261
- 4 April 2022	0.123723
- 4 April 2023	0.122789
Expected volatility of Company's share price (%)	28.00
Option term (years)	5
Risk free rate of interest per annum (%)	3.50
Expected dividend yield per annum (%)	4.50

NOTES TO THE FINANCIAL STATEMENTS

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32. EMPLOYEE SHARE OPTION SCHEME (CONT'D)

(ii) Employee Share Option Scheme (Batch 3)

The Scheme shall be in force for a duration of ten (10) years from the date of commencement from 23 January 2017. On 13 September 2021, the Company has granted batch 3 options under the Scheme and the options are exercisable within a period of five (5) years from the date commencing from 14 September 2021.

Number of unexercised share option

	Company	
	2024	2023
At beginning of financial year	10,186,400	13,336,250
Exercised during the financial year	(2,612,800)	(1,747,250)
Forfeited during the financial year	(444,900)	(1,402,600)
At end of financial year	7,128,700	10,186,400
Analysed as:-		
Exercisable in financial year 2023	-	1,751,400
Exercisable in financial year 2024	1,474,700	2,410,000
Exercisable in financial year 2025	2,827,000	3,012,500
Exercisable in financial year 2026	2,827,000	3,012,500
	7,128,700	10,186,400

Option price

	Company RM
Option granted - on grant date	0.470

Share option exercised during the financial year

During the financial year, 2,612,800 (2023: 1,747,250) number of ordinary shares were issued under the Company's ESOS.

Fair value of share option granted

The fair value of share option granted was estimated by an external valuer using the Binomial Model, taking into consideration the terms and conditions upon which the option was granted.

The fair value of the share option measured at grant date and the assumptions are as follows:-

Fair value of share option granted on 14 September 2021 based on vesting date (RM)	
- 14 September 2021	0.108224
- 14 September 2022	0.127479
- 14 September 2023	0.136808
- 14 September 2024	0.141973
- 14 September 2025	0.144045
Expected volatility of Company's share price (%)	36.00
Option term (years)	5
Risk free rate of interest per annum (%)	2.70
Expected dividend yield per annum (%)	4.20

NOTES TO THE FINANCIAL STATEMENTS

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33. RELATED PARTY DISCLOSURES

(a) The transactions of the Group and the Company with the related parties were as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Transactions with subsidiary companies:-				
- management fee received	-	-	3,473,889	3,709,777
- dividend received (net)	-	-	65,926,000	53,544,650
- loan interest received	-	-	329,846	180,312
- loan to	-	-	5,500,000	19,400,000
<hr/>				
Transactions with an associate company:-				
- sales	158,955,403	131,305,174	-	-
- purchases	151,287	402,464	-	-
- rental received	60,000	60,000	-	-

(b) The outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 6 and 7 to the Financial Statements.

(c) The remuneration of key management personnel is same with the Directors' remunerations as disclosed in Notes 28 and 31 to the Financial Statements. Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly and entity that provides key management personnel services to the Company. The Company has no other members of key management personnel apart from the Board of Directors.

34. CAPITAL COMMITMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Authorised and contracted for:-				
- Buildings	85,500	-	-	-
- Crane, machinery, equipment, furniture and fittings	6,300,274	1,734,176	-	-
- Motor vehicles	-	138,815	-	138,815
	6,385,774	1,872,991	-	138,815

NOTES TO THE FINANCIAL STATEMENTS

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35. RENTAL COMMITMENTS

The future non-cancellable rental expense commitments are as follows:-

	2024 RM	Group 2023 RM
Within the next twelve months	333,396	69,971
After the next twelve months	66,202	75,666
	399,598	145,637

The Group leases warehouse, hostel and office equipment under operating lease for the current financial year. The leases run for a period of 12 to 60 months. Lease payments are negotiated on each renewal.

The Group has recognised right-of-use assets (included in property, plant and equipment for these leases, except for short-term and low-value leases), as disclosed in Note 3 to Financial Statements.

36. OPERATING LEASE ARRANGEMENTS

The Group has entered into operating lease agreements on its assets. These leases have remaining lease terms of 13 to 32 months (2023: 12 to 32 months).

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as receivables are as follows:-

	2024 RM	Group 2023 RM
Within the next twelve months	500,400	500,400
After the next twelve months	60,600	561,000
	561,000	1,061,400

37. SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

On 25 April 2024, the Company announced via Bursa Malaysia that it intends to list certain subsidiaries, Pantech Stainless & Alloy Industries Sdn. Bhd. and Pantech Steel Industries Sdn. Bhd., on the Main Market of Bursa Malaysia Securities Berhad. This listing will be facilitated through a special purpose vehicle, Pantech Global Sdn. Bhd., which was incorporated on 8 March 2024.

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38. OPERATING SEGMENTS - GROUP

(a) Business segments

The Group is organised on three major operating segments. These operating segments are monitored separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit in the consolidated financial statements. The following summary describes the operations in each of the Group's reportable segments:-

<u>Operating segments</u>	<u>Business activities</u>
Trading	Trading, supply and stocking of high pressure seamless and specialised steel pipes, fittings, flanges, valves and other related products.
Manufacturing	Manufacturing and supply of butt-welded carbon steel fittings, high frequency induction long bends, stainless steel and alloy pipes, fittings and related products, as well as milling, machining and welding of tube and pipe fitting in special metals, and also hot dip galvanising, treatment and coating of metals, engineering fabrication works and manufacturing and trading of industrial consumable products and also metal precision machining, engineering and turnkey solutions.
Investment holding	Investment holding, property investment and management service.

Transfer prices between operating segments are on negotiated basis.

The Group has aggregated certain operating segments to form a reportable segment due to the similar nature and operational characteristics of the services.

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

38. OPERATING SEGMENTS – GROUP (CONT'D)

(a) Business segments (cont'd)

Revenue	Trading		Manufacturing		Investment holding		Consolidation adjustments		Notes	Consolidated	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM		2024 RM	2023 RM
External revenue	510,978,993	512,291,099	435,652,341	525,547,556	-	-	-	-	-	946,631,334	1,037,838,655
Inter-segment revenue	28,100,228	31,701,582	79,020,975	87,618,612	69,399,889	57,254,427	(176,521,092)	(176,574,621)	A	-	-
Total revenue	539,079,221	543,992,681	514,673,316	613,166,168	69,399,889	57,254,427	(176,521,092)	(176,574,621)		946,631,334	1,037,838,655
Results											
Segment profit/(loss)	64,274,630	51,392,850	83,489,546	115,942,693	(3,316,224)	(4,747,463)	-	-	B	144,447,952	162,588,080
Interest income	2,102,927	1,496,636	2,253,035	792,761	640,645	431,988	(687,800)	(451,477)		4,308,807	2,269,908
Finance costs	(4,542,535)	(3,851,317)	(7,175,954)	(5,892,284)	(613,141)	(569,973)	687,800	451,477		(11,643,830)	(9,862,097)
Depreciation and amortisation	(4,560,982)	(4,135,006)	(14,458,582)	(12,873,407)	(18,923)	-	(1,204,560)	(1,208,931)		(20,243,047)	(18,217,344)
Share of results of associate company	319,284	612,748	-	-	-	-	-	-		319,284	612,748
Income tax expense	(14,374,135)	(12,731,750)	(16,289,593)	(26,058,227)	(1,314,101)	(1,277,758)	91,648	92,142		(31,886,181)	(39,975,593)
Other non-cash income/(expenses)	3,033,925	3,833,338	(836,061)	(148,675)	2,644,118	(869,358)	(5,321,067)	(3,538,580)	C	(479,085)	(723,275)

NOTES TO THE FINANCIAL STATEMENTS

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38. OPERATING SEGMENTS – GROUP (CONT'D)

(a) Business segments (cont'd)

2024	Trading RM	Manufacturing RM	Investment holding RM	Consolidation adjustments RM	Notes	Consolidated RM
<u>Assets</u>						
Segment assets	626,093,741	591,093,594	363,134,510	(338,207,348)	D	1,242,114,497
Investment in an associate company	3,517,130	-	-	-		3,517,130
Additions to non-current assets other than financial instruments and deferred tax assets	2,917,731	21,453,262	141,925	-	E	24,512,918
<u>Liabilities</u>						
Segment liabilities	76,785,364	37,362,696	23,744,387	(58,065,220)	F	79,827,227
2023						
<u>Assets</u>						
Segment assets	560,176,081	574,593,818	341,713,344	(338,033,796)	D	1,138,449,447
Investment in an associate company	3,197,846	-	-	-		3,197,846
Additions to non-current assets other than financial instruments and deferred tax assets	6,644,769	12,794,304	233,998	2,342,882	E	22,015,953
<u>Liabilities</u>						
Segment liabilities	67,375,066	41,703,795	22,991,906	(74,620,764)	F	57,450,003

NOTES TO THE FINANCIAL STATEMENTS

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38. OPERATING SEGMENTS – GROUP (CONT'D)

(a) Business segments (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

- A. Inter-segment revenues are eliminated on consolidation.
- B. The following items are added to/(deducted from) segment profit to arrive at "profit before tax" presented in the consolidated profit or loss:-

	2024 RM	2023 RM
Segment profit	144,447,952	162,588,080
Interest income	4,308,807	2,269,908
Finance costs	(11,643,830)	(9,862,097)
Share of results of associate company	319,284	612,748
Profit before tax	137,432,213	155,608,639

- C. Other non-cash income/(expense) consist of the following items as presented in the respective notes to the financial statements:-

	2024 RM	2023 RM
Allowance for impairment of receivables	(1,531,983)	(3,637,259)
Allowance for impairment of receivables no longer required	514,384	1,362,380
Property, plant and equipment written off	(8,791)	(326,186)
Inventories written down	(1,474,173)	(473,417)
Reversal of inventories written down	332,562	2,002,783
Gain on disposal of property, plant and equipment	304,475	328,041
Unrealised gain on foreign exchange	1,095,846	755,964
Employees Share Option Scheme expenses	(305,908)	(585,245)
Fair value (loss)/gain on other investment	(55,497)	16,497
Fair value gain/(loss) on investment properties	650,000	(283,998)
Waiver of debts	-	117,165
	(479,085)	(723,275)

- D. The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:-

	2024 RM	2023 RM
Segment assets	1,242,114,497	1,138,449,447
Investment in an associate company	3,517,130	3,197,846
Other investment	-	2,022,698
Tax recoverable	2,738,329	10,445
Goodwill on acquisition	2,342,882	2,342,882
Total assets	1,250,712,838	1,146,023,318

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38. OPERATING SEGMENTS – GROUP (CONT'D)

(a) Business segments (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd):-

E. Additions to non-current assets other than financial instruments and deferred tax assets consist of:-

	2024	2023
	RM	RM
Property, plant and equipment	21,077,370	17,055,607
Capital work-in-progress	2,941,469	815,265
Investment properties	–	233,998
Other investment	494,079	1,568,201
Goodwill	–	2,342,882
	24,512,918	22,015,953

F. The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:-

	2024	2023
	RM	RM
Segment liabilities	79,827,227	57,450,003
Lease liabilities	13,706,031	13,360,877
Borrowings	239,615,034	219,576,273
Tax payable	7,054,424	8,389,844
Deferred tax liabilities	25,132,611	26,053,558
	365,335,327	324,830,555

(b) Geographical information

The Group's revenue and non-current assets information based on geographical location are as follows:-

	Revenue		Non-current assets	
	2024	2023	2024	2023
	RM	RM	RM	RM
Malaysia *	911,204,952	1,014,003,655	353,364,745	349,848,199
Republic of Singapore	13,771,352	7,076,002	1,577,751	1,592,109
United Kingdom	21,655,030	16,758,998	12,325,448	11,755,565
	946,631,334	1,037,838,655	367,267,944	363,195,873

* Company's home country

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38. OPERATING SEGMENTS – GROUP (CONT'D)

(b) Geographical information (cont'd)

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:-

	2024 RM	2023 RM
Property, plant and equipment	346,170,170	343,862,447
Capital work-in-progress	2,837,762	20,000
Investment in an associate company	3,517,130	3,197,846
Other investment	–	2,022,698
Investment properties	12,400,000	11,750,000
Goodwill	2,342,882	2,342,882
	367,267,944	363,195,873

(c) Major customers

The Group does not have any revenue from a single external customer which represents 10% or more of the Group's revenue.

39. FINANCIAL INSTRUMENTS

Categories of Financial Instruments

The table below provides an analysis of financial instruments categorised as follows:-

- Amortised cost (AC);
- Fair value through other comprehensive income (FVTOCI); and
- Fair value through profit or loss (FVTPL)

Group

	Carrying amount RM	AC RM	FVTOCI RM	FVTPL RM
2024				
Financial assets				
Trade receivables	126,837,044	126,837,044	–	–
Other receivables	20,747,383	1,564,077	–	–
Amount due from an associate company	56,943,194	56,943,194	–	–
Fixed deposits with licensed banks	7,308,365	7,308,365	–	–
Cash and bank balances	254,666,253	254,666,253	–	–
	466,502,239	447,318,933	–	–
Financial liabilities				
Trade payables	41,381,016	41,381,016	–	–
Other payables	25,910,386	24,340,207	–	–
Borrowings	239,615,034	239,615,034	–	–
Amount due to an associate company	71,035	71,035	–	–
	306,977,471	305,407,292	–	–

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39. FINANCIAL INSTRUMENTS

Categories of Financial Instruments (cont'd)

Group (cont'd)

	Carrying amount RM	AC RM	FVTOCI RM	FVTPL RM
<u>2023</u>				
Financial assets				
Other investment	2,022,698	-	-	2,022,698
Trade receivables	147,707,199	147,707,199	-	-
Other receivables	28,129,221	1,433,953	-	-
Amount due from an associate company	19,314,123	19,314,123	-	-
Fixed deposits with licensed banks	2,733,826	2,733,826	-	-
Cash and bank balances	177,291,370	177,291,370	-	-
	377,198,437	348,480,471	-	2,022,698
Financial liabilities				
Derivatives financial instruments	12,390	-	12,390	-
Trade payables	23,560,307	23,560,307	-	-
Other payables	21,509,818	17,504,390	-	-
Borrowings	219,576,273	219,576,273	-	-
	264,658,788	260,640,970	12,390	-
Company				
<u>2024</u>				
Financial assets				
Other receivables	24,951	-	-	-
Amount due from subsidiary companies	11,542,691	11,542,691	-	-
Cash and bank balances	38,625,713	38,625,713	-	-
	50,193,355	50,168,404	-	-
Financial liability				
Other payables	293,029	293,029	-	-
	293,029	293,029	-	-
<u>2023</u>				
Financial assets				
Other receivables	23,578	1,000	-	-
Amount due from subsidiary companies	6,071,861	6,071,861	-	-
Cash and bank balances	11,612,894	11,612,894	-	-
	17,708,333	17,685,755	-	-
Financial liability				
Other payables	344,786	344,786	-	-
	344,786	344,786	-	-

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

39. FINANCIAL INSTRUMENTS (CONT'D)

Net gains and losses arising from financial instruments

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Financial assets measured at AC	13,517,475	1,940,142	652,683	379,563
Financial assets measured at FVTPL	222,734	16,497	-	-
Financial liabilities measured at AC	(10,705,596)	(6,252,748)	-	-
Financial liabilities measured at FVTPL	12,390	(8,450)	-	-
	3,047,003	(4,304,559)	652,683	379,563

Included in gains/(losses) on financial instruments categorised as amortised cost are:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Total interest income for financial assets	4,308,807	2,269,908	610,501	394,771
Total interest expenses for financial liability	(9,986,265)	(8,381,230)	-	-

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The main types of risks are foreign currency risk, interest rate risk, credit risk and liquidity risk.

Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's businesses whilst managing its foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group operates within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk mostly on its sales and purchases that are denominated in a currency other than the functional currency of the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Great Britain Pound Sterling ("GBP") and EURO.

The Group uses forward exchange contracts to hedge its foreign currency risk and forward exchange contracts have maturities of less than one year from the reporting date. Where necessary, the forward exchange contracts are rolled over at maturity.

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39. FINANCIAL INSTRUMENTS (CONT'D)

Risk management objectives and policies (cont'd)

(a) Foreign currency risk (cont'd)

Based on carrying amounts as at the reporting date, foreign currency denominated financial assets and financial liabilities which expose the Group and the Company to currency risk are disclosed below:-

	USD RM	SGD RM	GBP RM	EURO RM
Group				
<u>2024</u>				
Financial assets				
Trade receivables	49,679,968	2,229,774	4,167,289	-
Other receivables	5,103,214	4,737	898,775	-
Amount due from an associate company	42,865,418	-	-	-
Fixed deposits with licensed banks	4,522,700	-	-	-
Cash and bank balances	42,499,919	10,162,417	11,325,374	125,304
	144,671,219	12,396,928	16,391,438	125,304
Financial liabilities				
Borrowings	(24,214,607)	-	-	-
Trade payables	(22,145,759)	(2,405,695)	-	(766,195)
Other payables	(1,645,248)	(94,905)	(439,481)	-
	(48,005,614)	(2,500,600)	(439,481)	(766,195)
Net exposure	96,665,605	9,896,328	15,951,957	(640,891)
<u>2023</u>				
Financial assets				
Trade receivables	53,694,768	1,444,713	3,891,950	260,623
Other receivables	-	4,460	1,280,267	31,687
Amount due from an associate company	13,185,815	-	-	-
Cash and bank balances	54,148,895	6,294,158	6,218,216	115,248
	121,029,478	7,743,331	11,390,433	407,558
Financial liabilities				
Borrowings	(24,601,517)	-	-	-
Trade payables	(8,099,197)	(1,714,900)	(147,716)	(304,900)
Other payables	(652,576)	(97,267)	(423,297)	-
	(33,353,290)	(1,812,167)	(571,013)	(304,900)
Net exposure	87,676,188	5,931,164	10,819,420	102,658

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39. FINANCIAL INSTRUMENTS (CONT'D)

Risk management objectives and policies (cont'd)

(a) Foreign currency risk (cont'd)

Based on carrying amounts as at the reporting date, foreign currency denominated financial assets and financial liabilities which expose the Group and the Company to currency risk are disclosed below (cont'd):-

	USD RM	SGD RM	GBP RM	EURO RM
Company				
<u>2024</u>				
Financial asset				
Cash and bank balances	–	–	399,181	–
Net exposure	–	–	399,181	–
<u>2023</u>				
Financial asset				
Cash and bank balances	–	–	263,206	–
Net exposure	–	–	263,206	–

Foreign currency sensitivity analysis

The following table illustrates the sensitivity of profit in regards to the Group's and the Company's financial assets and financial liabilities and the RM/USD exchange rate, RM/SGD exchange rate, RM/GBP exchange rate and RM/EURO exchange rate with 'all other things are being equal'.

It assumes a +/- 8% (2023: 5%) change of the RM/USD, RM/SGD, RM/GBP and RM/EURO exchange rates respectively. The percentage has been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's and the Company's foreign currency denominated financial instruments held at each reporting date.

If the RM had strengthened against the USD, SGD, GBP and EURO by 8% (2023: 5%) respectively, this would have the following impact:-

Group	(Decrease)/Increase on profit for the financial year				Total RM
	USD RM	SGD RM	GBP RM	EURO RM	
2024	(7,733,248)	(791,706)	(1,276,157)	51,271	(9,749,840)
2023	(4,383,809)	(296,558)	(540,971)	(5,133)	(5,226,471)

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39. FINANCIAL INSTRUMENTS (CONT'D)

Risk management objectives and policies (cont'd)

(a) Foreign currency risk (cont'd)

Foreign currency sensitivity analysis (cont'd)

If the RM had strengthened against the USD, SGD, GBP and EURO by 8% (2023: 5%) respectively, this would have the following impact (cont'd):-

Company	(Decrease)/Increase on profit for the financial year				Total RM
	USD RM	SGD RM	GBP RM	EURO RM	
2024	-	-	(31,934)	-	(31,934)
2023	-	-	(13,160)	-	(13,160)

If the RM had weakened against the USD, SGD, GBP and EURO by 8% (2023: 5%) respectively, then the impact to profit for the financial year would be the opposite effect.

Exposures to foreign exchange rates vary during the financial year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's and the Company's exposures to foreign currency risk.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to the risk of change in cash flows due to changes in interest rates. Investment in equity securities and short term receivables and payables are not significantly exposed to interest rate risk.

The Group's and the Company's interest rate management objective is to manage interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation.

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39. FINANCIAL INSTRUMENTS (CONT'D)

Risk management objectives and policies (cont'd)

(b) Interest rate risk (cont'd)

Interest rate sensitivity

The Group and the Company are exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates. The exposure to interest rates for the Group's short term placement is considered immaterial.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period is as follows:-

	Group RM	Company RM
<u>2024</u>		
Fixed rate instruments		
<u>Financial asset</u>		
Fixed deposits with licensed banks	7,308,365	-
<u>Financial liabilities</u>		
Accepted bills-i	(8,301,311)	-
Bankers' acceptance	(164,875,768)	-
Onshore foreign currency loans	(24,214,607)	-
Trust receipts	(15,146,652)	-
Net financial liabilities	(205,229,973)	-
Floating rate instruments		
<u>Financial liabilities</u>		
Term loans	(3,877,428)	-
Term loans-i	(23,199,268)	-
Net financial liabilities	(27,076,696)	-
<u>2023</u>		
Fixed rate instruments		
<u>Financial asset</u>		
Fixed deposits with licensed banks	2,733,826	-
<u>Financial liabilities</u>		
Accepted bills-i	(16,735,545)	-
Bankers' acceptance	(143,968,622)	-
Onshore foreign currency loans	(24,601,517)	-
Net financial liabilities	(182,571,858)	-
Floating rate instruments		
<u>Financial liabilities</u>		
Term loans	(2,307,188)	-
Term loans-i	(31,963,401)	-
Net financial liabilities	(34,270,589)	-

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39. FINANCIAL INSTRUMENTS (CONT'D)

Risk management objectives and policies (cont'd)

(b) Interest rate risk (cont'd)

Interest rate sensitivity (cont'd)

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rates of +/- 25 (2023: 25) basis points ("bp"). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rates for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

Group	(Decrease)/Increase on profit for the financial year	
	+ 25 bp RM	- 25 bp RM
2024	(67,692)	67,692
2023	(85,676)	85,676

(c) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's and the Company's exposure to credit risk is monitored on an ongoing basis. The credit risk is controlled by monitoring procedures. An internal credit review is conducted if the credit risk is material. The Group and the Company do not require collateral in respect of financial assets.

The Group's and the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets summarised at the reporting date, as summarised below:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Classes of financial assets:-				
Cash and cash equivalents	261,974,618	180,025,196	38,625,713	11,612,894
Trade receivables	126,837,044	147,707,199	-	-
Other receivables	1,564,077	1,433,953	-	1,000
Amount due from an associate company	56,943,194	19,314,123	-	-
Amount due from subsidiary companies	-	-	11,542,691	6,071,861
Carrying amount	447,318,933	348,480,471	50,168,404	17,685,755

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39. FINANCIAL INSTRUMENTS (CONT'D)

Risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

The Group and the Company continuously monitor defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into their credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

Trade receivables

Trade receivables are monitored on an ongoing basis to mitigate risk of bad debts. The Group's and the Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which customers operate.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institution with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The ageing analysis of trade receivables of the Group is as follows:-

	Gross RM	← Allowance for impairment loss →		Total RM	Net RM
		Expected credit loss (individually impaired) RM	Expected credit loss (collectively impaired) RM		
2024					
Within terms	57,532,195	—	—	—	57,532,195
Past due 1 to 30 days	36,270,995	—	—	—	36,270,995
Past due 31 to 60 days	13,443,013	—	—	—	13,443,013
Past due 61 to 90 days	9,248,209	—	—	—	9,248,209
Past due 91 to 120 days	4,000,324	—	—	—	4,000,324
Past due more than 120 days	13,205,600	6,863,292	—	6,863,292	6,342,308
	133,700,336	6,863,292	—	6,863,292	126,837,044
2023					
Within terms	84,595,465	—	—	—	84,595,465
Past due 1 to 30 days	35,231,478	524,464	—	524,464	34,707,014
Past due 31 to 60 days	13,463,863	752,953	—	752,953	12,710,910
Past due 61 to 90 days	9,840,866	—	—	—	9,840,866
Past due 91 to 120 days	4,051,203	827,186	—	827,186	3,224,017
Past due more than 120 days	6,468,032	3,839,105	—	3,839,105	2,628,927
	153,650,907	5,943,708	—	5,943,708	147,707,199

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39. FINANCIAL INSTRUMENTS (CONT'D)

Risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

Trade receivables (cont'd)

The Group and the Company perform impairment analysis at each reporting date by monitoring the recoverability of trade receivables based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and economic environment. The Group and the Company does not hold collateral or other credit enhancement as security.

Concentration of credit risk

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure. The Group's and the Company's portfolio of financial instrument is broadly diversified along geographical lines and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:-

	2024		2023	
	RM	%	RM	%
Top 3 customers	27,926,877	22	31,552,967	21

The net carrying amount of trade receivables is considered a reasonable approximate of its fair value.

With a credit policy in place to ensure the credit risk is monitored on an ongoing basis, the management has taken reasonable steps to ensure that trade receivables are stated at their realisable values. A significant portion of the trade receivables are regular customers that have been transacting with the Group and the Company. The Group and the Company use ageing analysis to monitor the credit quality of the trade receivables. Any trade receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

Other receivables

In respect of other receivables, the Group and the Company are not exposed to any significant credit risk exposure to any single counterparty or a group of counterparties having similar characteristics. Based on historical information about customer default rates, the management considers the credit quality of other receivables that are not past due or impaired to be good.

Cash and bank balances

The credit risk for cash and bank balances including fixed deposits with licensed banks is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

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(Cont'd)

39. FINANCIAL INSTRUMENTS (CONT'D)

Risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

Intercompany loans and advances

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The Group and the Company provide unsecured loans and advances to subsidiary company and monitors the results of the subsidiary company regularly.

As at end of the reporting period, there was no indication that the loans and advances to the subsidiary company are not recoverable.

Financial guarantee

The maximum exposure to credit risk is amounted to RM705,968,424 (2023: RM692,760,786), represented by the outstanding credit facilities of the subsidiary companies as at the end of financial year.

The Company provides unsecured financial guarantees to financial institutions, finance lease creditors and third parties in respect of credit facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the result of the subsidiary companies and repayments made by the subsidiary companies. As at the end of the reporting period, there was no indication that any of the subsidiary companies would default on repayment.

The financial guarantees of the Company have not been recognised since the fair value on initial recognition was not material.

(d) Liquidity risk

Liquidity risk is the risk arising from the Group and the Company not being able to meet their obligations due to shortage of funds.

In managing their exposures to liquidity risk, the Group and the Company maintain a level of cash and cash equivalents and bank credit facilities deemed adequate by the management to ensure that they will have sufficient liquidity to meet their liabilities as and when they fall due.

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39. FINANCIAL INSTRUMENTS (CONT'D)

Risk management objectives and policies (cont'd)

(d) Liquidity risk (cont'd)

The following table shows the areas where the Group and the Company are exposed to liquidity risk:-

	Group		Company	
	Current Less than 1 year RM	Non-current Between 1 to 5 years RM	Current Less than 1 year RM	Non-current Between 1 to 5 years RM
2024				
<u>Non-derivative financial liabilities/</u>				
<u>lease liabilities</u>				
Term loans	864,273	3,526,508	-	-
Term loans-i	9,502,139	14,697,354	3,550,997	-
Bankers' acceptance and accepted bills-i	173,177,079	-	-	-
Onshore foreign currency loans	24,214,607	-	-	-
Trust receipts	15,146,652	-	-	-
Lease liabilities	3,151,008	7,356,014	6,048,850	-
Trade payables	41,381,016	-	-	-
Other payables	24,340,207	-	293,029	-
Amount due to an associate company	71,035	-	-	-
Total undiscounted financial liabilities	291,848,016	25,579,876	9,599,847	293,029
Financial guarantees*	-	-	-	705,968,424

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39. FINANCIAL INSTRUMENTS (CONT'D)

Risk management objectives and policies (cont'd)

(d) Liquidity risk (cont'd)

The following table shows the areas where the Group and the Company are exposed to liquidity risk (cont'd):-

	Group		Company	
	Current Less than 1 year RM	Non-current Between 1 to 5 years RM	Current Less than 1 year RM	Non-current Between 1 to 5 years RM
2023				
<u>Non-derivative financial liabilities</u>				
Term loans	1,576,508	855,700	-	-
Term loans-i	12,509,729	18,296,427	3,985,470	-
Bankers' acceptance and accepted bills-i	160,704,167	-	-	-
Onshore foreign currency loans	24,601,517	-	-	-
Lease liabilities	2,825,136	6,813,374	6,774,712	-
Trade payables	23,560,307	-	-	-
Other payables	17,504,390	-	344,786	-
Total undiscounted financial liabilities	243,281,754	25,965,501	10,760,182	344,786
Financial guarantees*	-	-	692,760,786	-

* This exposure is included in liquidity risk for illustration only. No financial guarantee was called upon by the holders as at the end of the reporting period.

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the financial liabilities at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

- 29 FEBRUARY 2024
(Cont'd)

40. CAPITAL MANAGEMENT OBJECTIVE

The primary capital management objective of the Group is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to sustain future development of the business. There is no change to the objectives in financial years ended 2024 and 2023.

The Group manages its capital by regularly monitoring its current and expected liquidity requirement and modify the combination of equity and borrowings from time to time to meet the needs. Shareholders' equity and gearing ratio of the Group and of the Company are as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Total equity	885,377,511	821,192,763	303,609,121	284,744,519
Borrowings	239,615,034	219,576,273	-	-
Lease liabilities	13,706,031	13,360,877	-	-
	253,321,065	232,937,150	-	-
Debt-to-equity ratio	0.29	0.28	0.00	0.00

The Group has complied with Practice Note No. 17 (Revision on 3 August 2009, 22 September 2011 and 25 March 2015) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad which requires the Group to maintain a consolidated shareholders' equity of not less than 25% of the issued and paid-up capital of the Company and such shareholders' equity is not less than RM40 million.

NOTES TO THE FINANCIAL STATEMENTS

- 29 FEBRUARY 2024

(Cont'd)

41. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and financial liabilities of the Group and of the Company as at the reporting date are approximately at their fair values due to their short term nature or they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

	Quoted in active markets for identical instruments Level 1 RM	Significant other observable inputs Level 2 RM	Significant unobservable inputs Level 3 RM	Total RM
Group				
2024				
Financial asset				
- Other investment	-	-	-	-
Financial liability				
Derivatives				
- Forward currency contract	-	-	-	-
	-	-	-	-
2023				
Financial asset				
- Other investment	2,022,698	-	-	2,022,698
Financial liability				
Derivatives				
- Forward currency contract	-	(12,390)	-	(12,390)
	-	(12,390)	-	(12,390)

LIST OF TOP 10 PROPERTIES

AS AT 29 FEBRUARY 2024

No.	Title deed	Address	(Land area) Gross build-up area Sq.ft.	Tenure	Description/ Existing use	Net Book Value @ 29.2.2024 RM'000	Approximate age of building years	Date of last revaluation
1	HS(D) 484896, PTD 204334, Mukim Plentong, District of Johor Bahru, Johor Darul Takzim	PTD 204334, Jalan Platinum Utama, Pasir Gudang Industrial Estate, Zone 12B, 81700 Pasir Gudang, Johor Darul Takzim	(899,754) 521,171	Leasehold expiring on 18.08.2070	4 blocks single storey factory buildings with 1 unit 3-storey office and 1 unit 5-storey corporate office and ancillary buildings	75,271	11-14	28.02.2020
2	Geran 95058, 95059 and 95060. Lot No. 23190, 23191 and 23192 Mukim Kapar, District of Klang, Selangor Darul Ehsan	Lot 13257, 13258 and 13259, Jalan Haji Abdul Manan, Off Jalan Meru, 41050 Klang, Selangor Darul Ehsan	(544,353) 331,485	Freehold	6 units of single storey detached factories (Identified for reference as Factory A, B, C, D, E and F)	49,422	Factory A,B,C - 34 Factory D - 32 Factory E - 17 Factory F - 12	28.02.2020
3	HS(D) 564272, PTD222449, Mukim Plentong, District of Johor Bahru, Johor Darul Takzim	PTD 222449, Jalan Platinum 3, Pasir Gudang Industrial Estate, Zone 12B, 81700 Pasir Gudang, Johor Darul Takzim	(317,966) 191,276	Leasehold expiring on 27.03.2076	A single storey warehouse with 1 unit of double storey office	27,733	5	28.02.2020
4	HS(D) 501116, PTD 209335, Mukim Plentong, District of Johor Bahru, Johor Darul Takzim	PL0 641, Jalan Platinum 1, Pasir Gudang Industrial Estate, Zone 12B, 81700 Pasir Gudang, Johor Darul Takzim	(253,920) 107,666	Leasehold expiring on 16.01.2072	2 units of single storey detached warehouse with 1 unit double storey office	21,705	12	28.02.2020
5	HS(D)563306, PTD5020, Mukim Sungai Tiram, District of Johor Bahru, Johor Darul Takzim	PL0 7, Jalan Rumbia 4, Kawasan Perindustrian Tanjung Langsat, 81700 Pasir Gudang, Johor Darul Takzim	(189,768) 91,182	Leasehold expiring on 05.04.2075	A single storey detached factory and 1 unit 3-storey office building	19,208	7	28.02.2020
6	HS(M) 29537, Lot PT 34277, Mukim and District of Klang, HS(D) 114965, Lot PT 17296, Pekan Baru Hicom, District of Petaling, Selangor Darul Ehsan	No. 3, Jalan Trompet 33/8, Seksyen 33, 40400 Shah Alam, Selangor Darul Ehsan	(123,549) 32,445	Leasehold expiring on 11.12.2096 & 28.11.2096	A single storey detached warehouse with 2-storey office building annexed	14,616	26	28.02.2020
7	HS(D)581462, PTD 5219, Mukim Sungai Tiram, District of Johor Bahru, Johor Darul Takzim	PL0 208, Jalan Rumbia 5, Kawasan Perindustrian Tanjung Langsat, 81700 Pasir Gudang, Johor Darul Takzim	(87,120) 51,107	Leasehold expiring on 29.05.2078	1 unit of single storey factory	10,642	2	28.02.2020
8	HS(M) 135, PTD14174 & PTD14175 (Lot 1433), Mukim Pantai Timor, District of Pengerang, Johor Darul Takzim	PTD14174, Kampung Bukit Gelugur, 81600 Pengerang, Johor Darul Takzim	(128,404) 51,183	Freehold	A single storey warehouse and an office block	8,837	6	28.02.2020
9	GRN 392654, Lot No 177305, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	PTD 190772, Jalan Desa Tropika 2/2, Taman Industri Tropika, 81800 Ulu Tiram, Johor Darul Takzim	(46,069) 42,333	Freehold	1 unit of single storey detached factory with four (4) storey office building	8,205	10	08.04.2021
10	HS(D) 125023, PTD 71061, Mukim Plentong, District of Johor Bahru, Johor Darul Takzim	PL0 234, Jalan Tembaga Satu, Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor Darul Takzim	(87,123) 43,782	Leasehold expiring on 30.09.2045	A single storey detached warehouse with 3-storey office buildings annexed	6,000	25	28.02.2024

NOTICE OF EIGHTEENTH (18TH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighteenth (18th) Annual General Meeting of Pantech Group Holdings Berhad (“Pantech” or the “Company”) will be held on Tuesday, 30 July 2024 at 11.00 a.m., or any adjournment thereof at Meeting Room 2 and 3, Level 2, Renaissance Johor Bahru Hotel, 2, Jalan Permas 11, Bandar Baru Permas Jaya, 81750 Johor Bahru, Johor Darul Takzim for the following purposes:

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|---|--|
| 1. | To receive the Audited Financial Statements for the financial year ended 29 February 2024 together with the Directors' and Auditors' Reports thereon. | (Please refer to Explanatory Notes) |
| 2. | To approve the payment of Directors' fees and benefits up to the amount of RM400,000 for the financial year ending 28 February 2025. | Resolution 1 |
| 3. | To approve the payment of the Final Single Tier Dividend of 1.50 sen per ordinary share for the financial year ended 29 February 2024. | Resolution 2 |
| 4. | To re-elect the following Directors retiring pursuant to the Article 26.1 of Company's Constitution and being eligible, offered themselves for re-election: | |
| | 4.1 Ms. Ng Lee Lee | Resolution 3 |
| | 4.2 Dato' Sri Yap Tian Leong | Resolution 4 |
| | 4.3 Puan Nooraini binti Mohd Yasin | Resolution 5 |
| 5. | To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 6 |

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following Ordinary Resolutions:

- | | | |
|----|--|---------------------|
| 6. | AUTHORITY TO ISSUE SHARES BY THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | Resolution 7 |
|----|--|---------------------|

“THAT subject always to the Companies Act 2016 (“the Act”), and approvals from any other governmental/regulatory authorities, the Directors of the Company be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of submission to the authority AND THAT the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad (“Bursa Securities”) AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT pursuant to Section 85 of the Act read together with Article 17.4 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to Sections 75 and 76 of the Act.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”

NOTICE OF EIGHTEENTH (18TH) ANNUAL GENERAL MEETING (Cont'd)

7. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Resolution 8

“THAT subject to compliance with all applicable rules, regulations and orders made pursuant to the Act provisions in the Company's Constitution, the Listing Requirements of Bursa Securities and any other relevant authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of the Company (“Proposed Renewal of Share Buy-Back”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company PROVIDED THAT:

- (1) the aggregate number of shares purchased or held does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;
- (2) the maximum fund to be allocated by the Company for the purpose of purchasing such number of ordinary shares shall not exceed the retained profit account of the Company. As at the latest financial year ended 29 February 2024, the audited retained profit account of the Company stood at RM44,464,527;
- (3) the authority conferred by this resolution will commence immediately upon passing of this resolution and will continue to be in force until:
 - (a) at the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting in which the authorisation is obtained, at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions; or
 - (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting.

whichever occurs first;

AND THAT upon completion of the purchase(s) of the ordinary shares of the Company, the Directors of the Company be and are hereby authorised to deal with the ordinary shares so purchased in the following manner:

- (a) to cancel the ordinary shares so purchased; or
- (b) to retain the ordinary shares so purchased as treasury shares for distribution as dividend to shareholders and/or resell on Bursa Securities or subsequently cancelled; or
- (c) to retain part of the ordinary shares so purchased as treasury shares and cancel the remainder; or
- (d) in any other manner prescribed by the Act, rules, regulations and orders made to the Act, the Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Board of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the aforesaid share buy-back with full powers to assent to any conditions, modifications, variations, and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Board may deem fit and expedient in the best interest of the Company.”

8. To transact any other business for which due notice shall have been given.

NOTICE OF EIGHTEENTH (18TH) ANNUAL GENERAL MEETING (Cont'd)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

Subject to the approval of the shareholders, a Final Single Tier Dividend of 1.50 sen per ordinary share for the financial year ended 29 February 2024 will be paid on 13 September 2024 to Depositors registered in the Record of Depositors at the closed of business at 5.00 p.m. on 30 August 2024.

A Depositor shall qualify for entitlement only in respect of:

- (a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 30 August 2024, in respect of ordinary shares; and
- (b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

By order of the Board,

SIEW SUET WEI (MAICSA 7011254)

SSM Practicing Certificate No. 202008001690

LIANG SIEW CHING (MAICSA 7000168)

SSM Practicing Certificate No. 202008000879

Company Secretaries

Petaling Jaya

Dated : 28 June 2024

Notes:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the AGM, the Company shall be requesting the Record of Depositors as at 22 July 2024. Only a depositor whose name appears on the Record of Depositors as at 22 July 2024 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
2. A member entitled to attend and vote at this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, speak and vote in his place. A proxy may but need not be a member of the Company.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an exempt authorised nominee, it may appoint multiple proxies for each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under the Corporation's Common Seal or under the hand of an officer or attorney so authorized.
6. The Proxy Form must be deposited at the Share Registrar's office, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, Tricor Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or may also submit the proxy form electronically via **TIIH Online** website at <https://tiih.online> not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.
7. The lodging of the Proxy Form will not preclude you from attending, participating and voting remotely in person at the 18th AGM should you subsequently wish to do so, but if you do, your proxy(ies) shall be precluded from attending the 18th AGM. Please refer to the Administrative Guide for details of the submission of the Proxy Form.

NOTICE OF EIGHTEENTH (18TH) ANNUAL GENERAL MEETING

(Cont'd)

EXPLANATORY NOTES

8. Audited Financial Statements for the financial year ended 29 February 2024

This Agenda item is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act 2016, the audited financial statements do not require the approval of the shareholders. As such, this matter will not be put forward for voting.

9. Ordinary Resolution No. 1: Payment of Directors' Fees & Benefits

Pursuant to Section 230(1) of the Companies Act 2016, the shareholders' approval is sought for the proposed payment of Directors' Fees for financial year ending 28 February 2025 and Benefits to the Non-Executive Directors ("NEDs"). The calculation of the benefits which include meeting allowance is based on the estimated number of scheduled and/or special Board and Board Committees' meetings and on the assumption that the number of NEDs in office until the next AGM remains the same.

10. Ordinary Resolutions No. 3, 4 and 5: Re-election of Directors

Article 26.1 of the Company's Constitution provides that an election of Directors shall take place each year at the annual general meeting of the Company where one third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and be eligible for re-election. PROVIDED ALWAYS THAT all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

The Board through its Nominating Committee had assessed each of the retiring Directors, and considered the following factors in determining their eligibility for re-election:

- (a) the required mix of skills and experience;
- (b) the character, knowledge, expertise, professionalism, integrity and time availability;
- (c) the ability to discharge such responsibilities and functions as expected as Director; and
- (d) attendance at Board and Committee Meetings

The profiles of the Directors standing for re-election are set out in the Directors' Profile of the Annual Report 2024.

11. Ordinary Resolution No. 6: Re-appointment of Auditors

The Board and Audit Committee had at their respective meetings on 25 April 2024 recommended the re-appointment of Grant Thornton Malaysia PLT for the financial year ending 28 February 2025. Grant Thornton Malaysia PLT have met the criteria prescribed under the Paragraph 15.21 of the Main Market Listing Requirements and indicated their willingness to continue their services for the next financial year.

12. Ordinary Resolution No. 7: Authority under Sections 75 And 76 of the Act

The Company had during its 17th AGM held on 26 July 2023 obtained from its shareholders, a general mandate pursuant to Sections 75 and 76 of the Act to issue and allot shares in the Company up to 10% of the total number of issued shares of the Company and this mandate had not been exercised by the Company.

The proposed Ordinary Resolution 7 is a renewal mandate of the general mandate for the issuance of shares by the Company under Sections 75 and 76 of the Act. Pursuant to Section 85 of the Act and Article 17.4 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company. This Ordinary Resolution 7, if passed, will exclude the shareholders' pre-emptive right to be offered new shares to be issued by the Company.

This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company. This mandate would provide the Company the flexibility to raise fund, including but not limited to placing of shares to finance future investment(s), project(s), acquisition(s) and/or working capital without having to convene a general meeting.

NOTICE OF EIGHTEENTH (18TH) ANNUAL GENERAL MEETING (Cont'd)

EXPLANATORY NOTES (CONT'D)

13. Ordinary Resolution 8 – Proposed Renewal of Share Buy-Back Authority

This resolution will empower the Directors of the Company to purchase the Company's shares up to ten per centum (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Further information on the Proposed Renewal of Share Buy-Back Authority is set out in the Share Buy-Back Statement dated 28 June 2024 which has been despatched together with the Company's Annual Report 2024.

STATEMENT ACCOMPANYING NOTICE OF 18TH ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of individual who are standing for election as Directors (excluding Directors for re-election)

No individual is seeking election as Director at the 18th AGM of the Company.

The profiles of the Directors who are standing for re-election as per Ordinary Resolutions 3, 4 and 5 of the Notice of 18th AGM are stated in the Profile of Directors section of the Annual Report 2024.

2. General mandate for issue of securities in accordance with Paragraph 6.03 of the Listing Requirements of Bursa Securities

The Company will seek shareholders' approval on the general meeting for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Securities. Please refer to the Proposed Ordinary Resolution 7 as stated in the Notice of the 18th AGM of the Company for details.

ADMINISTRATIVE GUIDE

FOR THE EIGHTEENTH ANNUAL GENERAL MEETING (“18TH AGM”)

Day and 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 Darul Takzim

Dear Shareholders of Pantech Group Holdings Berhad (“Pantech” or the “Company”)

REGISTRATION ON THE DAY OF 18TH AGM

1. Registration will commence at 9.30 a.m. and the registration counter will be closed when the meeting commences.
2. Please present your original National Registration Identity Card (NRIC) or Passport to the registration staff for verification. A photocopy of your NRIC or passport will not be accepted. Please ensure that the original NRIC or passport is returned to you thereafter.
3. Registration must be done in person. No person is allowed to register on behalf of another even with the original NRIC or passport of that other person.
4. You will be given an identification wristband with a personalised passcode upon registration and only be allowed to enter the meeting hall if you are wearing the identification wristband. Please retain the identification wristband for voting. There will be no replacement in the event you lose or misplace the identification wristband.

APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE

If a shareholder is not able to attend the 18th AGM on 30 July 2024, he/she can appoint a proxy or the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.

Shareholders who appoint proxy(ies) to participate at the 18th AGM must ensure that the duly executed proxy forms are deposited in a hard copy form or by electronic means to Tricor not later than **Sunday, 28 July 2024 at 11.00 a.m.**

The appointment of a proxy may be made in hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM and adjourned AGM at which the person named in the appointment proposed to vote:

(i) In hard copy form

Shareholder	Documents Required
Individual	<ul style="list-style-type: none"> • Completed hard copy proxy form
Any authority pursuant to which such appointment is made by a power of attorney	<ul style="list-style-type: none"> • Completed hard copy proxy form; and • A copy of the power of attorney provided that it is certified notarially and/ or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
Corporate Member	<ul style="list-style-type: none"> • Original certificate of appointment which are executed in the following manner: <ol style="list-style-type: none"> (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member. (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:- <ol style="list-style-type: none"> (a) at least two (2) authorised officers, of whom one shall be a director; or (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

All documents mentioned above must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than **Sunday, 28 July 2024 at 11.00 a.m.**

ADMINISTRATIVE GUIDE FOR THE EIGHTEENTH ANNUAL GENERAL MEETING (“18TH AGM”) (Cont'd)

APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE (CONT'D)

(ii) By electronic form

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online> not later than **Sunday, 28 July 2024 at 11.00 a.m.** and the procedures to submit your proxy form electronically are summarised below:

PROCEDURES FOR ELECTRONIC SUBMISSION OF PROXY FORM

The procedures to submit your proxy form electronically via Tricor’s **TIIH Online** website are summarised below:-

Procedure		Action
i. Steps for Individual Shareholders		
(a)	Register as a User with TIIH Online	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online. Register as a user under the “e-Services” by selecting “Create Account by Individual Holder”. Please do refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIIH Online, you are not required to register again.
(b)	Proceed with submission of Proxy Form	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. Select the corporate event: “PANTECH 18TH AGM - SUBMISSION OF PROXY FORM”. Read and agree to the Terms & Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint Chairman as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy(ies) will decide your vote. Review and confirm your proxy(ies) appointment. Print proxy form for your record.
ii. Steps for Corporation or Institutional Shareholders		
(a)	Register as a User with TIIH Online	<ul style="list-style-type: none"> Access TIIH Online at https://tiih.online. Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects “Create Account by Representative of Corporate Holder”. Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the email and re-set your own password. <p>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact the persons stated under “ENQUIRY” section below if you need clarifications on the user registration.</p>

ADMINISTRATIVE GUIDE FOR THE EIGHTEENTH ANNUAL GENERAL MEETING (“18TH AGM”) (Cont'd)

PROCEDURES FOR ELECTRONIC SUBMISSION OF PROXY FORM (CONT'D)

ii. Steps for Corporation or Institutional Shareholders (Cont'd)		
(b)	Proceed with submission of Proxy Form	<ul style="list-style-type: none"> • Login to TIIH Online at https://tiih.online. • Select the corporate event: “PANTECH 18TH AGM - SUBMISSION OF PROXY FORM”. • Read and agree to the Terms & Conditions and confirm the Declaration. • Proceed to download the file format for “SUBMISSION OF PROXY FORM” in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxy(ies) by inserting the required data. • Submit the proxy appointment file. • Login to TIIH Online, select corporate event: “PANTECH 18TH AGM - SUBMISSION OF PROXY FORM”. • Proceed to upload the duly completed proxy appointment file. • Select “Submit” to complete your submission. • Print the confirmation report of your submission for your record.

Please note that only a depositor whose name appears on the Record of Depositor as at **22 July 2024** shall be entitled to attend or appoint proxies to attend and/or vote on his/her behalf at the 18th AGM.

REFRESHMENTS

Light refreshments will be provided.

NO RECORDING OR PHOTOGRAPHY

Strictly no recording or photography of proceedings of the 18th AGM is allowed.

ENQUIRY

If you have any enquiry prior to the meeting, you may contact the Share Registrar at:

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, Malaysia		Telephone Number
	<i>General Line</i>	603-2783 9299
	<i>Fax Number</i>	603-2783 9222
	<i>Email</i>	<i>is.enquiry@my.tricorglobal.com</i>

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MAY 2024

Number of Shares Issued*	:	832,324,129
Voting Rights	:	One Vote Per Ordinary Share
No. of Shareholders	:	10,153

DISTRIBUTION OF SHAREHOLDINGS AS AT 31 MAY 2024

Category	No. of Shareholders	% of Shareholders	No. of Shares*	% of Shares*
Less than 100	2,297	22.62	87,054	0.01
100 – 1,000	1,011	9.96	426,912	0.05
1,001 – 10,000	3,470	34.18	17,286,843	2.08
10,001 – 100,000	2,872	28.29	84,081,368	10.10
100,001 – less than 5% of issued shares	500	4.92	543,977,653	65.36
5% and above of issued shares	3	0.03	186,464,299	22.40
Total	10,153	100.00	832,324,129	100.00

Note:

* Excluding 20,031,293 treasury shares retained by the Company

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 31 MAY 2024

No.	Names	Direct		Indirect		
		No. of Shares	%*	No. of Shares	%*	
1.	CTL Capital Holding Sdn Bhd	142,439,429	17.11	–	–	
2.	GL Management Agency Sdn Bhd	102,266,209	12.29	–	–	
3.	Dato' Chew Ting Leng	11,168,491	1.34	143,792,444	17.28	(a)
4.	Datin Shum Kah Lin	–	–	154,960,935	18.62	(b)
5.	Dato' Goh Teoh Kean	8,331,321	1.00	102,266,209	12.29	(c)
6.	Datin Lee Sock Kee	–	–	110,597,530	13.29	(d)

Note:

* Excluding a total of 20,031,293 shares bought-back by the Company and retained as treasury shares

ANALYSIS OF SHAREHOLDINGS AS AT 31 MAY 2024 (Cont'd)

DIRECTORS' INTERESTS IN SHARES AS AT 31 MAY 2024

No.	Names	Direct		Indirect		
		No. of Shares	%*	No. of Shares	%*	
1.	Dato' Chew Ting Leng	11,168,491	1.34	143,792,444	17.28	(a)
2.	Dato' Goh Teoh Kean	8,331,321	1.00	102,266,209	12.29	(c)
3.	Tan Ang Ang	10,395,697	1.25	2,786,965	0.33	(e)
4.	To Tai Wai	16,593,126	1.99	–	–	–
5.	Ng Lee Lee	9,909,176	1.19	–	–	–
6.	Sakinah Binti Salleh	301,809	0.04	–	–	–
7.	Lim Yoong Xiao	200,000	0.02	2,040	0.00	(f)
8.	Nooraini Binti Mohd Yasin	9,300	0.001	–	–	–
9.	Dato' Sri Yap Tian Leong	–	–	–	–	–

Notes:

- (a) Deemed interested by virtue of his and his spouse Datin Shum Kah Lin's interest in CTL Capital Holding Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 ("Act") and by virtue of his daughter Ms Chew Zhiyin's direct shareholding in the Company pursuant to Section 59(11) of the Act.
- (b) Deemed interested by virtue of her and her spouse Dato' Chew Ting Leng's interest in CTL Capital Holding Sdn Bhd pursuant to Section 8 of the Act, and by virtue of her spouse Dato' Chew Ting Leng's and daughter, Ms Chew Zhiyin's direct shareholdings in the Company pursuant to Section 59(11) of the Act.
- (c) Deemed interested by virtue of his and his spouse Datin Lee Sock Kee's interests in GL Management Agency Sdn Bhd pursuant to Section 8 of the Act.
- (d) Deemed interested by virtue of her and her spouse Dato' Goh Teoh Kean's interests in GL Management Agency Sdn Bhd pursuant to Section 8 of the Act, and by virtue of her spouse Dato' Goh Teoh Kean's direct shareholding in the Company pursuant to Section 59(11) of the Act.
- (e) Deemed interested by virtue of his spouse Madam Yong Yui Kiew's and son, Mr Jairus Tan Vern Hsien's direct shareholdings in the Company pursuant to Section 59(11) of the Act.
- (f) Deemed interested by virtue of his spouse Madam Wong Hui Chin's direct shareholding in the Company pursuant to Section 59(11) of the Act.

* Excluding a total of **20,031,293** shares bought-back by the Company and retained as treasury shares

ANALYSIS OF SHAREHOLDINGS AS AT 31 MAY 2024 (Cont'd)

30 LARGEST SHAREHOLDERS AS AT 31 MAY 2024

No.	Shareholders	Shareholdings	%*
1.	CTL CAPITAL HOLDING SDN BHD	84,198,090	10.12
2.	GL MANAGEMENT AGENCY SDN BHD	54,454,411	6.54
3.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR GL MANAGEMENT AGENCY SDN BHD	47,811,798	5.74
4.	CTL CAPITAL HOLDING SDN BHD	36,712,509	4.41
5.	LEMBAGA TABUNG HAJI	28,492,700	3.42
6.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD DEUTSCHE BANK AG SINGAPORE FOR YEOMAN 3-RIGHTS VALUE ASIA FUND (PTSL)	22,750,000	2.73
7.	LEE LIANG MONG	22,559,974	2.71
8.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CTL CAPITAL HOLDING SDN BHD (8089199)	21,528,830	2.59
9.	MAYBANK NOMINEES (TEMPATAN) SDN BHD NATIONAL TRUST FUND (IFM KAF) (446190)	18,646,900	2.24
10.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	14,235,000	1.71
11.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KAF CORE INCOME FUND	11,755,600	1.41
12.	DATO' CHEW TING LENG	11,168,491	1.34
13.	DATO' GOH TEOH KEAN	8,331,321	1.00
14.	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	7,896,198	0.95
15.	TO TAI WAI	7,765,892	0.93
16.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHIN HOOI	7,600,000	0.91
17.	AMANAHRAYA TRUSTEES BERHAD PMB SHARIAH GROWTH FUND	7,500,000	0.90
18.	AMANAH RAYA BERHAD KUMPULAN WANG BERSAMA SYARIAH	7,252,100	0.87
19.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT PROGRESS FUND (4082)	7,091,700	0.85
20.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KAF TACTICAL FUND	7,000,000	0.84
21.	NEOH CHOO EE & COMPANY, SDN BERHAD	6,780,000	0.81
22.	KONG CHIONG LEE	6,705,552	0.81
23.	CIMB GROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS BANK LTD (SFS)	6,500,080	0.78
24.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT AL-FAUZAN (5170)	6,028,000	0.72
25.	NG LEE LEE	5,343,539	0.64
26.	TO TAI WAI	4,844,402	0.58
27.	MAYBANK NOMINEES (TEMPATAN) SDN BHD NATIONAL TRUST FUND (IFM UOBAM) (446560)	4,772,900	0.57
28.	NG LEE LEE	4,565,637	0.55
29.	TAN ANG ANG	4,525,592	0.54
30.	CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS MICRO-CAP EQUITY MASTER FUND	4,372,900	0.53
TOTAL :		489,190,116	58.77

* Excluding a total of 20,031,293 shares bought-back by the Company and retained as treasury shares



PANTECH GROUP HOLDINGS BERHAD

200601013856 (733607-W)

No. of ordinary shares held	
CDS Account No.	

PROXY FORM

(Before completing this form please refer to the notes below)

I/We I/C No./Co. No./
(Full name in Capital Letters)

of
(Full address)

being a member/members of **PANTECH GROUP HOLDINGS BERHAD**, hereby appoint the following person(s):-

Name of proxy	NRIC No.	No. of shares or % of shares to be represented by each proxy
1.		
2.		

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Eighteenth (18th) Annual General Meeting ("AGM") of the Company to be held on **Tuesday, 30 July 2024 at 11.00 a.m.** at Meeting Room 2 and 3, Level 2, Renaissance Johor Bahru Hotel, 2, Jalan Permas 11, Bandar Baru Permas Jaya, 81750 Johor Bahru, Johor Darul Takzim. My/our proxy/proxies is to vote as indicated below:-

		PROXY 1		PROXY 2	
		FOR	AGAINST	FOR	AGAINST
ORDINARY RESOLUTION					
1.	To approve the payment of Directors' fees and benefits up to the amount of RM400,000 for the financial year ending 28 February 2025.				
2.	To approve the payment of the Final Single Tier Dividend of 1.50 sen per ordinary share for the financial year ended 29 February 2024.				
3.	To re-elect Ms. Ng Lee Lee who retires pursuant to Article 26.1.				
4.	To re-elect Dato' Sri Yap Tian Leong who retires pursuant to Article 26.1.				
5.	To re-elect Puan Nooraini binti Mohd Yasin who retires pursuant to Article 26.1.				
6.	To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.				
SPECIAL BUSINESS					
7.	Authority to issue shares by the Company pursuant to Sections 75 and 76 of the Companies Act 2016.				
8.	Proposed Renewal of Share Buy-Back Authority.				

Please indicate with a "✓" or "X" in the space provided how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

.....
Signature of Shareholder(s)/Common Seal

Signed this day of 2024

Notes:

- For the purpose of determining a member who shall be entitled to attend, speak and vote at the AGM, the Company shall be requesting the Record of Depositors as at 22 July 2024. Only a depositor whose name appears on the Record of Depositors as at 22 July 2024 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
- A member entitled to attend and vote at this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, speak and vote in his place. A proxy may but need not be a member of the Company.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee, it may appoint multiple proxies for each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under the Corporation's Common Seal or under the hand of an officer or attorney so authorized.
- The Proxy Form must be deposited at the Share Registrar's office, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, Tricor Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or may also submit the proxy form electronically via **TIIH Online** website at <https://tiih.online> not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.
- The lodging of the Proxy Form will not preclude you from attending, participating and voting remotely in person at the 18th AGM should you subsequently wish to do so, but if you do, your proxy(ies) shall be precluded from attending the 18th AGM. Please refer to the Administrative Guide for details of the submission of the Proxy Form.



Fold this flap for sealing

Then fold here

"18TH ANNUAL GENERAL MEETING"

AFFIX
STAMP

**THE SHARE REGISTRAR of
PANTECH GROUP HOLDINGS BERHAD**
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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198801008964 (176321-P)

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**PANTECH STEEL INDUSTRIES
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Manufacturer

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INDUSTRIES SDN. BHD.**
200601013677 (733428-W)

Manufacturer

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**NAUTIC STEELS LIMITED,
UNITED KINGDOM**
(02302004)

Manufacturer

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