NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF PAN MERCHANT BERHAD ("PAN MERCHANT" OR "THE COMPANY") DATED 6 JUNE 2025 ("ELECTRONIC PROSPECTUS")

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

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com ("**Website**").

Availability and Location of Paper/Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company, Affin Hwang IB or Malaysian Issuing House Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

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

Jurisdictional Disclaimer

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

Close of Application

Applications will be accepted from **10:00 a.m. (Malaysian time)** on **6 June 2025** and will close at **5:00 p.m. (Malaysian time)** on **17 June 2025**. In the event there is any change to the timetable, Pan Merchant will advertise the notice of the changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia and announce it on Bursa Securities' website accordingly.

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

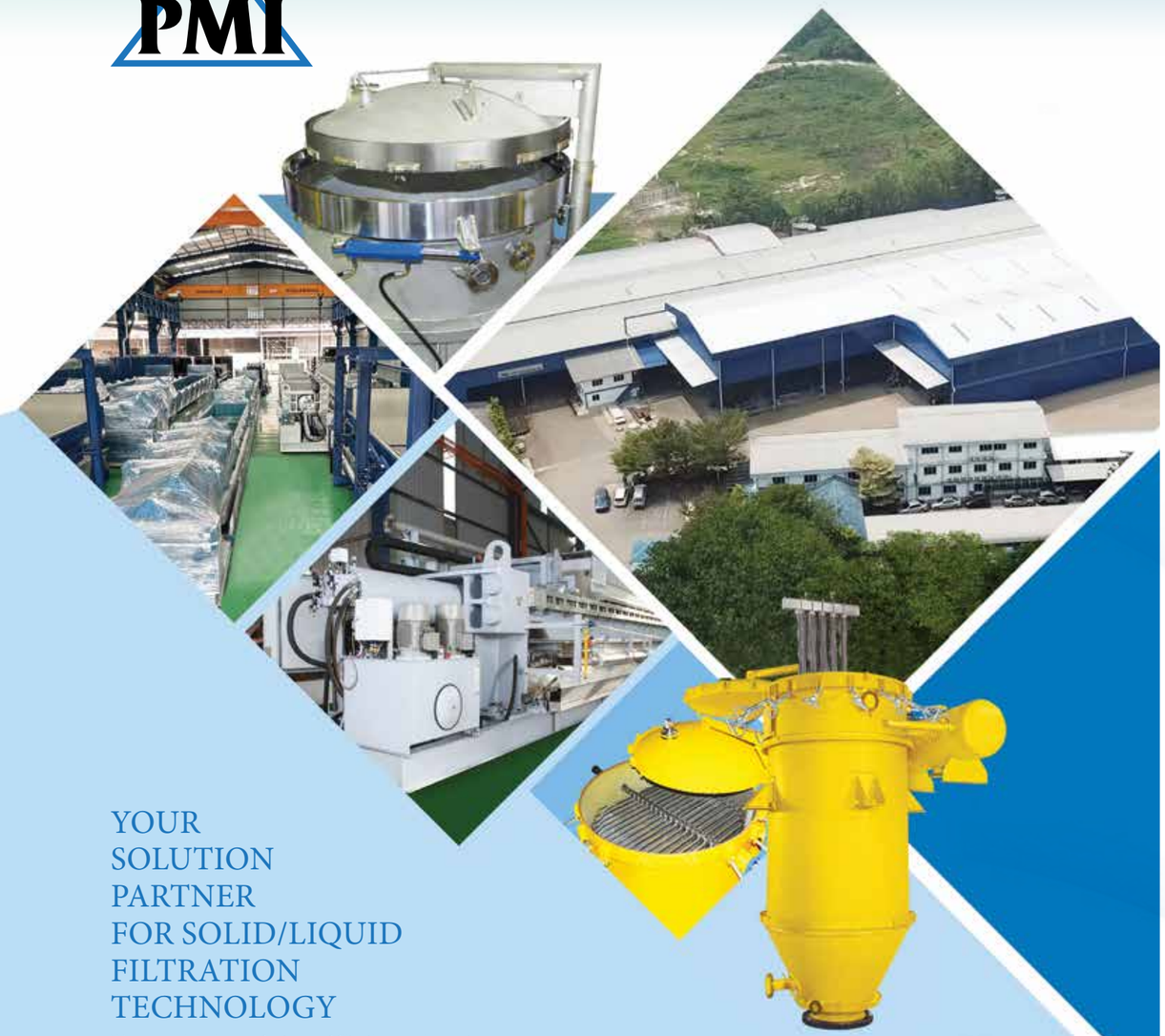
Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

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

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

Delivering Promises with Leading-Edge Solutions

PMI



YOUR SOLUTION PARTNER FOR SOLID/LIQUID FILTRATION TECHNOLOGY

We are a global manufacturer of filtration equipment, providing our customers with effective solutions for a wide range of applications.

YOUR PROCESS.
YOUR NEEDS.
OUR TASK TO PROVIDE THE BEST POSSIBLE SOLUTION.

PAN MERCHANT BERHAD
(Registration No.202401010821 (1556671-D))
(Incorporated in Malaysia under the Companies Act 2016)

www.pmi-group.com

PAN MERCHANT BERHAD
(Registration No.202401010821 (1556671-D))
(Incorporated in Malaysia under the Companies Act 2016)

PROSPECTUS

PROSPECTUS

PMI

PAN MERCHANT BERHAD
(Registration No.202401010821 (1556671-D))
(Incorporated in Malaysia under the Companies Act 2016)

INITIAL PUBLIC OFFERING ("**IPO**") IN CONJUNCTION WITH THE LISTING OF PAN MERCHANT BERHAD ("**PAN MERCHANT**" OR "**COMPANY**") ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("**BURSA SECURITIES**") COMPRISING:

(I) PUBLIC ISSUE OF 232,187,900 NEW ORDINARY SHARES IN PAN MERCHANT ("**PAN MERCHANT SHARES**" OR "**SHARES**") IN THE FOLLOWING MANNER:

- 45,800,000 NEW PAN MERCHANT SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 14,603,000 NEW PAN MERCHANT SHARES MADE AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF PAN MERCHANT AND ITS SUBSIDIARIES;
- 57,284,900 NEW PAN MERCHANT SHARES MADE AVAILABLE BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS; AND
- 114,500,000 NEW PAN MERCHANT SHARES MADE AVAILABLE BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY OF MALAYSIA

AND

(II) OFFER FOR SALE OF 18,000,000 EXISTING PAN MERCHANT SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS;

AT AN IPO PRICE OF RM0.27 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Sole Placement Agent and Sole Underwriter

AFFIN HWANG INVESTMENT BANK

AFFIN HWANG INVESTMENT BANK BERHAD
(Registration No. 197301000792 (14389-U))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER 6 MONTHS FROM THE DATE OF THIS PROSPECTUS.

BURSA SECURITIES HAS APPROVED OUR ADMISSION TO THE OFFICIAL LIST OF THE ACE MARKET AND THE LISTING OF AND QUOTATION FOR OUR ENTIRE ENLARGED ISSUED SHARE CAPITAL ON THE ACE MARKET OF BURSA SECURITIES. THIS PROSPECTUS HAS BEEN REGISTERED BY BURSA SECURITIES. THE APPROVAL FOR THE ADMISSION OF OUR COMPANY TO THE OFFICIAL LIST OF ACE MARKET, THE LISTING OF AND QUOTATION FOR OUR ENTIRE ENLARGED ISSUED SHARE CAPITAL ON THE ACE MARKET OF BURSA SECURITIES AND THE REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. BURSA SECURITIES HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SECURITIES BEING OFFERED FOR INVESTMENT.

BURSA SECURITIES IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

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

FOR INFORMATION CONCERNING THE RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 250 OF THIS PROSPECTUS.

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

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

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA

THIS PROSPECTUS IS DATED 6 JUNE 2025

All defined terms used in this Prospectus are defined under "Presentation of Information", "Definitions" and "Glossary of Technical Terms" commencing on pages v, vii and xv of this Prospectus, respectively.

RESPONSIBILITY STATEMENTS

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

Affin Hwang IB, being the Principal Adviser, Sponsor, Sole Placement Agent and Sole Underwriter, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

STATEMENTS OF DISCLAIMER

Approval has been granted by Bursa Securities for the admission of our Company to the Official List of the ACE Market and listing of and quotation for our Shares being offered. Admission to the Official List of the ACE Market of Bursa Securities is not to be taken as an indication of the merits of the offering, our Company or our Shares.

Bursa Securities is not liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

This Prospectus, together with the Application Form (as defined in this Prospectus), have also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

The valuation utilised for the purpose of this IPO should not be construed as an endorsement by Bursa Securities on the value of the subject assets.

OTHER STATEMENTS

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

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

Our Shares are classified as Shariah compliant by the Shariah Advisory Council of the Securities Commission Malaysia ("**SC**"). This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review undertaken by the Shariah Advisory Council of the SC. The new status is released in the updated list of Shariah compliant securities, on the last Friday of May and November.

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

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

This Prospectus is prepared and published solely for our IPO in Malaysia under the laws of Malaysia. Our IPO Shares are issued/offered in Malaysia solely based on the contents of this Prospectus. Our Directors, Promoters, Selling Shareholder, Principal Adviser, Sponsor, Sole Placement Agent and Sole Underwriter take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia. Our Directors, Promoters, Selling Shareholder, Principal Adviser, Sponsor, Sole Placement Agent and Sole Underwriter have not authorised anyone to provide you with information which is not contained in this Prospectus.

It shall be your sole responsibility, if you are or may be subjected to the laws of any countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether your application for our IPO Shares would result in the contravention of any laws of such countries or jurisdictions. Neither we nor our Principal Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall be illegal, unenforceable, voidable or void in any such country or jurisdiction.

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

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

ELECTRONIC PROSPECTUS

This Prospectus can also be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus (as defined in this Prospectus) and the copy of this Prospectus registered by Bursa Securities are the same.

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

If you are in doubt as to the validity or integrity of the Electronic Prospectus, you should immediately request from us, our Principal Adviser or the Issuing House (as defined in this Prospectus), a paper/printed copy of this Prospectus.

In the event of any discrepancies arising between the contents of the Electronic Prospectus and the contents of the paper/printed copy of this Prospectus for any reason whatsoever, the contents of the paper/printed copy of this Prospectus, which is identical to the copy of the Prospectus registered with Bursa Securities, shall prevail.

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

(i) we and our Principal Adviser do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;

(ii) we and our Principal Adviser are not responsible for the quality of products or services in the Third Party Internet Sites or for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our Principal Adviser are also not responsible for any loss, damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance on any data, information, files or other material provided by such parties; and

(iii) any data, information, files or other material downloaded from the Third Party Internet Sites is done at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

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

(i) the Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of the Electronic Prospectus, to the extent of the contents of the Electronic Prospectus are situated on the web server of the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software;

(ii) the Internet Participating Financial Institutions shall not be responsible in any way for the integrity of the contents of the Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties; and

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

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

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INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative dates:

Events	Time / Date
Opening of applications for our IPO Shares	10:00 a.m., 6 June 2025
Closing of applications for our IPO Shares	5:00 p.m., 17 June 2025
Balloting of applications for our IPO Shares	19 June 2025
Allotment of our IPO Shares to successful applicants	25 June 2025
Listing on the ACE Market of Bursa Securities	26 June 2025

If there is any change to the indicative timetable above, we will advertise the notice of the changes in a widely circulated English and Bahasa Malaysia daily newspaper within Malaysia and make an announcement on Bursa Securities' website accordingly.

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PRESENTATION OF INFORMATION

All references to "our Company" or "Pan Merchant" in this Prospectus are to **Pan Merchant Berhad**, while references to "our Group" are to our Company and our subsidiaries collectively. References to "we", "us", "our" and "ourselves" are to our Company or our Group or any member of our Group, as the context requires. All references to the "Selling Shareholder" are to Budhi Sentoso Rachmat. All references to the "Promoters" are to Wong Voon Ten, Wong Nyeon Thiat, Wong Voon Yoong, Wong Voon Shek and Lee Cheng Ngee.

Unless the context otherwise requires, references to "Management" are to our Directors as disclosed in this Prospectus and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

All references to "you" are to our prospective investors.

Certain abbreviations, acronyms and technical terms used are defined in the "Definitions" and "Glossary of Technical Terms" sections of this Prospectus. Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include companies and corporations, unless otherwise specified.

The word "approximately" used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousand or million or 2 decimal places, as the case may be. Any discrepancies in the tables included in this Prospectus between the amounts listed and the total thereof are due to rounding.

Unless otherwise stated, any reference to dates and times in this Prospectus shall be a reference to dates and times in Malaysia.

Any reference to any provisions of the statutes, rules, regulations, enactments or rules of stock exchange in this Prospectus shall (where the context admits) be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactments to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force.

This Prospectus includes statistical data provided by our Management and various third parties and cites third party projections regarding growth and performance of the market and industry in which our Group operates or is exposed to as well as our estimated market share in the industry in which our Group operates. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, it can be assumed that the information originates from our Management.

In particular, certain information in this Prospectus is extracted or derived from the IMR Report prepared by PROVIDENCE (as defined in this Prospectus), the independent market researcher, as included in Section 8 of this Prospectus. We have appointed PROVIDENCE to provide an independent market and industry review. In compiling their data for the review, PROVIDENCE had relied on research methodology, industry sources, published materials, their own private databases and direct contacts within the industry. We believe that the information on the industry and the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate. Further, third-party projections, including the projections from the IMR Report, cited in this Prospectus are subject to uncertainties that could cause actual data to differ materially from the projected figures. We cannot assure you that the projections will be achieved and you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

If there are any discrepancies or inconsistencies between the English and Bahasa Malaysia versions of this document, the English version shall prevail.

The information on our website, or any website directly and indirectly linked to such website does not form part of this Prospectus and should not be relied upon in deciding whether or not to invest in our Shares.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Management for future operations are forward-looking statements. Some of these statements can be identified by words that have a bias towards or are forward-looking such as "may", "will", "would", "could", "believe", "expect", "anticipate", "estimate", "aim", "plan", "intend", "forecast", "project" or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond our Group's control that could cause our actual results, performances, achievements or industry results to be materially different from future results, performances, achievements or industry results expressed or implied by such forward-looking statements. Such forward-looking statements include, without limitation, statements relating to:

(i) the general industry environment, including the demand and supply for our products;

(ii) our business strategies, trends and competitive position;

(iii) our plans and objectives for future operations;

(iv) our future potential growth opportunities;

(v) our future financial position, earnings, cash flows and liquidity;

(vi) our ability to pay dividends; and

(vii) the regulatory environment and the effects of future regulation.

Such forward-looking statements are based on numerous assumptions regarding our Group's present and future business strategies and the environment in which we operate. Our actual results may differ materially from information contained in the forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

(i) the general economic, business, social, political and investment environment in Malaysia and globally, and in particular in countries where we conduct our business;

(ii) government policy, legislation and regulation;

(iii) interest rates, tax rates and exchange rates;

(iv) the competitive environment in the industry in which we operate;

(v) reliance on approvals, licences and permits;

(vi) availability and fluctuations in prices of raw materials;

(vii) fixed and contingent obligations and commitments; and

(viii) any other factors beyond our control.

Additional factors that could cause our actual results, performances or achievements to differ materially from those expressed or implied in the forward-looking statements in this Prospectus include, but are not limited to those discussed in Section 9 – Risk Factors and Section 12.3 – Management's Discussion and Analysis of Financial Conditions and Results of Operations of this Prospectus. We cannot assure you that the forward-looking statements in this Prospectus will be realised.

These forward-looking statements are based on information available to us as at the LPD and are made available only as at the LPD. Should we become aware of any subsequent material change or development affecting matters disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment of the IPO Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provision of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus).

DEFINITIONS

The following definitions shall apply throughout this Prospectus unless the definitions are defined otherwise or the context requires otherwise:

COMPANIES WITHIN OUR GROUP

Pan Merchant or Company	:	Pan Merchant Berhad (Registration No. 202401010821 (1556671-D))
Pan Merchant Group or Group	:	Pan Merchant and our Subsidiaries, collectively
PMIT Malaysia	:	PMI-Technology Sdn Bhd (Registration No. 200201000399 (568062-K))
PMIT Singapore	:	PMI-Technology (SG) Pte Ltd (Singapore Company No. 202207963K)
PMI Holding NL	:	PMI Holding B.V. (Netherlands Company No. 91669669)
PMIT Holding NL	:	PMI-Tech Holding B.V. (Netherlands Company No. 91671477)
PMIT Europe NL	:	PMI-Tech (Europe) B.V. (Netherlands Company No. 68173016)
PMIT USA NL	:	PMI-Tech (USA) B.V. (Netherlands Company No. 91673496)
PMIT US	:	PMI-Tech NA Inc (US Company No. 2551718)
Subsidiaries	:	PMIT Malaysia, PMIT Singapore, PMI Holding NL, PMIT Holding NL, PMIT Europe NL, PMIT USA NL, and PMIT US, collectively

GENERAL

ACE Market	:	ACE Market of Bursa Securities
Acquisition of PMIT Malaysia	:	Acquisition by Pan Merchant of the entire issued share capital of PMIT Malaysia of RM14,200,000 comprising 14,200,000 ordinary shares from the shareholders of PMIT Malaysia for a total purchase consideration of RM68,381,200, which was entirely satisfied by the issuance of 683,812,000 new Shares in aggregate at an issue price of RM0.10 per Share to the shareholders of PMIT Malaysia, namely Wong Voon Ten, Wong Nyeon Thiat, Wong Voon Yoong, Wong Voon Shek, Lee Cheng Ngee and Budhi Sentoso Rachmat
Act	:	Companies Act 2016
ADA	:	Authorised Depository Agent
Affin Hwang IB or Principal Adviser or Sponsor or Sole Placement Agent or Sole Underwriter	:	Affin Hwang Investment Bank Berhad (Registration No. 197301000792 (14389-U))
AGM	:	Annual General Meeting

DEFINITIONS *(Cont'd)*

Application(s)	:	The application(s) for our IPO Shares by way of Application Form, Electronic Share Application and/or Internet Share Application
Application Form(s)	:	The printed application form for the Application of our IPO Shares
ASEAN	:	The Association of Southeast Asian Nations
ATM	:	Automated teller machine
Authorised Financial Institution(s)	:	Authorised financial institution(s) participating in the Internet Share Application in respect of payments for our IPO Shares
Board	:	The Board of Directors of our Company
Bumiputera	:	In the context of: (i) individuals – Malays and the aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia; (ii) companies – a company which fulfils, among others, the following criteria or such other criteria as may be imposed by MITI: (a) registered under the Act as a private company; (b) its shareholders are 100.00% Bumiputera; and (c) its board of directors (including its staff) are at least 51.00% Bumiputera; (iii) cooperatives – a cooperative whose shareholders or cooperative members are at least 95.00% Bumiputera or such other criteria as may be imposed by MITI; and (iv) any other party as defined to be Bumiputera based on the criteria as may be imposed by MITI
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CAGR	:	Compound annual growth rate
CCC or CFO	:	Certificate of completion and compliance or certificate of fitness for occupation or occupancy permit or such certificate by any other name or permit issued by the relevant authority in Malaysia under the relevant legislation applicable at the material time
CDS	:	Central Depository System
CDS Account(s)	:	Account(s) established for a Depositor by Bursa Depository for the recording of deposits or withdrawals of securities and for dealings in such securities by the Depositor
China	:	The People's Republic of China

DEFINITIONS *(Cont'd)*

CMSA	:	Capital Markets and Services Act 2007
Constitution	:	The constitution of our Company
COA	:	Certificate of accommodation issued by the Department of Labour Peninsular Malaysia
COVID-19	:	An infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
Depositor	:	A holder of a CDS Account
Director(s)	:	The director(s) of our Company and shall have the meaning given in Section 2 of the CMSA
DOSH	:	Department of Occupational Safety and Health, an agency under the Ministry of Human Resources
EBIT	:	Earnings before interest and taxation
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
EIS	:	Employment Insurance System
Electronic Prospectus	:	A copy of this Prospectus that has been registered by Bursa Securities, which is being issued, circulated or disseminated via the Internet, and/or stored or hosted on digital platforms or electronic storage mediums, including but not limited to website, mobile application, email, CD-ROMs (compact disc read-only memory), thumb drive and cloud-based storage
Electronic Share Application	:	An application for the Issue Shares through Participating Financial Institutions' ATM
Eligible Person(s)	:	Eligible Director(s), employee(s) and Key Senior Management, as further detailed in Section 4.3 of this Prospectus
EPF	:	Employees Provident Fund
EPS	:	Earnings per Share
ERP	:	Enterprise resource planning
ESG	:	Environmental, social and governance
Executive Director(s)	:	Executive Director(s) of Pan Merchant, namely Wong Voon Ten, Wong Nyeon Thiat, Wong Voon Yoong, Wong Voon Shek and Lee Cheng Ngee
Financial Years Under Review	:	FYE 2021, FYE 2022, FYE 2023 and FYE 2024, collectively
FYE	:	Financial year ended/ending 31 December
GDP	:	Gross domestic product
GP	:	Gross profit
HACCP	:	Hazard analysis and critical control points

DEFINITIONS *(Cont'd)*

Headquarters	:	The headquarters of our Company located at Nos. 17 & 19, Jalan Pengacara U1/48, Temasya Industrial Park, 40150 Shah Alam, Selangor
HSE	:	Health, safety and environment
IMR or PROVIDENCE	:	Providence Strategic Partners Sdn Bhd (Registration No. 201701024744 (1238910-A)), the independent market researcher
IMR Report	:	Independent market research report prepared by PROVIDENCE as set out in Section 8 of this Prospectus
Internet Participating Financial Institution(s) or Participating Securities Firm(s)	:	Participating financial institution(s) or participating securities firm(s) for the Internet Share Application, as listed in Section 16.6 of this Prospectus
Internet Share Application	:	Application for our IPO Shares through an Internet Participating Financial Institution or Participating Securities Firms
IPO	:	Initial public offering of 250,187,900 IPO Shares in conjunction with the listing of and quotation for our entire enlarged issued share capital on the ACE Market
IPO Price	:	The price of RM0.27 per IPO Share
IPO Share(s)	:	The Issue Share(s) and Offer Share(s), collectively
IRB	:	Inland Revenue Board of Malaysia
ISO	:	International Organisation for Standardisation
Issue Share(s)	:	232,187,900 new Pan Merchant Shares, representing 25.35% of our enlarged total number of issued Shares, to be issued pursuant to the Public Issue and subject to the terms and conditions of this Prospectus
Issuing House	:	Malaysian Issuing House Sdn Bhd (Registration No. 199301003608 (258345-X))
Jelapang Plant 1	:	Refers to the factory located at No. 3, Hala Jati 10, Taman Meru Industrial Estate, 30020 Jelapang, Ipoh, Perak
Jelapang Plant 2	:	Refers to the factory located at Lot 2, Kawasan Perindustrian Taman Meru 3B, Jalan Jelapang, 30020 Jelapang, Ipoh, Perak
Key Senior Management	:	Key senior management of our Group, namely Kum Kin Chung, Loh Chee Hoong, Chin Wai Chun, Lee Han Jun, Tan Bee Hoi, Chin Chee Ming, Chan Chee Hing, Ko Siu Lun, Marcel Nicolaas Lupé and Rick Sebastiaan Veldkamp, as detailed in Section 5.4 of this Prospectus
Lahat Plant	:	Refers to the factory located at Lot 11004, 4¾ Miles, Jalan Lahat, 31500 Lahat, Perak
Listing	:	The admission of our Company to the Official List and the listing of and quotation for our entire enlarged issued share capital of RM131,071,943 comprising 916,000,000 Shares on the ACE Market
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
Listing Scheme	:	Comprising the Acquisition of PMIT Malaysia, Public Issue, Offer for Sale and Listing, collectively

DEFINITIONS *(Cont'd)*

LPD	:	6 May 2025, being the latest practicable date prior to the issuance of this Prospectus
Malaysian Public	:	Malaysian citizens and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia and as defined to be 'public' in the Listing Requirements
Market Day(s)	:	Any day(s) on which Bursa Securities is open for trading of securities, which may include a Surprise Holiday
MCCG	:	Malaysian Code on Corporate Governance issued by the SC
MCO	:	The nationwide Movement Control Order imposed by the Malaysian Government under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 as a measure to contain the outbreak of COVID-19
MFRS	:	Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board
MITI	:	Ministry of Investment, Trade and Industry, Malaysia
N/A	:	Not applicable or not available, as the case may be
NA	:	Net assets attributable to ordinary equity holders of our Company
NBV	:	Net book value
Netherlands	:	The Kingdom of the Netherlands
NIOSH	:	National Institute of Occupational Safety and Health
NLC	:	National Land Code 1965
Offer for Sale	:	Offer for sale of 18,000,000 Offer Shares at the IPO Price by the Selling Shareholder by way of private placement to selected investors
Offer Share(s)	:	18,000,000 existing Shares, representing 1.96% of our enlarged total number of issued Shares, to be offered pursuant to the Offer for Sale and subject to the terms and conditions of this Prospectus
Official List	:	A list specifying all securities which have been admitted for listing and have not been removed from Bursa Securities
Pan Merchant Share(s) or Share(s)	:	Ordinary share(s) in Pan Merchant
Pan-Merchant Industries	:	Pan-Merchant Industries Sdn Bhd (Registration No. 198601004882 (154042-D)), a company that is privately owned by Wong Voon Ten, Wong Nyeon Thiat, Wong Voon Yoong, Wong Voon Shek, Lee Cheng Ngee and Budhi Sentoso Rachmat
Participating Financial Institution(s)	:	Participating financial institution(s) for Electronic Share Application, as listed in Section 16.5 of this Prospectus
PAT	:	Profit after taxation
PATNCI	:	Profit after taxation attributable to owners of our Company
PBT	:	Profit before taxation

DEFINITIONS *(Cont'd)*

PE Multiple	:	Price-to-earnings multiple
Pink Form Allocations	:	The allocation of 14,603,000 Issue Shares to the Eligible Persons pursuant to the Public Issue
PPE	:	Property, plant and equipment
Prescribed Security	:	Securities of a company that are prescribed by Bursa Securities to be deposited in the CDS subject to the provision of the SICDA and the Rules
Promoter(s)	:	Wong Voon Ten, Wong Nyeon Thiat, Wong Voon Yoong, Wong Voon Shek and Lee Cheng Ngee, collectively, the details of which are set out in Section 5.1 of this Prospectus
Prospectus	:	This Prospectus dated 6 June 2025 in relation to the IPO
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC
Public Issue	:	Public issue of 232,187,900 Issue Shares at the IPO Price comprising: (a) 45,800,000 new Shares, representing 5.00% of our enlarged total number of issued Shares, made available for application by the Malaysian Public; (b) 14,603,000 new Shares, representing 1.60% of our enlarged total number of issued Shares, made available for application by the Eligible Person(s); and (c) 57,284,900 Issue Shares, representing 6.25% of the enlarged total number of issued Shares, to be made available by way of private placement to selected investors; and (d) 114,500,000 Issue Shares, representing 12.50% of the enlarged total number of issued Shares, to be made available to Bumiputera investors approved by the MITI via private placement;
PV	:	photovoltaic
QA	:	Quality assurance
QC	:	Quality control
Record of Depositors	:	A record provided by Bursa Depository to the Company under the Rules of Bursa Depository
ROC	:	Registrar of Companies
RRPT	:	Recurrent related party transactions
Rules	:	Rules of Bursa Depository
SAC	:	Shariah Advisory Council of the SC
SC	:	Securities Commission Malaysia
SDBA 1974	:	Street Drainage and Building Act, 1974

DEFINITIONS *(Cont'd)*

SELO Licence	:	Production Licence of Special Equipment issued by the State Administration for Market Regulation, People's Republic of China
Selling Shareholder	:	The selling shareholder pursuant to the Offer for Sale is Budhi Sentoso Rachmat, being the substantial shareholder of our Company
Share Registrar	:	Bina Management (M) Sdn Bhd (Registration No. 197901005880 (50164-V))
SICDA	:	Securities Industry (Central Depositories) Act, 1991
SOCSO	:	Social Security Organisation, also known as PERKESO (Pertubuhan Keselamatan Sosial)
SOP	:	Standard operating procedure(s)
Specified Shareholder(s)	:	The specified shareholders comprising: (i) Promoters; and (ii) persons connected to the Promoters
SSA	:	Conditional share sale agreement dated 23 August 2024 entered into between Pan Merchant, and the respective shareholders of PMIT Malaysia for the Acquisition of PMIT Malaysia
Supplemental SSA	:	Supplemental share sale agreement to the SSA dated 5 December 2024 entered into between Pan Merchant, and the respective shareholders of PMIT Malaysia for the Acquisition of PMIT Malaysia
Surprise Holiday	:	A day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
TCPA 1976	:	Town and Country Planning Act, 1976
Underwriting Agreement	:	The underwriting agreement dated 7 May 2025 entered into between our Company and Affin Hwang IB, being the Sole Underwriter, pursuant to our IPO
USA	:	The United States of America
Valuation Certificate	:	Valuation certificate issued by the Valuer dated 16 October 2024 in relation to the valuation of our Headquarters
Valuer	:	CBRE WTW Valuation & Advisory Sdn Bhd (Registration No. 197401001098 (18149-U))

DEFINITIONS *(Cont'd)*

CURRENCIES AND UNITS

EUR	:	Euros
GBP	:	British Pound
JPY	:	Japanese Yen
RM and sen	:	Ringgit Malaysia and sen, respectively
RMB	:	Chinese Yuan Renminbi
SGD	:	Singapore Dollars
USD and cents	:	United States Dollar
°C	:	Degree Celsius
kg	:	Kilogramme
L	:	Litre(s)
mm	:	Millimetre
sq. ft.	:	Square feet
sq. m.	:	Square metre
T	:	Tonne(s)

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GLOSSARY OF TECHNICAL TERMS

Technical terms used in this Prospectus shall have the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

acid pickling	:	A method to remove rust and scale from metal through the use of mineral acids in order to prepare metal for coating, painting and lining
agitator	:	An apparatus to mechanically stir solutions or substances
ASME	:	American Society of Mechanical Engineers, a global organisation that sets globally recognised codes and standards for mechanical devices
cake	:	The build-up of solid particles retained on the filter elements after the filtration process
CE	:	Conformité Européenne, being a certificate that certifies that a product has met European Union's health, safety, and environmental requirements, which ensure consumer safety
chemical composition	:	The arrangement, type and ratio of molecules present in the slurry
CNC	:	Computer numerical control, which is a machine that allows for precision engineering through the use of pre-programmed computer software
control panel	:	An electrical panel configured with a programmable logic controller to control the equipment's functions such as starting and shutting off, and allowing for the shifting of filter elements and hydraulic pressure regulation
density	:	The compactness of the slurry which is measured by the mass of slurry per unit of volume
end-user industry	:	An industry that will be using the Group's products in their operations
equipment main body	:	The frame of the filter press or vessel of a pressure leaf filter that holds all other components such as filter elements, plate opening system and may include hydraulic system
filter	:	Solid liquid filtration equipment designed to separate solid particles from the slurry in large quantities
filter element	:	A component in a filter which is used to trap solid particles present in the slurry. In the context of this Prospectus, filter elements comprise filter plates, filter leaves or candles fitted with filter media
filter leaves	:	A filter element that uses filter cloths, wire mesh or a combination of both as its filter media
filter media	:	Components which are used together with filter elements to remove or trap solid particles from slurry such as filter cloths, bag filters, filter sleeves, filter mesh and cartridges
filter press	:	A filter that comprises a metal structural frame that holds an array of filter plates which can perform solid liquid filtration as further described in Section 7.3.1(i) of this Prospectus
filtrate	:	Filtered liquid after the filtration process

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

filtration solution	:	The design, manufacture, assembly and commissioning of solid liquid filtration equipment that matches the needs and requirements of the industry application
fraction	:	A portion of a mixture that may be separated according to its boiling or melting point or solubility
grit blasting	:	A process where abrasive particles are propelled by compressed air at a surface in order to clean or roughen the surface.
handle	:	An attachment to manually hold a filter leaf for easy lifting and handling
hermetic filter	:	A filter in a fully sealed, pressure-tight vessel that uses filter elements such as filter leaves, candles, filter bags, and cartridges as described in Section 7.3.1(ii) of this Prospectus
hydraulic system	:	A component in the filter press which is used to control the movement of the hydraulic piston to create and build the necessary closing pressure within the equipment so that slurry can be pumped through the filter elements to be filtered
hydro-mechanical filter cloth cleaning system	:	An automated system used in the filter press which automatically cleans filter elements using water spray jet at high pressure to precisely remove dirt and sediments accumulated on filter elements
micron rating	:	A rating that is used to indicate the size of particles
moisture content	:	The weight of water present in a cake
moisture tester	:	A device to measure the moisture content of the slurry by drying the slurry and determining the moisture content from the weight difference
nozzle	:	An outlet to drain liquid
oxygen-acetylene machine	:	A machine to perform cutting of steel materials at high temperatures using fuel gases and oxygen
P&ID	:	Piping and instrumentation diagram, which shows the interconnection of piping and related components of the solid liquid filtration equipment
particle size distribution	:	The number of particles of varying sizes that are present in the slurry
passivation	:	A chemical process used to enhance the corrosion resistance of metal surfaces, particularly stainless steel and other alloys
pH	:	Potential of hydrogen ion concentration, which is a measure of acidity or alkalinity of a slurry
plasma cutting machine	:	A machine to perform cutting of steel materials using a plasma stream, which is formed by forcing a gas through a nozzle and adding an electric current to it
plate opening system	:	A system used in the filter press which enables the opening of filter elements so that the cakes formed on the filter elements can be discharged
PLC	:	Programmable logic controller, a computer system that is used to control and automate the functions of an equipment

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

pressure leaf filter	:	A type of hermetic filter that holds an array of filter leaves which can perform solid liquid filtration as further described in Section 7.3.1(ii) of this Prospectus
RBD	:	Refined, bleached and deodorised
replacement parts	:	A part used to replace another part which is typically broken, worn out or defective
rivet	:	A permanent fastener to secure 5 layers of wire mesh onto a steel profile, in order to produce a filter leaf
SCADA	:	Supervisory control and data acquisition, which is a software to monitor and control machines and processes
silumin	:	An alloy comprising aluminium and silicon
slurry	:	A mixture of solid particles in liquid. In the context of this Prospectus, this refers to the medium that is intended to be filtered
solid particles	:	The solid matter present in the slurry
spray painting	:	A painting technique which utilises a device to spray paint onto a surface
U-fork	:	An attachment to connect a filter leaf to the vibrator
viscosity	:	A measure of the slurry's resistance to flow
winterisation	:	A process used in the refining of edible oils (such as soybean oil) to separate components of the edible oils into 2 or more fractions using the difference in their melting points. It involves the cooling of the edible oil such that certain components of the oil (such as fats and waxes) with higher melting points form solid particles can then be separated

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1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name/(Designation)	Address	Nationality
Datuk Tan Leh Kiah (M) *(Independent Non-Executive Chairman)*	44 Jalan BU 1/7, Bandar Utama, 47800 Petaling Jaya, Selangor	Malaysian
Wong Voon Ten (M) *(Managing Director)*	11A, Jalan SS 24/14, Taman Megah, 47301 Petaling Jaya, Selangor	Malaysian
Wong Nyeon Thiat (F) *(Executive Director)*	54, Jalan BU 11/7, Bandar Utama, 47800 Petaling Jaya, Selangor	Malaysian
Wong Voon Yoong (M) *(Executive Director)*	No. 30, Jalan Setia Duta U13/23W, Setia Alam, 40170 Shah Alam, Selangor	Malaysian
Wong Voon Shek (M) *(Executive Director)*	No. 5, Jalan TR 2/3 Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor	Malaysian
Lee Cheng Ngee (M) *(Executive Director)*	54, Jalan BU 11/7, Bandar Utama, 47800 Petaling Jaya, Selangor	Malaysian
Datuk Seri Nurmala binti Abd Rahim (F) *(Senior Independent Non-Executive Director)*	E-19-3, Villa Wangsamas Condo, Jalan Seri Wangsa I, Wangsa Maju, 53300 Kuala Lumpur	Malaysian
Datin Ooi Swee Lian (F) *(Independent Non-Executive Director)*	A-31-2, 9 Bukit Utama, Persiaran Bukit Utama, Bandar Utama, 47800 Petaling Jaya, Selangor	Malaysian
Fong Kit Chiu (M) *(Independent Non-Executive Director)*	7 Jalan PJU3/12B, Tropicana Indah, 47410 Petaling Jaya, Selangor	Malaysian
Ir. Viyasan K Krishnan (M) *(Independent Non-Executive Director)*	64, Jalan USJ 11/4C, 47620 Subang Jaya, Selangor	Malaysian

Notes:

(M) Male

(F) Female

1. CORPORATE DIRECTORY *(Cont'd)*

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Fong Kit Chiu	Chairperson	Independent Non-Executive Director
Datuk Seri Nurmala binti Abd Rahim	Member	Senior Independent Non-Executive Director
Datin Ooi Swee Lian	Member	Independent Non-Executive Director
Ir. Viyasan K Krishnan	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Datin Ooi Swee Lian	Chairperson	Independent Non-Executive Director
Datuk Seri Nurmala binti Abd Rahim	Member	Senior Independent Non-Executive Director
Fong Kit Chiu	Member	Independent Non-Executive Director
Ir. Viyasan K Krishnan	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Datuk Seri Nurmala binti Abd Rahim	Chairperson	Senior Independent Non-Executive Director
Fong Kit Chiu	Member	Independent Non-Executive Director
Datin Ooi Swee Lian	Member	Independent Non-Executive Director
Ir. Viyasan K Krishnan	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY *(Cont'd)*

COMPANY SECRETARIES	:	**Wong Youn Kim**
		Professional Qualification : Chartered Secretary, Fellow of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA 7018778)
		SSM Practicing Certificate No. : 201908000410
		Lee Chin Wen
		Professional Qualification : Chartered Secretary, Associate of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA 7061168)
		SSM Practicing Certificate No. : 202008001901
		Niche & Milestones International Sdn Bhd (Registration No.: 200001030837 (533444-V)) B-25-2, Block B, Jaya One No. 72A, Jalan Prof Diraja Ungku Aziz 46200 Petaling Jaya Selangor Darul Ehsan
		Telephone No. : (03) 7955 0955
REGISTERED OFFICE	:	B-25-2, Block B, Jaya One No. 72A, Jalan Prof Diraja Ungku Aziz 46200 Petaling Jaya Selangor Darul Ehsan
		Telephone No. : (03) 7955 0955
HEAD/MANAGEMENT OFFICE	:	Nos. 17 & 19 Jalan Pengacara U1/48 Temasya Industrial Park 40150 Shah Alam Selangor Darul Ehsan
		Telephone No. : (03) 5569 3993
		Email : info@pmi-group.com
		Website : www.pmi-group.com
PRINCIPAL ADVISER, SPONSOR, SOLE PLACEMENT AGENT AND SOLE UNDERWRITER	:	**Affin Hwang Investment Bank Berhad** (Registration No. 197301000792 (14389-U)) Level 19, Menara Affin Lingkaran TRX Tun Razak Exchange 55188 Kuala Lumpur
		Telephone No. : (03) 2142 3700

1. CORPORATE DIRECTORY *(Cont'd)*

AUDITORS AND REPORTING ACCOUNTANTS	:	**Crowe Malaysia PLT** (201906000005 (LLP0018817-LCA) & AF 1018) Level 16, Tower C Megan Avenue II 12 Jalan Yap Kwan Seng 50450 Kuala Lumpur Telephone No. : (03) 2788 9999 Partner-in-charge : Ho Yen Ling Approval No. : 03378/06/2026 J Professional Qualification : Chartered Accountant Malaysian Institute of Accountants (Membership No. 33989)
SOLICITORS FOR THE LISTING	:	**Cheang & Ariff** Loke Mansion 273A, Jalan Medan Tuanku 50300 Kuala Lumpur Telephone No. : (03) 2691 0803
SHARE REGISTRAR	:	**Bina Management (M) Sdn Bhd** (Registration No. 197901005880 (50164-V)) Lot 10, The Highway Centre Jalan 51/205 46050 Petaling Jaya Selangor Darul Ehsan Telephone No. : (03) 7784 3922
ISSUING HOUSE	:	**Malaysian Issuing House Sdn. Bhd.** (Registration No. 199301003608 (258345-X)) 11th Floor, Menara Symphony No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13 46200 Petaling Jaya Selangor Darul Ehsan Telephone No. : (03) 7890 4700
INDEPENDENT MARKET RESEARCHER	:	**Providence Strategic Partners Sdn Bhd** (Registration No. 201701024744 (1238910-A)) 67-1, Block D The Suites, Jaya One No. 72A, Jalan Prof Diraja Ungku Aziz 46200 Petaling Jaya Selangor Darul Ehsan Telephone No. : (03) 7625 1769 Person-in-charge : Melissa Lim Qualification : Bachelor of Commerce (Double major in Marketing and Management) from Murdoch University, Australia *(Please refer to Section 8 of this Prospectus for the profile of the firm and signing partner)*

1. CORPORATE DIRECTORY *(Cont'd)*

INTERNAL CONTROL CONSULTANT	:	**Resolve IR Sdn Bhd** (Registration No. 201901026803 (1336132-T)) Unit 29-2, Level 29, Oval Damansara Taman Tun Dr Ismail 60000 Kuala Lumpur Telephone No. : (03) 9771 4681
TAX CONSULTANT	:	**Crowe KL Tax Sdn Bhd** (Registration No. 197101000345 (10709-X)) Level 15, Tower C, Megan Avenue 2 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur Telephone No. : (03) 2788 9898 Person-in-charge : Chong Mun Yew Qualification : Fellow Chartered and Certified Accountant (FCCA), CPA(M)
VALUER	:	**CBRE WTW Valuation & Advisory Sdn Bhd** (Registration No. 197401001098 (18149-U)) 30-01, 30th Floor Menara Multi-Purpose 8 Jalan Munshi Abdullah PO Box 12157 50100 Kuala Lumpur Telephone No. : (03) 2616 8888 Valuer-in-charge : Sr Ungku Iskandar Ungku Ismail Registration No. V-855 Qualification : BSc. (Hons) Property Management
LISTING SOUGHT	:	ACE Market of Bursa Securities
SHARIAH STATUS	:	Approved by the SAC

2. APPROVALS AND CONDITIONS

2.1 APPROVALS AND CONDITIONS FROM RELEVANT AUTHORITIES

2.1.1 Bursa Securities

Bursa Securities had, vide its letter dated 9 April 2025, approved our Listing. The approval from Bursa Securities is subject to the following conditions:

Details of conditions imposed		Status of compliance
1.	Submission of the following information with respect to the moratorium on the shareholdings of the Specified Shareholders to Bursa Malaysia Depository Sdn Bhd: (a) Name of shareholders; (b) Number of Shares; and (c) Date of expiry of the moratorium for each block of Shares.	To be complied
2.	Approvals from other relevant authorities have been obtained for implementation of the listing proposal;	Complied
3.	The Bumiputera equity requirements for public listed companies as approved/exempted by the SC including any conditions imposed thereon;	To be complied
4.	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Note 15 of the Listing Requirements;	To be complied
5.	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire enlarged issued share capital of Pan Merchant on the first day of listing;	To be complied
6.	In relation to the public offering to be undertaken by Pan Merchant, to announce at least 2 market days prior to the listing date, the result of the offering including the following: (a) Level of subscription of public balloting and placement; (b) Basis of allotment/allocation; (c) A table showing the distribution for placement tranche as per the format in Appendix I of Bursa Securities' approval letter; and (d) Disclosure of placees who become substantial shareholders of Pan Merchant arising from the public offering, if any. Affin Hwang IB is reminded that it must ensure that the overall distribution of Pan Merchant's securities is properly carried out to mitigate any disorderly trading in the secondary market; and	To be complied
7.	Pan Merchant/Affin Hwang IB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of Pan Merchant to the Official List of the ACE Market.	To be complied

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

2.1.2 SC

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

The SC had, vide its letter dated 18 April 2025, approved the resultant equity structure of our Company pursuant to our Listing under the Bumiputera equity requirement for public listed companies, subject to the following conditions:

Details of conditions imposed	Status of compliance
1. Pan Merchant to allocate Shares equivalent to 12.5% of the Company's enlarged number of issued Shares upon listing to Bumiputera investors to be approved by MITI.	To be complied
2. Pan Merchant to make available at least 50% of the Shares offered to the Malaysian public investors via balloting to Bumiputera public investors.	To be complied

2.1.3 MITI

The MITI had, vide its letter dated 7 January 2025, stated that it has taken note of and has no objection to our Listing.

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

2.2 MORATORIUM ON OUR SHARES

As at the date of submission of the listing application in relation to our IPO to Bursa Securities, our Company has met the quantitative criteria for admission to the Main Market of Bursa Securities. Pursuant to Rule 3.19(1A)(b) of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of our Shares held by our Specified Shareholders for a period of 6 months from the date of our admission to the Official List ("**Moratorium Period**").

The Shares held by our Specified Shareholders which will be subject to moratorium during the Moratorium Period are as follows:

Names	**Moratorium Period (6 months from Listing date)**	
	No. of Shares	**(1) %**
Wong Voon Ten	136,762,420	14.93
Wong Nyeon Thiat	51,285,908	5.60
Wong Voon Yoong	136,762,420	14.93
Wong Voon Shek	85,476,512	9.33
Lee Cheng Ngee	136,762,420	14.93
Persons connected to Promoters who are also employees of our Group ("**Persons Connected**") (2)		
Lee Han Jun	500,000	0.05
Ko Siu Lun	686,000	0.07
Khoo Bee Lan	1,333,500	0.15
Wong Qin-Ferng	447,000	0.05
Wong Qin-Wen	382,000	0.04
Total	**550,398,180**	**60.08**

Notes:

(1) Based on our enlarged total number of issued Shares of 916,000,000 Shares after our IPO.

(2) The relationships between the Persons Connected and our Promoters as well as their respective employment roles in our Group are as follows:

Name	**Employment role in our Group**	**Nature of relationship**
Lee Han Jun	Head of Innovation and Technology	Son of Lee Cheng Ngee and Wong Nyeon Thiat
Ko Siu Lun	Head of Global Operations	Son-in-law of Wong Voon Ten
Khoo Bee Lan	Sales and Administration Manager	Spouse of Wong Voon Yoong
Wong Qin-Ferng	After-Sales Executive	Son of Wong Voon Yoong
Wong Qin Wen	Sales Executive	Son of Wong Voon Yoong

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

Our Specified Shareholders have provided written undertakings to Bursa Securities that they will not sell, transfer or assign any part of their Shares under moratorium during the Moratorium Period in accordance with Rule 3.19(1A)(b) of the Listing Requirements.

The above moratorium restrictions, which are fully acknowledged and accepted by our Specified Shareholders will be specifically endorsed on the share certificates representing the Shares held by our respective Specified Shareholders to ensure that our Share Registrar will not register any sale, transfer or assignment that contravenes the above moratorium restrictions. In compliance with the restrictions, our Share Registrar will issue share certificates representing the moratorium block of Shares with the moratorium clause endorsed on them together with a letter providing details of the moratorium to Bursa Depository.

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3. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

3.1 PRINCIPAL DETAILS OF OUR IPO

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

Number of Shares to be issued under the Public Issue	
- Malaysian Public	45,800,000
- Eligible Persons	14,603,000
- Private placement to selected investors	57,284,900
- Private placement to Bumiputera investors approved by the MITI	114,500,000
Total	**232,187,900**
Number of Shares to be offered under the Offer for Sale	18,000,000
Enlarged issued share capital upon Listing	RM131,071,943 comprising 916,000,000 Shares
IPO Price	RM0.27
Market capitalisation upon Listing (based on the IPO Price and our enlarged issued share capital after the IPO)	RM247,320,000

Please refer to Section 4.3 of this Prospectus for further details on our IPO.

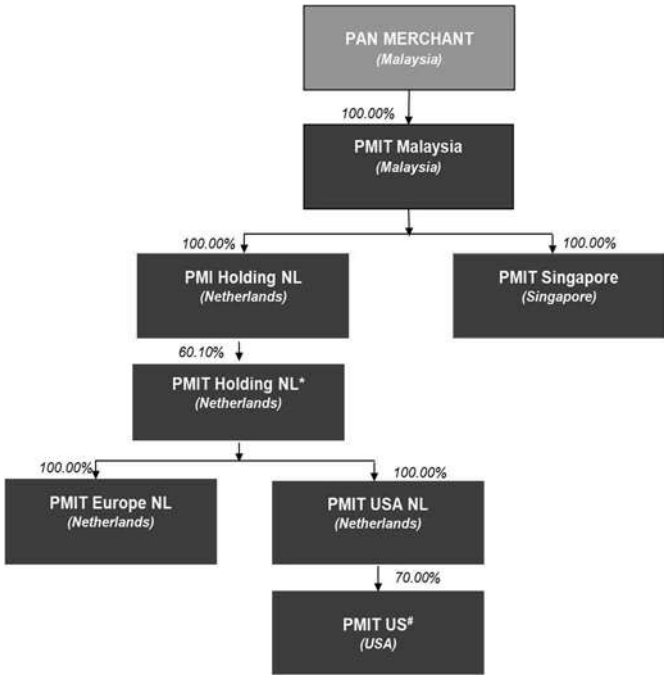
As at the date of submission of the listing application in relation to our IPO to Bursa Securities, our Company has met the quantitative criteria for admission to the Main Market of Bursa Securities. Pursuant Rule 3.19(1A)(b) of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of our Shares held by our Specified Shareholders for a period of 6 months from the date of our admission to the Official List. Further details on the moratorium of our Shares are set out in Section 2.2 of this Prospectus.

3.2 OUR BUSINESS AND OPERATIONAL HIGHLIGHTS

Our Company was incorporated in Malaysia under the Act on 18 March 2024 as a private limited company under the name of Pan Merchant Sdn Bhd. Subsequently, our Company was converted to a public limited company on 28 May 2024 to facilitate our Listing. Our Group was formed pursuant to the completion of the Acquisition of PMIT Malaysia on 2 May 2025 where our Company had acquired the entire issued share capital of PMIT Malaysia. PMIT Malaysia was the holding company and became the intermediate holding company after the Acquisition of PMIT Malaysia.

3. PROSPECTUS SUMMARY *(Cont'd)*

Our current Group structure is illustrated below:



Notes:

* The other shareholders of PMIT Holding NL are F.G. Veldkamp Beheer B.V.[1] (15.00%), Lupé Beheer B.V.[2] (10.00%), EMMAX Beheer B.V.[3] (10.00%) and Jasper Johannes Vreeman (4.90%).

1 F. G. Veldkamp Beheer B.V. is owned by JEA Veldkamp-Braakhuis, mother of Rick Sebastiaan Veldkamp, who is one of the Key Senior Management of PMIT Europe NL.

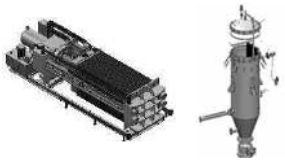
2 Lupé Beheer B.V. is owned by Marcel Nicolaas Lupé, who is one of the Key Senior Management of PMIT Europe NL.

3 EMMAX Beheer B.V. is owned by Rick Sebastiaan Veldkamp, who is one of the Key Senior Management of PMIT Europe NL.

\# The remaining shareholder of PMIT US is Ryan Christopher Boyd (30.00%), who is a partner that our Group has identified to operate our subsidiary in USA.

Our Company is an investment holding company. Through our Subsidiaries, we are principally involved in the design, manufacture, assembly, delivery and commission of filters for solid liquid filtration, provision of steel works and provision of technical support services. Please refer to Sections 6.1 and 6.2 of this Prospectus for further details on our Group.

A summary of our Group's business model is as illustrated below:

	FILTRATION SOLUTIONS	STEEL WORKS	TECHNICAL SUPPORT SERVICES
			
PRODUCTS/ SERVICES	Design, manufacturing, assembly, delivery and commissioning of: • Filter press • Hermetic filters	Design and/or fabricate steel-based vessels/equipment	• After-sales support services • Replacement part support • Maintenance services
REVENUE MODEL	• One-off project fee	• One-off project fee	• Recurring service fee
END-USER INDUSTRIES	• Edible oil industry • Potable water and wastewater industry • Sustainable fuel industry • Food processing industry • Other industries such as oleochemical, chemical and industrial minerals industries		

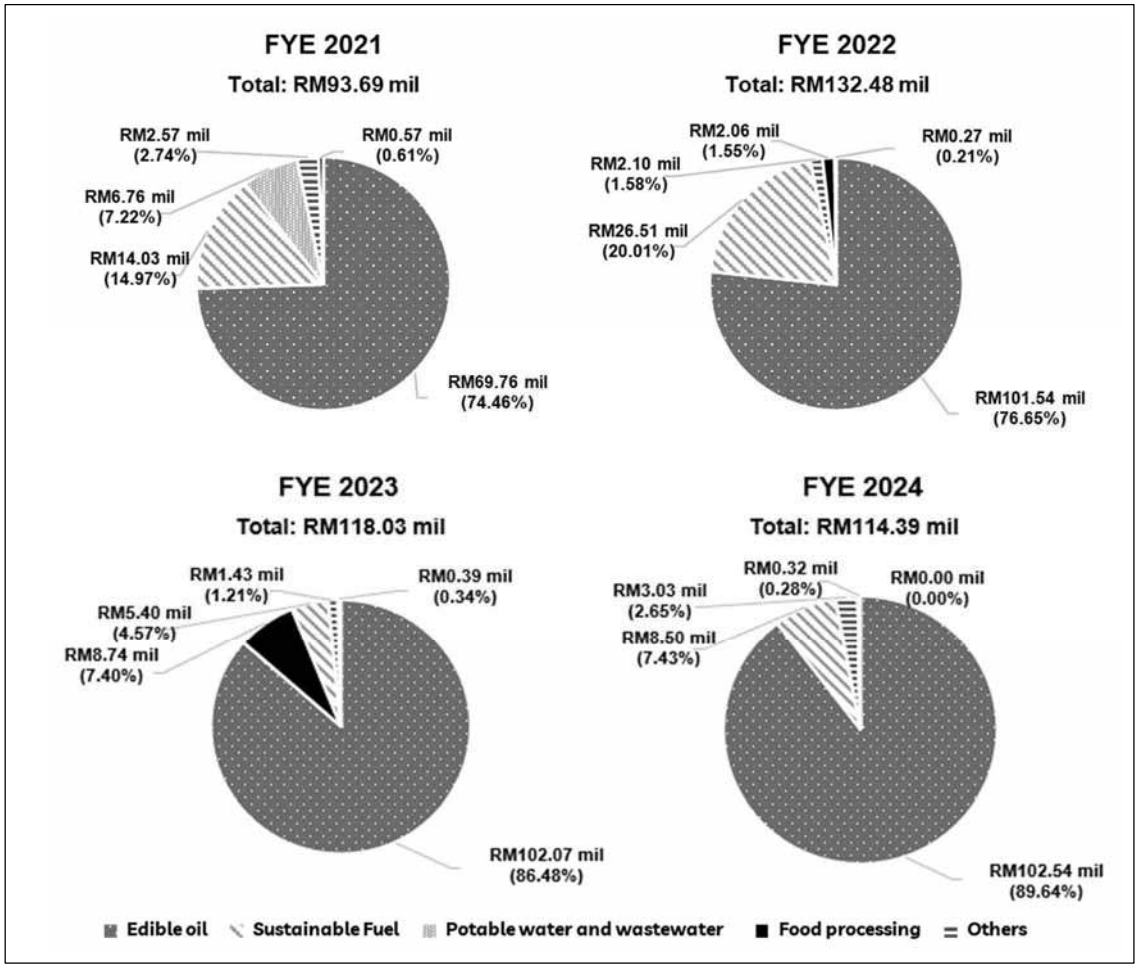
3. PROSPECTUS SUMMARY *(Cont'd)*

Our Group's core products are filter presses and hermetic filters, which collectively contributed 68.71% to 72.73% to our Group's revenues during the Financial Years Under Review. These filters are used to separate solid particles from slurry in large quantities and can be used in a diverse range of end-user industries.

In addition to providing filtration solutions, our Group is also involved in the provision of technical support services such as after-sales support, replacement parts and maintenance services, and provision of steel works through the design and fabrication of steel-based vessels/equipment.

Details on our products and services are set out in Section 7.3 of this Prospectus.

Revenue from our Group's filtration solutions and steel work segments were generated from the following end-user industries during the Financial Years Under Review:



For the Financial Years Under Review, we have designed, manufactured, assembled, delivered and commissioned filters as well as performed steel works and technical support services for customers located in Asia (including Malaysia and Indonesia), America, Europe and Africa regions.

The majority of our revenue was generated from Asia which contributed 65.65% to 86.23% of our revenue during the Financial Years Under Review. Indonesia was the largest contributor, accounting for 38.31% to 57.47% of our revenue during the Financial Years Under Review.

Please also refer to Section 7.5 of this Prospectus for further details on the revenue segmentation of the Group's business.

3. PROSPECTUS SUMMARY *(Cont'd)*

3.3 COMPETITIVE STRENGTHS

Our competitive strengths are summarised as follows:

(i) We have a proven track record of 38 years in providing filtration solutions and have been able to establish our industry reputation under our "PMI" trade name as the largest homegrown solid liquid filtration solution provider.

(ii) We have the capability to compete internationally with global solid liquid filtration solution providers.

(iii) We have the in-house expertise to design our filters to serve a diverse range of industry applications and are continuously engaging in product development activities.

(iv) We have manufacturing and assembly capabilities, and we can meet internationally recognised standards to serve our global customers.

(v) We have experienced and committed Executive Directors and Key Senior Management team.

(vi) We benefit from repeated sales orders for replacement parts and recurrent revenue from technical support services.

Further details on our competitive strengths are set out in Section 7.7 of this Prospectus.

3.4 OUR FUTURE PLANS AND STRATEGIES

In summary, our future plans will strategically focus on the following areas:

GROWTH AREAS	EXISTING	FUTURE PLANS AND STRATEGIES
Enhancing manufacturing capabilities 	Some processes are performed manually and some are outsourced to outsourced manufacturers	The set up of an additional filter leaf production line at Jelapang Plant 1 and new automated machineries, equipment and tools will: - Improve consistency in the production of quality filters - Reduce manpower requirement - Reduce outsourcing
Product development on filters and components 	Mainly cater to the edible oil, sustainable fuels, potable water and wastewater, and food processing industries.	Invest in the following to cater for product development activities: - Customising filters to cater for new end-user industries - Enhancing existing filters and supporting equipment - Designing and manufacturing filters in modular form - Designing replacement parts in-house - Development of a mobile filtration test centre
Geographical presence and reach 	Geographical market reach spans across the Asia, America, Europe, and Africa regions	Grow our presence in international markets by: - Expanding our Netherlands office and setting up an additional filter leaf production line to cater for increasing orders locally and internationally - Intensify our sales and marketing activities.

Further details on our future plans and strategies are set out in Section 7.22 of this Prospectus.

3. PROSPECTUS SUMMARY *(Cont'd)*

3.5 RISK FACTORS

Before investing in our Shares, you should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors that may have a significant impact on the future performance of our Group. A summary of the key risk factors affecting our business and operations are set out below:

(i) We are dependent on our ability to secure new projects and customers

We generally do not enter into long-term contractual agreements with our customers. As such, our financial performance is dependent on our ability to secure new purchase orders and/or contracts to sustain our order book. If we are unable to do so, our order book may decline and this would adversely affect our business sustainability and future business performance.

(ii) Our business is dependent on necessary licences, permits and accreditations

If we are unable to continuously comply with all the regulations and/or conditions of our licences and accreditations, such licences and accreditations may be suspended or revoked and we are at risk of not being able to renew these licences and accreditations. Consequently, we will not be able to export to certain countries and this may have an impact on our business operations and industry reputation.

(iii) We are dependent on our major customers

We may experience a reduction in sales which could result in a loss of revenue should any of our major customers cease to purchase from us and/or if we are unable to secure new customers in a timely manner to replace the customers which have ceased to purchase from us.

(iv) We are dependent on our Executive Directors and our Key Senior Management for the continued success of our Group

Any loss of our Executive Directors and Key Senior Management without a suitable and timely replacement may have a material adverse impact on our business and our ability to continue competing effectively in the industry.

(v) We may face disruptions in our manufacturing plants

Our manufacturing activities require the use of various machinery and equipment which may be subject to unanticipated operational failures, sub-optimal performance, damages or disruptions to the supply of electricity. Any prolonged interruptions in our business operations will affect our production schedules and timely delivery of our products, which may result in order cancellations and adversely impact our industry reputation and relationships with our customers.

(vi) We are dependent on foreign workers in our operations

Any changes in labour and immigration policies and regulations, and visa restrictions on foreign workers will lead to interruptions to our business operations. We may also be impacted by any changes in government policies and regulations that may affect the cost of hiring foreign workers.

3. PROSPECTUS SUMMARY *(Cont'd)*

(vii) We are exposed to foreign currency exchange risk

We procure materials and components from both local suppliers and foreign suppliers based in Europe and Asia. As such, we are susceptible to the risk of foreign currency fluctuations as approximately 26.27% to 45.35% of our purchases for the Financial Years Under Review of our materials and components are purchased in foreign currency. Any unfavourable exchange rate may affect our ability to offer competitive pricing to our customers which may adversely impact our business.

(viii) We may not have sufficient insurance to cover all losses or liabilities that may occur due to our business operations

Any losses or damages in excess of our insured limit or in areas where insurance protection is insufficient to cover such risks may have a negative impact on our business, financial performance and operations.

(ix) We may not be able to successfully execute our future plans

We expect to allocate significant efforts and resources to executing our future plans and there can be no assurance that the implementation of our expansion plans will yield the expected results or that we will be able to recover our initial capital outlay. Should our future plans not materialise or yield the results we expect, this may adversely affect our growth and financial performance.

(x) Competition risks

Our Group competes with other existing global and local industry players who offer similar filters. We may also face competition from new and prospective industry players.

(xi) We are dependent on the performance of the industries in which our customers operate

For the Financial Years Under Review, our customers are mainly concentrated within the edible oil industry. As such, any adverse changes to the edible oil industry and adverse political, regulatory or economic developments, which may have unfavourable impact on the industries in which our customers serve or operate in. This may subsequently lead to a reduction in demand for our filtration solutions, which would then have an adverse impact on our business and financial performance.

(xii) We are exposed to economic, political and regulatory risks in Malaysia as well as in the countries in which we, our customers and suppliers, currently or may in the future operate in, as well as the occurrence of force majeure events

These factors, which are beyond our Group's control, may have a direct impact on the demand and supply of our services which may affect our business and financial performance.

(xiii) We are subject to fluctuations in steel prices

Our Group's materials mainly comprise mild, carbon and stainless steel materials which are sourced from local and foreign suppliers. If we are unable to reflect the increase in material costs in our selling prices to our customers, we may have to bear such increased costs ourselves, and this may have a material adverse impact on our financial performance.

3. PROSPECTUS SUMMARY *(Cont'd)*

(xiv) We may not be able to pay dividends

We propose to pay dividends after setting aside the necessary funds for capital expenditure and working capital. However, there can be no assurance that our working capital will be sufficient or that we will be able to make dividend payments.

Further details on our risk factors are set out in Section 9 of this Prospectus.

3.6 DIRECTORS AND KEY SENIOR MANAGEMENT OF OUR GROUP

As at the LPD, our Directors and Key Senior Management are as follows:

Name	Designation
Directors	
Datuk Tan Leh Kiah (M)	Independent Non-Executive Chairman
Wong Voon Ten (M)	Managing Director
Wong Nyeon Thiat (F)	Executive Director
Wong Voon Yoong (M)	Executive Director
Wong Voon Shek (M)	Executive Director
Lee Cheng Ngee (M)	Executive Director
Datuk Seri Nurmala binti Abd Rahim (F)	Senior Independent Non-Executive Director
Datin Ooi Swee Lian (F)	Independent Non-Executive Director
Fong Kit Chiu (M)	Independent Non-Executive Director
Ir. Viyasan K Krishnan (M)	Independent Non-Executive Director
Key Senior Management	
Kum Kin Chung (M)	Head of Engineering and Design
Loh Chee Hoong (M)	Head of Sales, Process Equipment
Chin Wai Chun (M)	Factory Operations Senior Manager
Lee Han Jun (M)	Head of Innovation and Technology
Tan Bee Hoi (F)	Chief Financial Officer
Chin Chee Ming (M)	Senior Manufacturing Manager
Chan Chee Hing (M)	Head of Administration and Finance
Ko Siu Lun (M)	Head of Global Operations
Marcel Nicolaas Lupé (M)	Supply Chain and Operations Director/Managing Director for PMIT Europe NL
Rick Sebastiaan Veldkamp (M)	Sales and Marketing Director for PMIT Europe NL

Notes:
(M) Male
(F) Female

Further details on our Directors and Key Senior Management are set out in Sections 5.2 and 5.4 of this Prospectus.

3. PROSPECTUS SUMMARY *(Cont'd)*

3.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The details of our Promoters and substantial shareholders and their respective shareholdings in our Company before and after our IPO are as follows:

Name	Nationality	Before our IPO/As at the LPD				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1) %	No. of Shares	(1) %	No. of Shares	(2) %	No. of Shares	(2) %
Promoters and substantial shareholders									
Wong Voon Ten	Malaysian	136,762,420	20.00	-	-	136,762,420	14.93	-	-
Wong Nyeon Thiat	Malaysian	51,285,908	7.50	136,762,420	(3) 20.00	51,285,908	5.60	136,762,420	(3) 14.93
Wong Voon Yoong	Malaysian	136,762,420	20.00	-	-	136,762,420	14.93	222,400	(5) 0.03
Wong Voon Shek	Malaysian	85,476,512	12.50	-	-	85,476,512	9.33	-	-
Lee Cheng Ngee	Malaysian	136,762,420	20.00	51,285,908	(3) 7.50	136,762,420	14.93	51,285,908	(3) 5.60
Substantial shareholder									
Budhi Sentoso Rachmat	Indonesian	136,762,420	20.00	-	-	118,762,420	(4) 12.97	-	-

Notes:

(1) Based on our number of issued Shares of 683,812,100 Shares after the Acquisition of PMIT Malaysia but before our IPO.
(2) Based on our enlarged total number of issued Shares of 916,000,000 Shares after our IPO.
(3) Deemed interested by virtue of his/her spouse's direct shareholdings in the Company pursuant to Section 8 of the Act.
(4) Upon completion of the Offer for Sale, whereby the Selling Shareholder (Budhi Sentoso Rachmat) will offer 18,000,000 Shares by way of private placement to selected investors.
(5) Deemed interested by virtue of his spouse Khoo Bee Lan's direct shareholdings in the Company pursuant to Section 8 of the Act, assuming Khoo Bee Lan will fully subscribe for her allocation under the Pink Form Allocations. She is a person connected to the Promoters and also an employee of our Group holding the position of Sales and Administration Manager.

Further details on our Promoters' and substantial shareholders' shareholdings are set out in Section 5.1 of this Prospectus.

3. PROSPECTUS SUMMARY *(Cont'd)*

3.8 USE OF PROCEEDS

The total gross proceeds from the Public Issue will amount to RM62.69 million based on the IPO Price. We expect to use the proceeds in the following manner:

Details of use of proceeds	Estimated utilisation timeframe from the date of Listing	RM'000	%
Capital expenditure on manufacturing plants:			
(i) Acquisition of machinery, equipment and tools	Within 36 months	20,000	31.90
(ii) Renovation of manufacturing plants	Within 36 months	8,000	12.76
		28,000	44.66
Product development	Within 24 months	7,000	11.17
Business expansion	Within 24 months	6,000	9.57
Working capital	Within 12 months	14,691	23.43
Estimated expenses	Within 1 month	7,000	11.17
	Total	**62,691**	**100.00**

There is no minimum subscription amount to be raised under our IPO. Our Company will not receive any proceeds from the Offer for Sale.

Further details on the use of proceeds from our IPO are set out in Section 4.7 of this Prospectus. The financial impact of the use of proceeds from our Public Issue is illustrated in the Pro Forma Consolidated Statements of Financial Position as at 31 December 2024 set out in Section 12.9 of this Prospectus.

3.9 FINANCIAL HIGHLIGHTS

A summary of the historical audited consolidated financial statements of our Group are as follows:

	Audited			
	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000
Revenue	105,351	154,356	138,493	141,541
Cost of sales	(68,292)	(103,342)	(94,137)	(91,305)
GP	37,059	51,014	44,356	50,236
Other income	408	1,055	843	621
PBT	14,435	24,527	14,276	11,609
PAT	10,595	18,291	10,622	8,003
PATNCI	10,231	17,853	10,542	7,678
GP margin (%) [(1)]	35.18	33.05	32.03	35.49
PBT margin (%) [(2)]	13.70	15.89	10.31	8.20
PAT margin (%) [(3)]	10.06	11.85	7.67	5.65
PATNCI margin (%) [(4)]	9.71	11.57	7.61	5.42
Basic and diluted EPS (sen) [(5)]	1.12	1.95	1.15	0.84
Adjusted basic and diluted EPS (sen) [(5)(6)]	1.12	1.95	1.15	1.07

3. PROSPECTUS SUMMARY *(Cont'd)*

Notes:

(1) GP margin is computed based on GP divided by revenue.
(2) PBT margin is computed based on PBT divided by revenue.
(3) PAT margin is computed based on PAT divided by revenue.
(4) PATNCI margin is computed based PATNCI divided by revenue.
(5) For comparative purposes, the basic EPS is computed based on the PATNCI divided by the enlarged number of issued Shares upon completion of our IPO of 916,000,000 Shares. The diluted EPS is equal to the basic EPS as there were no potential dilutive securities in issue during the respective Financial Years Under Review.
(6) After excluding the listing expenses for our IPO of RM2.16 million incurred during the FYE 2024, our Group's adjusted PATNCI for the FYE 2024 is approximately RM9.84 million.

	Audited			
	As at 31 December			
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
Total assets	128,496	125,678	138,658	143,392
Total equity / NA	29,435	43,732	64,430	72,076
Total liabilities	99,061	81,946	74,228	71,316
Average trade receivables turnover period (days) (1)	90	74	81	77
Average trade payables turnover period (days) (2)	98	92	82	69
Current ratio (times) (3)	1.19	1.39	1.33	1.45
Gearing ratio (times) (4)	1.29	0.94	0.53	0.49

Notes:

(1) Trade receivables turnover period is computed based on average trade receivables over revenue for the respective financial year and multiplied by the number of days in the respective financial year.
(2) Trade payables turnover period is computed based on average trade payables over total purchases for the respective financial year and multiplied by the number of days in the respective financial year.
(3) Current ratio is computed based on current assets over current liabilities as at the end of the respective financial year.
(4) Gearing ratio is computed based on total borrowings (excluding lease liabilities arising from right-of-use assets) over total equity attributable to the owners of the Company as at the end of the respective financial year.

Further details on our Group's historical financial information are set out in Sections 12 and 13 of this Prospectus.

3.10 DIVIDEND POLICY

Our Group has the intention to target a dividend payout ratio in respect of each financial year of not less than 30% of our consolidated PATNCI and will consider several factors before declaring or recommending any dividend, including our working capital requirements, the availability of adequate reserves and cash flows, our operating cash flow requirements and financing commitments, our anticipated future expansion, capital expenditure and investment plans and any solvency requirements under the Act.

The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividends for the financial year may require our shareholders' approval.

Our Company had declared and paid dividends amounting to RM2.00 million, RM4.00 million and RM13.00 million in respect of the FYE 2021, FYE 2022 and FYE 2023 respectively. For information, there were no dividends declared or paid in FYE 2024. Further details on our dividend policy are set out in Section 12.8 of this Prospectus.

4. PARTICULARS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATIONS

The applications for our IPO Shares will open at 10:00 a.m. on 6 June 2025 and close at 5:00 p.m. on 17 June 2025. Late applications will not be accepted.

4.2 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative dates:

Events	Time / Date
Opening of Applications	10:00 a.m., 6 June 2025
Closing of Applications	5:00 p.m., 17 June 2025
Balloting of Applications	19 June 2025
Allotment of our IPO Shares to successful applicants	25 June 2025
Listing	26 June 2025

If there is any change to the indicative timetable above, we will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper within Malaysia and make an announcement on Bursa Securities' website accordingly.

4.3 DETAILS OF OUR IPO

4.3.1 Listing Scheme

Our Listing Scheme in conjunction with and as an integral part of the listing of and quotation for our entire enlarged number of issued Shares on the ACE Market involves the following:

4.3.1.1 Acquisition of PMIT Malaysia;
4.3.1.2 Public Issue;
4.3.1.3 Offer for Sale; and
4.3.1.4 Listing.

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4.3.1.1 Acquisition of PMIT Malaysia

Our Company entered into the SSA and Supplemental SSA for the acquisition of the entire issued share capital of PMIT Malaysia of RM14,200,000 comprising 14,200,000 ordinary shares from the shareholders of PMIT Malaysia for a total purchase consideration of RM68,381,200 was completed on 2 May 2025. The purchase consideration was entirely satisfied by the issuance and allotment of 683,812,000 new Shares at an issue price of RM0.10 per Share to the shareholders of PMIT Malaysia, in the proportion as set out below:

Shareholders of PMIT Malaysia	**Shareholdings in PMIT Malaysia**		**Purchase consideration**	**No. of Pan Merchant Shares issued**
	No. of shares	**%**	**RM**	
Wong Voon Ten	2,840,000	20.00	13,676,240	136,762,400
Wong Nyeon Thiat	1,065,000	7.50	5,128,590	51,285,900
Wong Voon Yoong	2,840,000	20.00	13,676,240	136,762,400
Wong Voon Shek	1,775,000	12.50	8,547,650	85,476,500
Lee Cheng Ngee	2,840,000	20.00	13,676,240	136,762,400
Budhi Sentoso Rachmat	2,840,000	20.00	13,676,240	136,762,400
Total	**14,200,000**	**100.00**	**68,381,200**	**683,812,000**

The purchase consideration of RM68,381,200 was arrived at on a willing buyer-willing seller basis after taking into consideration the audited consolidated NA attributable to the owners of PMIT Malaysia as at 30 June 2024 of RM67,821,213 and adjusting for a revaluation surplus of RM560,000 (being the increase in market value of RM800,000 for the properties located at Headquarters and net of deferred tax arising from real property gains tax of RM240,000).

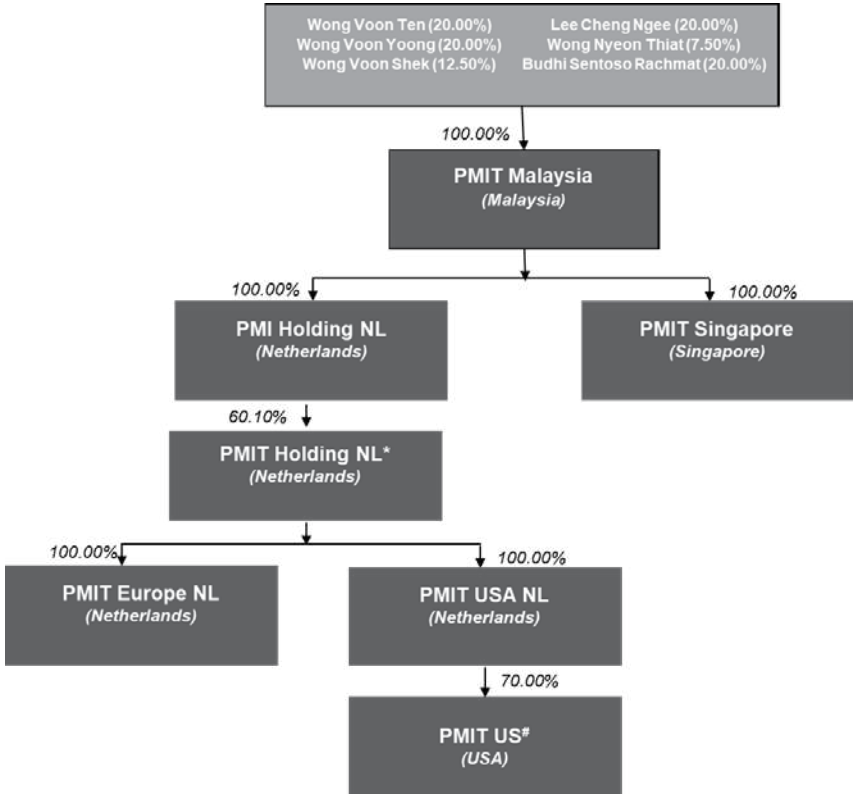
Upon completion of the Acquisition of PMIT Malaysia, the issued share capital of our Company increased to RM68,381,210 comprising 683,812,100 Shares. Prior to the Acquisition of PMIT Malaysia, PMIT Malaysia was the holding company to our other subsidiaries comprising PMIT Singapore, PMI Holding NL, PMIT Holding NL, PMIT Europe NL, PMIT USA NL and PMIT US. Subsequent to the completion of the Acquisition of PMIT Malaysia on 2 May 2025, our Group was formed.

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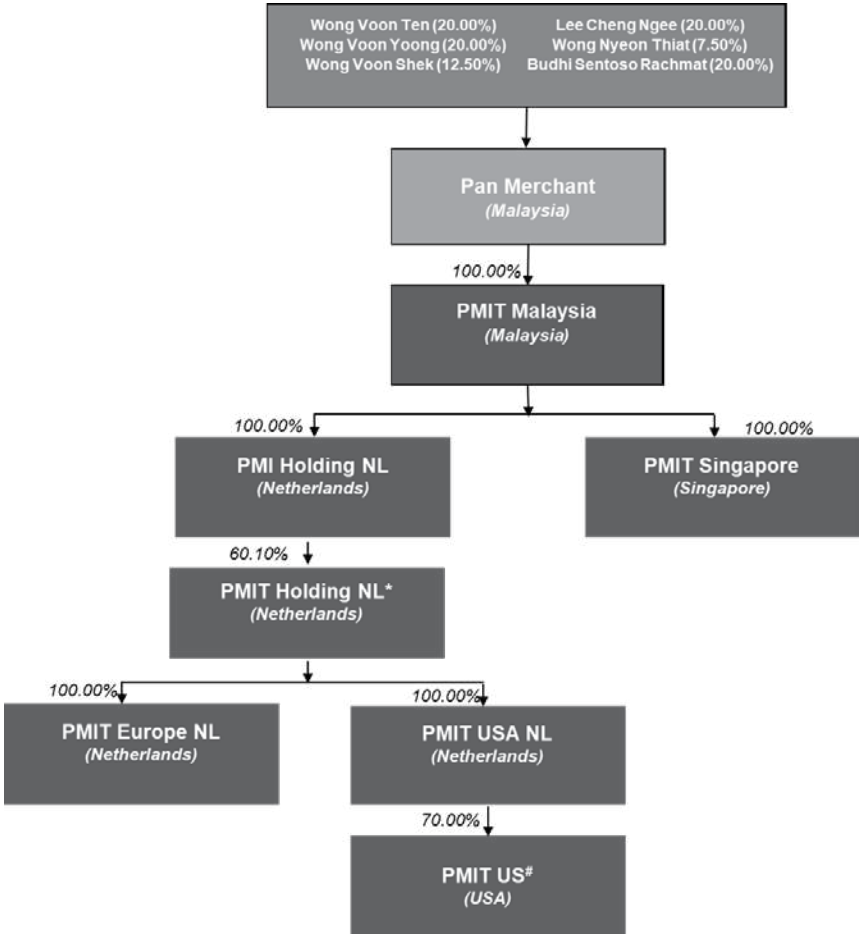
4. PARTICULARS OF OUR IPO *(Cont'd)*

The changes to our Group's corporate and shareholding structure before and after the Acquisition of PMIT Malaysia are illustrated below:

Before the Acquisition of PMIT Malaysia



After the Acquisition of PMIT Malaysia



4. PARTICULARS OF OUR IPO *(Cont'd)*

Notes:

* The other shareholders of PMIT Holding NL are F.G. Veldkamp Beheer B.V.[1] (15.00%), Lupé Beheer B.V.[2] (10.00%), EMMAX Beheer B.V.[3] (10.00%) and Jasper Johannes Vreeman (4.90%).

[1] F. G. Veldkamp Beheer B.V. is owned by JEA Veldkamp-Braakhuis, mother of Rick Sebastiaan Veldkamp, who is one of the Key Senior Management of PMIT Europe NL.

[2] Lupé Beheer B.V. is owned by Marcel Nicolaas Lupé, who is one of the Key Senior Management of PMIT Europe NL.

[3] EMMAX Beheer B.V. is owned by Rick Sebastiaan Veldkamp, who is one of the Key Senior Management of PMIT Europe NL.

\# The remaining shareholder of PMIT US is Ryan Christopher Boyd (30.00%), who is a partner that our Group has identified to operate its subsidiary in the USA.

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4. PARTICULARS OF OUR IPO *(Cont'd)*

4.3.1.2 Public Issue

The Public Issue of 232,187,900 new Shares, representing 25.35% of our enlarged number of issued Shares upon Listing, will be issued at the IPO Price and is payable in full upon Application and upon such terms and conditions as set out in this Prospectus. The Issue Shares will be allocated in the following manner:

(a) Malaysian Public

45,800,000 Issue Shares, representing 5.00% of our enlarged total number of issued Shares, will be made available for application by the Malaysian Public via balloting, of which at least 50.00% is to be set aside strictly for Bumiputera investors. Any Issue Shares reserved under the Malaysian Public balloting portion which are not fully subscribed for by the Malaysian Public will be clawed-back and made available for subscription on a fair and equitable manner as follows:

(i) firstly, by the Eligible Persons (excluding the eligible Directors) under the Pink Form Allocations as described in Section 4.3.1.2(b) of this Prospectus;

(ii) secondly, by our selected investors as described in Section 4.3.1.2(c) of this Prospectus; and

(iii) lastly, by our Sole Underwriter based on the terms of the Underwriting Agreement.

(b) Eligible Persons

14,603,000 Issue Shares, representing 1.60% of our enlarged total number of issued Shares, will be made available for application by the Eligible Persons.

We will allocate the Issue Shares to the Eligible Persons in the following manner:

Eligibility	**No. of Eligible Persons**	**Aggregate number of Issue Shares allocated**
Independent Directors of our Company [(1)]	5	500,000
Employees [(2)]	Up to 191	14,103,000
Total	**Up to 196**	**14,603,000**

Notes:

(1) The criteria of allocation to our Independent Directors are based on, among others, their respective roles, responsibilities and anticipated contributions to our Group. The number of Issue Shares to be allocated to our Independent Directors are as follows:

Name	**Designation**	**Number of Issue Shares allocated**
Datuk Tan Leh Kiah	Independent Non-Executive Chairman	100,000
Datuk Seri Nurmala binti Abd Rahim	Senior Independent Non-Executive Director	100,000
Datin Ooi Swee Lian	Independent Non-Executive Director	100,000
Fong Kit Chiu	Independent Non-Executive Director	100,000
Ir. Viyasan K Krishnan	Independent Non-Executive Director	100,000
Total		**500,000**

4. PARTICULARS OF OUR IPO *(Cont'd)*

(2) The criteria of allocation to the eligible employees of our Group (as approved by our Board) are based on, among others, the following factors as at the LPD:

(i) the employee must be a full-time and confirmed employee and on the payroll of our Group;

(ii) the employee is not an undischarged bankrupt or subject to any bankruptcy proceedings; and

(iii) the number of Issue Shares allocated to the eligible employees is based on their seniority, position, length of service and past performance/contribution made to our Group as well as other factors deemed relevant by our Board.

In addition to the above, we will also be allocating Issue Shares to a Key Senior Management, Marcel Nicolaas Lupé, although he is not an employee of our Group. Marcel Nicolaas Lupé is a director and sole shareholder of Lupé Beheer B.V.. Lupé Beheer B.V. had entered into a management agreement with PMIT Europe NL where Lupé Beheer B.V. provides services to manage PMIT Europe NL's business activities and has assigned Marcel Nicolaas Lupé to act as PMIT Europe NL's director. As such, Marcel Nicolaas Lupé is one of our Key Senior Management as he is in charge of the Netherlands office where he oversees business development and technical support services for our customers in Europe.

For avoidance of doubt, we will also be allocating Issue Shares to Rick Sebastiaan Veldkamp, who is the Sales and Marketing Director of PMIT Europe NL and one of our Key Senior Management, in view that he is an employee of our Group.

As a result, the number of Issue Shares allocated under this category will include the allocations to our Key Senior Management and persons connected to our Promoters and substantial shareholders who are also employees of our Group.

The number of Issue Shares to be allocated to our Key Senior Management under the Pink Form Allocations is set out below:

Name	**Designation**	**Aggregate no. of Issue Shares allocated under Pink Form Allocations**
Kum Kin Chung	Head of Engineering and Design	259,500
Loh Chee Hoong	Head of Sales, Process Equipment	259,500
Chin Wai Chun	Factory Operations Senior Manager	203,900
Lee Han Jun	Head of Innovation and Technology	500,000
Tan Bee Hoi	Chief Financial Officer	203,900
Chin Chee Ming	Senior Manufacturing Manager	259,500
Chan Chee Hing	Head of Administration and Finance	259,500
Ko Siu Lun	Head of Global Operations	686,000
Marcel Nicolaas Lupé	Supply Chain and Operations Director/Managing Director of PMIT Europe NL	222,400
Rick Sebastiaan Veldkamp	Sales and Marketing Director of PMIT Europe NL	222,400
Total		**3,076,600**

In addition, the number of Issue Shares to be allocated to the persons connected to our Promoters and substantial shareholders who are also employees of our Group is set out below:

Name	Designation	Nature of relationship	Aggregate no. of Issue Shares allocated under Pink Form Allocations
Khoo Bee Lan	Sales and Administration Manager	Spouse of Wong Voon Yoong	1,333,500
Wong Qin-Ferng	After Sales Executive	Son of Wong Voon Yoong	447,000
Wong Qin Wen	Sales Executive	Son of Wong Voon Yoong	382,000
Total			**2,162,500**

For clarification, eligible employees of our Group may subscribe for the Issue Shares as Malaysian Public, in addition to subscribing for the Issue Shares as Eligible Persons under the Pink Form Allocations.

Any Issue Shares reserved under the Pink Form Allocations which are not taken up will be clawed-back and made available for subscription on a fair and equitable manner as follows:

(i) firstly, by other Eligible Persons (excluding the eligible Directors);

(ii) secondly, by the Malaysian Public and selected investors as described in Sections 4.3.1.2(a) and 4.3.1.2(c) of this Prospectus, respectively; and

(iii) lastly, by our Sole Underwriter based on the terms of the Underwriting Agreement.

(c) Private placement to selected investors

57,284,900 Issue Shares, representing 6.25% of our enlarged total number of issued Shares, will be made available by way of private placement to selected investors.

The IPO Shares reserved under the private placement to selected investors are not underwritten as written irrevocable undertakings to subscribe for these IPO Shares will be obtained from the respective identified investors.

In the event of under-subscription of the IPO Shares reserved under the private placement to selected investors and subject to a corresponding over-subscription by the Malaysian Public, the remaining unsubscribed portion will be clawed-back and reallocated to the Malaysian Public as part of the balloting process on a fair and equitable manner.

4. PARTICULARS OF OUR IPO *(Cont'd)*

(d) Private placement to identified Bumiputera investors approved by the MITI

114,500,000 Issue Shares, representing 12.50% of our enlarged total number of issued Shares, will be allocated by way of private placement to Bumiputera investors approved by the MITI ("**MITI Tranche**").

The IPO Shares reserved under the private placement to Bumiputera investors approved by the MITI are not underwritten as written irrevocable undertakings to subscribe for these IPO Shares will be obtained from the respective Bumiputera investors.

In the event of under-subscription of the MITI Tranche and subject to a corresponding over-subscription by the Malaysian Public or selected investors, the remaining unsubscribed portion will be clawed-back and reallocated on a fair and equitable manner as follows:

(a) firstly, to the Bumiputera public investors under Section 4.3.1.2(a) of this Prospectus; and

(b) secondly, to the Malaysian institutional investors under Section 4.3.1.2(c) of this Prospectus.

Any remaining portion from the MITI Tranche which are not taken up by the Bumiputera public investors under Section 4.3.1.2(a) of this Prospectus and Malaysian institutional investors under Section 4.3.1.2(c) of this Prospectus will then be made available to the other selected investors under Section 4.3.1.2(c) of this Prospectus.

The clawback and reallocation provisions will not apply in the event there is an over-subscription in all of the allocations of the IPO Shares at the closing date of the IPO.

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4. PARTICULARS OF OUR IPO *(Cont'd)*

4.3.1.3 Offer for Sale

Concurrent with the Public Issue, the Selling Shareholder will offer 18,000,000 Offer Shares, representing 2.63% of our existing total number of issued Shares and 1.96% of our enlarged total number of issued Shares, by way of private placement at the IPO Price to selected investors. Our Offer for Sale is subject to the terms and conditions of this Prospectus.

The Offer Shares reserved under the private placement to selected investors are not underwritten as written irrevocable undertakings to subscribe for these Offer Shares have been obtained from the respective identified investors.

The details of our Selling Shareholder and his relationship with our Group are as follows:

Name and Address	Nature of relationship	Before our IPO/After the Acquisition of PMIT Malaysia				Offer Shares to be offered pursuant to the Offer for Sale			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1) %	No. of Shares	(1) %	No. of Shares	(2) %	No. of Shares	(2) %
Budhi Sentoso Rachmat Jalan Taman Mediterania AD3 Kelapa Gading Jakarta 14241 Indonesia	Substantial shareholder of our Company	136,762,420	20.00	-	-	18,000,000	1.96	-	-
		After the Offer for Sale / After our IPO							
		Direct		Indirect					
		No. of Shares	(2) %	No. of Shares	(2) %				
		118,762,420	12.97	-	-				

Notes:

(1) Based on our total number of issued Shares of 683,812,100 Shares after the Acquisition of PMIT Malaysia but before our IPO.

(2) Based on our enlarged total number of issued Shares of 916,000,000 Shares after our IPO.

Further details of Budhi Sentoso Rachmat is set out in Section 5.1.2(vi) of this Prospectus.

4. PARTICULARS OF OUR IPO *(Cont'd)*

As at the LPD, save as disclosed above and to the extent known to our Company:

(i) there are no other substantial shareholders, Directors or Key Senior Management of our Company who have indicated to us that they intend to subscribe for the IPO Shares; and

(ii) there are no persons who have indicated to us that they intend to subscribe for more than 5.00% of the IPO Shares.

4.3.1.4 Underwriting and allocation of the IPO Shares

The IPO consists of the Public Issue and Offer for Sale, totalling 250,187,900 IPO Shares, representing approximately 27.31% of our enlarged total number of issued Share and will be issued in the following manner:

	Public Issue		**Offer for Sale**		**Total IPO Shares**	
	No. of Shares	**(1) %**	**No. of Shares**	**(1) %**	**No. of Shares**	**(1) %**
Malaysian Public (via balloting):						
• Bumiputera	22,900,000	2.50	-	-	22,900,000	2.50
• Non-Bumiputera	22,900,000	2.50	-	-	22,900,000	2.50
Eligible Persons:						
• Independent Directors	500,000	0.05	-	-	500,000	0.05
• Employees	14,103,000	1.55	-	-	14,103,000	1.55
Private placement to selected investors	57,284,900	6.25	18,000,000	1.96	75,284,900	8.21
Private placement to Bumiputera investors approved by MITI	114,500,000	12.50	-	-	114,500,000	12.50
Total	**232,187,900**	**25.35**	**18,000,000**	**1.96**	**250,187,900**	**27.31**

Note:

(1) Based on our enlarged total number of issued Shares of 916,000,000 Shares after the Proposed IPO.

There is no over-allotment or "greenshoe" option that will result in an increase in the number of IPO Shares. There is also no price stabilisation mechanism that may be employed.

The salient terms of the Underwriting Agreement are set out in Section 4.9 of this Prospectus.

4. PARTICULARS OF OUR IPO *(Cont'd)*

4.3.1.5 Basis of allocation and minimum subscription level

The basis of allocation of our IPO Shares shall take into account the desirability of distributing our IPO Shares to a reasonable number of applicants with a view of broadening the shareholding base of our Company to meet the public shareholding spread requirements of Bursa Securities and to establish a liquid and adequate market for our Shares. Applicants will be selected on a fair and equitable manner to be determined by our Board.

There is no minimum subscription amount to be raised under our IPO. However, in order to comply with the public shareholding spread requirement under the Listing Requirements, the minimum subscription level in terms of the number of IPO Shares will be the number of Shares required to be held by the public shareholders of our Company. Under the Listing Requirements, we are required to have a minimum of 25.00% of our Shares held by at least 200 public shareholders, each holding not less than 100 Shares at the point of our Listing.

If the above requirement is not met, we may not be able to proceed with our Listing. Please refer to Section 9.3.2 of this Prospectus for further details in the event there is a delay in or cancellation of our Listing.

4.3.1.6 Listing

Upon completion of our IPO, our Company's entire enlarged issued share capital of RM131,071,943, comprising 916,000,000 Shares shall be listed on the ACE Market.

4.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKING

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

	No. of Shares	**Share capital** **RM**
Issued share capital as at the date of this Prospectus	683,812,100	68,381,210
New Shares to be offered pursuant to the Public Issue	232,187,900	62,690,733
Enlarged issued share capital upon Listing	**916,000,000**	**131,071,943**
Shares to be offered under the Offer for Sale *	18,000,000	4,860,000
IPO Price		0.27
Pro forma consolidated NA per Share as at 31 December 2024 *(based on our enlarged number of issued Shares after our IPO and after the use of proceeds raised from our Public Issue)*		**0.14**
Market capitalisation upon Listing *(based on the IPO Price and our enlarged number of issued Shares after our IPO)*	**916,000,000**	**247,320,000**

Note:

* Our Offer for Sale will not have any effect on our share capital.

The IPO Price is payable in full upon Application.

As at the date of this Prospectus, we only have 1 class of shares, being ordinary shares, all of which rank equally with each other. Our Issue Shares will, upon allotment and issuance, rank equally in all respects with our existing issued Shares, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment of our Issue Shares.

Our Offer Shares rank equally in all respects with our existing issued Shares, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of transfer of our Offer Shares.

Subject to special rights attaching to any Share which may be issued by us in the future, our shareholders shall, in proportion to the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions, and the whole of any surplus in the event of our liquidation, such surplus to be distributed among the members in proportion to the issued share capital at the commencement of the liquidation, in accordance with our Constitution and provisions of the Act.

At any general meeting of our Company, each shareholder shall be entitled to vote in person, by proxy or by attorney or by a duly authorised representative under the instrument of proxy or certificate of appointment of corporate representative or power of attorney ("**Authorised Representative"**). On a show of hands, each present shareholder either in person, by proxy, by attorney or Authorised Representative shall have 1 vote. On a poll, each present shareholder either in person, by proxy, by attorney or Authorised Representative shall have 1 vote for each Share held or represented. A proxy may but need not be a shareholder of our Company.

4.5 BASIS OF ARRIVING AT THE IPO PRICE

Our IPO Price was determined and agreed by our Directors and Promoters, together with Affin Hwang IB, being our Principal Adviser, Sponsor, Sole Placement Agent and Sole Underwriter after taking into consideration the following factors:

(i) Operating and financial history

Our operating history and historical financial performance are as outlined in Sections 7 and 12 of this Prospectus respectively.

(ii) Competitive strengths, industry overview and prospects

Our competitive advantages and key strengths, industry overview and prospects are as outlined in Sections 7.7 and 8 of this Prospectus respectively.

(iii) Future plans and business strategies

Our future plans and business strategies are as outlined in Section 7.22 of this Prospectus.

(iv) Pro forma consolidated NA

The pro forma consolidated NA per Share of approximately RM0.14 as at 31 December 2024 based on the enlarged number of issued Shares of 916,000,000 Shares upon Listing.

4. PARTICULARS OF OUR IPO *(Cont'd)*

(v) PE multiple

Our Group recorded an audited consolidated PATNCI of approximately RM7.68 million for the FYE 2024, representing an EPS of RM0.0084 (calculated based on the enlarged number of issued Shares of 916,000,000 Shares upon Listing), which translates to a PE multiple of approximately 32.14 times based on the IPO Price. After excluding the listing expenses for our IPO of RM2.16 million incurred during FYE 2024, our Group's adjusted consolidated PATNCI for the FYE 2024 is approximately RM9.84 million, which represents an EPS of approximately RM0.0107 (calculated based on the enlarged number of issued Shares of 916,000,000 Shares upon Listing). Based on the adjusted consolidated PATNCI excluding listing expenses of approximately RM9.84 million and the IPO Price, the PE multiple is approximately 25.23 times.

The abovementioned PE multiples are justified based on the growth and future prospects of the Company. This is premised on the following:

(i) the global presence of our Group where 89.41% of our total revenue for the FYE 2024 is derived from overseas markets;

(ii) the global edible oil industry in which we serve is essential to the global food industry and the demand for edible oils is expected to grow in tandem with the world population;

(iii) the sustainable fuel industry in which we serve, is set to expand, largely driven by the policies and regulations implemented by governments worldwide to promote the use of sustainable fuels;

(iv) the long-term growth of our other end-user industries such as potable water and wastewater, food processing and oleochemical, chemical and industrial minerals will create demand for solid liquid filtration equipment;

(v) the potential for our products to be adapted to serve the needs of multiple industries which we have not previously served such as the mining industry. The growth in the semiconductor and electronic product industries, largely driven by the technological revolution, as well as the electric vehicle industry which require minerals, will drive the mining industry and create opportunities for us to market our filters into this industry;

(vi) the global filter press and hermetic filter industry size is forecast to grow by a further CAGR of 10.8%, from an estimated USD6.4 billion (RM29.3 billion) in 2025 to USD7.9 billion (RM36.1 billion) in 2027, according to the IMR Report by PROVIDENCE;

(vii) our competitive strengths and industry reputation of the "PMI" trade name, being the largest homegrown filtration solution provider in Malaysia in terms of our revenue as well as the ability to comply with locally and internationally recognised standards and accreditations to serve global customers; and

(viii) we intend to target a dividend payout ratio in respect of each financial year of not less than 30% of our consolidated PATNCI.

(vi) Prevailing market conditions

Prevailing market conditions which include, among others, market performance of key global indices and companies which are in businesses similar as our Company listed on other stock exchanges and Bursa Securities, current market trends and investors' sentiment.

4. PARTICULARS OF OUR IPO *(Cont'd)*

You should note that the market price of our Shares upon and subsequent to our Listing is subject to the vagaries of market forces and other uncertainties which may affect the market price of our Shares. You should form your own views on the valuation of our IPO Shares and reasonableness of the bases used before deciding to invest in our IPO Shares. You are also reminded to consider carefully the risk factors set out in Section 9 of this Prospectus before deciding to invest in our Shares.

4.6 DILUTION

Dilution is computed as the difference between our IPO Price paid by investors for our IPO Shares and the pro forma consolidated NA per Share of our Group immediately after our IPO. The following table illustrates the effect of our Group's pro forma consolidated NA per Share to our shareholders:

	RM
IPO Price	0.27
Pro forma consolidated NA per Share as at 31 December 2024 before the Public Issue and after the Acquisition of PMIT Malaysia	0.10
Pro forma consolidated NA per Share as at 31 December 2024 after the Public Issue and use of proceeds	0.14
Increase in NA per Share attributable to existing shareholders	0.04
Dilution in NA per Share to new investors	0.13
Dilution in NA per Share as a percentage of the IPO Price	48.15%

Further details of our Group's pro forma consolidated NA per Share as at 31 December 2024 are set out in Section 12.9 of this Prospectus.

Save as disclosed below, there has been no acquisition of any of our Shares by our Promoters, Directors, substantial shareholders, Key Senior Management or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our Shares since our incorporation up to the LPD where there is a substantial disparity between the IPO Price and the effective cash cost per Share:

Name	**[(1)] No. of Shares held before our IPO**	**No. of Shares held from our IPO**	**Total consideration** **RM**	**Effective cost per Share** **RM**
Promoters, Specified Shareholders, substantial shareholders and Directors				
Wong Voon Ten	136,762,420	-	13,676,242	0.10
Wong Nyeon Thiat	51,285,908	-	5,128,591	0.10
Wong Voon Yoong	136,762,420	-	13,676,242	0.10
Wong Voon Shek	85,476,512	-	8,547,651	0.10
Lee Cheng Ngee	136,762,420	-	13,676,242	0.10
Substantial shareholder				
Budhi Sentoso Rachmat	136,762,420	-	13,676,242	0.10

4. PARTICULARS OF OUR IPO *(Cont'd)*

Note:

(1) After the completion of the Acquisition of PMIT Malaysia but before our IPO.

4.7 USE OF PROCEEDS

The total gross proceeds from the Public Issue will amount to RM62.69 million based on the IPO Price. We expect to use the proceeds in the following manner:

Details of use of proceeds	Estimated utilisation timeframe from the date of Listing	RM'000	%
Capital expenditure on manufacturing plants:			
(i) Acquisition of machinery, equipment and tools	Within 36 months	20,000	31.90
(ii) Renovation of manufacturing plants	Within 36 months	8,000	12.76
		28,000	44.66
Product development	Within 24 months	7,000	11.17
Business expansion	Within 24 months	6,000	9.57
Working capital	Within 12 months	14,691	23.43
Estimated expenses	Within 1 month	7,000	11.17
	Total	**62,691**	**100.00**

4.7.1 Capital expenditure on manufacturing plants

Our Group's manufacturing processes are presently carried out at Jelapang Plant 1, Jelapang Plant 2 and Lahat Plant. Our Group intends to enhance our manufacturing capabilities by acquiring new machinery, equipment and tools and renovating our manufacturing plants, as elaborated below:

(i) Acquisition of machinery, equipment and tools

As at the LPD, a majority of our Group's manufacturing processes at Jelapang Plant 1, Jelapang Plant 2 and Lahat Plant are not automated, excluding the fabrication of our hydraulic system components using our CNC machines.

Our Group intends to invest in new machinery, equipment and tools to enhance our manufacturing capabilities. This will:

- Improve consistency in producing quality filters, leading to greater efficiency in the manufacturing process and reduction in material wastage. For instance, as the cutting of steel plates can be performed by CNC machines, this minimises any human errors that may occur if the processes were performed manually;
- Reduce manpower requirement as fewer personnel are required to operate the machinery and equipment than manually performing the task. This would increase the workplace safety and reduce dependency on labour, which in return reduces the cost of labour for our Group; and
- Reduce outsourcing of certain steel-related component manufacturing. This will lower our Group's production costs.

4. PARTICULARS OF OUR IPO *(Cont'd)*

Thus, by minimising material wastage, and reducing labour and outsourcing costs, this will enable our Group to improve our profit margins.

In addition, our Group intends to set up an additional filter leaf production line to cater for increasing demand from local and international markets. This decision is supported by market analysis conducted by PROVIDENCE as set out in the IMR Report, which highlights a forecasted CAGR of 12.2% up to 2026, indicating significant growth potential in the size of the global solid liquid filtration industry.

Accordingly, our Group has earmarked RM20.00 million of our gross IPO proceeds to acquire the following new machinery, equipment and tools:

Machinery/ equipment/ tool	Note	No. of units	RM'000
CNC machines	(a)	6	13,113
Robotic welding machine	(b)	5	5,541
Filter leaf production line	(c)	1	658
Tools	(d)	-	688
		Total	**20,000**

Notes:

(a) The CNC machines include a CNC double-column machining centre, capable of performing multiple milling and drilling operations on our filters' major components particularly those with larger and longer dimensions. Additionally, we utilise 2 CNC milling machines, CNC plasma / laser cutting machines as well as CNC horizontal and vertical lathe machines. These machines enable precision machining for filter elements, components of the equipment main body and parts, and the profiling of mild/carbon steel and stainless steel plates and steel blocks, as well as round components made from mild/carbon steel and stainless steel. By leveraging on these CNC machines, we can manufacture these components in-house, reducing the need to outsource certain manufacturing processes. These CNC machines will be deployed across all of our manufacturing plants. Our Group intends to install the CNC machines at the following plants:

No.	Description	Location
1	CNC milling machine (2 units)	Jelapang Plant 1
2	CNC plasma / laser cutter	Jelapang Plant 2
3	CNC double column machining centre	Jelapang Plant 2
4	CNC horizontal lathe	Jelapang Plant 2
5	Vertical CNC lathe	Lahat Plant

(b) The robotic welding machine will automate the welding process, which is presently conducted manually. The 5 units of the robotic welding machines to be acquired are of different types with different functions and specification. Our Group intends to install 1 unit of the robotic welding machine at Jelapang Plant 2 and the remaining 4 units at the Lahat Plant. The details of the robotic welding machines are as follows:

Description	Function	Location of installation
Robot weld	Automated robotic system designed to perform precision welding on larger filter components, ensuring uniform and consistent welds for enhanced structural integrity and reduced production time	Jelapang Plant 2
Auto weld cobot	Collaborative robotic welder (Cobot) that automates the welding process, allowing for safe and efficient operation alongside human workers. It is ideal for intricate and repetitive welding tasks	Lahat Plant
Auto plasma welding for pressure vessel	Plasma welding system specialised for welding the main body of pressure vessels, delivering fast and full penetration weld joints essential for higher work efficiency, improved weld quality and higher weld consistency and performance	Lahat Plant
Auto weld general cobot (2 units)	Versatile collaborative robotic welder capable of performing general-purpose welding tasks across different components and materials, improving efficiency and reducing manual and skilled labour	Lahat Plant

(c) The new filter leaf production line will expand our Group's capacity for the production of filter leaves at Jelapang Plant 1 as the new filter leaf production line will be more efficient in view that it utilises relatively modern machineries as compared to existing filter leaf production line. This will reduce our reliance on manpower and will speed up our production throughput.

(d) Tools refer to any complementary tools, jigs and fixtures to support setting up of the abovementioned machinery and equipment, and computer-aided manufacturing software that can be used to automatically program the new CNC machines to perform the necessary functions based on the design.

Our Group intends to source for these new machinery, equipment and tools required from overseas companies which has offices in Malaysia. Our Group also intends to finalise such purchase within 36 months from receipt of the IPO proceeds. These new machinery, equipment and tools will be installed progressively within 36 months of the receipt of the IPO proceeds.

(ii) Renovation of manufacturing plants

Our Group also intends to renovate Jelapang Plant 1, Jelapang Plant 2 and Lahat Plant to improve overall workflow and efficiency and enhance our corporate profiling. Our Group has allocated RM8.00 million for these renovation works, which will include the following:

Renovation works	Note	RM'000
Enhancement works	(a)	5,920
Upgrade of supporting equipment	(b)	2,080
	Total	**8,000**

Notes:

(a) Enhancement works include flooring works and changing the layout of the manufacturing plants to improve overall workflow and efficiency. The enhancement works at Jelapang Plant 1 and Jelapang Plant 2 include flooring and foundation upgrades to accommodate new machineries while the enhancement works for the Lahat Plant include an extension of part of the factory to enhance work efficiency and improve flexibility with better workflow for some major components, flooring and foundation upgrades, new machineries installation and general building repair work.

4. PARTICULARS OF OUR IPO *(Cont'd)*

(b) Replacement of existing supporting equipment which include forklifts and overhead cranes, which are used to lift and move our Group's filters.

The breakdown of the estimated renovation costs by manufacturing plants is as follows:

Renovation works	Jelapang Plant 1 RM'000	Jelapang Plant 2 RM'000	Lahat Plant RM'000	Total RM'000
Enhancement works	1,530	800	3,590	**5,920**
Upgrade of supporting equipment	260	210	1,610	**2,080**

The enhancement works can be carried out progressively in phases within each manufacturing plant to minimally disrupt our Group's manufacturing activities. In order to do so, the enhancement works will be carried out in phases within each manufacturing plant. Thus, only manufacturing activities carried out within that area in the manufacturing plant will be impacted at the time, while manufacturing activities carried out in other spaces in the manufacturing plant will continue. The estimated timeline for the enhancement works to be carried out on our manufacturing plants are as follows:

Manufacturing plant	Commencement period	Target completion period
Jelapang Plant 1	4th quarter of 2025	2nd quarter of 2026
Jelapang Plant 2	1st quarter of 2026	3rd quarter of 2026
Lahat Plant	3rd quarter of 2025	3rd quarter of 2027

Our Group intends to complete these renovation works within 36 months from receipt of the gross IPO proceeds.

In the event the amount required for investment in these new machinery, equipment and tools and renovation of manufacturing plants are higher than budgeted, any deficit will be funded through internally generated funds and/or bank borrowings. Conversely, if the said investment quantum is less than estimated, such surplus will be allocated towards our Group's working capital.

Please refer to Section 7.22(i) of this Prospectus for further details of our future plans and strategies to enhance our manufacturing capabilities.

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4. PARTICULARS OF OUR IPO *(Cont'd)*

4.7.2 Product development

Our Group intends to undertake the product development activities to:

- customise filters to cater for new end-user industries, namely the mining industry. The strategy to design and customise filters to cater for new end-user industries is meant to reduce our Group's dependency on existing industries it currently serves and enable our Group to be more resilient to market and industry fluctuations. Our Group expects to develop a prototype filter that is customised for the mining industry by the end of 2026;

  Based on our Group's industry knowledge, there are a limited number of solid liquid filtration solution providers serving the industry due to the requirements of the industry for large-sized filters and specific mining expertise in the manufacture of such filters. As such, there are few solid liquid filtration solution providers capable of undertaking such projects. As these large-sized filters are generally higher in value, our Group stands to benefit from an additional revenue source should our Group succeed in customising its filters to cater to the mining industry. Based on the IMR Report prepared by PROVIDENCE, the mining industry contributed 22.30% to the global solid liquid filtration industry size in 2023. This indicates that there is an opportunity for our Group to expand into the mining industry to support our future growth strategy. Our Group foresees good prospects and growth to satisfy market needs in the mining industry. As at the LPD, we have yet to identify any potential customer to explore the development of a prototype filter.

  Our Group intends to hire up to 2 engineers to carry out sales as well as product development of filters for the mining industry. Additional costs arising from the hiring of the engineers will be funded through our Group's internally generated funds;

- enhance existing filters and supporting equipment with the development of complementary products, namely slurry thickeners, cake discharge mechanisms and cake conveyor systems by end of 2026;

- design and manufacture filters in modular form that can be sized to fit into standard shipment containers for ease of transportation and can be easily assembled by our Group's customers once it reaches its intended destination. Our Group intends to develop this by the end of 2026; and

- design replacement parts in-house. This will allow our Group to design and manufacture components, and select the types of materials to be used so that our Group has a proprietary design over its replacement parts. This would enable our Group to have more autonomy over its replacement parts as our Group will be able to modify the design of the replacement parts on its own to adapt to any changes in the suppliers' materials and components. Our Group intends to develop this by mid-2026.

To this end, our Company has allocated RM7.00 million for the following:

Details	**Note**	**RM'000**
Product development costs for prototypes for the mining industry and new complementary products, filters in modular form and replacement parts	(a)	4,000
Upgrade of laboratory at Headquarters	(b)	1,400
Mobile filtration test centre	(c)	1,600
	Total	**7,000**

4. PARTICULARS OF OUR IPO *(Cont'd)*

Notes:

(a) Product development costs include material costs required to develop the prototypes for the mining industry and new complementary products, filters in modular form and replacement parts.

(b) Upgrade of laboratory include the acquisition of equipment such as ovens and testers, and laboratory tools.

(c) Mobile filtration test centre will enable our Group to support product development activities and improve its design capabilities, whilst showcasing our Group's filters as a customised solution to potential customers. The test centre will have more functionality and be sized and configured to be mobile, thus allowing our Group to easily transport it to its customers' premises for demonstration. The product development costs for the mobile filtration test centre includes material costs to develop the mobile filtration test centre.

In the event the amount required for investment in these new product development activities are higher than budgeted, any deficit will be funded through internally generated funds and/or bank borrowings. Conversely, if the said investment quantum is less than estimated, such surplus will be allocated towards our Group's working capital.

Please refer to Section 7.22(ii) of this Prospectus for further details of our future plans and strategies in relation to product development on filters and components.

4.7.3 Business expansion

As part of our Group's continuous efforts to grow its business, it intends to utilise approximately RM6.00 million of the gross IPO proceeds to expand its business and presence locally and internationally, as follows:

Details	Note	RM'000
Expanding the Netherlands office		
(i) Enhancement works	(a)	1,640
(ii) Setting up of new filter leaf production line	(b)	1,445
Sales and marketing activities	(c)	2,915
	Total	**6,000**

Notes:

(a) Enhancement works will entail renovating and expanding the office and workshop space at our Group's Netherlands office. Our current Netherlands office occupies a built-up area of 6,458 sq. ft., that is within a business premise which has a built-up area of 28,632 sq. ft. and a land size of 45,262 sq. ft. The larger space in the Netherlands office will also be part of our Group's brand globalisation strategy to enhance its brand awareness and image in Europe. For clarity, our Group will not be acquiring any additional properties as part of the expansion of the Netherlands office.
The newly renovated Netherlands office will have an estimated built-up area of up to 7,200 sq. ft., and will encompass, among others, the following:

- An estimated 6,000 sq. ft. workshop and assembly area, which will enable our Group to carry out the manufacturing of filter leaves;
- An estimated 800 sq. ft. of office area, which will include workspaces and meeting rooms;
- An estimated 300 sq. ft. demonstration room to demonstrate filtration testing to potential and existing customers; and
- An estimated 100 sq. ft. reception area for potential and existing customers to meet our Group's technical sales personnel.

4. PARTICULARS OF OUR IPO *(Cont'd)*

For avoidance of doubt, the costs for expansion of our Group's Netherlands office will be fully funded using the gross IPO proceeds and the minority shareholders of PMIT Holding NL will not be contributing any funding towards this expansion. Notwithstanding this, our Company will record this transaction as an inter-company transaction between PMIT Holding NL and Pan Merchant.

Our Group intends to utilise the proceeds allocated for enhancement works within 24 months from the receipt of the IPO proceeds.

(b) Setting up of 1 new filter leaf production line at our Group's Netherlands office to manufacture replacement parts for hermetic filters. This will increase our Group's filter leaf production lines at its Netherlands office to 2 production lines. As a result, our Group will be able to increase the production of filter leaves, thus further improving the lead time for replacement parts across Europe and allowing our Group to provide prompt technical support services. For clarity, our Group currently exports filter leaves which are part of its filtration solutions projects to its Netherlands office. Replacement filter leaves are produced in our Group's Netherlands office.

The addition of the new filter leaf production line at our Group's Netherlands office will allow our Group to accommodate orders from the Europe and America region that have short lead time without having to incur expensive air-freight logistics costs to transport the filter leaves from Malaysia. Nonetheless, our production line in Malaysia will continue to export filter leaves to our Group's Netherlands office for filter leaf orders with longer lead time.

Our Group intends to utilise the proceeds allocated for the setting up of a new filter leaf production line within 24 months from the receipt of IPO proceeds.

(c) Our Group intends to invest in the following sales and marketing activities:

- Intensify its participation as exhibitors or attendees in international exhibitions in various regions including Europe and America to increase brand exposure; and
- Update its website and marketing materials, such as corporate brochures and promotional/ corporate videos. These marketing materials will be standardised across the markets our Group serves and will enhance its corporate image.

Our Group intends to utilise the proceeds allocated for sales and marketing activities within 12 months from the receipt of IPO proceeds.

In the event the amount required for our business expansion is higher than budgeted, any deficit will be funded through internally generated funds and/or bank borrowings. Conversely, if the said investment quantum is less than estimated, such surplus will be allocated towards our Group's working capital.

Please refer to Section 7.22(iii) of this Prospectus for further details of our future plans and strategies to grow our presence in international markets.

4.7.4 Working capital

For the 4 past financial years up to the FYE 2024, our Group's revenue increased from RM105.35 million in the FYE 2021 to RM141.54 million in the FYE 2024. Materials were the main component of the cost of sales, representing 85.13% to 86.77% of our Group's cost of sales from FYE 2021 to FYE 2024. Purchases of materials also moved in tandem with our Group's revenue, from RM86.98 million in FYE 2021 to RM74.97 million in FYE 2024.

In line with our Group's future business expansion plans, we anticipate the need to use more materials to manufacture higher number of filters and equipment/vessels for our on-going and future projects. Such materials mainly comprise filter components, hydraulic systems components and steel materials, the breakdown of which will be determined based on the requirements of such projects at the material time. Premised thereto and in tandem with the anticipated growth of our business, our Group has earmarked RM14.69 million of the gross IPO proceeds to finance its working capital.

4. PARTICULARS OF OUR IPO *(Cont'd)*

The additional working capital will enhance our Group's cash flow position and will enable our Group to conduct its operations and expansion efficaciously and without being overly dependent on external sources of funding.

4.7.5 Estimated listing expenses for the Proposed Listing

Our Company will bear all incidental expenses and fees relating to the Proposed IPO and Proposed Listing amounting to RM7.00 million, details as follows:

Details	Note	RM'000
Professional fees	(a)	4,953
Underwriting, placement and brokerage fees		1,498
Fees to authorities		99
Printing, advertising fees and contingencies	(b)	450
	Total	**7,000**

Notes:

(a) Includes advisory fees for, amongst others, the Principal Adviser, Solicitors, Auditors and Reporting Accountants, IMR, Internal Control Consultant, Valuer and Issuing House.

(b) Other incidental or related expenses in connection with the IPO.

In the event the actual listing expenses are higher than budgeted, any deficit will be funded through our Group's working capital. Conversely, if the actual listing expenses are less than estimated, such surplus will be allocated towards our Group's working capital.

Pending the eventual use of the IPO proceeds, the proceeds will be placed in interest-bearing short-term deposits or money market instruments with licensed financial institutions.

Our Company will not receive any proceeds from the Offer for Sale. Based on the IPO Price, the gross proceeds from the Offer for Sale of approximately RM4.86 million will accrue entirely to the Selling Shareholder. The Selling Shareholder shall bear the entire incidental expenses and fees in relation to the Offer for Sale, amounting to approximately RM0.11 million.

The financial impact of the use of proceeds from our Public Issue is illustrated in the Pro Forma Consolidated Statements of Financial Position as at 31 December 2024 set out in Section 12.9 of this Prospectus.

4.8 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

4.8.1 Brokerage fee

We will bear the brokerage fees to be incurred on the issue of the 60,403,000 Issue Shares pursuant to our IPO under Sections 4.3.1.2(a) and 4.3.1.2(b) of this Prospectus at the rate of 1.00% of the IPO Price in respect of successful Applications which bear the stamp of Affin Hwang IB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or the Issuing House.

4.8.2 Underwriting commission

Affin Hwang IB, as our Sole Underwriter has agreed to underwrite 60,403,000 Issue Shares as set out in Sections 4.3.1.2(a) and 4.3.1.2(b) of this Prospectus. We will pay our Sole Underwriter an underwriting commission at an average rate of 2.25% of the total value of the Shares underwritten at the IPO Price.

4. PARTICULARS OF OUR IPO *(Cont'd)*

4.8.3 Placement fee

Affin Hwang IB, as our Sole Placement Agent has agreed to place out 171,784,900 Issue Shares available for private placement to selected investors and identified Bumiputera investors approved by the MITI and 18,000,000 Offer Shares available under the placement to selected investors as set out in Sections 4.3.1.2(c), 4.3.1.2(d) and 4.3.1.3 of this Prospectus, at the rate of up to 2.25% of the IPO Price for each Issue Share/Offer Share to be placed out by the Sole Placement Agent.

The placement fees to be incurred on the sale of 18,000,000 Offer Shares will be fully borne by the Selling Shareholder.

4.9 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

On 7 May 2025, we have entered into the Underwriting Agreement with the Sole Underwriter to underwrite 60,403,000 Issue Shares ("**Underwritten Shares**"), subject to the clawback and reallocation provisions as set out in Section 4.3.1.2 of this Prospectus and upon the terms and subject to the conditions as set out in the Underwriting Agreement.

Details of the underwriting commission are set out in Section 4.8.2 of this Prospectus and the salient terms of the Underwriting Agreement are as follows:

4.9.1 The Sole Underwriter may by notice in writing to our Company given at any time before the last date and time for the receipt of applications and payment for the Issue Shares in accordance with this Prospectus or such later date as our Company and the Sole Underwriter may mutually agree upon consultation with Bursa Securities ("**Closing Date**") or the extended closing date for the receipt of applications and payment for the Issue Shares pursuant to the Public Issue which will be notified in a widely circulated Bahasa Malaysia and English daily newspaper in Malaysia ("**Extended Closing Date**"), terminate, cancel and withdraw its underwriting commitment if in the opinion of the Sole Underwriter:

(a) the approval of Bursa Securities and other relevant authorities for the Listing is revoked, withdrawn or procured but subject to the conditions not acceptable to the Sole Underwriter;

(b) there is any material breach by our Company of any of the representations, warranties or undertakings contained in the Underwriting Agreement or there is an occurrence of any event or discovery of any fact or circumstances rendering any of the warranties, representations or undertaking untrue, inaccurate, misleading or incorrect in any material respect or not complied with, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated in the notice given to our Company but in any event no later than the Closing Date;

(c) there is a material failure on the part of our Company to perform any of its obligations contained in the Underwriting Agreement;

(d) there is withholding of information of a material nature from the Sole Underwriter which is required to be disclosed pursuant to the Underwriting Agreement which, in the reasonable opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect;

(e) there shall have occurred or happened, in the sole opinion of the Sole Underwriter, any material adverse effect of our Group;

(f) the Listing does not take place within three (3) months from the date of the Underwriting Agreement or such other extended date as may be agreed by the Sole Underwriter;

4. PARTICULARS OF OUR IPO *(Cont'd)*

(g) the imposition of any moratorium, material disruption of commercial banking activities or securities settlement or clearance services, suspension or material restriction on trading in securities generally on Bursa Securities, Singapore Exchange Securities Trading Limited, the New York Stock Exchange, Nasdaq, the London Stock Exchange PLC or the Hong Kong Exchange which, in the reasonable opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of the IPO, or the distribution or sale of the IPO Shares;

(h) a material adverse change in the stock market condition occurs, and for the purposes of this clause, a material adverse change in the national or international monetary, financial and capital markets (including stock market condition and interest rates), political or economic conditions or exchange control or currency exchange rates which in the opinion of the Sole Underwriter is likely to have a material adverse effect (whether in the primary market or in respect of dealings in the secondary market), shall be deemed to have occurred if the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:

(i) on or after the date of the Underwriting Agreement; and

(ii) prior to the Closing Date,

lower than eighty-five per centum (85%) of the level of Index at the last close of normal trading on Bursa Securities on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three (3) consecutive Market Days or any other adverse change in the market conditions which the parties mutually agree to be sufficiently material and adverse to render it to be a terminating event;

(i) there shall have occurred, happened or come into effect any event or series of events beyond the control of the Sole Underwriter by reason of force majeure which would have or can be expected to have, a material adverse effect on our Group or which is likely to have the effect of making any material obligation under the Underwriting Agreement incapable of performance in accordance with its terms or our Company shall sustain any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labour disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, in each case, that has had or could be expected to have a material adverse effect;

(j) there shall have occurred or happened, in the sole opinion of the Sole Underwriter, any of the following circumstances:

(i) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or

(ii) any change in law, regulation, directive, policy or ruling in any jurisdiction, interpretation or application by any court or authority or any event or series of events beyond the reasonable control of the Sole Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents);

which, in the sole opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on our Group as a whole or the success of the IPO or Listing which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms.

4. PARTICULARS OF OUR IPO *(Cont'd)*

(k) the Listing does not take place on or before 29 August 2025 or within five (5) Market Days after the date of delivery of the application forms provided with this Prospectus together with the remittance of subscriptions monies payable on the application of the unsubscribed shares by the Sole Underwriter in accordance with the Underwriting Agreement, whichever is earlier, or such other extended date as may be agreed by the Sole Underwriter;

(l) in the event the Listing is withdrawn or not procured or procured but subject to conditions not acceptable to the Sole Underwriter;

(m) approval for the IPO is withdrawn, modified and/or subject to terms and conditions which is not acceptable to the Sole Underwriter;

(n) the Closing Date does not take place on or before 18 August 2025 or any later date as may be agreed by the Sole Underwriter;

(o) any commencement of legal proceedings, formal investigations, enquiries or action against our Company or any of our directors or executive officers which in the opinion of the Sole Underwriter, would have or is likely to have a material adverse effect or make it impracticable to market the IPO or to enforce contracts to allot and/or transfer the IPO Shares;

(p) any of the resolutions or approvals as referred in the Underwriting Agreement is revoked, suspended, withdrawn or ceases to have any effect whatsoever, or is varied or supplemented and such revocation, suspension, cessation, variation, withdrawal or supplement upon terms that has or would have or is likely to have a material adverse effect; or

(q) any statements contained in this Prospectus has become or been discovered to be untrue, inaccurate or misleading in any respect or matters have arisen or have been discovered which would constitute a material omission therefrom.

4.9.2 In the event that the Underwriting Agreement is terminated pursuant to Section 4.9.1 above, the Sole Underwriter and our Company may confer with a view to deferring the Public Issue by amending the terms of the Underwriting Agreement or entering into a new underwriting agreement accordingly, but neither the Sole Underwriter nor our Company shall be under any obligation to enter into a fresh agreement.

4.9.3 Upon any such notice(s) being given pursuant to Section 4.9.1 above, the Sole Underwriter shall be released and discharged from their obligations under the Underwriting Agreement whereupon the following shall take place within three (3) Market Days of the receipt of such notice:

(a) our Company shall make payment of underwriting commission to the Sole Underwriter in accordance with the Underwriting Agreement;

(b) our Company shall pay or reimburse to the Sole Underwriter the costs and expenses referred to in the Underwriting Agreement; and

(c) each party shall return all other monies (in the case of the Sole Underwriter, after deducting the underwriting commission due and owing to the Sole Underwriter under the Underwriting Agreement) including but not limited to the subscription monies paid to the other under the Underwriting Agreement (except for monies paid by our Company for the payment of the expenses as provided under the Underwriting Agreement);

and thereafter, the Underwriting Agreement shall be terminated and of no further force and effect and none of the parties shall have a claim against the other save and except in respect of any antecedent breaches.

4. PARTICULARS OF OUR IPO *(Cont'd)*

4.10 TRADING AND SETTLEMENT IN THE SECONDARY MARKET

Upon Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through the CDS, which is operated by Bursa Depository. This will be effected in accordance with the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, our Company will not deliver share certificates to the subscribers or purchasers of our IPO Shares.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain our Shares in CDS Accounts, either directly in their names or through authorised nominees. Persons whose names appear in our Record of Depositors maintained by Bursa Depository will be treated as our shareholders in respect of the number of Shares credited to their respective CDS Accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS Account being debited with the number of Shares sold and the buyer's CDS Account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10.00 payable for each transfer not transacted on the market.

Shares held in CDS Accounts may not be withdrawn from the CDS except in the following instances:

(i) to facilitate a share buy-back;

(ii) to facilitate conversion of debt securities;

(iii) to facilitate company restructuring process;

(iv) where a body corporate is removed from the Official List;

(v) to facilitate a rectification of any error; and

(vi) in any other circumstances as determined by Bursa Depository from time to time, after consultation with the SC.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares are required to trade under the odd lot market. Settlement and payment of trades done on a "ready" basis on Bursa Securities generally takes place on the 2nd Market Day following the transaction date.

It is expected that our Shares will commence trading on Bursa Securities about 10 Market Days after the close of the IPO. Subscribers of our Shares will not be able to sell or otherwise deal in our Shares (except by way of a book-entry transfer to other CDS Account in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

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

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and substantial shareholders' shareholdings

The details of our Promoters and substantial shareholders and their respective shareholdings in our Company before and after our IPO are as follows:

Name	Nationality	Before our IPO/As at the LPD				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1) %	No. of Shares	(1) %	No. of Shares	(2) %	No. of Shares	(2) %
Promoters and substantial shareholders									
Wong Voon Ten	Malaysian	136,762,420	20.00	-	-	136,762,420	14.93	-	-
Wong Nyeon Thiat	Malaysian	51,285,908	7.50	136,762,420	(3) 20.00	51,285,908	5.60	136,762,420	(3) 14.93
Wong Voon Yoong	Malaysian	136,762,420	20.00	-	-	136,762,420	14.93	222,400	(5) 0.03
Wong Voon Shek	Malaysian	85,476,512	12.50	-	-	85,476,512	9.33	-	-
Lee Cheng Ngee	Malaysian	136,762,420	20.00	51,285,908	(3) 7.50	136,762,420	14.93	51,285,908	(3) 5.60
Substantial shareholder									
Budhi Sentoso Rachmat	Indonesian	136,762,420	20.00	-	-	118,762,420	(4) 12.97	-	-

Notes:

(1) Based on our number of issued Shares of 683,812,100 Shares after the Acquisition of PMIT Malaysia but before our IPO.

(2) Based on our enlarged number of issued Shares of 916,000,000 Shares after our IPO.

(3) Deemed interested by virtue of his/her spouse's direct shareholdings in the Company pursuant to Section 8 of the Act.

(4) Upon completion of the Offer for Sale, whereby the Selling Shareholder (Budhi Sentoso Rachmat) will offer 18,000,000 Shares by way of private placement to selected investors.

(5) Deemed interested by virtue of his spouse Khoo Bee Lan's direct shareholdings in the Company pursuant to Section 8 of the Act, assuming Khoo Bee Lan will fully subscribe for her allocation under the Pink Form Allocations. She is a person connected to the Promoters and also an employee of our Group holding the position of Sales and Administration Manager.

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

5.1.2 Profile of Promoters and substantial shareholders

(i) Wong Voon Ten

Wong Voon Ten, a Malaysian, aged 65, is the Promoter, substantial shareholder and Managing Director of our Group. He oversees the business growth, strategic planning and direction of our Group. He was appointed to the Board on 23 August 2024.

He graduated with a Business and Technology Education Council Diploma in Business Studies from Polytechnic of Wales (now part of University of South Wales), United Kingdom in June 1984.

Upon his graduation, he joined his family business, Folin & Brothers Sdn Bhd, as Assistant to the Managing Director in October 1984. During his tenure there, he assisted the Managing Director with administrative work and business development activities for the company's engineering product business. He resigned from Folin & Brothers Sdn Bhd in June 1986.

Together with Wong Nyeon Thiat, Wong Voon Yoong, Lee Cheng Ngee and Budhi Sentoso Rachmat, he set up Pan-Merchant Industries in June 1986, and was appointed Managing Director in April 1987. As Managing Director, Wong Voon Ten was in charge of overseeing the business growth, strategic planning and direction of the company. He was instrumental in the company's appointment as an agent and manufacturer of filter presses, hermetic filters and vessels/equipment. He also spearheaded the company's venture into the manufacturing of large-sized filter presses to cater to the edible oil industry.

PMIT Malaysia was subsequently incorporated as a wholly-owned subsidiary of Pan-Merchant Industries in January 2002, and he was appointed as Managing Director. The filtration solution business of Pan-Merchant Industries was progressively transferred to PMIT Malaysia since 2012, and Wong Voon Ten continued his role as Managing Director. Since then, he has been instrumental in developing and implementing business strategies and fostering business relationships.

He is the brother to Wong Nyeon Thiat, Wong Voon Yoong and Wong Voon Shek, brother-in-law to Lee Cheng Ngee and father-in-law to Ko Siu Lun.

Further details of his directorships and shareholdings in other companies outside of our Group are as set out in Section 5.2.4(ii) of this Prospectus.

(ii) Wong Nyeon Thiat

Wong Nyeon Thiat, a Malaysian, aged 64, is the Promoter, substantial shareholder and Executive Director of our Group. She is responsible for developing financial plans and strategies that are aligned with corporate strategies and internal resources, developing internal control systems and overseeing human resource management. She was appointed to the Board on 23 August 2024.

She graduated with a Bachelor of Science (Hons) in Accounting and Financial Management from Loughborough University of Technology, United Kingdom in July 1984.

She began her career in Folin Engineering & Construction Sdn Bhd, as an Accountant in September 1984, and was responsible for managing the company's accounts. In early 1987, she left Folin Engineering & Construction Sdn Bhd.

Together with Wong Voon Ten, Wong Voon Yoong, Lee Cheng Ngee and Budhi Sentoso Rachmat, she set up Pan-Merchant Industries in June 1986, and was appointed as Finance & Administration Manager in April 1987. During this time, she was responsible for overseeing the company's operations.

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

PMIT Malaysia was subsequently incorporated as a wholly-owned subsidiary of Pan-Merchant Industries in January 2002, and she assumed the position of Financial Controller. The filtration solution business of Pan-Merchant Industries was progressively transferred to PMIT Malaysia since 2012, and Wong Nyeon Thiat continued to maintain her position as Financial Controller.

Her role as Financial Controller in Pan-Merchant Industries and PMIT Malaysia was to oversee the company's accounts and financial reporting, develop financial plans and strategies that are aligned with corporate strategies and internal resources, develop internal control systems and oversee human resource management.

Since setting up PMIT Malaysia, she was instrumental in developing financial budgets and forecasts for our Group's expansion into new markets, setting up its internal control systems as well as planning for our Group's growth plans and strategies.

She was appointed as a Director of PMIT Malaysia in March 2024 and assumed the role as Finance Director.

She is the spouse of Lee Cheng Ngee, the sister to Wong Voon Ten, Wong Voon Yoong, Wong Voon Shek and mother to Lee Han Jun.

Further details of her directorships and shareholdings in other companies are as set out in Section 5.2.4(iii) of this Prospectus.

(iii) Wong Voon Yoong

Wong Voon Yoong, a Malaysian, aged 61, is the Promoter, substantial shareholder and Executive Director of our Group. He is responsible for identifying and developing new market opportunities and pursuing new international business leads. He was appointed to the Board on 23 August 2024.

He completed his Sijil Am Pelajaran from Sekolah Menengah La Salle, Petaling Jaya (now known as Sekolah Menengah Kebangsaan La Salle, Petaling Jaya) in November 1981.

He began his career in Folin & Brothers Sdn Bhd and was seconded to Carrier Malaysia Sdn Bhd as a trainee in December 1981. During his tenure there, he assisted in conducting repairs and maintenance of air-conditioning units. In mid-1982, he resigned from Folin & Brothers Sdn Bhd and joined MHY Air-Conditioning Sdn Bhd, where he was involved in site supervision, preparation of commercial terms for tender documents or proposals which include determining and evaluating the pricing strategies.

He resigned from MHY Air-Conditioning Sdn Bhd in early 1984 and joined Folin Engineering & Construction Sdn Bhd as Site Supervisor, where he was in charge of overseeing and managing on-site works conducted by contractors. In mid-1986, he resigned from Folin Engineering & Construction Sdn Bhd.

Together with Wong Voon Ten, Wong Nyeon Thiat, Lee Cheng Ngee and Budhi Sentoso Rachmat, he set up Pan-Merchant Industries in June 1986, and was appointed Sales Director in April 1987. Since 1986, he was key in expanding the company's geographical reach to the Asia Pacific, America, Africa and Europe markets, rendering the company as a global industry player for filtration solutions today. He was also responsible for negotiating the terms of agreement for Pan-Merchant Industries to sell and manufacture filter presses and hermetic filters.

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

PMIT Malaysia was subsequently incorporated as a wholly-owned subsidiary of Pan-Merchant Industries in January 2002, and he assumed the position of Director. The filtration solution business of Pan-Merchant Industries was progressively transferred to PMIT Malaysia since 2012, and Wong Voon Yoong was appointed Sales and Marketing Director. Since then, he played a crucial role in setting up our Group's Netherlands office, USA office and Singapore office to further expand its presence in the Europe, America and Asia Pacific markets.

He is the brother to Wong Voon Ten, Wong Nyeon Thiat and Wong Voon Shek. He is also the brother-in-law to Lee Cheng Ngee.

Further details of his directorships and shareholdings in other companies outside of our Group are as set out in Section 5.2.4(iv) of this Prospectus.

(iv) Wong Voon Shek

Wong Voon Shek, a Malaysian, aged 59, is the Promoter, substantial shareholder and Executive Director of our Group. He oversees our Group's manufacturing, assembly and installation activities for filtration equipment and vessels/equipment, and is in charge of optimising processes and costs to improve overall operational efficiency. He was appointed to the Board on 23 August 2024.

He graduated with a Bachelor of Engineering from University of Bath, United Kingdom, in June 1989.

Upon his graduation, he began his career with Wah Seong Engineering Sdn Bhd as a Project Engineer. During his tenure there, he was involved in the installation of elevators and escalators. In mid-1990, he resigned from Wah Seong Engineering and subsequently joined Gadelius Sdn Bhd as Project Sales Engineer. As Project Sales Engineer, he provided technical solutions that meet customers' needs and requirements, and was involved in the project implementation process for air pollution control equipment.

In 1992, he resigned from Gadelius Sdn Bhd and subsequently joined our Group, then known as Pan-Merchant Industries. During this time, he oversaw the filtration equipment manufacturing, assembly and installation processes, and supply chain management.

PMIT Malaysia was subsequently incorporated as a wholly-owned subsidiary of Pan-Merchant Industries in January 2002, and he was appointed as Director in December 2007. The filtration solution business of Pan-Merchant Industries was progressively transferred to PMIT Malaysia since 2012, and Wong Voon Shek was appointed Supply Chain and Operations Director. Since then, he has not only been in charge of the overall filtration equipment manufacturing, assembly and installation processes, but has also been optimising our Group's processes and material usage to improve its operational efficiency. He has also been overseeing the growth in our Group's manufacturing output in accordance with the growth in orders for filtration solutions.

He is the brother to Wong Voon Ten, Wong Nyeon Thiat and Wong Voon Yoong. He is also the brother-in-law to Lee Cheng Ngee.

Further details of his directorships and shareholdings in other companies are as set out in Section 5.2.4(v) of this Prospectus.

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

(v) Lee Cheng Ngee

Lee Cheng Ngee, a Malaysian, aged 66, is the Promoter, substantial shareholder and Executive Director of our Group. He is responsible for identifying new product development activities to cater to new industries or enhance our Group's filtration equipment as well as its technical support services operations. He was appointed to the Board on 23 August 2024.

He graduated with a Bachelor of Science in Production Engineering and Management (Hons) from Loughborough University of Technology, United Kingdom in July 1985. He is also registered as a Graduate Engineer with the Board of Engineers, Malaysia since August 1986.

Together with Wong Voon Ten, Wong Nyeon Thiat, Wong Voon Yoong and Budhi Sentoso Rachmat, he set up Pan-Merchant Industries in June 1986, and was appointed Director in April 1987. At that time, he was handling the After-Sales Department, where he was in charge of providing technical support services, installation and commissioning for filtration equipment and was involved in carrying out product development and design activities, as well as process improvement.

PMIT Malaysia was subsequently incorporated as a wholly-owned subsidiary of Pan-Merchant Industries in January 2002 and he assumed the position of Technical Director. The filtration solution business of Pan-Merchant Industries was progressively transferred to PMIT Malaysia since 2012.

Over the years, Lee Cheng Ngee has been instrumental in the customisation of our Group's filtration equipment to meet various industry applications, such as larger and higher operating pressure filter presses, meeting customer demands and requirements of the various applications. He has also spearheaded initiatives to enhance our Group's filtration solutions through the introduction and adoption of new mechanisms and features in their filtration equipment.

He is the spouse of Wong Nyeon Thiat and also the brother-in-law to Wong Voon Ten, Wong Voon Yoong and Wong Voon Shek.

Further details of his directorships and shareholdings in other companies are as set out in Section 5.2.4(vi) of this Prospectus.

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

(vi) Budhi Sentoso Rachmat

Budhi Sentoso Rachmat, an Indonesian citizen, aged 64, is a substantial shareholder of our Group.

He graduated with a Bachelor of Science in Production Engineering and Management (Hons) from Loughborough University of Technology in July 1984.

Upon his graduation, he began his career working in Motorola Singapore Private Limited from early 1985 for 3 years as Quality Engineer responsible for products and process quality. While at Motorola Singapore Private Limited, he set up Pan-Merchant Industries in June 1986 together with Wong Voon Ten, Wong Nyeon Thiat, Wong Voon Yoong and Lee Cheng Ngee, and was appointed a director then.

Leaving Motorola Singapore Private Limited in 1987, he started Karlson Engineering Private Limited, a trading company in Singapore. As the Managing Director, he was responsible for running and operating the company which ceased its business in 1989. In the same year, he joined PT Wira Gulfindo Sarana, his family business involved in steel fabrication, where he assumed his position as Managing Director. During his tenure there, he was in charge of overseeing and managing overall business operations of the company until he retired in 2022. In January 2002, PMIT Malaysia was incorporated as a wholly-owned subsidiary of Pan-Merchant Industries, and he assumed the position of director. In the same year, he set up PT Prima Ega Teknindo to market and sell our Group's filtration equipment in Indonesia. In July 2022, he joined PT Bakti Omsa Sudharma, a company involved in home care clinics as a shareholder. In January 2023, he also incorporated PT Bricks Bina Bali, a property development company, and assumed the position of director.

The filtration solution business of Pan-Merchant Industries was progressively transferred to PMIT Malaysia since 2012, and Budhi Sentoso Rachmat continued his role as a director up till January 2024.

He does not have any family relationships with any of our Group's Promoters, Directors and/or substantial shareholders.

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

5.1.3 Changes in our Promoters' and substantial shareholders' shareholdings

The changes in our Promoters' and substantial shareholders' shareholdings in our Company since incorporation up to the LPD are as follows:

Name	As at incorporation on 18 March 2024 [1]				Upon completion of the Acquisition of PMIT Malaysia and as at LPD [2]			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	[1] %	No. of Shares	[1] %	No. of Shares	[2] %	No. of Shares	[2] %
Subscribers (at incorporation)								
Mohd Firdaus Bin Jamari	50	50.00	-	-	[3] -	-	-	-
See Chye Hon	50	50.00	-	-	[3] -	-	-	-
Promoters and substantial shareholders								
Wong Voon Ten	-	-	-	-	136,762,420	20.00	-	-
Wong Nyeon Thiat	-	-	-	-	51,285,908	7.50	136,762,420	[4] 20.00
Wong Voon Yoong	-	-	-	-	136,762,420	20.00	-	-
Wong Voon Shek	-	-	-	-	85,476,512	12.50	-	-
Lee Cheng Ngee	-	-	-	-	136,762,420	20.00	51,285,908	[4] 7.50
Substantial shareholder								
Budhi Sentoso Rachmat	-	-	-	-	136,762,420	20.00	-	-

Notes:

(1) Based on our total number of issued Shares of 100 Shares as at the date of incorporation.

(2) Based on our total number of issued Shares of 683,812,100 Shares after the Acquisition of PMIT Malaysia but before our IPO.

(3) 100 Shares held by our Company's subscriber shareholders, Mohd Firdaus Bin Jamari and See Chye Hon, each holding 50 Shares were transferred to the Promoters and substantial shareholders respectively in proportion to their shareholdings upon completion of the Acquisition of PMIT Malaysia.

(4) Deemed interested by virtue of his/her spouse's direct shareholdings in the Company pursuant to Section 8 of the Act.

As at the LPD, our Promoters and substantial shareholders have the same voting rights as the other shareholders of our Group and there is no arrangement between our Company and its shareholders with any third parties which may, at a subsequent date, result in a change in control of our Company.

Save for our Promoters and substantial shareholders, including persons connected with them, who collectively hold 72.78% of our enlarged total number of issued Shares after our IPO, we are not aware of any other persons who are able to, directly or indirectly, jointly or severally, exercise control over our Company.

5.1.4 Promoters and substantial shareholders' remuneration and benefits

There are no other amounts or benefits that have been paid or intended to be paid to our Promoters and substantial shareholders within the 2 years preceding the date of this Prospectus other than as set out below:

(i) dividends paid to our Promoters and substantial shareholders set out in Section 12.8 of this Prospectus;

(ii) the aggregate remuneration and benefits paid or proposed to be paid to our Promoters and substantial shareholders who are also our Executive Directors for services rendered to our Group in all capacities for the FYE 2024 and proposed to be paid for FYE 2025 as set out in Section 5.6.1 of this Prospectus; and

(iii) expenses paid by PMIT Malaysia on behalf of Pan-Merchant Industries and for amount paid by PMIT Malaysia to Pan-Merchant Industries which was in turn paid to the shareholders of Pan-Merchant Industries set out in Section 10.1.3 of this Prospectus.

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

5.2 BOARD OF DIRECTORS

5.2.1 Directors

Our Board comprises the following members:

Name	Age	Nationality	Date of appointment	Designation
Datuk Tan Leh Kiah (M)	73	Malaysian	23 August 2024	Independent Non-Executive Chairman
Wong Voon Ten (M)	65	Malaysian	23 August 2024	Managing Director
Wong Nyeon Thiat (F)	64	Malaysian	23 August 2024	Executive Director
Wong Voon Yoong (M)	61	Malaysian	23 August 2024	Executive Director
Wong Voon Shek (M)	59	Malaysian	23 August 2024	Executive Director
Lee Cheng Ngee (M)	66	Malaysian	23 August 2024	Executive Director
Datuk Seri Nurmala binti Abd Rahim (F)	71	Malaysian	23 August 2024	Senior Independent Non-Executive Director
Datin Ooi Swee Lian (F)	65	Malaysian	23 August 2024	Independent Non-Executive Director
Fong Kit Chiu (M)	64	Malaysian	23 August 2024	Independent Non-Executive Director
Ir. Viyasan K Krishnan (M)	63	Malaysian	23 August 2024	Independent Non-Executive Director

Notes:
(M) Male
(F) Female

Our Executive Directors and Independent Directors namely, Datuk Tan Leh Kiah, Fong Kit Chiu and Ir. Viyasan K Krishnan have enrolled for the Mandatory Accreditation Programme – Part 1 by the Institute of Corporate Directors Malaysia which has been scheduled on 9 and 10 June 2025. Both Datuk Seri Nurmala binti Abd Rahim and Datin Ooi Swee Lian have attended the said programme in the past.

None of our Directors are representatives of any of our corporate shareholders. For details on the family relationships and associations among our Promoters, substantial shareholders, Directors and Key Senior Management, please refer to Section 5.8 of this Prospectus.

Our Board acknowledges and takes cognisance of the MCCG which sets out the best practices and guidance for listed companies to strengthen and enhance their corporate governance, which in turn forms an integral part of our Group's business operations and culture.

Our Board believes that our current Board composition has an appropriate balance in terms of skills, knowledge, experience and independence elements to promote the interests of our shareholders and to effectively govern our Group. Our Board composition complies with the following recommendations under the MCCG:

(i) at least half of our Board comprises Independent Non-Executive Directors;

(ii) the chairperson of our Board is not a member of our Audit and Risk Management Committee, Nomination Committee or Remuneration Committee;

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

(iii) the positions of the chairperson of our Board and our Managing Director are held by different individuals; and

(iv) at least 30% of our Board comprises female directors.

As at the LPD, our Group complies with the recommendations prescribed by the MCCG.

Within the limits set by our Constitution, our Board is responsible for the governance and management of our Group. To ensure the effective discharge of its functions, our Board has set out the following key responsibilities in the Board charter:

(a) reviewing and adopting strategic plans for our Group, taking into account economic and sustainability considerations in developing and implementing our Group's strategies, business plans and risk management;

(b) overseeing the conduct of our Group's business to evaluate whether the business is being properly managed;

(c) ensuring our Group's solvency and our ability to meet contractual obligations and safeguarding our assets;

(d) identifying and assessing principal risks of our Group's business in recognition that business decisions involve the taking of appropriate risks;

(e) set the risk appetite within which our Board expects our management to operate, and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;

(f) ensuring there is an appropriate succession plan for our Board and Key Senior Management in place, including appointing, recruiting, training and determining appropriate compensation packages;

(g) developing and implementing an 'investor relations programme' or 'shareholder communication policy' for our Company;

(h) reviewing the adequacy and the integrity of our Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;

(i) establishing and maintaining effective and adequate anti-corruption compliance policies and framework and whistleblowing reporting channel;

(j) reviewing our Group's corruption risk exposures periodically or when there are changes in law, circumstance of the business and/or the profile of our business associates;

(k) oversee corporate governance and compliance matters within our Group;

(l) delegate the above matters to the relevant committees or personnel to address specific issues, where appropriate, and acting on the recommendations of such committees;

(m) ensuring that our Company's and Group's statutory accounts are fairly stated and conform with the relevant regulations including acceptable/applicable accounting policies;

(n) review and approve the financial statements encompassing annual audited accounts and quarterly reports, as well as, amongst others, Audit and Risk Committee Report, Statement of Risk Management and Internal Control, and Sustainability Statement in the Company's Annual Report;

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

(o) adopt performance measures to monitor implementation and performance of the strategy, policies, plans, budget, legal and fiduciary obligations that affect our business;

(p) set corporate values and clear lines of responsibility and accountability that are communicated throughout our Company;

(q) ensure that the operations of our Company are conducted prudently within the framework of laws and policies and take into account sustainability factors; and

(r) ensure high standards of ethics and corporate behaviour in our conduct of business.

5.2.2 Profile of Directors

The profiles of our Managing Director and Executive Directors, namely Wong Voon Ten, Wong Nyeon Thiat, Wong Voon Yoong, Wong Voon Shek and Lee Cheng Ngee, who are also our Promoters and substantial shareholders are disclosed in Section 5.1.2 of this Prospectus.

The profiles of our other Directors are as follows:

(i) Datuk Tan Leh Kiah

Datuk Tan Leh Kiah, a Malaysian, aged 73, is the Independent Non-Executive Chairman of our Group. He was appointed to the Board on 23 August 2024.

He graduated with a Bachelor of Laws from University of London, United Kingdom in August 1982 and subsequently in September 1984, he received his Certificate in Legal Practice from the Malaysia Legal Profession Qualifying Board. He was admitted as an Advocate and Solicitor of the High Court in Malaysia in January 1986.

In addition, he is an Associate of the Institute of the Chartered Secretaries and Administrators since March 1979 and a Fellow since April 2012, as well as Associate of the Chartered Tax Institute of Malaysia since 1995. He is also a Solicitor of the Supreme Court of Brunei Darussalam since March 1999, and of the Supreme Court of England and Wales since September 2000.

Prior to obtaining his professional qualifications, he joined the Ministry of International Trade and Industry (currently known as Ministry of Investment, Trade and Industry ("**MITI**")), as Assistant Registrar of Companies in the Registry of Companies in 1972. During his tenure there, he maintained the accuracy of company records. In 1976, he resigned from MITI and subsequently joined Inchcape Group, a company involved in automotive distribution, retail and services, as the Group Company Secretary, in 1977. His responsibilities included liaising with various stakeholders and handling corporate filling matters. In 1985, he resigned from Inchcape Group.

In 1986, he joined Azman Davidson & Co Kuala Lumpur as Managing Partner, where he was responsible for managing the firm as well as handling corporate and tax related matters for clients. In January 2009, he stepped down as Managing Partner and assumed his present position as Consultant, where he advises the firm on legal issues.

He served on the Board of EXIM Bank Berhad as an Independent Non-Executive Director from 2001 to 2006. He was a member of the Securities Commission Malaysia from 1999 to 2018. He also served as an Independent Non-Executive Director of China Construction Bank (Malaysia) Berhad from 2017 to 2023. He also sat on the board of MPI Generali Insurans Berhad from 2015 to 2023 and Boustead Holdings Berhad from 2012 to 2019.

He was conferred the title of Panglima Mahkota Wilayah by the Yang di-Pertuan Agong in February 2011.

He does not have any family relationships with any of our Group's Promoters, Directors and/or substantial shareholders.

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

(ii) Datuk Seri Nurmala Binti Abd. Rahim

Datuk Seri Nurmala Binti Abd. Rahim, a Malaysian, aged 71, is the Senior Independent Non-Executive Director of our Group. She was appointed to the Board on 23 August 2024.

She graduated with a Bachelor of Social Science in Urban Studies from Universiti Sains Malaysia in July 1977. Subsequently, she completed her Diploma in Public Administration from the National Institute of Public Administration ("**INTAN**") in October 1978. She also graduated with a Master of Public Administration ("**MPA**") from Pennsylvania State University, United States of America in May 1988. She is also certified with the Mandatory Accreditation Program of Directors of Public Listed Companies since May 2014.

She began her career with the Malaysian Government as an Administrative and Diplomatic Officer in 1978. Her first posting was with the Ministry of Agriculture, where she served as Assistant Secretary of the International Division, Assistant Secretary of the Planning and Development Division, and Principal Private Secretary to the Honourable Minister of Agriculture throughout her tenure from 1978 to 1984. Her tasks at the Ministry of Agriculture included administration work related to the International Food Agricultural Organisation, assisting in drafting the National Agricultural Policy, and assisting the Minister in his day-to-day official duties. In 1984, she left the Ministry of Agriculture to join INTAN as a Senior Project Officer where she was responsible for conducting training programmes for Malaysian Government officers in the field of quality management. In 1986, she left INTAN and took a break from her career to pursue her MPA.

Upon completion of her MPA, she resumed her career and was assigned to the Malaysian Administrative Modernisation and Management Planning Unit ("**MAMPU**") under the Prime Minister's Department as a Principal Assistant Director in 1988. During her long stint in MAMPU, she was involved in various programmes aimed at improving the services of various Malaysian Government departments and agencies by conducting research, visits, inspections, drafting the administrative circulars, advising as well as evaluating Malaysian Government agencies for the quality improvement award system at the national level.

In 2002, she left MAMPU and joined the Ministry of International Trade and Industry (now known as MITI) as the Director of ASEAN Division, where she was involved in various Free Trade Area ("**FTA**") negotiations representing Malaysia at the ASEAN level as well as FTA negotiations with other trade partners of ASEAN. She was also the ASEAN representative and spokesperson in the FTA negotiations with India. Throughout her tenure with MITI, she also assumed various other positions including Minister Counsellor at the Embassy of Malaysia in Tokyo, Japan, Senior Director of the Strategic Planning Division, and Senior Director of the Management Service Division. Whilst in Japan she was involved in providing input as well as liaising communication between Malaysia and Japan on trade and economic development of both countries. Upon returning to Malaysia after 2 years in Japan, she was involved in strategic planning, administration, finance as well as information and communications technology for MITI.

In 2007, she left MITI to join the Ministry of Plantation, Industries and Commodities ("**MPIC**") as Deputy Secretary General. In February 2011, she was further promoted to Secretary General. At MPIC, she was in charge of planning and developing the plantation sector covering oil palm, rubber, timber, cocoa, pepper and kenaf both upstream and downstream. She was also responsible in developing and implementing the National Commodities Policy with yearly export earnings targets whilst at the same time taking care of the interest of the smallholders, At the international level, she was involved in promoting the industry as well as defending palm oil against criticism by attending international meetings and leading trade missions.

In August 2014, at the age of 60, she went on a mandatory retirement from the Malaysian Civil Service.

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

She does not have any family relationships with any of our Group's Promoters, Directors and/or substantial shareholders.

As at the LPD, she sits on the board of Hartalega Holdings Berhad (since August 2016), DPI Holdings Berhad (since March 2018). Hartalega Holdings Berhad is listed on the Main Market of Bursa Securities whilst DPI Holdings Berhad is listed on the ACE Market. She was also appointed to the board of Hock Soon Capital Berhad in February 2025 which is currently seeking listing on the Main Market of Bursa Securities.

(iii) Datin Ooi Swee Lian

Datin Ooi Swee Lian, a Malaysian, aged 65, is the Independent Non-Executive Director of our Group. She was appointed to the Board on 23 August 2024.

She graduated with a Bachelor of Economics majoring in Business Administration (Hons) from Universiti Malaya in 1983.

She started her career at Malayan Banking Berhad in May 1983, as an Account Executive in the Lending Division. She was subsequently promoted to Credit and Marketing Manager where she managed a portfolio of customers as well as carried out business development activities. In April 1986, she resigned from Malayan Banking Berhad and joined Lloyds Bank, Hong Kong as a Credit Analyst in June 1986. During her tenure there, she was involved in carrying out credit analysis for large and multinational corporations located in Hong Kong. She left Lloyds Bank, Hong Kong to join Indover Asia Ltd, Hong Kong as Credit Administrator in October 1986. Subsequently, she was promoted to Senior Relationship Officer in March 1987, Assistant Manager in January 1989 and Deputy Manager in May 1992. During her tenure there, she was responsible for relationship management of large corporate customers in Indonesia, Singapore and Vietnam. In 1992, she left Indover Asia Ltd, Hong Kong and returned to Malaysia where she took a break from her career.

In October 1994, she joined RHB Bank Berhad as Manager, where she was responsible for liabilities management. Throughout the years, she received various promotions to Senior Manager, Assistant General Manager, General Manager, Vice President, Deputy of Corporate Banking and Head of Commercial Products. Throughout her tenure in RHB Bank Berhad, she sat on various committees including Group Management, Asset and Liability, Group Credit, Group Credit Risk and Group Digital Technology. In November 2014, she held the position of Executive Vice President and Head of Group Business and Transaction Banking. She was responsible for overseeing the strategic planning and business direction for the growth of RHB Bank Berhad's business and transactional banking activities. She left RHB Bank Berhad in December 2017.

In March 2018, she joined Double Dynasty Sdn Bhd as an Advisor and was responsible for providing advice on new projects. She subsequently resigned from Double Dynasty Sdn Bhd on October 2023. She also served as the Independent Non-Executive Director of Alliance Investment Bank Berhad from November 2018 to August 2022.

She does not have any family relationships with any of our Group's Promoters, Directors and/or substantial shareholders.

As at the LPD, she sits on the boards of China Construction Bank (Malaysia) Berhad (since January 2023) and Poh Kong Holdings Berhad (since June 2023). Poh Kong Holdings Berhad is a company listed on the Main Market of Bursa Securities.

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

(iv) Fong Kit Chiu

Fong Kit Chiu, a Malaysian, aged 64, is the Independent Non-Executive Director of our Group and was appointed to the Board on 23 August 2024.

He is a member of the Malaysian Association of Certified Public Accountants since May 1987 and is also a member of the Malaysian Institute of Accountants since November 1987.

He joined Ernst & Whinney (now known as Ernst & Young PLT), Kuala Lumpur in August 1983 and completed his Articleship there in November 1986. In early 1988, he was transferred to Ernst & Whinney (now known as Ernst & Young LLP), London for 3 years, starting as a Senior Accountant and was promoted to Supervisor and then to Manager. During his tenure with Ernst & Whinney (now known as Ernst & Young LLP), London he audited many high-profile companies in banking, manufacturing and an international airline.

Upon his return from the United Kingdom in February 1991, he joined Public Bank Berhad as the Finance Manager for Group Accounts for 3 years before gaining mergers and acquisitions experience with FACB Berhad as a Senior Manager in January 1994. In March 1996, he joined Hap Seng Consolidated Berhad as the Financial Controller and Company Secretary where he played an active role in investor relations, mergers and acquisitions, internal audit, as well as overseeing the Finance Division.

He rejoined the auditing profession in April 2001 with KPMG PLT as the Asia Anchor Practice (Regional) Technical Director with responsibilities for technical matters in 13 countries in the Asia Pacific. During that time, he participated in a select Global team to develop a fresh audit approach and methodology for the firm.

In February 2005 he joined Aurora Tankers (M) Sdn. Bhd., part of the IMC Group, as Finance Director to prepare for a public listing.

For 15 years from January 2006 until his retirement in January 2021, he was with Western Digital (M) Sdn Bhd. Starting as the Finance Director, he was promoted to Senior Director, Finance after 3 years and then to Malaysia Controller in 2016. During his tenure there, he had overall responsibility over finance for all Western Digital entities in Malaysia and Singapore. He also oversaw mergers and acquisitions, strategic planning, budgeting, tax planning, cash flow management in addition to financial and management reporting. He worked closely with various Federal and State government bodies on Western Digital's investments in Malaysia. He was also appointed as Director in WD Media (Malaysia) Sdn Bhd, a related entity of Western Digital (M) Sdn Bhd, from November 2008 up to March 2020.

He does not have any family relationships with any of our Group's Promoters, Directors and/or substantial shareholders.

As at the LPD, he does not hold any directorship or shareholdings outside our Group.

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

(v) Ir. Viyasan K Krishnan

Ir. Viyasan K Krishnan, a Malaysian, aged 63, is the Independent Non-Executive Director of our Group. He was appointed to the Board on 23 August 2024.

He graduated with a Bachelor of Science (Civil Engineering) from Loughborough University of Technology, United Kingdom (presently known as Loughborough University) in July 1984. He also obtained his Bachelor of Laws from University of London, United Kingdom in August 1996.

He is a Professional Engineer registered with the Board of Engineers, Malaysia since September 1992 and has been subsequently redesignated as Professional Engineer with Practising Certificate since February 2016. He has been a member of the Institution of Engineers, Malaysia and the Institute of Arbitrators, Malaysia since January 1992 and March 1996, respectively. He is also a certified Project Management Professional awarded by the Project Management Institute, USA since April 2009. Further, he is currently a member of the Disciplinary Committee Panel of the Malaysian Advocates & Solicitors Disciplinary Board since January 2023.

He began his career with the Malaysian Public Works Department as Design Engineer (Water Supplies) in December 1984. As the Design Engineer (Water Supplies), he was involved in the design of water supply projects including design for water treatment plants, transmission, distribution, reticulation and plumbing systems for various government projects. In March 1989, he was redesignated as the Assistant Resident Engineer (Water Supplies), where he was responsible for supervising and commissioning waterworks installations in Kedah. In January 1991, he was transferred by the Malaysian Public Works Department and was based at the Perak Water Board office to oversee the maintenance management of a rural water supply turnkey project. In December 1992, he resigned from the Malaysian Public Works Department and joined the Perak Water Board the following month. During his time there as Development Engineer, he was responsible for the planning and implementation of rural water supply projects throughout the state of Perak. In June 1996, he left the Perak Water Board.

Subsequently, he joined HSS Integrated Sdn Bhd as Resident Engineer in July 1996, where he was in charge of overseeing and managing the construction and completion of a government hospital in Kuala Lumpur. He left HSS Integrated Sdn Bhd in August 1997 and joined Tongkah Holdings Berhad in September 1997 as Project Manager. His responsibilities included planning, designing, construction, commissioning and refurbishment of hospitals and clinics in the Klang Valley. In April 1998, he was appointed as Alternate Director of THB-IJM Joint Venture Sdn Bhd, a joint venture between Tongkah Holdings Berhad and IJM Corporation Berhad, where he was responsible for the management of all contracts. He left to join Putera Capital Berhad as Project Director in May 2000, and oversaw the preliminary planning of a hospital in Johor. He left Putera Capital Berhad in May 2001.

In June 2001, he was appointed as General Manager at Puncak Niaga (M) Sdn Bhd and was responsible for vetting through commercial proposals. He was then internally transferred to Central Challenger (M) Sdn Bhd in June 2002, where he initially held the position of General Manager and subsequently promoted to Senior General Manager of the Contracts and Technical Services Department. During his tenure there, he played a key role in the development of a township located in Shah Alam, Selangor and was also appointed as the Project Director to oversee the design and construction of a university branch campus in the township. He left Central Challenger (M) Sdn Bhd in November 2006.

Subsequently, he joined Nam Fatt Construction Sdn Bhd as Senior Project Manager in December 2006. During his time there, he was in charge of the construction and completion of residential buildings in Putrajaya. In October 2007, he resigned from Nam Fatt Construction Sdn Bhd and joined Hill International Inc., Qatar in the following month as Construction Manager, where he was involved in major commercial projects in Qatar, Vietnam and the Philippines.

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

In June 2009, he moved back to Malaysia and joined Progressive Impact Corporation Berhad as Technical Director. During his time there, he led the Projects and Contracts Department and oversaw the company's sewerage projects. He left Progressive Impact Corporation Berhad upon the end of his contract in July 2011.

In August 2011, he joined Kencana Torsco Sdn Bhd (presently known as Sapura Onshore Sdn Bhd) as Assistant General Manager (Contracts), where he headed the Contracts Department, handling various onshore steel fabrication and offshore installation contracts in the oil and gas industry. In January 2021, he left Sapura Onshore Sdn Bhd to join GE Power Solutions (Malaysia) Sdn Bhd as Contract Management Leader (Asia), where he led a team of Project Contract Managers and Site Contract Managers based in 7 countries across Asia. In September 2022, he retired from his professional career.

Since 2024, he has been an International Certified Professional Trainer accredited by the International Professional Managers Association, UK as well as an Accredited Trainer certified by the Human Resource Development Corporation, Malaysia. He is also an IPMA Level A Assessor certified by International Project Management Association (IPMA) Malaysia since October 2024. Currently, he conducts training on contract management and project management in the construction industry on an ad hoc basis.

He does not have any family relationships with any of our Group's Promoters, Directors and/or substantial shareholders.

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

5.2.3 Directors' shareholdings

Our Directors' shareholdings in our Company are as follows:

Director	Before our IPO/As at the LPD				After our IPO			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	[1] %	No. of Shares	[1] %	[3] No. of Shares	[2] %	No. of Shares	[2] %
Datuk Tan Leh Kiah	-	-	-	-	100,000	0.01	-	-
Wong Voon Ten	136,762,420	20.00	-	-	136,762,420	14.93	-	-
Wong Nyeon Thiat	51,285,908	7.50	136,762,420	[4] 20.00	51,285,908	5.60	136,762,420	[4] 14.93
Wong Voon Yoong	136,762,420	20.00	-	-	136,762,420	14.93	222,400	[5] 0.03
Wong Voon Shek	85,476,512	12.50	-	-	85,476,512	9.33	-	-
Lee Cheng Ngee	136,762,420	20.00	51,285,908	[4] 7.50	136,762,420	14.93	51,285,908	[4] 5.60
Datuk Seri Nurmala binti Abd. Rahim	-	-	-	-	100,000	0.01	-	-
Datin Ooi Swee Lian	-	-	-	-	100,000	0.01	-	-
Fong Kit Chiu	-	-	-	-	100,000	0.01	-	-
Ir. Viyasan K Krishnan	-	-	-	-	100,000	0.01	-	-

Notes:

(1) Based on our number of issued Shares of 683,812,100 Shares after the Acquisition of PMIT Malaysia but before our IPO.

(2) Based on our enlarged number of issued Shares of 916,000,000 Shares after our IPO.

(3) Assuming our eligible Directors will fully subscribe for their respective allocation under the Pink Form Allocations.

(4) Deemed interested by virtue of his/her spouse's direct shareholdings in the Company pursuant to Section 8 of the Act.

(5) Deemed interested by virtue of his spouse Khoo Bee Lan's direct shareholdings in the Company pursuant to Section 8 of the Act, assuming Khoo Bee Lan will fully subscribe for her allocation under the Pink Form Allocations. She is a person connected to the Promoters and also an employee of our Group holding the position of Sales and Administration Manager.

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

5.2.4 Principal business activities and directorships in other corporations outside of our Group for the past 5 years

Save as disclosed below, none of our Directors have any principal business activities as at the LPD, and directorships in any other corporations outside of our Group at present and in the past 5 years preceding the LPD:

(i) Datuk Tan Leh Kiah

Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
Present Directorships					
TMA Shop Sdn Bhd	Director / shareholder	1 April 2021	N/A	Direct: 100	Activities of holding companies (properties)
Malayasset Ventures Sdn Bhd	Director	21 June 2023	N/A	Nil	Investment holding company (involved principally in the business of operating licensed educational institution)
Ferragamo (Malaysia) Sdn Bhd	Director	5 June 1988	N/A	Nil	Distribution, marketing and retailing of branded lifestyle products in Malaysia
Alur Hijau Sdn Bhd	Director	30 May 2014	N/A	Nil	Recycle used lead acid batteries and manufacturer of lead antimony alloy
MNA Metal Resources Sdn Bhd	Director	4 February 2014	N/A	Nil	Production and trading of lead
Perfect SL Resources Sdn Bhd	Director	14 April 2016	N/A	Nil	Investment holding (involved principally in the business of lab processing factory)
Lead Wizard Sdn Bhd	Director / shareholder	9 March 2016	N/A	Direct: 100	Investment holding (involved principally in the business of lab processing factory)
Entity Logistic Sdn Bhd	Director	25 September 2013	N/A	Nil	Battery retail, trading, e-commerce and battery-assist services
Van Leeuwen Tube (Malaysia) Sdn Bhd	Director	30 June 2003	N/A	Nil	Wholesale of pipes, tubes and pipe fittings and provision of management services

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

Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
Asian Women's Leadership Project Malaysia Berhad	Director	5 November 2019	N/A	Nil	Promote the education of women and for this purpose to establish a world-class, international, liberal arts and sciences, women's leadership university in Malaysia
Boeing Aerospace (Malaysia) Sdn Bhd	Director	2 June 2014	N/A	Nil	Provision of marketing and support services relating to aircraft, spacecraft, missiles and related products
AD-Consult Sdn Bhd	Director / shareholder	23 January 1988	N/A	Direct: 52.41	Management, secretarial and business advisory services
Aerospace Composites Malaysia Sdn Bhd	Director	12 September 2024	N/A	Nil	Manufacturing of composite parts for aircrafts
Past Directorships					
AD-Consult (Penang) Sdn Bhd	Director	14 October 2011	30 June 2022	Nil	Provision of secretarial and other related services
Yayasan Chow Kit	Director	19 January 2011	15 February 2022	Nil	Welfare
Rolex Malaysia Sdn Bhd	Director	27 September 2006	4 July 2022	Nil	Servicing of watches
Malaysian Genomics Resource Centre Berhad (1)	Independent Non-Executive Director	3 August 2021	13 July 2022	Nil	Enabling personalised and precision medicine through genetics, genomics, immunotherapy, and biopharmaceutical services; nurturing investment holding in new ventures
China Construction Bank (Malaysia) Berhad	Director	20 January 2017	20 January 2023	Nil	Business of a bank with the principal place of business in Malaysia
Pakar Bateri J2 Sdn Bhd	Director / shareholder	5 May 2017	1 July 2022	Direct: 51	Wholesale and retail sale of all kinds of parts, components, supplies, tools and accessories for motor vehicles

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

Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
BB Battery Sales & Services Centre Sdn Bhd	Director / shareholder	31 May 2017	1 July 2022	Direct: 51	Wholesale and retail sale of all kinds of parts, components, supplies, tools and accessories for motor vehicles
Yonku Battery Marketing Sdn Bhd	Director / shareholder	27 July 2016	1 July 2022	Direct: 51	Retail and distribution of battery and automotive related products
Autopower Battery (Melaka) Sdn Bhd	Director / shareholder	31 October 2018	1 October 2022	(2) Indirect: 50	Motor vehicles batteries trader
Guang Ming Battery Sdn Bhd	Director	20 July 2017	1 July 2022	Nil	Motor vehicles batteries trader
Autopower Battery (Kedah) Sdn Bhd	Director / shareholder	31 October 2018	1 October 2022	(2) Indirect: 50	Motor vehicles batteries trader
Autopower Battery Sdn Bhd	Director / shareholder	27 July 2016	1 August 2022	Direct: 50	Trading in car battery
Oren Batteries Distribution Sdn Bhd	Director / shareholder	6 September 2017	6 September 2022	Direct: 51	Motor vehicles batteries trader
MPI Generali Berhad	Director	7 May 2015	30 April 2023	Nil	General insurance business of all classes
JV Power Battery Sdn Bhd	Director / shareholder	5 March 2020	1 July 2022	Direct: 51	Wholesale and retail sale of all kinds of parts, components, supplies, tools and accessories for motor vehicles
Intercedar Industry (M) Sdn Bhd	Director	30 October 2020	13 January 2021	Nil	Recycling of metal and transport such metal by land, sea and air
Other Business Involvement Outside our Group					
Good Function Sdn Bhd	Shareholder	N/A	N/A	Direct: 100	Dormant (3)
NCC Battery Sdn Bhd	Shareholder	N/A	N/A	Direct: 51	Wholesale and retail sale of all kinds of parts, components, supplies, tools and accessories for motor vehicles

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

Notes:

(1) A company listed on the ACE Market of Bursa Securities.

(2) Deemed interested by virtue of his substantial shareholdings in Autopower Battery Sdn Bhd pursuant to Section 8 of the Act.

(3) There is no immediate plan for the company as at the LPD.

(ii) Wong Voon Ten

Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
Present Directorships					
Maxz Concept (M) Sdn Bhd	Director / shareholder	1 July 2008	N/A	(1) Indirect: 100	Dormant (2)
Pan-Merchant Industries	Director / shareholder	24 June 1986	N/A	Direct: 20	Investment holding
Top Pristine Sdn Bhd	Director	5 May 2007	N/A	Nil	Investment holding (property)
Other Business Involvement Outside our Group					
Whyte Engineering Sdn Bhd	Shareholder	N/A	N/A	(1) Indirect: 100	Dormant (3)

Notes:

(1) Deemed interested by virtue of his substantial shareholdings in Pan-Merchant Industries pursuant to Section 8 of the Act.

(2) Maxz Concept (M) Sdn Bhd had ceased its business operations since January 2024 and there is no immediate plan for this company currently.

(3) Whyte Engineering Sdn Bhd has been dormant since 2008 and there is no immediate plan for this company currently.

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

(iii) Wong Nyeon Thiat

Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
Present Directorships					
Top Pristine Sdn Bhd	Director / shareholder	5 May 2007	N/A	Direct: 50	Investment holding (property)
Nuts Enough Sdn Bhd	Director / shareholder	15 July 2016	N/A	Direct: 21	Making and selling nuts spreads and baked nuts
Folin Food Processing Sdn Bhd	Director	16 June 2023	N/A	Nil	Letting of premises
Folin and Brothers Sdn Bhd	Director	16 June 2023	N/A	Nil	Investment holding (shares)
Pan-Merchant Industries	Director / shareholder	15 December 2023	N/A	Direct: 7.5 (2) Indirect: 20	Investment holding (property and shares)
Past Directorships					
Folin and Brothers Sdn Bhd	Alternate Director	3 December 2014	17 November 2023	Nil	Investment holding (in shares)
Folin Food Processing Sdn Bhd	Alternate Director	3 December 2014	17 November 2023	Nil	Letting of premises
Other Business Involvement Outside our Group					
Maxz Concept (M) Sdn Bhd	Shareholder	N/A	N/A	(1) Indirect: 100	Dormant (3)
Whyte Engineering Sdn Bhd	Shareholder	N/A	N/A	(1) Indirect: 100	Dormant (4)
Hoesch Sdn Bhd	Shareholder	N/A	N/A	(2) Indirect: 50	Dormant (5)

Notes:

(1) Deemed interested by virtue of her substantial shareholdings in Pan-Merchant Industries pursuant to Section 8 of the Act.

(2) Deemed interested by virtue of her spouse's direct shareholdings in the company pursuant to Section 8 of the Act.

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

(3) Maxz Concept (M) Sdn Bhd had ceased its business operations since January 2024 and there is no immediate plan for this company currently.

(4) Whyte Engineering Sdn Bhd has been dormant since 2008 and there is no immediate plan for this company currently.

(5) Hoesch Sdn Bhd (formerly known as PMI-Hoesch Sdn Bhd) has not commenced business operations since its incorporation on 3 March 2003, and there is no immediate plan for this company currently.

(iv) Wong Voon Yoong

Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
Present Directorships					
Top Pristine Sdn Bhd	Director / shareholder	5 May 2007	N/A	Direct: 50	Investment holding (property)
Whyte Engineering Sdn Bhd	Director / shareholder	16 February 2004	N/A	(1) Indirect: 100	Dormant (2)
Hoesch Sdn Bhd	Director / shareholder	3 March 2003	N/A	Direct: 50	Dormant (3)
Pan-Merchant Industries	Director / shareholder	24 June 1986	N/A	Direct: 20	Investment holding (property and shares)
Maxz Concept (M) Sdn Bhd	Director / shareholder	1 July 2008	N/A	(1) Indirect: 100	Dormant (4)

Notes:

(1) Deemed interested by virtue of his substantial shareholdings in Pan-Merchant Industries pursuant to Section 8 of the Act.

(2) Whyte Engineering Sdn Bhd has been dormant since 2008 and there is no immediate plan for this company currently.

(3) Hoesch Sdn Bhd (formerly known as PMI-Hoesch Sdn Bhd) has not commenced business operations since its incorporation on 3 March 2003, and there is no immediate plan for this company currently.

(4) Maxz Concept (M) Sdn Bhd had ceased its business operations since January 2024 and there is no immediate plan for this company currently.

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

(v) Wong Voon Shek

Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
Present Directorships					
Pan-Merchant Industries	Director / shareholder	15 December 2023	N/A	Direct: 12.5	Investment holding (property and shares)
Top Pristine Sdn Bhd	Director	5 May 2007	N/A	Nil	Investment holding (property)
Other Business Involvement Outside our Group					
Whyte Engineering Sdn Bhd	Shareholder	N/A	N/A	(1) Indirect: 100	Dormant (2)
Maxz Concept (M) Sdn Bhd	Shareholder	N/A	N/A	(1) Indirect: 100	Dormant (3)

Notes:

(1) Deemed interested by virtue of his substantial shareholdings in Pan-Merchant Industries pursuant to Section 8 of the Act.

(2) Whyte Engineering Sdn Bhd has been dormant since 2008 and there is no immediate plan for this company currently.

(3) Maxz Concept (M) Sdn Bhd had ceased its business operations since January 2024 and there is no immediate plan for this company currently.

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

(vi) Lee Cheng Ngee

Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
Present Directorships					
Whyte Engineering Sdn Bhd	Director / shareholder	16 February 2004	N/A	(1) Indirect: 100	Dormant (3)
Hoesch Sdn Bhd	Director / shareholder	3 March 2003	N/A	Direct: 50	Dormant (4)
Pan-Merchant Industries	Director / shareholder	24 June 1986	N/A	Direct: 20 (2) Indirect: 7.5	Investment holding (property and shares)
Maxz Concept (M) Sdn Bhd	Director / shareholder	8 January 1999	N/A	(1) Indirect: 100	Dormant (5)
Top Pristine Sdn Bhd	Director / shareholder	5 May 2007	N/A	(2) Indirect: 50	Investment holding (property)
Other Business Involvement Outside our Group					
Nuts Enough Sdn Bhd	Shareholder	N/A	N/A	(2) Indirect: 21	Making and selling nuts spreads and baked nuts

Notes:

(1) Deemed interested by virtue of his substantial shareholdings in Pan-Merchant Industries pursuant to Section 8 of the Act.

(2) Deemed interested by virtue of his spouse's direct shareholdings in the company pursuant to Section 8 of the Act.

(3) Whyte Engineering Sdn Bhd has been dormant since 2008 and there is no immediate plan for this company currently.

(4) Hoesch Sdn Bhd (formerly known as PMI-Hoesch Sdn Bhd) has not commenced business operations since its incorporation on 3 March 2003, and there is no immediate plan for this company currently.

(5) Maxz Concept (M) Sdn Bhd ceased its business operations since January 2024 and there is no immediate plan for this company currently.

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

(vii) Datuk Seri Nurmala Binti Abd Rahim

Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
Present Directorships					
DPI Holdings Berhad (1)	Senior Independent Non-Executive Director	1 March 2018	N/A	Nil	Activities of holding companies involved principally in business of manufacturing, trading and distribution of aerosol products via its subsidiaries
Hartalega Holdings Berhad (2)	Independent Non-Executive Director	23 August 2016	N/A	Nil	Investment holding involved principally in latex glove manufacturing, sale and marketing, research and development through its subsidiaries
Hock Soon Capital Berhad (3)	Independent Non-Executive Chairperson	21 February 2025	N/A	Nil	Activities of holding companies involved principally in poultry farm owner and operator, to provide transportation services for the purpose of collection, ending and distributing all poultry goods and products via its subsidiaries
Past Directorships					
ETA World Group Berhad	Independent Non-Executive Chairman	11 November 2021	29 September 2023	Nil	Activities of holding companies involved principally in providing turnkey solutions in the design and construction of factories by sourcing of land, providing architectural and engineering services, submission and approvals, construction, project management and delivery of vacant possession.

Notes:

(1) A company listed on the ACE Market of Bursa Securities.

(2) A company listed on the Main Market of Bursa Securities.

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

(3) A company seeking listing on the Main Market of Bursa Securities.

(viii) Datin Ooi Swee Lian

Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
Present Directorships					
China Construction Bank (Malaysia) Berhad	Director	20 January 2023	N/A	Nil	Business of a bank with the principal place of business in Malaysia
Poh Kong Holdings Berhad (1)	Director	2 June 2023	N/A	Nil	Investment holding, provision of management services, distributor and supplier of jewellery, precious stones, semi-precious stones and gold ornaments
Past Directorships					
Alliance Investment Bank Berhad	Director	1 November 2018	8 August 2022	Nil	Investment banking business including Islamic banking business and the provision of related financial services.

Note:

(1) A company listed on the Main Market of Bursa Securities.

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

(ix) Fong Kit Chiu

Fong Kit Chiu does not have any principal business activities and directorships in other corporations outside of our Group for the past 5 years preceding the LPD.

(x) Ir. Viyasan K Krishnan

Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
Present Involvement					
VK Contract Solution	Sole Proprietor	3 July 2024	N/A	Direct: 100	Training and consultancy services

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

5.2.5 Involvement of our Managing Director and Executive Directors in other businesses or corporations

Our Managing Director's and Executive Directors' involvement in other businesses or corporations outside our Group does not give rise to any conflict of interest situation with our businesses and will not affect the allocation and commitment of their time and effort to our Group. This is because their involvement in these companies are minimal and a majority of these companies are dormant.

For the companies which are investment or property holding, the involvement of the Executive Directors does not preclude them from allocating or committing their time and effort to our Group. Wong Nyeon Thiat oversees the general administrative work for these companies principally involved in investment and/or property holding companies and her time spent on such work is minimal due to the nature of these companies. Our other Executive Directors' (being Wong Voon Ten, Wong Voon Yoong, Wong Voon Shek and Lee Cheng Ngee) involvement in these companies is minimal and is mainly to attend board or shareholders' meetings.

Wong Nyeon Thiat's involvement in Nuts Enough Sdn Bhd in her capacity as a director and shareholder is also minimal. She is not involved in the daily operations and management of the company as it is managed and operated by the other shareholders and its management team.

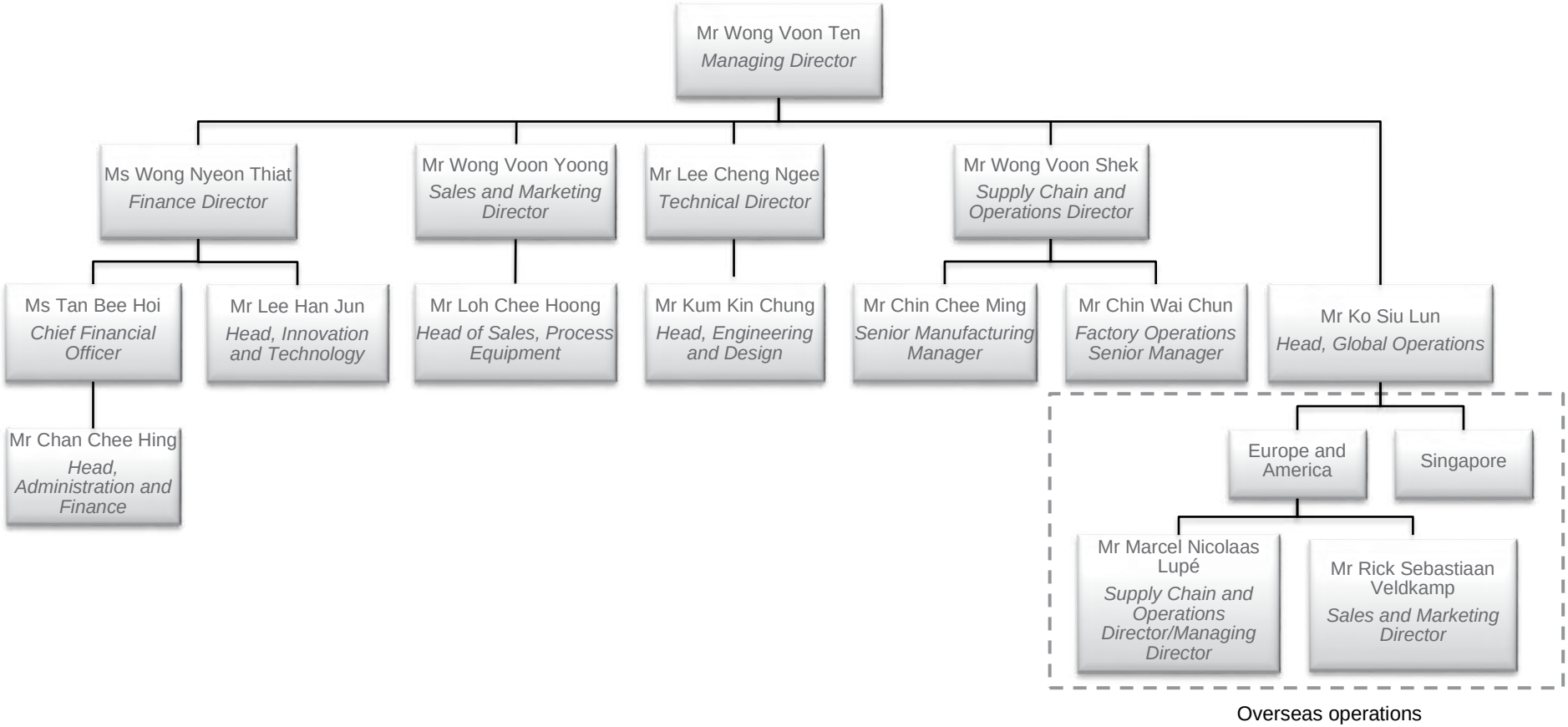
Therefore, our Board is of the view that their involvement in other businesses or corporations outside our Group will not affect the Executive Directors' performance or their contributions to the management and operations of our Group's businesses, and they are capable of devoting sufficient time and attention to fulfilling their respective responsibilities to our Group.

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

5.3 MANAGEMENT REPORTING STRUCTURE

Our Group's management reporting structure is as follows:



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

5.4 KEY SENIOR MANAGEMENT

Our Key Senior Management comprises the following:

Name	Age	Nationality	Designation
Kum Kin Chung (M)	41	Malaysian	Head of Engineering and Design
Loh Chee Hoong (M)	47	Malaysian	Head of Sales, Process Equipment
Chin Wai Chun (M)	48	Malaysian	Factory Operations Senior Manager
Lee Han Jun (M)	32	Malaysian	Head of Innovation and Technology
Tan Bee Hoi (F)	39	Malaysian	Chief Financial Officer
Chin Chee Ming (M)	47	Malaysian	Senior Manufacturing Manager
Chan Chee Hing (M)	52	Malaysian	Head of Administration and Finance
Ko Siu Lun (M)	35	British	Head of Global Operations
Marcel Nicolaas Lupé (M)	48	Dutch	Supply Chain and Operations Director/Managing Director for PMIT Europe NL
Rick Sebastiaan Veldkamp (M)	41	Dutch	Sales and Marketing Director for PMIT Europe NL

Notes:

(M) Male

(F) Female

None of our Key Senior Management are representatives of any of our corporate shareholders.

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

5.4.1 Key Senior Management's shareholdings

The shareholdings of our Key Senior Management as at the LPD and after our IPO are as follows:

Name	Before our IPO/As at the LPD				After our IPO			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1) %	No. of Shares	(1) %	(2) No. of Shares	(3) %	(2) No. of Shares	(3) %
Kum Kin Chung	-	-	-	-	259,500	0.03	-	-
Loh Chee Hoong	-	-	-	-	259,500	0.03	-	-
Chin Wai Chun	-	-	-	-	203,900	0.02	-	-
Lee Han Jun (4)	-	-	-	-	280,000	0.03	-	-
Tan Bee Hoi	-	-	-	-	203,900	0.02	-	-
Chin Chee Ming	-	-	-	-	259,500	0.03	-	-
Chan Chee Hing	-	-	-	-	259,500	0.03	-	-
Ko Siu Lun (4)	-	-	-	-	315,000	0.03	-	-
Marcel Nicolaas Lupé	-	-	-	-	222,400	0.03	-	-
Rick Sebastiaan Veldkamp	-	-	-	-	222,400	0.03	-	-

Notes:

(1) Based on our number of issued Shares of 683,812,100 Shares after the Acquisition of PMIT Malaysia but before our IPO.

(2) Assuming that all the Pink Form Allocations are fully subscribed.

(3) Based on our enlarged number of issued Shares of 916,000,000 Shares after our IPO.

(4) Lee Han Jun, our Head of Innovation and Technology; and Ko Siu Lun, our Head of Global Operations, both being employees of our Group are also persons connected to our Promoters.

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

5.4.2 Profile of Key Senior Management

The profiles of the Key Senior Management of our Group are as follows:

(i) Kum Kin Chung

Kum Kin Chung, a Malaysian, aged 41, is our Head of Engineering and Design Department. He is in charge of leading product development projects to design and customise filtration equipment and introduce new enhancements.

He graduated with a Bachelor of Mechanical Engineering in Thermal – Fluids from Universiti Teknikal Malaysia Melaka in August 2007.

He began his career when he joined Pan-Merchant Industries as Mechanical Draughtsman under the Engineering and Design Department in June 2007. As Mechanical Draughtsman, he assisted in the preparation of production drawings, general assembly drawings and P&ID for filtration equipment during the design stage. In June 2009, he was promoted to Mechanical Design Engineer, where he was responsible for designing filtration equipment to match the needs and requirements of the industry application.

In January 2013, he was transferred to PMIT Malaysia, our wholly-owned subsidiary, and assumed the position of Assistant Head of Department. At the time, he assisted the Head of Department in managing the day-to-day operations of the Engineering and Design Department, as well as conducted product development activities for filtration equipment. In January 2021, he was promoted to Head of Engineering and Design Department and assumed his present position.

He does not have any family relationships with any of our Promoters, Directors and/or substantial shareholders.

(ii) Loh Chee Hoong

Loh Chee Hoong, a Malaysian, aged 47, is our Head of Sales, Process Equipment. He leads the Sales of Process & Equipment Department in carrying out sales and marketing activities in new and existing markets as well as fostering and maintaining customer relationships.

He completed his Sijil Pelajaran Malaysia from Sekolah Menengah Jalan Cochrane (now known as Sekolah Menengah Kebangsaan Cochrane) in 1995. He also attended and completed professional courses, i.e. the PLC Diagnostic and Troubleshooting (Basic to Intermediate) with the PCLC (Asia-Pacific) Sdn Bhd; Practical Short Course on "Processing and Products of Vegetable Oil/Biodiesel" with Texas A&M University, Texas, the USA; and the Practical Short Course on "Fundamental of Oilseed and Edible Oil Processing and Refining" with the American Oil Chemist Society, Shanghai, China.

He began his career when he joined DP Controls Sdn Bhd as Project Engineer in 2000. In 2002, he was transferred to DP Systemation Sdn Bhd, a subsidiary of DP Controls Sdn Bhd, and assumed the position of Senior Project Engineer. During his tenure there, he was involved in project management of electrical and automation system design projects, as well as supervision on site installation, start-up and commissioning of electrical and automation systems. He left DP Systemation Sdn Bhd in April 2004.

In May 2004, he joined Pan-Merchant Industries as Electrical and Electronic Engineer, where he was involved in carrying out control system and panel design, process integration, technical support, servicing and commissioning of filtration equipment. He later resigned from Pan-Merchant Industries in April 2006 and took a break from his career.

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

He resumed his career and returned to Pan-Merchant Industries as Sales Engineer in April 2007, where he carried out sales activities to market and sell filtration equipment. In July 2011, he was promoted to Sales Manager, where he led a team in carrying sales activities to market and sell filtration equipment. He was subsequently transferred to PMIT Malaysia and promoted to his present position in July 2013.

He does not have any family relationships with any of our Group's Promoters, Directors and/or substantial shareholders.

(iii) Chin Wai Chun

Chin Wai Chun, a Malaysian, aged 48, is our Factory Operations Senior Manager. He is responsible for the overseeing of our Group's manufacturing and assembly activities, quality management, supply and inventory management and logistics.

He graduated with a Bachelor of Engineering in Electronic Systems Engineering from Sheffield Hallam University, the United Kingdom in September 2000. He subsequently completed his Master of Business Administration from Universiti Tunku Abdul Rahman in August 2017.

He began his career as a Service Engineer at Multimarga Sdn Bhd in November 2000 to service gas detection systems at various customer sites. He left Multimarga Sdn Bhd and joined Yosun Industrial Sdn Bhd as a Sales Engineer in June 2001. During his tenure there, he was involved in carrying out sales and marketing activities for semiconductor products and supply chain management. In July 2003, he left Yosun Industrial Sdn Bhd to join Toprank Corporation Sdn Bhd as a Project Engineer, where he managed and executed tender and supply contracts for high-voltage equipment.

In August 2006, he left Toprank Corporation Sdn Bhd and joined Vyncke Sdn Bhd as an International Field Engineer, where he mainly carried out the installation, testing, and commissioning of biomass power plants. He was promoted to Project Manager in August 2010, where he managed the installation, testing, and commissioning of biomass power plant projects, prepared tender applications, and coordinated with customers, suppliers, and subcontractors until he resigned from the company in August 2013.

Chin Wai Chun then joined Latexx Partner Sdn Bhd in September 2016 as the Head of Project Implementation, where he was in charge of site implementation. He was promoted to Competence Center Senior Manager, Engineering and Projects, in May 2019, where he led a team in the design and engineering of in-house equipment, managed the implementation and testing of new equipment, developed process improvement strategies to enhance plant operational efficiency, established quality control management systems and established lean manufacturing according to World Class Manufacturing (WCM) standards.

In January 2022, he joined PMIT Malaysia, where he currently serves as our Group's Factory Operations Senior Manager.

He does not have any family relationships with any of our Group's Promoters, Directors and/or substantial shareholders.

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

(iv) Lee Han Jun

Lee Han Jun, a Malaysian, aged 32, is our Head of Innovation and Technology. He leads the automation and implementation of technological tools in the Group's operations to improve overall operational efficiency.

He completed his General Certificate of Education Advanced Level in Abbey College Cambridge, the United Kingdom in August 2012. He subsequently graduated with a Master of Engineering in Mechanical Engineering from the University of Bath, the United Kingdom in June 2016.

He interned at Western Digital (M) Sdn Bhd over the summer break in July 2014, where he assisted in product testing and troubleshooting. After his graduation, between October 2016 and August 2018, he managed his social media platform channels, where he created and posted content.

In October 2018, he joined Daikin Applied (Malaysia) Sdn Bhd as an Engineer 3, System where he liaised with customers, provided system design advice where required, prepared sales costing and quotations, and was in charge of project management and delivery of the equipment supplied to clients.

He left Daikin Applied (Malaysia) Sdn Bhd in April 2020 to join PMIT Malaysia as Project Engineer, where he mainly oversaw and managed a major project from kick-off to delivery of filters to the customer. He coordinated with various stakeholders to design, manufacture, assemble, test, deliver, install and commission the filters. He was promoted to Innovation Project Engineer in December 2021 where he was in charge of managing the SAP Business ByDesign ERP software implementation project in 2022-2023. He was also involved in various internal process improvement projects, with special focus towards enhancing and automating the filter manufacturing processes where possible. In July 2022, he also assumed the role of Business and Product Development Manager of PMIT Singapore where he managed and coordinated the technical support services for customers of PMIT Singapore.

He assumed his present role as our Head of Innovation and Technology in January 2025.

He is the son of Lee Cheng Ngee and Wong Nyeon Thiat. As at the LPD, he does not hold any directorship or shareholdings outside our Group.

(v) Tan Bee Hoi

Tan Bee Hoi, a Malaysian, aged 39, is our Chief Financial Officer. She oversees our Group's finance, accounting, corporate governance and tax related matters as well as corporate finance, corporate affairs and compliance functions.

She graduated from Systematic College with a Diploma in Accounting from the London Chamber of Commerce and Industry in October 2005. She completed her Associated of Chartered Certified Accountant ("**ACCA**") qualification exams and was admitted as a member of the ACCA since January 2024. She is also a member for the Malaysian Institute of Accountants since February 2024.

She began her career in September 2005, with UOB Trustee (Malaysia) Bhd as Confidential Assistant, where she assisted with general ledger reconciliation, report monthly account to financial control department and transaction services support in the unit trust division. In October 2007, she resigned from UOB Trustee (Malaysia) Berhad and took a career break.

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

In January 2008, she resumed her career and joined RSM Robert Teo, Kuan & Co as Audit Assistant. She was later promoted to Senior Associate 2 in January 2010. During her tenure there, she was responsible for conducting statutory audit, supervised audit engagements and prepared statutory reports for companies from various industries including the investment, trading and manufacturing industries. She resigned from RSM Robert Teo, Kuan & Co in June 2010.

In July 2010, she joined Crowe Malaysia PLT as Audit Senior Associate, and was later promoted to Audit Manager in April 2014 and Audit Senior Manager in April 2018. Throughout her tenure there, she led and supervised a group of audit engagement teams to perform a variety of assurance-related engagements for a portfolio of diversified clients in different industries including retail, service, securities, property development, construction, hospitality, educations and foods and beverage. She was involved in the budgeting process to prepare forecast billings and collections on a regular basis, recurring statutory audits and handling ad hoc special assignments including financial due diligence, review of forecasts and projection, IPOs and other corporate exercises. In October 2023, she resigned from Crowe Malaysia PLT and took a break from her professional career.

In January 2024, she resumed her career and joined PMIT Malaysia as our Group's Chief Financial Officer. She reports to Wong Nyeon Thiat in her role as our Group's Chief Financial Officer and is assisted by Chan Chee Hing. Prior to her appointment as our Group's Chief Financial Officer, the finance functions were mainly overseen by Wong Nyeon Thiat who was our Group's Financial Controller at that time, and Chan Chee Hing who is the Head of Administration and Finance.

Tan Bee Hoi does not have any family relationships with any of our Group's Promoters, Directors and/or substantial shareholders.

(vi) Chin Chee Ming

Chin Chee Ming, a Malaysian, aged 47, is our Senior Manufacturing Manager. His responsibilities involve overseeing the production process to manufacture goods and coordinate production planning and production schedule.

He graduated with Bachelor in Engineering in Mechanical from University of Malaya in October 2001.

He joined Pan-Merchant Industries in April 2001 as Mechanical Engineer. He rose up the ranks within Pan-Merchant Industries to Assistant Production Manager in July 2004 and Production Manager in July 2007. In July 2009, he was transferred to PMIT Malaysia and promoted to Group Manufacturing Manager.

During his tenure in Pan-Merchant Industries and our Group, he was responsible for managing production activities within our Group's manufacturing plants.

He does not have any family relationships with any of our Group's Promoters, Directors and/or substantial shareholders.

(vii) Chan Chee Hing

Chan Chee Hing, a Malaysian, age 52, is our Head of Administration and Finance. He assists the Chief Financial Officer in the preparation of financial statements and administrative related matters as well as project costing and budgeting.

He graduated with a Bachelor of Commerce from University of Southern Queensland, Australia in March 1996. He was admitted as a Certified Practising Accountant of the Australian Society of Certified Practising Accountants since June 1999. He was registered as a Chartered Accountant with the Malaysian Institute of Accountants since October 1999.

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

Upon his graduation in March 1996, he began his career with Mustapha, Khoo & Co. as Audit Assistant, and was later promoted to Audit Semi-Senior. During this time, he was involved in conducting drafting of audit papers as well as identifying audit risks. In January 1998, he was promoted to Audit Senior, where he was responsible for leading and supervising a team in carrying out audit engagements for companies in various industries including trading, manufacturing, professional services (such as architectural and legal services) and education industries.

In February 2000, he resigned from Mustapha, Khoo & Co. and joined Pan-Merchant Industries as Accountant in March 2000. During his tenure here, he was involved in the preparation of financial and accounting statements.

In March 2005, he resigned from Pan-Merchant Industries and joined NV Multi Corporation Bhd as Accountant in April 2005. He subsequently resigned from NV Multi Corporation Bhd in March 2006, and joined Fortune Laboratories Sdn Bhd as Finance Manager between April 2006 and June 2007. During his tenure in NV Multi Corporation Bhd and Fortune Laboratories Sdn Bhd, he was in charge overseeing the company's accounting, taxation and payroll functions.

In July 2007, he returned to PMIT Malaysia as Finance Manager and assumed his current role.

He does not have any family relationships with any of our Group's Promoters, Directors and/or substantial shareholders.

(viii) Ko Siu Lun

Ko Siu Lun, a British citizen, aged 35, is the Head of Global Operations for our Group. He oversees our Group's existing global operations.

He graduated with a Masters in Civil Engineering, MEng, from Imperial College London, United Kingdom in August 2012. He also completed his Masters in Computer Science, MSc. from University College London, United Kingdom in November 2019.

Upon graduation, he began his career with Deutsche Bank AG, Singapore as an Analyst in the Corporate Finance department in August 2013. During his tenure there, he was involved in capital markets financing transactions for companies in South East Asia and was promoted to Associate. In June 2018, he resigned from Deutsche Bank AG, Singapore and took a break from his career to relocate to the United Kingdom to study his Masters in Computer Science, MSc.

In May 2020, he joined Essex County Council in the United Kingdom as a Data Science Fellow, where he led the delivery of a natural language processing project to inform local government policies of regional job demand and upskilling trends. The natural language processing project applied algorithms to analyse data from various sources including digital job recruitment platforms to identify trends that may enhance local government policies. In July 2020, he left Essex County Council in the United Kingdom and took a break from his career.

In September 2020, he resumed his professional career and joined Amazon Web Services EMEA SARL in the United Kingdom as a Solutions Architect, where he provided technical and architectural guidance for cloud migration projects. In May 2024, he resigned from Amazon Web Services EMEA SARL.

In June 2024, he moved to Malaysia and assumed his current position.

He is the son-in-law of Wong Voon Ten.

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

(ix) Marcel Nicolaas Lupé

Marcel Nicolaas Lupé, a Dutch citizen, aged 48, is the Supply Chain and Operations Director/Managing Director for PMIT Europe NL. Marcel Nicolaas Lupé is also a director and sole shareholder of Lupé Beheer B.V. and Lupé Beheer B.V., is in turn, a 10% shareholder in PMIT Holding NL. PMIT Europe NL is a wholly-owned subsidiary of PMIT Holding NL. Lupé Beheer B.V. had entered into a management agreement with PMIT Europe NL where Lupé Beheer B.V. provides services to manage PMIT Europe NL's business activities and has assigned Marcel Nicolaas Lupé to act as PMIT Europe NL's director. As such, Marcel Nicolaas Lupé is in charge of the Netherlands office where he oversees business development and technical support services for customers in Europe. Please see Note (8) of Section 10.1.1 of this Prospectus for further details of the management agreement.

He graduated with a Degree in Mechanical Engineering from ROC East Netherlands, Netherlands in March 1999. He also completed his Diploma of European Welding Coordination Knowledge at Basic Level from the European Federation for Welding in December 2013.

Upon his graduation in March 1999, he began his career with Ankerslot as a Troubleshooting Engineer in March 1999. During his tenure there, he was involved in the installation and calibration of lock systems for customers. In August 1999, he resigned from Ankerslot and joined Van Vreeland Designers and Engineers as Junior Development Engineer in September 1999. During this time, he was involved in conducting feasibility studies and cost price optimization on projects. In September 2000, he was promoted to Designer, where he was responsible for carrying out engineering and design of industrial products. In July 2004, he left Van Vreeland Designers and Engineers and took a break from his career.

In September 2004, he joined Vimabo Metal Industry B.V., formerly known as Vimabo Machinefabriek B.V. as a Constructor / Work Planner. During his tenure there, he was involved in the manufacturing of steel and metalwork products as well as ensuring smooth production of steel products. In February 2013, he became a shareholder with 50% equity interest in Vimabo Metal Industry B.V. and assumed his current position as Head of Business Office, where he was in charge of overseeing and managing the overall management and business operations of the company. In February 2014, he founded Dier & Tuinspeciaalzaak Tuindorp, a pet and gardening store which specialises in garden supplies and pet products. During this time, he was in charge of overseeing the entire business operations of the company. In January 2015, he resigned from Dier & Tuinspeciaalzaak Tuindorp.

In February 2017, he was responsible for the setting up of PMIT Europe NL and assumed his present position as the Managing Director of our Group's Netherlands office.

He does not have any family relationships with any of the Promoters, Directors and/or substantial shareholders.

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

(x) Rick Sebastiaan Veldkamp

Rick Sebastiaan Veldkamp, a Dutch citizen, aged 41, is the Sales and Marketing Director for PMIT Europe NL. He assists the Managing Director in securing new customers, developing sales and maintaining customer relations across Europe.

He completed his Bachelor of Engineering in Industrial Management from University of Applied Sciences, Utrecht in the Netherlands in January 2008. He also graduated with a Master of Science (MSc). from Universiteit Van Amsterdam in December 2011.

He began his professional career with Payfield B.V., Netherlands as Business Development Coordinator in February 2012. During his tenure there, he was responsible for managing payment systems for large scale events. In February 2015, he resigned from Payfield B.V. and joined Bunge Loders Croklaan, formerly known as IOI Loders Croklaan, in March 2015. During his tenure there, he assumed the role as Sales Representative, where he was responsible for selling specialty oils and fats, analysing market trends as well as building customer relationships. In March 2017, he left Bunge Loders Croklaan.

In March 2017, he joined PMIT Europe NL and assumed his current position at our Group's Netherlands office.

He does not have any family relationships with any of the Promoters, Directors and/or substantial shareholders.

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

5.4.3 Involvement of our Key Senior Management in other businesses/corporations

Save as disclosed below, none of our other Key Senior Management have principal business activities outside our Group as at the LPD. They also do not have directorships outside our Group at present and in the past 5 years preceding the LPD, save as disclosed below:

(i) Marcel Nicolaas Lupé

Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
Present Directorships					
Vimabo Metal Industry B.V.	Director / Shareholder	4 February 2013	-	Direct: 50	Manufacturer/Producer, and active in the Steel and Metalworking sector. Sheet metal work, welding, assembly and mounting, machine and equipment construction, service for maintenance and repairs.
Lupé Beheer B.V.	Director / Shareholder	4 February 2013	-	Direct: 100	Financial holding company(1)
Past Directorships					
Nil					

Note:

(1) Lupé Beheer B.V. is a 10% shareholder of our subsidiary, PMIT Holding NL, which in turn holds 100% of PMIT Europe NL and PMIT USA NL.

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

As stated above, Lupé Beheer B.V. had entered into a management agreement with PMIT Europe NL where Lupé Beheer B.V. undertakes the management of PMIT Europe NL. Marcel Nicolaas Lupé is the individual assigned by Lupé Beheer B.V. to manage PMIT Europe NL's business. Consequently, Marcel Nicolaas Lupé is in charge of the Netherlands office where he oversees business development and technical support services for customers in Europe. Hence, his role as the director and shareholder of Lupé Beheer B.V. and Vimabo Metal Industry B.V. will not preclude his time and contribution to PMIT Europe NL. Marcel Nicolaas Lupé spends approximately more than half his time managing PMIT Europe NL, and his involvement in Lupé Beheer B.V. and Vimabo Metal Industry B.V. will not detract from his time and commitment to our Group considering Lupé Beheer B.V. is under contractual obligation to perform its services under the management agreement. Please see Note (8) of Section 10.1.1 for further details of the management agreement.

Based on the above, our Board is of the view that the involvement of Marcel Nicolaas Lupé in other business activities outside our Group will not affect his contributions to our Group. Further, other than the recurrent related party transactions involving Lupé Beheer B.V. and Vimabo Metal Industry B.V. as set out in Section 10.1.1 of this Prospectus, his involvement does not give rise to any conflict or potential conflict of interest with our business.

(ii) Rick Sebastiaan Veldkamp

Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
Present Directorships					
EMMAX Beheer B.V.	Director / Shareholder	11 June 2021	-	Direct: 100	Financial holding company (1)
Past Directorships					
Nil					

Note:

(1) EMMAX Beheer B.V. is a 10% shareholder of our subsidiary, PMIT Holding NL, which in turn holds 100% of PMIT Europe NL and PMIT USA NL.

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

5.5 BOARD PRACTICES

5.5.1 Directorship

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

Name	Date of appointment	Date of expiration of the current term of office	Approximate no. of years in office up to the date of this Prospectus
Datuk Tan Leh Kiah	23 August 2024	At our first AGM(1)	Less than 1 year
Wong Voon Ten	23 August 2024	At our first AGM(1)	Less than 1 year
Wong Nyeon Thiat	23 August 2024	At our first AGM(1)	Less than 1 year
Wong Voon Yoong	23 August 2024	At our first AGM(1)	Less than 1 year
Wong Voon Shek	23 August 2024	At our first AGM(1)	Less than 1 year
Lee Cheng Ngee	23 August 2024	At our first AGM(1)	Less than 1 year
Datuk Seri Nurmala binti Abd Rahim	23 August 2024	At our first AGM(1)	Less than 1 year
Datin Ooi Swee Lian	23 August 2024	At our first AGM(1)	Less than 1 year
Fong Kit Chiu	23 August 2024	At our first AGM(1)	Less than 1 year
Ir. Viyasan K Krishnan	23 August 2024	At our first AGM(1)	Less than 1 year

Note:

(1) Our first AGM will be held on 26 May 2025.

In accordance to our Constitution, the newly appointed Directors shall hold office only until the next following annual general meeting, and he/she shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting. This is provided always that the new additional Directors shall retire from office at the next following annual general meeting. The new Directors shall hold their office until the close of the next following annual general meeting.

In accordance with our Constitution, an election of Directors shall take place every year. At the first AGM of our Company, all Directors shall retire from office, and at the AGM in of every subsequent year, one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office provided always that all Directors shall retire from office at least once in every 3 years but shall be eligible for re-election. A retiring Director retains office until the close of the meeting at which he/she retires. Accordingly, all our Directors retired from office and will be re-elected at our first AGM to be held on 26 May 2025.

A Director appointed by our Board to fill in a casual vacancy or as an addition to our existing Board shall hold office only until the next AGM of our Company and shall then be eligible for re-election.

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

5.5.2 Audit and Risk Management Committee

Our Audit and Risk Management Committee was established on 22 November 2024 and its members are appointed by our Board. As at the LPD, our Audit and Risk Management Committee comprises the following members:

Name	Designation	Directorship
Fong Kit Chiu	Chairperson	Independent Non-Executive Director
Datuk Seri Nurmala binti Abd Rahim	Member	Senior Independent Non-Executive Director
Datin Ooi Swee Lian	Member	Independent Non-Executive Director
Ir. Viyasan K Krishnan	Member	Independent Non-Executive Director

The main functions of our Audit and Risk Management Committee include among others:

(a) to review the quarterly results to Bursa Securities and year-end financial statements of our Group before submission to our Board, focusing particularly on:

- the going concern assumption;
- any changes in or implementation of major accounting policies and practices;
- significant issues or adjustment arising from the audit including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;
- compliance with accounting standards, regulatory and other legal requirements; and
- major judgmental areas

(b) to review our Audit and Risk Management Committee report at the end of each financial year and ensure that the report must be clearly set out in the annual report of our Company that complies with the Listing Requirements;

(c) to consider the nomination and appointment of external auditors and, if found appropriate, to recommend their appointment and of their audit fee;

(d) to consider letters of resignation, if any, from the external auditors and relevant questions pertaining to their resignation or dismissal;

(e) whether there is reason (supported by grounds) to believe that our Company's external auditor is not suitable for re-appointment;

(f) to discuss with the external auditors, prior to the commencement of audit, their audit plan, which shall state the nature of the audit, and to ensure an effective co-ordination of audit, where more than one audit firm is involved;

(g) to review with the external auditors, their evaluation of system of internal controls, their management letter and the management's response;

(h) to review with the external auditors, their audit report and audit findings;

(i) to review the assistance given by the employees of our Group to the external auditors;

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

(j) to review the following in respect of internal audit:

- the adequacy of the audit scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its functions;
- the internal audit plan, programme and activities including processes and systems on sustainability management and reporting;
- the findings of internal audit assessments, investigations undertaken and management's responses, and ensure appropriate actions are taken on the recommendations of the internal audit;
- assessment of the performance of the head of the internal audit function;
- appointment or termination of senior staff members of the internal audit function;
- resignations of internal audit staff members and provide resigning staff members an opportunity to submit their reasons for resignation;
- review on the budget of internal audit;
- ensure that the internal audit function is effective and able to function independently. The person responsible for the internal audit reports must report directly to our Audit and Risk Management Committee; and
- evaluate and improve the effectiveness of risk management, internal control systems, anti-corruption, whistleblowing and governance processes;

(k) to monitor any related party transactions (including any recurrent related party transactions) and situations where any conflict of interest arise, persist or may arise within our Company or Group, including any transaction or procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate or mitigate such conflicts, and to ensure that our Directors report such transactions annually to our shareholders via the annual report;

(l) to review and consider the following in respect of risk management:

- the enterprise risk profile/register to ensure adequate, comprehensive and effective management of key risks;
- the risk management strategies, policies and risk tolerance limits for our Board's approval;
- the risk assessment, monitoring and management policies and procedures; and
- the appropriateness of management response to key risk areas and follow-up on management risk treatment action plans reported;

(m) to review the reports in relation to the adequacy and integrity of our Group's internal control system and to review the results of the annual review done on the system of internal control and the risk management framework;

(n) to discuss problems and reservations arising from the interim and final external audits, and any matters the external auditors and/or internal auditors may wish to discuss (in the absence of management, where necessary);

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

(o) to review all prospective financial information provided to the regulators and/or to the public;

(p) to oversee any periodic or ad-hoc audit or assurance activities with respect to sustainability management and reporting processes;

(q) to approve any non-audit services before they are rendered by the external auditors and its affiliates while taking into account the nature and extent of the non-audit services and the appropriateness of the level of fees;

(r) to conduct an annual assessment on the suitability, objectivity and independence of the external audit firm; and

(s) to consider other matters as may be directed by our Board from time to time.

5.5.3 Nomination Committee

Our Nomination Committee was established on 22 November 2024 and its members are appointed by our Board. As at the LPD, our Nomination Committee comprises the following members:

Name	Designation	Directorship
Datuk Seri Nurmala binti Abd Rahim	Chairperson	Senior Independent Non-Executive Director
Datin Ooi Swee Lian	Member	Independent Non-Executive Director
Fong Kit Chiu	Member	Independent Non-Executive Director
Ir. Viyasan K Krishnan	Member	Independent Non-Executive Director

The main functions of our Nomination Committee include among others:

(a) to review, consider and recommend to our Board and/or to fill casual vacancies the candidates to be on the Board of our Company and its subsidiaries, including Committees of the Board by not only relying on internal recommendation but also utilising independent external sources to identify suitably qualified candidates based on our Company's Fit and Proper Policy;

(b) to recommend to our Board in respect of Directors' independence and conflicts of interests, if any, and the steps to be taken to manage potential conflicts of interest;

(c) to review, consider and recommend to the Board candidates for the positions of Key Senior Management of our Company based on objective criteria, merit and with due regard for diversity in matters such as skills, experience, age, cultural background and gender based on our Company's Fit and Proper Policy;

(d) to review the Board composition and determine the mix of gender (at least 30% women directors), skills, experience and other relevant qualities, including core competencies of the whole Board and Key Senior Management, on an annual basis;

(e) to provide recommendations to the Board on our Company's gender diversity policies, targets and discuss measures to be taken to meet those targets;

(f) to establish an effective succession strategy for our Key Senior Management and review succession planning for our Board and Key Senior Management;

(g) to assess the effectiveness of our Board as a whole, the Committees of our Board and the contribution of each individual Director and each member of our Board Committees to determine whether such Directors/ Board Committees and its members (as the case may be) have carried out their duties in accordance with the Board Charter and their respective terms of reference;

(h) to assess the skill gaps and training needs of each Director, review the fulfilment of such training and disclose in the annual report as appropriate;

(i) to establish and review the criteria to be used in the recruitment process and annual assessment of our Board, Board Committees and each individual Director and each member of the Board Committees, including annual assessment of the independence of our Independent Director;

(j) to consider such other functions as may be agreed to by our Nomination Committee and/or Board;

(k) to review the policy which limits the tenure of each Independent Director to 9 years without further extension. Upon completion of the 9 years, the extension of tenure of an Independent Director shall be justified and sought during the annual shareholders' meeting through a two-tier voting process. Upon completion of the 12 years, an Independent Director must resign or be re-designated as Non-Independent Director; and

(l) to review the board nomination and annual re-election process of each Director and criteria used by the Nomination Committee in the selection process which shall be contingent on the satisfactory evaluation of the Directors' performance and contribution to our Board.

5.5.4 Remuneration Committee

Our Remuneration Committee was established on 22 November 2024 and its members are appointed by our Board. As at the LPD, our Remuneration Committee comprises the following members:

Name	Designation	Directorship
Datin Ooi Swee Lian	Chairperson	Independent Non-Executive Director
Datuk Seri Nurmala binti Abd Rahim	Member	Senior Independent Non-Executive Director
Fong Kit Chiu	Member	Independent Non-Executive Director
Ir. Viyasan K Krishnan	Member	Independent Non-Executive Director

The main functions of our Remuneration Committee include among others:

(a) to develop and agree on the remuneration policy and procedures with our Board, including the fee structure and level of remuneration for our Executive Directors and Key Senior Management, composition of our Key Senior Management and to determine if any other group of employees should be covered by the remuneration policy and procedures;

(b) to support our Board in actively overseeing the design and operation of our Company's remuneration system in a fair and transparent manner;

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

(c) to review and recommend to our Board the appropriate remuneration packages such as reward structure, fringe benefits and other terms of employment for our Executive Directors, Non-Executive Directors and Key Senior Management, with or without other independent professional advice or other outside advice.

Our Executive Directors shall abstain from the deliberations and voting on decisions in respect of their remuneration package. The remuneration and entitlements of our Non-Executive Directors shall be a matter to be decided by our Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his/her individual remuneration;

(d) to formulate policies, guidelines and set criteria for remuneration packages for our Directors and Key Senior Management of our Company. Remuneration should also be aligned with the business strategy and long-term objectives of our Company, and our Company's performance in managing sustainability risks and opportunities. Remuneration and incentives for our Independent Directors should not conflict with their obligation in bringing objectivity and independent judgment on matters discussed;

(e) to ensure that our Directors and Key Senior Management are fairly and appropriately remunerated based on merit, qualification, competence and commitment while having regard to our Company's operating results, individual performance and responsibility and comparable market statistics;

(f) to determine the composition of the various types of components of remuneration such as salaries, bonuses, incentives, increments, other benefits-in-kind, severance payments, any grant of entitlement under a share scheme (where applicable) for our Executive Directors and Key Senior Management of our Company;

(g) to ensure frequent communication with our Nomination Committee to align remuneration policies and procedures for succession planning and ensure risk outcomes are adequately considered in the design of remuneration policies and procedures;

(h) to ensure all necessary actions are taken expediently by our Board to offer appropriate rewards, benefits, compensation and remuneration and to ensure that the levels of remuneration are sufficiently attractive to retain our Directors and Key Senior Management and structuring the remuneration packages to link rewards to individual performance;

(i) to ensure that all remuneration packages and benefits given to our Directors and Key Senior Management are in compliance with our Company's Remuneration Policy and any other laws, rules, requirements, regulations and guidelines set by the relevant authorities and our Board from time to time;

(j) to ensure that the remuneration and incentives for our Independent Directors should not conflict with their obligation in bringing objectivity and independent judgment on matters discussed;

(k) to review the history of and proposals for the remuneration package of each of our Board Committees;

(l) to oversee the qualitative and quantitative disclosure of remuneration made in the annual report of our Company and notice to general meetings, and ensure that the resolutions on the approval of the fees for each Non-Executive Director is tabled separately at general meetings;

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

(m) to provide clarification to shareholders during general meetings on matters pertaining to remuneration for Directors and Key Senior Management as well as the overall remuneration framework;

(n) to regularly engage with key stakeholders, including management, regulators, shareholders and employees;

(o) to attend any other function that may be delegated by our Board which would be beneficial to our Company and ensure the effective discharge of our Remuneration Committee's duties and responsibilities; and

(p) to carry out such other functions or assignments as may be delegated by our Board from time to time.

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5.6 REMUNERATION OF DIRECTORS AND KEY SENIOR MANAGEMENT

5.6.1 Directors' Remuneration and Material Benefits in-Kind

The aggregate remuneration and material benefits in-kind paid and proposed to be paid to our Directors (which includes contingent or deferred remuneration) for services rendered to our Group in all capacities for the FYE 2024 and FYE 2025 are as follows:

FYE 2024 (Actual)	**Salary**	**Fees**	**Bonuses**	**Allowances**	**(1) Statutory Contributions**	**Benefits in-kind**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Managing Director/Executive Directors							
Wong Voon Ten	486	-	105	-	32	53	676
Wong Nyeon Thiat	486	-	105	-	34	30	655
Wong Voon Yoong	486	-	105	-	55	21	667
Wong Voon Shek	445	-	90	120	84	26	765
Lee Cheng Ngee	486	-	105	-	34	21	646
Independent Non-Executive Directors (2)							
Datuk Tan Leh Kiah	-	8	-	-	-	-	8
Datuk Seri Nurmala binti Abd Rahim	-	8	-	-	-	-	8
Datin Ooi Swee Lian	-	8	-	-	-	-	8
Fong Kit Chiu	-	8	-	-	-	-	8
Ir. Viyasan K Krishnan	-	8	-	-	-	-	8

Notes:

(1) Comprises contributions to EPF, EIS and SOCSO.

(2) Based on his/her appointment date as our Independent Non-Executive Director from 23 August 2024 onwards.

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

FYE 2025 (Proposed)	Salary	Fees	Bonuses	Allowances	(1) Statutory Contributions	Benefits in-kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Managing Director/Executive Directors							
Wong Voon Ten	540	-	157	-	28	53	778
Wong Nyeon Thiat	540	-	157	-	28	30	755
Wong Voon Yoong	540	-	157	-	28	21	746
Wong Voon Shek	540	-	157	60	91	26	874
Lee Cheng Ngee	540	-	157	-	28	21	746
Independent Non-Executive Directors							
Datuk Tan Leh Kiah	-	118	-	2	-	-	120
Datuk Seri Nurmala binti Abd Rahim	-	87	-	2	-	-	89
Datin Ooi Swee Lian	-	87	-	2	-	-	89
Fong Kit Chiu	-	87	-	2	-	-	89
Ir. Viyasan K Krishnan	-	78	-	2	-	-	80

Note:

(1) Comprises contributions to EPF, EIS and SOCSO.

The remuneration of our Directors, which includes salaries, fees and allowances, bonuses, as well as other benefits-in-kind, must be considered and recommended by our Remuneration Committee and subsequently be approved by our Board, subject to the provisions of our Constitution. Our Directors' fees and benefits-in-kind must be further approved and endorsed by our shareholders at a general meeting.

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

5.6.2 Key Senior Management's Remuneration and Material Benefits in-Kind

The aggregate remuneration and material benefits in-kind paid and proposed to be paid to our Key Senior Management (which includes contingent or deferred remuneration) for services rendered to our Group in all capacities for the FYE 2024 and FYE 2025 are as follows:

Key Senior Management	**Remuneration Band**	
	FYE 2024 **RM'000**	**Proposed for the FYE 2025** **RM'000**
Kum Kin Chung	250 to 300	300 to 350
Loh Chee Hoong	250 to 300	300 to 350
Chin Wai Chun	300 to 350	300 to 350
Lee Han Jun	350 to 400	350 to 400
Tan Bee Hoi	250 to 300	300 to 350
Chin Chee Ming	350 to 400	350 to 400
Chan Chee Hing	350 to 400	350 to 400
Ko Siu Lun	150 to 200	350 to 400
Marcel Nicolaas Lupé (1)	-	-
Rick Sebastiaan Veldkamp	400 to 450	400 to 450

We do not have any employee profit sharing plan or employee share options for our Directors and Key Senior Management for FYE 2024 and 2025.

Note:

(1) Please refer to Sections 5.4.2(ix), 5.4.3(i) and Note (8) of 10.1.1 of this Prospectus for further details of our Group's arrangement with Marcel Nicolaas Lupé in relation to his designation as our Key Senior Management.

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

5.7 DECLARATIONS BY EACH PROMOTER, DIRECTOR AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoters, Directors or Key Senior Management is or has been involved in any of the following events, whether within or outside Malaysia:

(i) a petition under any bankruptcy or insolvency law was filed (and not struck out) against them or any partnership in which they were partners, or any corporation of which they were directors or members of key senior management in the last 10 years;

(ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;

(iii) charged or convicted in a criminal proceeding or named subject of a pending criminal proceeding in the last 10 years;

(iv) any judgment entered against them, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on their part, involving a breach of any law or regulatory requirement that relates to the capital market in the last 10 years;

(v) the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on their part that relates to the capital market in the last 10 years;

(vi) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body, temporarily enjoining them from engaging in any type of business practice or activity;

(vii) reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency in the last 10 years; and

(viii) any unsatisfied judgment against them.

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

5.8 FAMILY RELATIONSHIPS AND ASSOCIATIONS

Save as disclosed below, there are no other family relationships and associations among our Promoters, substantial shareholders, Directors and Key Senior Management as at the LPD:

Name	Position as at the LPD	Relationship
Wong Voon Ten	Promoter, substantial shareholder, Specified Shareholder and Director	• Brothers • Brothers of Wong Nyeon Thiat • Brothers-in-law of Lee Cheng Ngee • Wong Voon Ten is the father-in-law of Ko Siu Lun
Wong Voon Yoong		
Wong Voon Shek		
Wong Nyeon Thiat	Promoter, substantial shareholder, Specified Shareholder and Director	• Sister of Wong Voon Ten, Wong Voon Yoong and Wong Voon Shek • Spouse of Lee Cheng Ngee • Mother of Lee Han Jun
Lee Cheng Ngee	Promoter, substantial shareholder, Specified Shareholder and Director	• Brother-in-law of Wong Voon Ten, Wong Voon Yoong and Wong Voon Shek • Spouse of Wong Nyeon Thiat • Father of Lee Han Jun
Lee Han Jun	Key Senior Management and Specified Shareholder	Son of Lee Cheng Ngee and Wong Nyeon Thiat
Budhi Sentoso Rachmat	Substantial shareholder	-
Ko Siu Lun	Key Senior Management and Specified Shareholder	Son-in-law of Wong Voon Ten

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

5.9 SERVICE AGREEMENTS

As at the LPD, none of our Directors and/or Key Senior Management have any existing or proposed service agreement with our Group which provide benefits upon termination of employment.

Notwithstanding the above, PMIT Europe NL had since 1 January 2021 appointed Lupé Beheer B.V. to provide services to manage PMIT Europe NL's business activities and Lupé Beheer B.V. has assigned Marcel Nicolaas Lupé to act as PMIT Europe NL's director. Lupé Beheer B.V. is a major shareholder of PMIT Europe NL. Marcel Nicolaas Lupé is a director and major shareholder of PMIT Europe NL and Lupé Beheer B.V.

On 22 August 2024, PMIT Europe NL had entered into a management agreement with Lupé Beheer B.V. to record the arrangement for the services provided. Please refer to Note (8) of Section 10.1.1 of this Prospectus for further details.

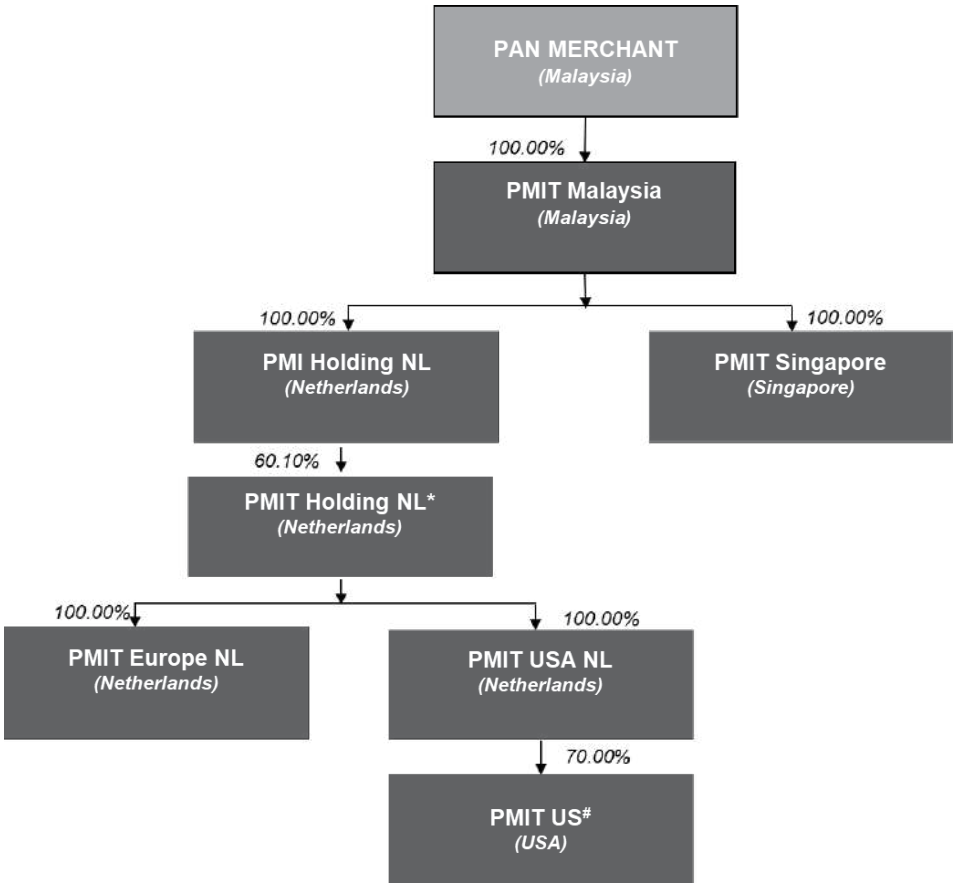
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6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON OUR GROUP

6.1.1 Overview and history

Our Company was incorporated in Malaysia under the Act on 18 March 2024 as a private limited company under the name of Pan Merchant Sdn Bhd. Subsequently, our Company was converted to a public limited company on 28 May 2024 to facilitate our Listing. Our Group was formed pursuant to the completion of the Acquisition of PMIT Malaysia on 2 May 2025 where our Company had acquired the entire issued share capital of PMIT Malaysia. PMIT Malaysia was the holding company and became the intermediate holding company after the Acquisition of PMIT Malaysia. The current group structure is illustrated below.



Notes:

* The other shareholders of PMIT Holding NL are F.G. Veldkamp Beheer B.V.[1] (15.00%), Lupé Beheer B.V.[2] (10.00%), EMMAX Beheer B.V.[3] (10.00%) and Jasper Johannes Vreeman (4.90%).

1 F. G. Veldkamp Beheer B.V. is owned by JEA Veldkamp-Braakhuis, mother of Rick Sebastiaan Veldkamp, who is one of the Key Senior Management of PMIT Europe NL.

2 Lupé Beheer B.V. is owned by Marcel Nicolaas Lupé, who is one of the Key Senior Management of PMIT Europe NL.

3 EMMAX Beheer B.V. is owned by Rick Sebastiaan Veldkamp, who is one of the Key Senior Management of PMIT Europe NL.

\# The remaining shareholder of PMIT US is Ryan Christopher Boyd (30.00%), who is a partner that our Group has identified to operate our subsidiary in the USA.

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

Our Company is an investment holding company. Through our subsidiaries, we are principally involved in the design, manufacture, assembly, delivery and commission of filters for solid liquid filtration, provision of steel works and provision of technical support services. The principal activities of our subsidiaries are as follows:

Company / Registration No.	**Equity interest held by its parent %**	**Principal activities**
PMIT Malaysia *(200201000399 (568062-K))*	100.00	Solutions provider of solid liquid filtration equipment, fabrication of steel works and technical support services
PMIT Singapore *(202207963K)*	100.00	Trading of filtration equipment
PMI Holding NL *(91669669)*	100.00	Investment holding
PMIT Holding NL *(91671477)*	(1) 60.10	Investment holding
PMIT Europe NL *(68173016)*	100.00	Solutions provider of solid liquid filtration equipment and technical support services
PMIT USA NL *(91673496)*	100.00	Trading of filtration equipment
PMIT US *(2551718)*	70.00	Trading of filtration equipment and technical support services

Please refer to Section 6.2 of this Prospectus for further information on our subsidiaries.

Note:

(1) As our Group intends to grow beyond Asia to tap into other growth opportunities in Europe and the USA in end-industries such as soybean oil and hydrotreated vegetable oil (sustainable aviation fuel), our Company will need local support especially in those regions.

We own 60.10% equity interest in our Netherlands subsidiaries as part of a business arrangement whereby our Group's local partners based in the Netherlands will hold 39.90% equity interest. Our Group's local partners are in charge of the management and operations of our Group's business in the European and American regions. As such, this business arrangement ensures that the interests of such local partners are aligned with our Group's objectives.

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

6.1.2 Share capital and changes in share capital

As at the LPD, our issued share capital is RM10.00 comprising 100 Shares.

The details of the changes in our issued share capital since incorporation up to the LPD are as follows:

Date of allotment	No. of Shares allotted	Consideration	Cumulative issued share capital (RM)	Cumulative no. of Shares
18 March 2024	100	Cash	10	100
2 May 2025	683,812,000	Otherwise than cash	68,381,210	683,812,100

There were no discounts, special terms or instalment payment terms given in consideration of the above allotments.

As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital.

Upon completion of our Listing, our issued share capital will increase to RM131,071,943 comprising 916,000,000 Shares.

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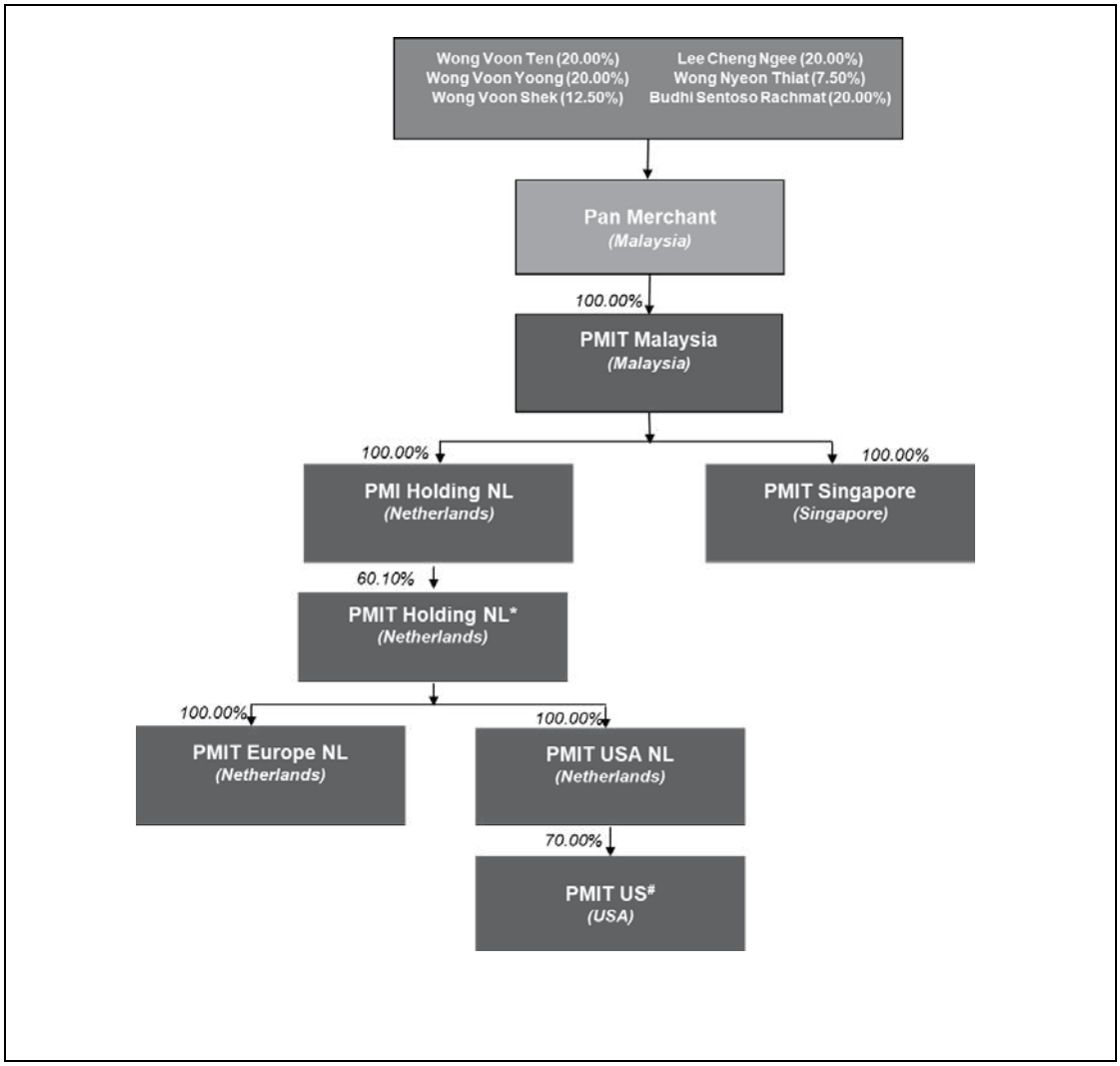
6. INFORMATION ON OUR GROUP *(Cont'd)*

6.1.3 Group Structure

Our Group was formed on 2 May 2025 pursuant to the completion of the Acquisition of PMIT Malaysia. Please refer to Section 4.3.1.1 of this Prospectus for further details of the Acquisition of PMIT Malaysia.

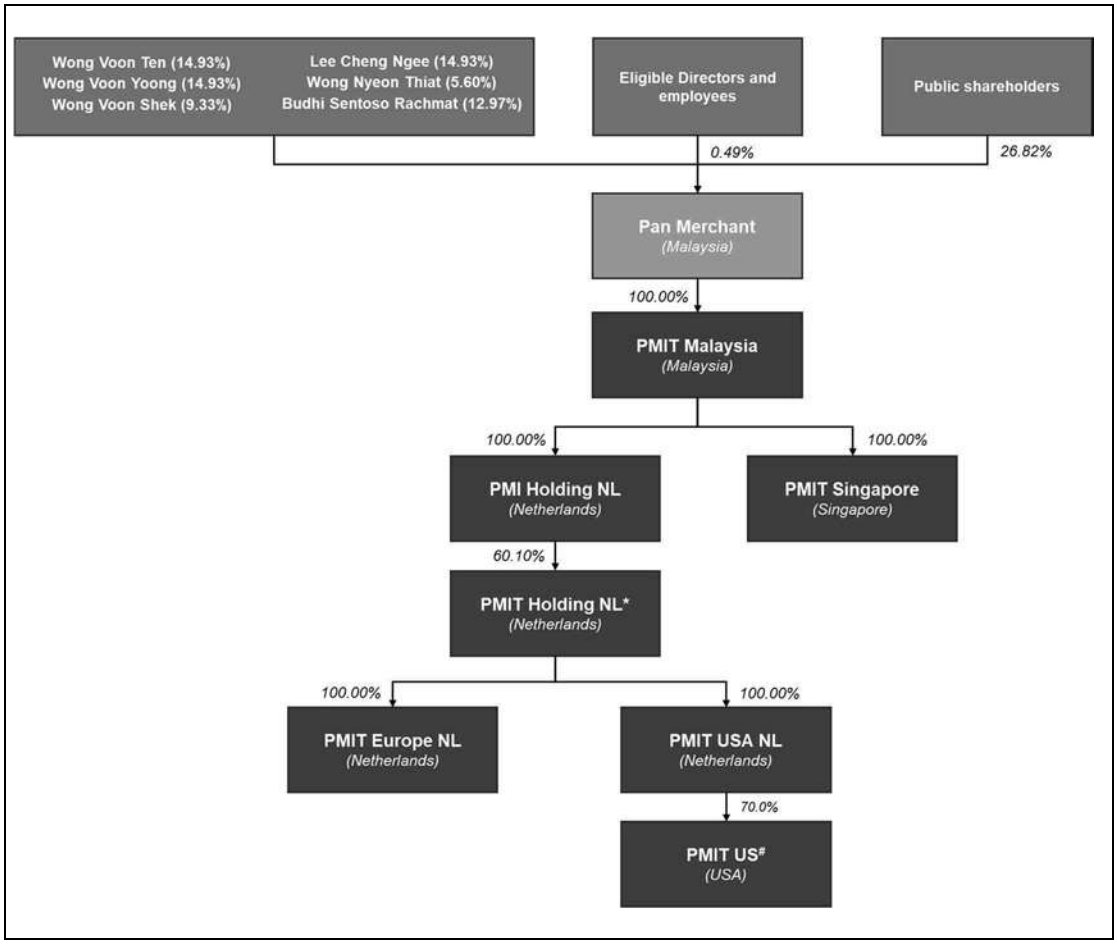
Our Group's corporate and shareholding structure is as follows:

After the Acquisition of PMIT Malaysia but before our IPO [(1)]



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

After our IPO [(2)] [(3)]



Notes:

(1) Based on the total number of issued Shares of 683,812,100 Shares after the completion of the Acquisition of PMIT Malaysia but before our IPO.

(2) Based on the enlarged total number of issued Shares of 916,000,000 Shares after our IPO.

(3) Assuming all Eligible Persons will fully subscribe for their respective allocations under the Pink Form Allocations.

* The other shareholders of PMIT Holding NL are F.G. Veldkamp Beheer B.V.[1] (15.00%), Lupé Beheer B.V.[2] (10.00%), EMMAX Beheer B.V.[3] (10.00%) and Jasper Johannes Vreeman (4.90%).

[1] F. G. Veldkamp Beheer B.V. is owned by JEA Veldkamp-Braakhuis, mother of Rick Sebastiaan Veldkamp, who is one of the Key Senior Management of PMIT Europe NL.

[2] Lupé Beheer B.V. is owned by Marcel Nicolaas Lupé, who is one of the Key Senior Management of PMIT Europe NL.

[3] EMMAX Beheer B.V. is owned by Rick Sebastiaan Veldkamp, who is one of the Key Senior Management of PMIT Europe NL.

\# The remaining shareholder of PMIT US is Ryan Christopher Boyd (30.00%), who is a partner that our Group has identified to operate its subsidiary in the USA.

As at the LPD, our Group does not have any joint venture or associates. Further details on our subsidiaries are set out in Section 6.2 of this Prospectus.

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

6.2 INFORMATION ON OUR SUBSIDIARIES

6.2.1 PMIT Malaysia

(a) Background, history and principal activities

PMIT Malaysia was incorporated on 7 January 2002 in Malaysia under the Act as a private limited company under its present name.

PMIT Malaysia is principally a solutions provider of solid liquid filtration equipment, fabrication of steelworks and technical support services, and has its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of PMIT Malaysia is RM14,200,000 comprising 14,200,000 ordinary shares.

The changes in PMIT Malaysia's issued share capital since incorporation up to the LPD are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative no. of shares	Cumulative issued share capital (RM)
7 January 2002	2	Cash	2	2
7 April 2003	149,998	Cash	150,000	150,000
3 December 2004	350,000	Cash	500,000	500,000
29 December 2005	500,000	Cash	1,000,000	1,000,000
29 December 2007	1,000,000	Cash	2,000,000	2,000,000
15 December 2023	12,200,000	Otherwise than cash	14,200,000	14,200,000

None of PMIT Malaysia's shares were issued at a discount, on special terms or based on instalment payment terms. As at the LPD, PMIT Malaysia does not have any outstanding warrants, options, convertible securities or uncalled capital.

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

(c) Shareholder and directors

PMIT Malaysia is a wholly-owned subsidiary of our Company. Save for the Acquisition of PMIT Malaysia by our Company and as set out below, there were no other changes to the shareholders of PMIT Malaysia for the past 3 years up to the LPD. Please refer to Section 4.3.1.1 of this Prospectus for further details of the Acquisition of PMIT Malaysia.

Name	As at 31 December 2022		As at 31 December 2023 and 2024		As at the LPD	
	No. of shares held	%	No. of shares held	%	No. of shares held	%
Pan-Merchant Industries (1)	2,000,000	100.00	**-**	**-**	-	-
Wong Voon Ten	-	-	2,840,000	20.00	-	-
Wong Voon Yoong	-	-	2,840,000	20.00	-	-
Lee Cheng Ngee	-	-	2,840,000	20.00	-	-
Budhi Sentoso Rachmat	-	-	2,840,000	20.00	-	-
Wong Voon Shek	-	-	1,775,000	12.50	-	-
Wong Nyeon Thiat	-	-	1,065,000	7.50	-	-
Pan Merchant	-	-	-	-	14,200,000	100.00

Note:

(1) PMIT Malaysia was Pan-Merchant Industries' wholly-owned subsidiary until 19 December 2023. As part of an internal restructuring exercise, pursuant to a share sale agreement dated 19 December 2023, Pan-Merchant Industries had transferred its entire shareholdings in PMIT Malaysia amounting to 14,200,000 shares to Wong Voon Ten, Wong Voon Yoong, Lee Cheng Ngee, Budhi Sentoso Rachmat, Wong Voon Shek and Wong Nyeon Thiat respectively in the proportions as set out above.

As at the LPD, the directors of PMIT Malaysia are Wong Voon Ten, Wong Voon Yoong, Lee Cheng Ngee, Wong Voon Shek and Wong Nyeon Thiat.

(d) Subsidiary, associate and joint venture

As at the LPD, the subsidiaries of PMIT Malaysia are PMI Holding NL, PMIT Holding NL, PMIT Europe NL, PMIT USA NL, PMIT US and PMIT Singapore. PMIT Malaysia does not have any associate or joint venture companies.

6.2.2 PMIT Singapore

(a) Background, history and principal activities

PMIT Singapore was incorporated on 7 March 2022 in Singapore as a private company limited by shares under the Companies Act 1967 of Singapore under its present name.

PMIT Singapore is principally involved in the trading of filtration equipment and has its principal place of business in Singapore.

(b) Share capital

As at the LPD, the issued share capital of PMIT Singapore is SGD310,000 comprising 310,000 ordinary shares.

The changes in PMIT Singapore's issued share capital since incorporation up to the LPD are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative no. of shares	Cumulative share capital (SGD)
7 March 2022	2	Cash	2	2
2 June 2022	79,998	Cash	80,000	80,000
19 December 2023	230,000	Cash	310,000	310,000

None of PMIT Singapore's shares were issued at a discount, on special terms or based on instalment payment terms. As at the LPD, PMIT Singapore does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

PMIT Singapore is a wholly-owned subsidiary of PMIT Malaysia. Save as set out below, there were no other changes to the shareholders of PMIT Singapore from its incorporation date on 7 March 2022 up to the LPD:

Name	As at 7 March 2022 and 31 December 2022		As at 31 December 2023 and 2024		As at LPD	
	No. of shares held	%	No. of shares held	%	No. of shares held	%
Lee Cheng Ngee	40,000	50.00	-	-	-	-
Wong Nyeon Thiat	40,000	50.00	-	-	-	-
PMIT Malaysia	-	-	310,000	100.00	310,000	100.00

As at the LPD, the directors of PMIT Singapore are Lee Cheng Ngee, Wong Nyeon Thiat and Lee Han Jun.

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

(d) Subsidiary, associate and joint venture

As at the LPD, PMIT Singapore does not have any subsidiary, associate or joint venture companies.

6.2.3 PMI Holding NL

(a) Background, history and principal activities

PMI Holding NL was incorporated on 12 October 2023 in the Netherlands as a private limited company under the laws of the Netherlands, more specifically under book 2 of the Dutch Civil Code under its present name.

PMI Holding NL is principally an investment holding company (holding shares in PMIT Holding NL, and indirectly PMIT Europe NL, PMIT USA NL, and PMIT US) and has its principal place of business in the Netherlands.

(b) Share capital

As at the LPD, the issued share capital of PMI Holding NL is EUR1,000 comprising 100 ordinary shares of a nominal value of EUR10 per share. There has been no change in PMI Holding NL's issued share capital since incorporation up to the LPD.

None of PMI Holding NL's shares were issued at a discount, on special terms or based on instalment payment. As at the LPD, PMI Holding NL does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

PMI Holding NL is a wholly-owned subsidiary of PMIT Malaysia. There were no changes to the shareholders of PMI Holding NL from the incorporation date of 12 October 2023 up to the LPD.

As at the LPD, the directors of PMI Holding NL are Wong Voon Ten, Rick Sebastiaan Veldkamp and Marcel Nicolaas Lupé.

(d) Subsidiary, associate and joint venture

As at the LPD, the subsidiaries of PMI Holding NL are PMIT Holding NL, PMIT Europe NL, PMIT USA NL and PMIT US. PMI Holding NL does not have any associate or joint venture companies.

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

6.2.4 PMIT Holding NL

(a) Background, history and principal activities

PMIT Holding NL was incorporated on 12 October 2023 in the Netherlands as a private limited company under the laws of the Netherlands, more specifically under book 2 of the Dutch Civil Code under its present name.

PMIT Holding NL is principally involved in investment holding (holding shares in PMIT Europe NL, PMIT USA NL, and PMIT US) and has its principal place of business in the Netherlands.

(b) Share capital

As at the LPD, the issued share capital of PMIT Holding NL is EUR5,000 comprising 5,000 ordinary shares of a nominal value of EUR1 per share. There has been no change in PMIT Holding NL's issued share capital since incorporation up to the LPD.

None of PMIT Holding NL's shares were issued at a discount, on special terms or based on instalment payment terms.

As at the LPD, PMIT Holding NL does not have any outstanding warrants, options, convertible securities or uncalled capital.

Notwithstanding, pursuant to a shareholders' agreement dated 28 August 2024 between PMIT Holding NL and its shareholders, namely PMI Holding NL, F.G. Veldkamp Beheer B.V., Lupé Beheer B.V., EMMAX Beheer B.V. and Jasper Johannes Vreeman ("**PMIT Holding NL Shareholders' Agreement**"), there are several options between the shareholders, as set out in sub-paragraph (c) below.

(c) Shareholder and Directors

PMIT Holding NL is a 60.10%-owned subsidiary of PMI Holding NL and the remaining 39.90% shareholdings are held by the shareholders as set out below. There has been no change to the shareholders of PMIT Holding NL from its incorporation date on 12 October 2023 up to the LPD. The shareholders of PMIT Holding NL as at the LPD are:

Name	As at the LPD	
	No. of shares held	%
F.G. Veldkamp Beheer B.V.(1)	750	15.00
Lupé Beheer B.V.(2)	500	10.00
EMMAX Beheer B.V.(3)	500	10.00
Jasper Johannes Vreeman	245	4.90
PMI Holding NL	3,005	60.10

Notes:

(1) F. G. Veldkamp Beheer B.V. is owned by JEA Veldkamp-Braakhuis, mother of Rick Sebastiaan Veldkamp, who is one of the Key Senior Management of PMIT Europe NL.

(2) Lupé Beheer B.V. is owned by Marcel Nicolaas Lupé, who is one of the Key Senior Management of PMIT Europe NL.

(3) EMMAX Beheer B.V. is owned by Rick Sebastiaan Veldkamp, who is one of the Key Senior Management of PMIT Europe NL.

As at the LPD, the directors of PMIT Holding NL are Lupé Beheer B.V., PMI Holding NL and EMMAX Beheer B.V. For information, the appointment of a legal entity to act as a director of another company is permissible under Dutch Civil Code.

Pursuant to the PMIT Holding NL Shareholders' Agreement, the shareholders had, among others, agreed on the following:

(a) Selling shareholder: Where any shareholder intends to sell its shares in PMIT Holding NL, the remaining shareholders upon receiving a notice of sale may exercise its option to purchase all the selling shareholder's shares within 30 days from receipt of the notice of sale.

The purchase price for such shares would be the offer price of the third party offeror.

(b) If at any time the selling shareholder sells all or part of its shares to a third party, the other shareholders have the right to require the selling shareholder to request the third party to purchase all or part of the remaining shareholders' shares in proportion to their respective shareholding in PMIT Holding NL at the same price and terms in the notice of sale.

(d) Subsidiary, associate and joint venture

As at the LPD, PMIT Holding NL's subsidiaries are PMIT Europe NL, PMIT USA NL and PMIT US. PMIT Holding NL does not have any associate or joint venture companies.

6.2.5 PMIT Europe NL

(a) Background, history and principal activities

PMIT Europe NL was incorporated on 27 February 2017 in the Netherlands as a private limited company under the laws of the Netherlands, more specifically under book 2 of the Dutch Civil Code under its present name.

PMIT Europe NL is principally a solutions provider of solid liquid filtration equipment, and technical support services and has its principal place of business in the Netherlands.

(b) Share capital

As at the LPD, the issued share capital of PMIT Europe NL is EUR50,000 comprising 5,000 ordinary shares of a nominal value of EUR10 per share. There has been no change in PMIT Europe NL's issued share capital since incorporation up to the LPD.

None of PMIT Europe NL's shares were issued at a discount, on special terms or based on instalment payment terms. As at the LPD, PMIT Europe NL does not have any outstanding warrants, options, convertible securities or uncalled capital.

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

(c) Shareholder and Directors

PMIT Europe NL is a wholly-owned subsidiary of PMIT Holding NL. Save as set out below, there were no other changes to the shareholders of PMIT Europe NL for the past 3 years up to the LPD:

Name	As at 31 December 2022		As at 31 December 2023 and 2024		As at the LPD	
	No. of shares held	%	No. of shares held	%	No. of shares held	%
F.G. Veldkamp Beheer B.V.	750	15.00	-	-	-	-
EMMAX Beheer B.V.	500	10.00	-	-	-	-
Jasper Johannes Vreeman	245	4.90	-	-	-	-
Lupé Beheer B.V.	500	10.00	-	-	-	-
PMIT Malaysia	3,005	60.10	-	-	-	-
PMIT Holding NL	-	-	5,000	100.00	5,000	100.00

As at the LPD, the directors of PMIT Europe NL are Wong Voon Ten, Jasper Johannes Vreeman, Marcel Nicolaas Lupé and EMMAX Beheer B.V.

(d) Subsidiary, associate and joint venture

As at the LPD, PMIT Europe NL does not have any subsidiary, associate or joint venture companies.

6.2.6 PMIT USA NL

(a) Background, history and principal activities

PMIT USA NL was incorporated on 12 October 2023 in the Netherlands as a private limited company under the laws of the Netherlands, more specifically under book 2 of the Dutch Civil Code under its present name.

PMIT USA NL is principally involved in trading of filtration equipment and has its principal place of business in the Netherlands.

(b) Share capital

As at the LPD, the issued share capital of PMIT USA NL is EUR1,000 comprising 100 ordinary shares of a nominal value of EUR10 per share. There has been no change in PMIT USA NL's issued share capital since incorporation up to the LPD.

None of the shares of PMIT USA NL were issued at a discount, on special terms or based on instalment payment terms. As at the LPD, PMIT USA NL does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Substantial shareholder and Directors

PMIT USA NL is an indirect subsidiary of our Company. Our indirect subsidiary, PMIT Holding NL holds 100% direct shareholdings in PMIT USA NL. There were no changes to the shareholders of PMIT USA NL from its incorporation date of 12 October 2023 up to the LPD.

As at the LPD, the sole director of PMIT USA NL is PMIT Holding NL. For information, the appointment of a legal entity to act as a director of another company is permissible under Dutch Civil Code.

(d) Subsidiary, associate and joint venture

As at the LPD, PMIT USA NL's subsidiary is PMIT US. PMIT USA NL does not have any associate or joint venture companies.

6.2.7 PMIT US

(a) Background, history and principal activities

PMIT US was incorporated on 27 October 2023 in Delaware, USA as a Delaware corporation under General Corporation Law of Delaware under its present name.

PMIT US is principally involved in trading of filtration equipment and technical support and has its principal place of business in the USA.

(b) Share capital

As at the LPD, the total share capital of PMIT US is USD1,000 comprising 100 common shares. There has been no change in PMIT US' issued share capital since incorporation up to the LPD.

None of PMIT US' shares were issued at a discount, on special terms or based on instalment payment terms. As at the LPD, PMIT US does not have any outstanding warrants, options, convertible securities or uncalled capital.

Nonetheless, pursuant to a shareholders' agreement dated 11 July 2024 between PMIT US and its shareholders namely PMIT USA NL and Ryan Christopher Boyd ("**PMIT US Shareholders' Agreement**"), there are several options between the shareholders, as set out in sub-paragraph (c) below.

(c) Shareholder and Directors

PMIT US is a 70%-owned subsidiary of PMIT USA NL and the remaining 30% shareholdings are held by Ryan Christopher Boyd, a partner that our Group has identified to operate our subsidiary in the USA.

There has been no change to the shareholders of PMIT USA NL for the past 3 years up to the LPD.

As at the LPD, the directors of PMIT US are Ryan Christopher Boyd, Marcel Nicolaas Lupé, Rick Sebastiaan Veldkamp, Jasper Johannes Vreeman and Wong Voon Ten.

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

Pursuant to the PMIT US Shareholders' Agreement, the shareholders had, among others, agreed on the following:

(a) PMIT USA NL has a first option to purchase any other shareholder's shares in PMIT US in the following events:

(i) Exiting shareholder: upon certain triggering events occurring such as the shareholder's death, bankruptcy, termination of a shareholder's employment by PMIT US, cessation of the shareholder's active engagement in PMIT US' business, or a breach by the shareholder of the PMIT US Shareholders' Agreement which is not remedied.

The purchase price per share in such case would be based on the latest audited NA value of PMIT US, other than in the events of termination of a shareholder's employment by PMIT US and/or cessation of the shareholder's active engagement in PMIT US' business where the purchase price shall be USD1.00; and

(ii) Selling shareholder: where any other shareholder has received an offer for their shares and intends to sell its shares in PMIT US to third parties.

The purchase price for such shares would be the offer price of the third party offeror.

In the event PMIT USA NL as the shareholder does not exercise the above first option, then PMIT US will have the option to purchase the exiting or selling shareholder's shares, failing which any remaining shareholder will have the option to purchase the exiting shareholder's shares in proportion to their shareholdings. The option exercise periods for the above are either 30 days from receiving notice of the above events (in the case of PMIT USA NL's first option) or 30 days from failure to exercise or the expiry of the preceding options (in the case of PMIT US or any remaining shareholder);

(b) Subject to PMIT USA NL's first option in subparagraph (a) above, if there are any involuntary transfers of PMIT US shares by operation of law (other than death or divorce), such as a transfer of PMIT US shares due to a shareholder's bankruptcy, or purchaser at any creditors or court sale, the remaining shareholder may within 60 days from receiving the transfer notice exercise an option to purchase all but not less than all of such shares transferred. The purchase price per share in such case would be based on the latest audited NA value of PMIT US;

(c) Ryan Christopher Boyd may transfer up to half of his shareholdings to his father and such transfer to his parent will not be subject to any purchase options of other shareholder of PMIT US in the PMIT US Shareholders' Agreement. Ryan Christopher Boyd or his father (if he becomes a shareholder) shall have a first right and option to acquire each other's shares in the event of either person's cessation of employment with PMIT US, death, disability, divorce or involuntary transfer by operation of law on terms to be agreed between Ryan Christopher Boyd and his father or the respective estates. The option period is 90 days from occurrence of the above event and upon expiry such shares will be subject to the other options set out in sub-paragraph (a) above.

(d) In the event that PMIT USA NL is to be sold or undergoes a change in control (change of ownership of 51% or more of voting shares in PMIT USA NL), PMIT USA NL has a right and option to purchase all PMIT US shares held by other shareholders. In such case that PMIT USA NL is to be sold, the remaining shareholders correspondingly have the right to require PMIT USA NL to purchase their shares in PMIT US. The purchase price per share in such case would be based on the latest audited NA value of PMIT US.

(d) Subsidiary, associate and joint venture

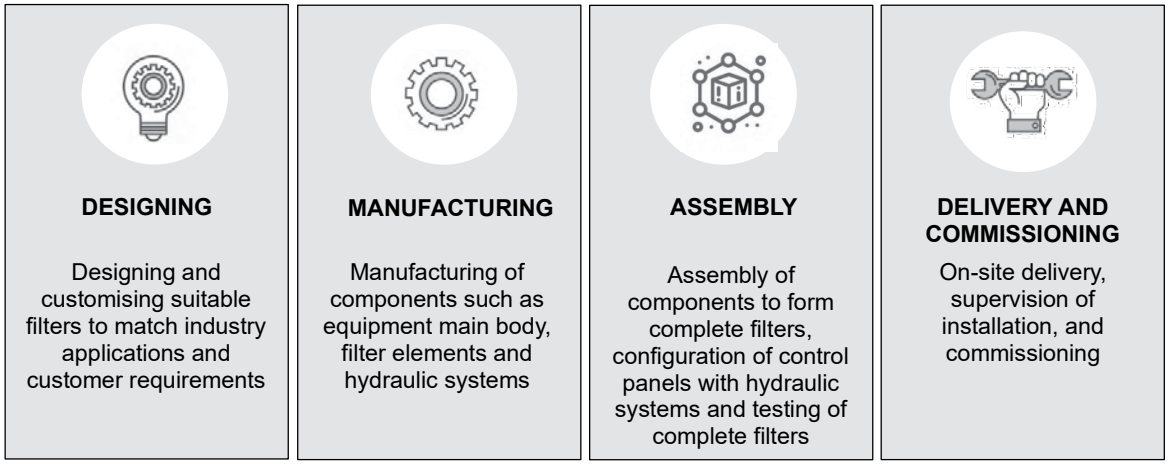
As at the LPD, PMIT US does not have any subsidiary, associate or joint venture companies.

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7. BUSINESS OVERVIEW

7.1 OVERVIEW

We specialise in filtration solutions and have the in-house capability to undertake the following:



Our Group's core products are filter presses and hermetic filters, which collectively contributed 68.71% to 72.73% to our Group's revenues during the Financial Years Under Review. These filters are used to separate solid particles from slurry in large quantities and can be used in a diverse range of end-user industries.

We also manufacture multi-bag filters, cartridge filters and reverse pulse filters. These filters are used after the primary filtration process by hermetic filters to perform secondary filtration of remaining impurities present in the slurry. Further details on our products are elaborated in Section 7.3 of this Prospectus.

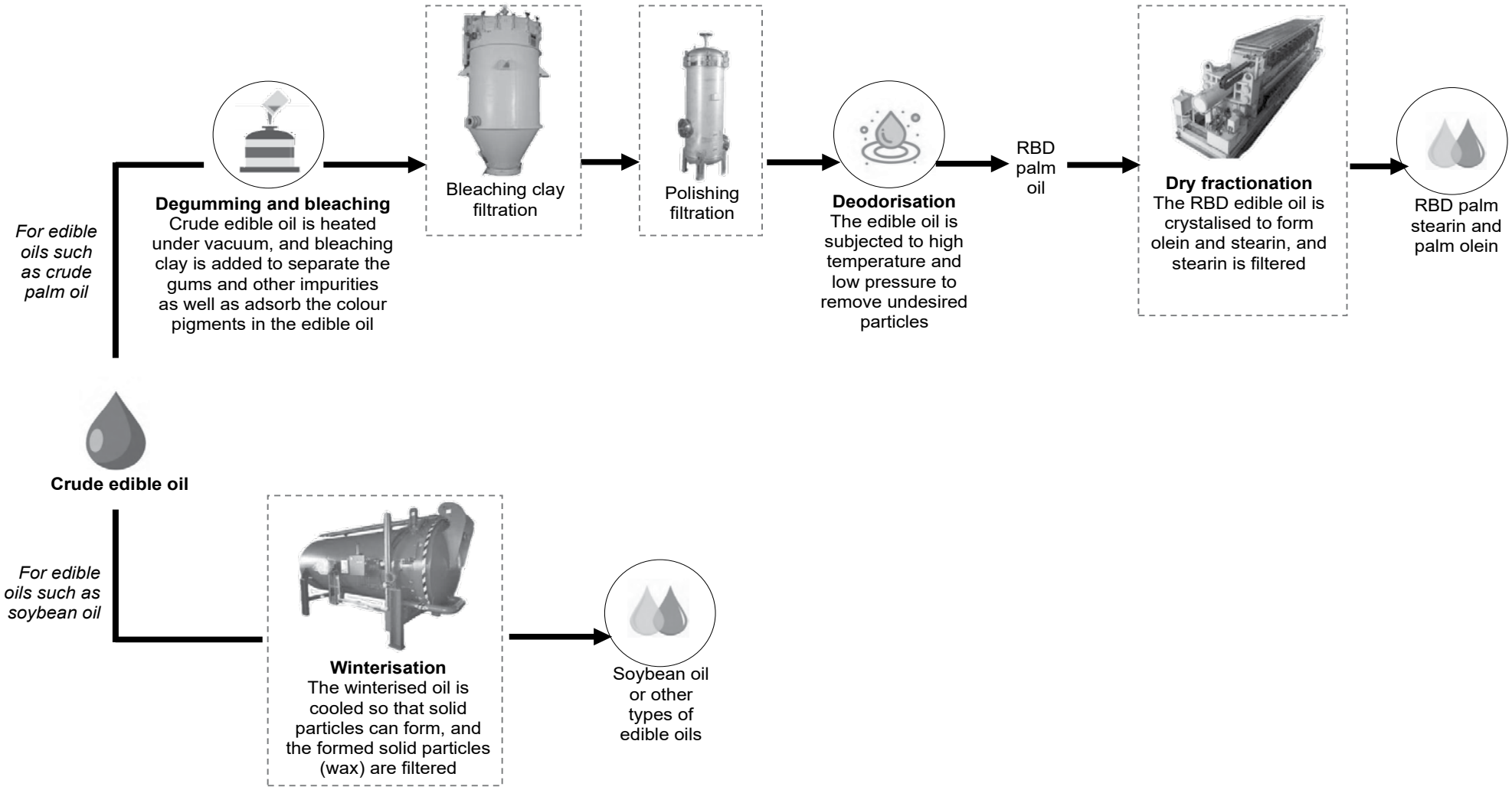
For the Financial Years Under Review, the key end-user industries that we have served include the edible oil, food processing, sustainable fuels, potable water and wastewater industries.

Our Group's revenues were mainly generated from the edible oil industry, which contributed between 74.46% and 89.64% to our Group's revenue from the filtration solution and steel works segments for the Financial Years Under Review. The remaining 10.36% to 25.54% of our Group's revenue from the filtration solution and steel works segments during the Financial Years Under Review were generated from other end-user industries. Please refer to Section 7.4 of this Prospectus for further details on the applications of our filters.

In addition to providing filtration solutions, our Group is also involved in the provision of technical support services such as after-sales support, replacement parts and maintenance services, and provision of steel works through the design and fabrication of steel-based vessels/equipment.

7. BUSINESS OVERVIEW *(Cont'd)*

The following diagram illustrates the use of our filters in the edible oil industry:



Note:

(1) ⬚ denotes the processes where our Group's filters are used in

7. BUSINESS OVERVIEW *(Cont'd)*

Our filters are used to support the following processes in the diagram above:

- Bleaching clay filtration – A process where our filters separate and remove bleaching clay, which is added to the palm oil to adsorb colour pigments and remove gums and other impurities;

- Polishing filtration – A secondary filtration process where our filters remove remaining impurities that are still present in the oil after the bleaching clay filtration process;

- Dry fractionation – A process where RBD palm oil undergoes controlled cooling, leading to crystallisation within a crystalliser, so that solid crystals (known as stearin) are formed, and stearin is then separated from the liquid fraction (olein). Our filters are used to separate the olein and stearin to produce RBD palm olein and RBD palm stearin;

- Winterisation – A process using the difference in melting points to separate components of edible oil into 2 or more fractions. The edible oil is cooled such that components of the edible oil with higher melting points form solid crystals (in the form of wax). Our filters are used to separate the solid crystals formed.

Generally, the filters that we design and manufacture promote sustainability as they can provide the following environmental benefits:

- Prevent pollution and reduce waste stream volumes as harmful substances can be removed from slurry before being disposed of or safely discharged into the environment;

- Promote resource reusability, reduce resource consumption and improve process efficiency as our filters are used to effectively extract and recover valuable components and promote recycling of water resources; and

- Used in the production of sustainable alternative fuels such as biodiesel and hydrotreated vegetable oils.

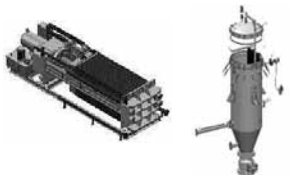
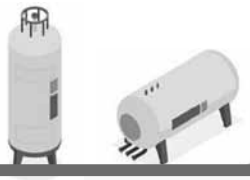
Further details on the environmental benefits of our filters are in Section 7.21 of this Prospectus.

We also have the expertise to perform steel works, where we design and fabricate vessels/equipment such as heat exchangers, pressure vessels, columns and silos. We also provide technical support services. These services include providing after-sales support services, upgrading of filters, maintenance services, and replacement parts support for filter elements (such as filter plates, filter leaves, bag filters and filter cloths).

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7. BUSINESS OVERVIEW *(Cont'd)*

Our business model is as illustrated below:

	FILTRATION SOLUTIONS	STEEL WORKS	TECHNICAL SUPPORT SERVICES
			
PRODUCTS/ SERVICES	Design, manufacturing, assembly, delivery and commissioning of: • Filter press • Hermetic filters	Design and/or fabricate steel-based vessels/equipment	• After-sales support services • Replacement part support • Maintenance services
REVENUE MODEL	• One-off project fee	• One-off project fee	• Recurring service fee
END-USER INDUSTRIES	• Edible oil industry • Potable water and wastewater industry • Sustainable fuel industry • Food processing industry • Other industries such as oleochemical, chemical and industrial minerals industries		

For the Financial Years Under Review, we have designed, manufactured, assembled, delivered and commissioned filters as well as performed steel works and technical support services for customers located in Asia (including Malaysia and Indonesia), America, Europe and Africa regions.

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7. BUSINESS OVERVIEW *(Cont'd)*

7.2 HISTORY

The beginning of our filter business

The history of our Group can be traced back to the incorporation of Pan-Merchant Industries by our Promoters, namely Wong Voon Ten, Wong Nyeon Thiat, Wong Voon Yoong, Lee Cheng Ngee as well as Budhi Sentoso Rachmat (who is a shareholder), in June 1986. Pan-Merchant Industries commenced its business in the marketing and sale of filters in 1987. Pan-Merchant Industries was later appointed by Eberhard Hoesch & Sohne GmbH & Co, which was a multinational solid liquid filtration company based in Germany, to be an agent for their filter presses and agitators, and to also provide technical support services in Malaysia and Singapore in 1989. Most of the filter presses sold during this time were large-sized filters for the edible oil industry.

Later in 1989, Pan-Merchant Industries was appointed by Eberhard Hoesch & Sohne GmbH & Co to take on the manufacturing and assembly of small-sized filter presses (filter presses with a filter plate size of up to 800mm) in response to the growing demand in Malaysia. This allowed Pan-Merchant Industries to begin building its expertise in manufacturing and assembling these filters based on the design provided by Eberhard Hoesch & Sohne GmbH & Co for customers within the ASEAN region (except Thailand). It began the manufacturing and assembly of these filters in 1989 when it secured an order for the food processing industry. It also secured its first order for the industrial wastewater industry in 1990.

In 1993, Pan-Merchant Industries was appointed by Eberhard Hoesch & Sohne GmbH & Co to be an agent for their filter presses and agitators, and provide technical support services in Indonesia. Pan-Merchant Industries subsequently began to manufacture, assemble and deliver a hermetic filter in 1995 when it secured its first order for the edible oil industry from a company in the Philippines. In 1996, Pan-Merchant Industries was appointed by Eberhard Hoesch & Sohne GmbH & Co to be an agent for their filter presses and agitators, and provide technical support services in the Philippines. In 2001, Pan-Merchant Industries designed, manufactured, assembled, delivered and commissioned its first large-sized filter presses with a filter plate size of 1,500mm, which was also the first filter commissioned under the "PMI" trade name.

Between 1989 and 1998, Pan-Merchant Industries operated out of an office cum factory in Petaling Jaya, Selangor. As its business began to grow, Pan-Merchant Industries set up Jelapang Plant 2 in Ipoh, Perak, which was then a rented industrial facility, in 1996 to manufacture and assemble small-sized filters as well as perform steel works for vessels/equipment. We also relocated our office to our present Headquarters in Shah Alam, Selangor in 2001.

Pan-Merchant Industries' growth to serving customers worldwide

In 1990, Pan-Merchant Industries began serving customers based in the ASEAN region (except Thailand) and in 1993, it extended its geographical reach to include customers with facilities based in America.

Pan-Merchant Industries later expanded its geographical reach to Africa when it secured its first order for a filter press for an edible oil refinery plant based in Tunisia, Africa in 2007. In 2008, it expanded its reach to the Europe region when it secured its first order to design, manufacture, assemble, deliver and commission a filter press for a multinational edible oil manufacturer's facility based in Germany. This filter press was also CE certified, indicating that the filter was assessed and deemed to be in compliance with all applicable European Union's health, safety and environmental requirements.

7. BUSINESS OVERVIEW *(Cont'd)*

Our expansion across diverse end-user industries

Over the years, Pan-Merchant Industries also expanded the range of end-user industries served. Between 1987 and 2000, it served the wastewater and food processing industries. It also provided small-sized filter presses and hermetic filters to the edible oil industry.

Our Executive Directors began to recognise the potential in providing large-sized filter presses (with a filter plate size of more than 800mm) to the edible oil industry. Thus, leveraging on its expertise built over the years in manufacturing filter presses, Pan-Merchant Industries began to design, market and sell large-sized filter presses customised for the edible oil industry.

The first large-sized filters designed, manufactured, assembled, delivered and commissioned by Pan-Merchant Industries was for a palm oil refinery in Indonesia in 2001. This also marked the first filter commissioned under the "PMI" trade name. Since then, we commissioned filters under both the "PMI" and "Hoesch" trade names, depending on customers' specifications.

Pan-Merchant Industries began serving the sustainable fuel industry when it secured its first order for a filter press from a turnkey contractor and renewable energy solutions provider based in Malaysia for a biodiesel plant in 2006. Pan-Merchant Industries subsequently began to design, manufacture, assemble, deliver and commission filters for the hydrotreated vegetable oil industry, when it secured an order for a sustainable fuel producer based in Singapore in 2008.

We continued to expand the range of end-user industries we serve even after the filtration solution business was transferred from Pan-Merchant Industries to PMIT Malaysia. We expanded our range of end-user industries to include the potable water industry in 2019 when PMIT Malaysia secured an order for filter presses from an engineering company which were used in drinking water treatment plants.

The incorporation of PMIT Malaysia and transfer of filter business to PMIT Malaysia

PMIT Malaysia was incorporated in 2002 to undertake the design, manufacturing, assembly, delivery and commissioning of agitators, under the "PMI" trade name. Meanwhile, Pan-Merchant Industries continued in the design, manufacturing, assembly, delivery and commissioning of filters.

PMIT Malaysia later acquired Jelapang Plant 1 in 2005 and expanded its operations with the acquisition of Jelapang Plant 2, which is an industrial facility also located in Ipoh, Perak, in 2007. We obtained the ISO 9001: 2008 certification (currently known as ISO 9001: 2015) in 2009 for Jelapang Plant 1, Jelapang Plant 2 and our present Headquarters.

In 2010, as the sales of filters sold under our "PMI" trade began to grow, we ceased selling filters under the "Hoesch" trade name. A termination agreement was entered into between Pan-Merchant Industries and Larox GmbH (previously known as Eberhard Hoesch & Sohne GmbH & Co) on 1 June 2010 to terminate all the existing agency contracts. From thereon, all filters designed, manufactured, assembled, delivered and commissioned by us were under the "PMI" trade name.

To cater for growth in orders, PMIT Malaysia acquired the Lahat Plant, which is an industrial facility and office building in Lahat, Perak, in 2011. This allowed us to expand the floor space for the manufacturing of our filters and vessels/equipment. Please refer to Section 7.6 of this Prospectus for details on our manufacturing facilities.

We also began to progressively transfer our filtration solution business from Pan-Merchant Industries to PMIT Malaysia since 2012 and was fully transferred by 2013. Pan-Merchant Industries ceased its filtration solution business and became an investment holding company in 2014.

7. BUSINESS OVERVIEW *(Cont'd)*

The formation of our global Group

In order to build our presence in the Europe region, we incorporated PMIT Europe NL in 2017 and set up our Netherlands office in Europe in the same year. Additionally, in October 2023, our subsidiary, PMIT Holding NL (a company owned by PMI Holding NL) incorporated PMIT USA NL and our USA office was set up in the same year to build our presence in America.

By establishing an after-sales support team in Europe and America, we can effectively accommodate varying time zones in these regions. This allows us to promptly respond to inquiries and resolve technical issues for customers based in these regions.

Subsequently, PMIT Malaysia acquired PMIT Singapore in November 2023, which had a marketing office in Singapore, allowing us to expand our presence in Asia.

To facilitate the Listing, we incorporated our Company in Malaysia under the Act on 18 March 2024 as a private limited company under the name of Pan Merchant and the businesses of our Subsidiaries were consolidated under the Pan Merchant Group following the Acquisition of PMIT Malaysia. An illustration of our corporate group structure is in Section 6.1.1 of this Prospectus.

On 28 May 2024, our Company was converted to a public limited company for our Listing and assumed its present name.

Over the years, we have established our reputation as a solution provider in the solid liquid filtration industry. According to the IMR report by PROVIDENCE, we are the largest homegrown solid liquid filtration solution provider in Malaysia in terms of our revenue.

7.2.1 Key milestones

In summary, our Group's key milestones since Pan-Merchant Industries commenced its operations in 1989 are detailed below:

Year	Key milestones
1987	• Pan-Merchant Industries commenced its business in the marketing and sale of filters
1989	• Pan-Merchant Industries was appointed by Eberhard Hoesch & Sohne GmbH & Co to be an agent for their filter presses and agitators, and provide technical support services in Malaysia and Singapore • Pan-Merchant Industries was appointed by Eberhard Hoesch & Sohne GmbH & Co to manufacture and assemble small-sized filter presses with a filter plate size of up to 800mm to customers within the ASEAN region (except Thailand) • Pan-Merchant Industries operated out of an office cum factory in Petaling Jaya, Selangor • Pan-Merchant Industries designed, manufactured, assembled, delivered and commissioned its first small-sized filter presses for the food processing industry
1990	• Pan-Merchant Industries designed, manufactured, assembled, delivered and commissioned its first small-sized filter presses for the industrial wastewater industry • Pan-Merchant Industries began to manufacture filters for customers in ASEAN region (except Thailand)
1993	• Pan-Merchant Industries was appointed by Eberhard Hoesch & Sohne GmbH & Co to be an agent for their filter presses and agitators, and provide technical support services in Indonesia • Pan-Merchant Industries began to manufacture filters for customers in America

7. BUSINESS OVERVIEW *(Cont'd)*

Year	Key milestones
1995	• Pan-Merchant Industries began to manufacture, assemble and deliver a hermetic filter to a customer in the Philippines
1996	• Pan-Merchant Industries was appointed by Eberhard Hoesch & Sohne GmbH & Co to be an agent for their filter presses and agitators, and provide technical support services in the Philippines • Pan-Merchant Industries set up Jelapang Plant 2
2001	• Pan-Merchant Industries relocated its office to our present Headquarters in Shah Alam, Selangor • Pan-Merchant Industries designed, manufactured, assembled, delivered and commissioned its first large-sized filter presses with a filter plate size of 1,500mm, which was also the first filter commissioned under the "PMI" trade name
2002	• Incorporation of PMIT Malaysia • PMIT Malaysia commenced its operations in the design, manufacturing, assembly, delivery and commissioning of agitators
2005	• PMIT Malaysia acquired and set up Jelapang Plant 1
2006	• Pan-Merchant Industries expanded its range of end-user industries to include the sustainable fuel industry when it secured an order for filters for a biodiesel plant
2007	• PMIT Malaysia acquired Jelapang Plant 2 • Pan-Merchant Industries secured its first order for filter press from a customer based in the Africa region
2008	• Pan-Merchant Industries secured its first order for filter press from customers with premises based in the Europe region. This filter was also CE certified, meaning the filter is in compliance with all applicable European Union's health, safety and environmental requirements • Pan-Merchant Industries secured its first order for filters from the hydrotreated vegetable oil industry
2009	• PMIT Malaysia obtained the ISO 9001: 2008 certification for Jelapang Plant 1, Jelapang Plant 2 and present Headquarters
2010	• Pan-Merchant Industries ceased selling filter presses under the "Hoesch" trade name • All filter presses were designed, manufactured, assembled, delivered and commissioned under the "PMI" trade name
2011	• PMIT Malaysia acquired and set up Lahat Plant
2013	• The filtration solution business of Pan-Merchant Industries was fully transferred to PMIT Malaysia
2014	• PMIT Malaysia designed, manufactured, assembled, delivered and commissioned hermetic filters under the "PMI" trade name

7. BUSINESS OVERVIEW *(Cont'd)*

Year	Key milestones
2016	• PMIT Malaysia obtained the Certificate of Authorisation (U and U2 certificates) from the ASME of USA, certifying that we can meet its requirements for the manufacture of hermetic filters and other pressure-tight vessels, and to repair and/or perform alterations • PMIT Malaysia obtained the Certificate of Authorisation (R) from the National Board of Boiler and Pressure Vessel Inspections of USA, certifying that we can repair and/or perform alteration of pressure vessels and other pressure retaining vessels
2017	• PMIT Malaysia complied with the latest ISO 9001: 2015 certification for Jelapang Plant 1, Jelapang Plant 2, Lahat Plant and present Headquarters • Incorporated PMIT Europe NL and set up our Netherlands office in Europe
2019	• PMIT Malaysia expanded its customer base to include customers from the potable water industry in Malaysia
2022	• PMIT Malaysia obtained SPAN TS 3002:2021 certification from the National Water Services Commission to manufacture filter presses for sludge dewatering processes, allowing us to submit tender applications for such projects
2023	• Incorporated PMIT USA NL and set up our office in the USA • PMIT Malaysia acquired PMIT Singapore
2024	• Incorporated our Company, and subsequently converted our Company to a public limited company • PMIT Malaysia obtained the SELO Licence, illustrating that it is able to meet the requirements for hermetic filters and other pressure-tight vessels for China
2025	• PMIT Malaysia obtained Consumer Sustainability Industry Readiness 24 Index (COSIRI-24) certification from the International Centre for Industrial Transformation for solid liquid filtration equipment and steelworks, signifying that PMIT Malaysia has implemented ESG measures in its operations

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7. BUSINESS OVERVIEW *(Cont'd)*

7.3 PRINCIPAL ACTIVITIES, PRODUCTS AND SERVICES

Our principal activities are as described below:

7.3.1 Design, manufacture, assembly, delivery and commissioning of filters

We have the capability to design, manufacture, assemble, deliver and commission filters that are customised to meet our customers' industry application and requirements.

Our core expertise lies in the following:

Designing filters 	We design and customise filters to cater for: • industry application, in terms of the slurry that is intended to be filtered; • customer requirements which include: - production capacity required by our customers; - physical constraints and operating conditions at the customers' facility that is related to the filter; - type of facility, whether it is a greenfield (new facility) or brownfield (existing facility); - intended form of output to be produced from the slurry (i.e. liquid or solid particles) as valuable products; - customers' financial budget; and - customers' delivery deadline. Our design process for a customised filter involves the following assessments: • testing the slurry to determine its composition in terms of content and density; • selecting the most suitable type of filter and filter element based on the results of the tests and information provided by customers on the particle size distribution, chemical composition, pH, viscosity and solid structure of the slurry; • customising operating parameters (in terms of pressure and flow rate, among others); and • customising filter size and number of filter elements based on our customers' intended production capacity.

7. BUSINESS OVERVIEW *(Cont'd)*

Manufacturing components 	We have the expertise to manufacture filter components, such as the equipment main body, filter elements and hydraulic systems components. We possess the requisite machinery and technological tools to perform our manufacturing activities in-house, including: • Design software tools, which aid in the design process of the components and filters; • CNC machines, which perform precision engineering processes such as cutting, milling or drilling to manufacture customised metal or plastic parts; • Welding equipment to perform welding of the equipment main body; • Surface and heat treatment equipment to perform grit blasting, spray painting, acid pickling and passivation; and • PLC programming software to programme PLCs which automate a filter's process cycle stages and collect detailed data for performance analysis and to ensure safe operation. By undertaking our manufacturing activities in-house, we have better control over our designs, production lead time and quality. This core capability enables us to provide value-added technical support services to our customers.
Assembly 	We can assemble components to form a complete filter prior to delivery to customers' premises. We can also carry out in-house tests and if required, factory acceptance tests, on our filters. These tests are to assess the functionality of the filter according to our customers' specifications and requirements.
Delivery and commissioning 	We handle on-site delivery and supervision of the filter installation to ensure it is properly installed. We can also assist with the integration of our filter with our customers' SCADA system, if required.

Further descriptions of our operational process flow are detailed in Section 7.8 of this Prospectus.

7. BUSINESS OVERVIEW *(Cont'd)*

We offer the following types of filters:

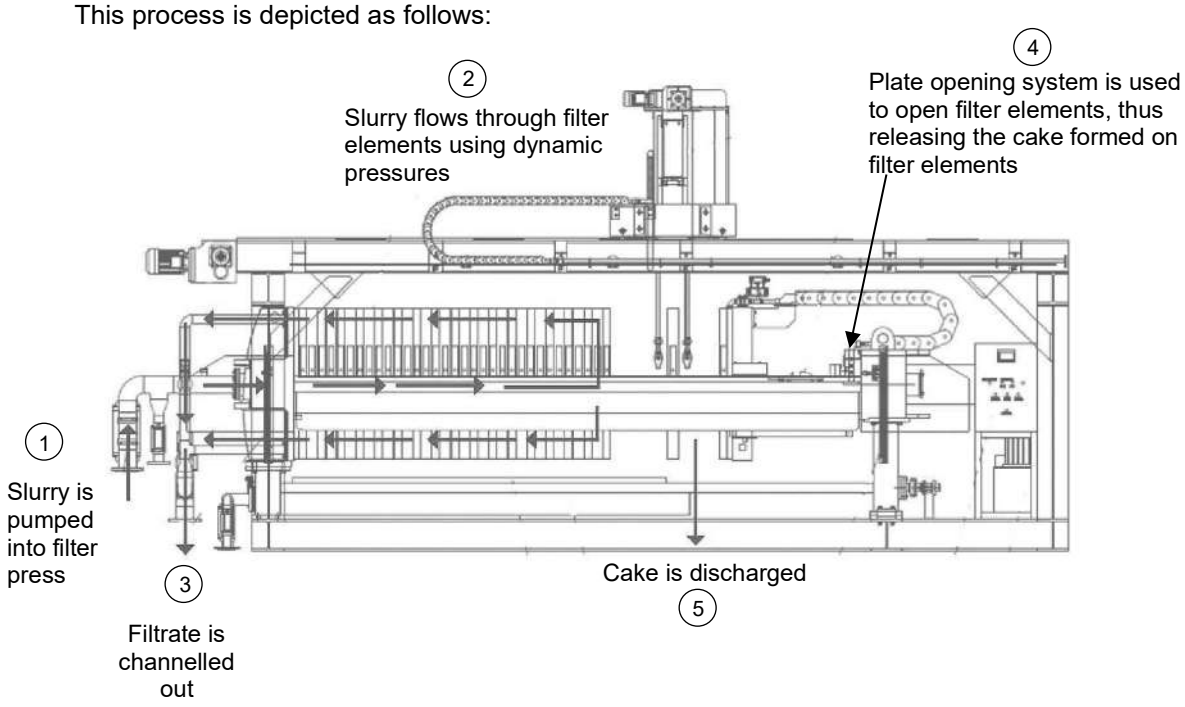
(i) Filter press

Filter presses are filters that comprise a metal structural frame that holds an array of filter plates which can perform solid liquid filtration. These filters are generally well-suited for industry applications where the slurry has a high solid content (generally more than 3% solid content in the slurry), and where the process involves relatively lower temperatures (below 90°C) and higher volume of slurry to be filtered per filter. Industrial applications with these characteristics include the edible oil, potable water and wastewater, and food processing industries.

Illustration of a filter press

Slurry is first pumped into the filter press and dynamic pressure is applied so that the slurry is distributed evenly through the filter elements. This process will trap and accumulate the solid particles (otherwise termed as the cake) on the filter elements, while the liquid portion of the slurry that has been filtered (otherwise termed as filtrate) is channelled out of the filter press.

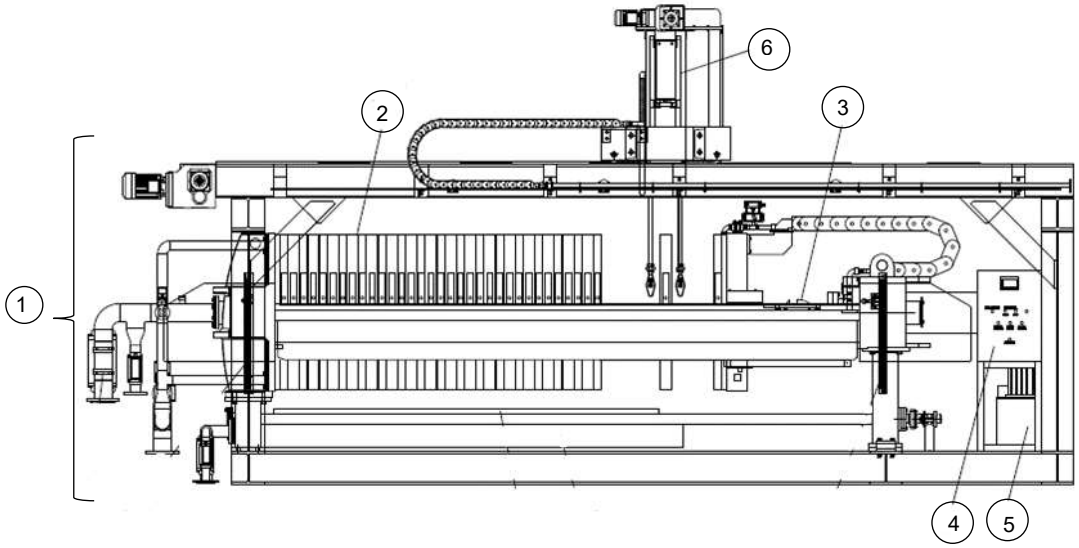
This process is depicted as follows:



7. BUSINESS OVERVIEW *(Cont'd)*

Components of our filter press

Our filter press' key components are illustrated in the diagram below and the corresponding descriptions are set out in the ensuing table:

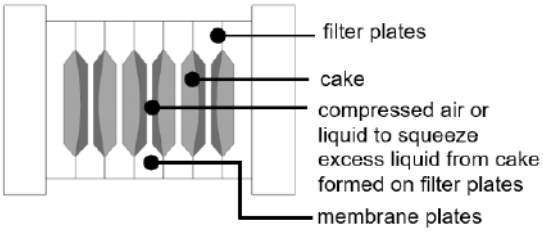
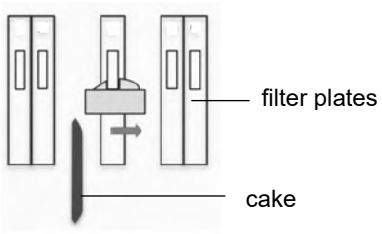


This diagram is for illustration purposes only. The design of our filter presses may vary from project to project based on our customers' requirements and/or the intended industry application.

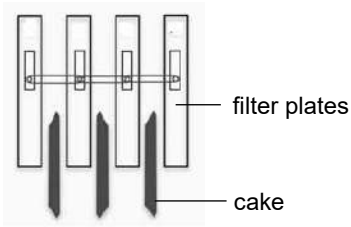
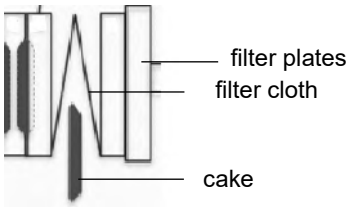
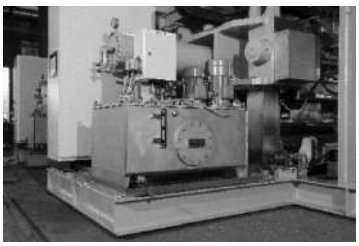
Generally, our filter press comprises the following key components which can be customised, as described below:

No.	Components	Description
1	**Equipment main body**	The equipment main body refers to the metal structural frame of the filter press that holds the various components.
2	**Filter elements** 	Filter elements are used to separate the solid particles from the slurry. The filter elements used in filter presses comprise filter plates and its filter media, which are filter cloths. A filter plate is a plate made using a variety of materials such as cast iron and cast silumin/aluminium or polypropylene. The plate's dimensions, structural features and design features will correspond to the process engineering functionality necessary for the industry application. Each filter plate is fitted with a filter cloth, which can be made using a variety of synthetic woven materials such as polypropylene, polyester and nylon. The filter cloth properties (air permeability, weave pattern, yarn type, fabric type) can be customised to confer the set of specific characteristics needed for the industry application.

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Components	Description
		The filter elements can be integrated with a combination of optional technology systems to ensure the seamless operation of the filter press: • Hydro-mechanical filter cloth cleaning system – a system to automatically clean the filter cloths by spraying water at high pressure (Please refer to item 6 of this table for further details); • Membrane mixed filter plate pack – uses compressed air or liquid to mechanically squeeze out any excess liquid from the cake formed on the filter plates. This is as illustrated below:  These filter plates can also be customised in terms of its size and thickness to cater for different processing volumes.
3	**Plate opening system** 	Plate opening systems mechanically open the filter plates in a pre-defined sequence so that the cakes formed on the filter elements can be discharged for disposal or further processing. Plate opening systems can simplify on-site operations, reducing the need for on-site facility operators. The typical types of plate opening systems we offer are: • Automatic single plate shifter – the filter plates are automatically shifted one-by-one 

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Components	Description
		• Automatic multi-plate shifter – a pack of filter plates are sequentially opened like an accordion  • Automatic straddle cloth cake discharge system – the filter plates are opened in an inverted "V" configuration to improve the discharge of cake 
4	**Control panel** 	A control panel, which is configured with a PLC, allows on-site facility operators to manage the filter press' functions and the entire filtration process.
5	**Hydraulic system** 	Hydraulic systems precisely control the opening and closing movements of the hydraulic piston to generate and maintain the necessary pressure throughout the filter press' process cycle. This pressure will enable slurry to be pumped into the closed filter elements to begin filtration.

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Components	Description
6	**Hydro-mechanical filter cloth cleaning system** 	Hydro-mechanical filter cloth cleaning systems automatically clean the filter cloths by using an array of directed high pressure water nozzles to remove any dirt and sediment which has accumulated on the filter cloth surface. Cloth washing is necessary to maintain filtration performance and an automated cloth cleaning system simplifies on-site operations and provides uniform cleaning. This system is fully automated and is an optional accessory technology which can be integrated into the filter press.

(ii) Hermetic filter

A hermetic filter is a filter in a fully sealed, pressure-tight vessel that uses filter elements such as filter leaves, candles, filter bags and cartridges. This filter is generally well-suited for industrial applications where the slurry has a low solid content (generally less than 3% solid content in the slurry) and where the process involves relatively higher temperatures (above 90°C). Industrial applications with these characteristics include edible oils and sustainable fuels.

Our main hermetic filters are pressure leaf filters. There are 2 main types of pressure leaf filters:

- Vertical pressure leaf filters, which are cylindrical vessels that stand upright and allow for optimum use of floor space. These filters are typically used in applications such as bleaching clay filtration in the edible oil industry; and

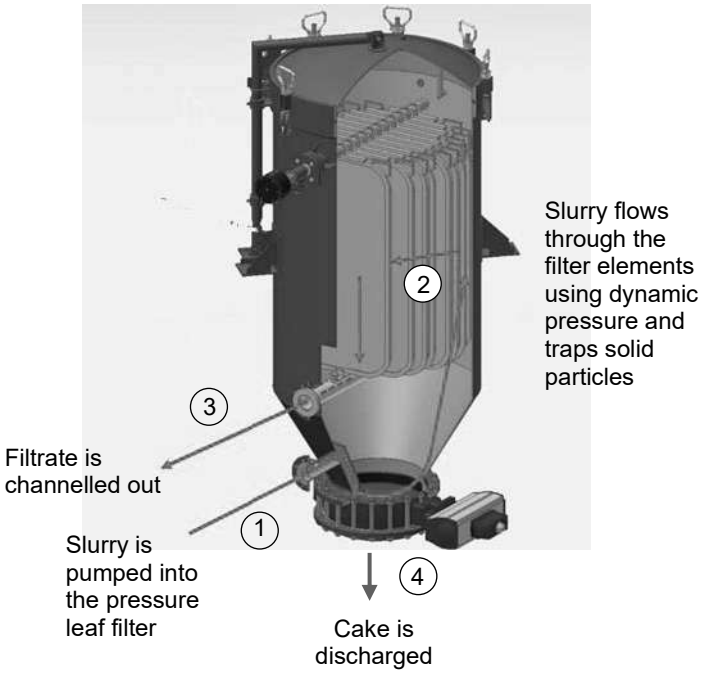
- Horizontal pressure leaf filters, which are cylindrical vessels that are oriented horizontally, with their length parallel to the ground. These filters are typically used in applications such as winterisation in the edible oil industry.

Description of a pressure leaf filter

A pressure leaf filter is a type of hermetic filter that holds an array of filter leaves which can perform solid liquid filtration. The pressure leaf filter filters slurry by using pressure (created by a pump or compressed gas or liquid) within an enclosed environment to force the slurry that has been pumped into the filter to pass through the filter elements. The solid particles are then trapped on the surface of the filter elements, forming a cake, while the liquid filtrate is allowed to pass through. After the filtration process, a vibrator is used to mechanically loosen the cake that has collected on the filter elements and the dislodged cake is then discharged through the discharge valves.

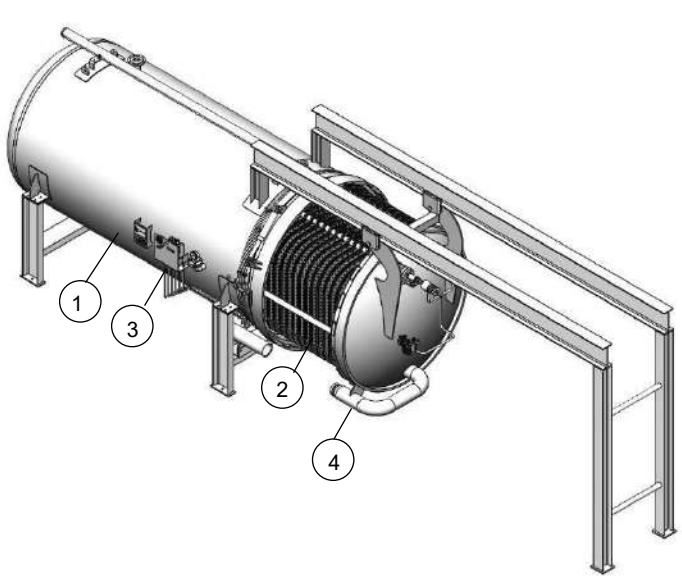
7. BUSINESS OVERVIEW *(Cont'd)*

The abovementioned process is depicted as follows:

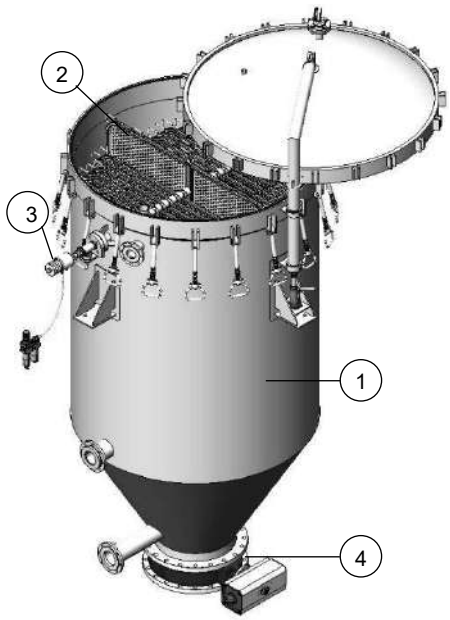


Components of a pressure leaf filter

An illustration of the horizontal and vertical pressure leaf filters is set out in the diagram below and the descriptions of their components are set out in the following table:



Horizontal pressure leaf filter



Vertical pressure leaf filter

The diagram above is for illustration purposes only. Pressure leaf filters may vary from project to project based on our customers' requirements and/or the intended industry application.

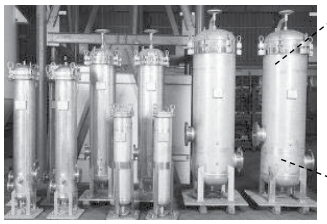
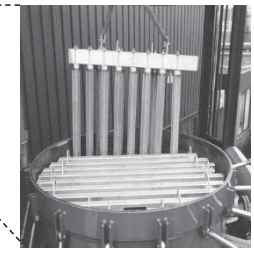
7. BUSINESS OVERVIEW *(Cont'd)*

Our pressure leaf filter comprises components which can be customised, as described below:

No.	Components	Description
1	**Equipment main body**	The equipment main body is a metal pressure vessel that is fully sealed and pressure-tight.
2	**Filter elements**  Filter leaves	Filter elements are used to separate the solid particles from the slurry. Filter elements for pressure leaf filters are an array of multiple filter leaves, which are made from 5-ply wire mesh.
3	**Vibrator** 	A vibrator is used to mechanically loosen the cakes that have collected on the filter media (filter leaves) to assist in the discharge of the dislodged filter cakes.
4	**Discharge valves** 	Discharge valves are the outlets where the dislodged filter cakes are discharged.

7. BUSINESS OVERVIEW *(Cont'd)*

If required, we can also design and manufacture other types of hermetic filters to supplement the abovementioned pressure leaf filters. These hermetic filters will further purify the filtrate in a secondary filtration process by capturing any remaining small-size solid particles that were too small to be filtered by the vertical or horizontal pressure leaf filters. These hermetic filters include:

Multi-bag filter  Filter  Filter bag	A filter designed to utilise multiple filter bags at a single time. The filter bags must be replaced when their filtration efficiency diminishes.
Reverse pulse filter  Filter  Filter media	A filter using an array of stainless steel candles with fitted customisable filter sleeves (filter media). These filter sleeves can cater to the fine micron rating requirements, allowing it to trap fine solid particles. Candles, which are tubular filter elements made from pre-fabricated tubular wedge wire screen that is fitted and welded with breaker bars and end-caps, which are then fitted with seamless filter sleeves. The seamless filter sleeve properties (material type or air permeability) can be customised to meet the needs of the industry application.
Cartridge filter  Filter  Filter media	A filter designed to utilise multiple cartridges at a single time. The filter media (cartridge) must be taken out and replaced when it is full of collected solid particles. These cartridges cannot be recycled or cleaned and will be disposed after they have reached their functional lifespan.

We charge a one-off project fee for the design, manufacturing, assembly, delivery and commissioning of our filters.

7. BUSINESS OVERVIEW *(Cont'd)*

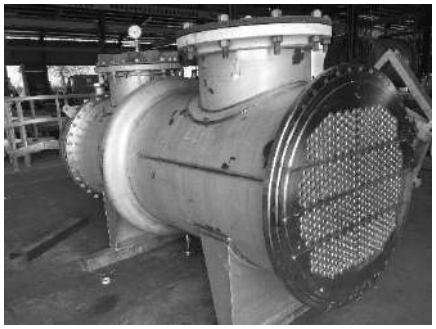
7.3.2 Provision of steel works

We have the capability to perform steel works, where we design and/or fabricate vessels/equipment such as heat exchangers, pressure vessels, agitators, columns and silos. In this respect, we provide the following services:

Design	In cases where we are engaged to provide engineering design, we work closely with our customers to customise the requested vessels/equipment based on their specifications and its intended function. This involves the design of the vessel/equipment structure and selection of materials required.
Fabrication	We have the necessary machinery and equipment to perform cutting, drilling, forming and welding of steel materials to produce the requested vessels/equipment.

We mainly provide steel works to customers of our filtration solutions segment who also require vessels/equipment in their premises. We have also been engaged by other engineering companies to provide steel works. These engineering companies in turn will utilise our Group's steel works to service a variety of industries, and as such, our Group's steel works are not confined to solid liquid filtration solutions only.

The steel works we have performed during the Financial Years Under Review are as follows:



Heat exchangers



Columns



Pressure vessels



Silos

7. BUSINESS OVERVIEW *(Cont'd)*



Agitators

We charge a one-off project fee for the design, fabrication and installation of vessels/equipment.

7.3.3 Provision of technical support services

We also offer technical support services to customers of our filtration solutions. These technical support services are performed by our technical sales personnel who are based in our Headquarters in Shah Alam, Selangor as well as in our Netherlands and USA offices. We provide technical support services to customers on either a one-off basis or contract basis which can be renewed annually.

The range of technical support services we provide comprises:

(i) After-sales support services and replacement part support

We sell filter elements and media and other replacement parts such as hydraulic seals and valves for the replacement of parts damaged in the course of ordinary use. In addition, we also provide our existing customers with after-sales support services to troubleshoot any issues concerning our filters and steel works. Our technical sales personnel are on standby to provide after-sales support services from 8:30 a.m. to 6:00 p.m. daily to our customers.

In addition, we also provide after-sales services to upgrade our filters. For instance, we may upgrade filter components such as hydraulic systems, PLC system and plate opening systems that are used in our filters.

(ii) Maintenance services

We also deploy our technical sales personnel to our customers' premises to perform on-site preventive maintenance services on our filters on an annual basis. This is to ensure our customers' filters continue to operate optimally.

7. BUSINESS OVERVIEW *(Cont'd)*

7.4 INDUSTRY APPLICATIONS OF OUR FILTERS

Our filters serve a diverse range of industry applications. During the Financial Years Under Review and up to the LPD, we have commissioned our filters for the following industries:

End-user industry	Products	Description	Type of filters required
Edible oil industry	RBD palm oil	Crude palm oil that has been refined, bleached and deodorised for a variety of uses such as cooking oil and food processing	Our hermetic filters are used in the bleaching process to remove the bleaching clay, while our filter presses are used in the dry fractionation process. Our reverse pulse filter and multi-bag filters are used in the polishing filtration process to remove any remaining impurities.
	Soybean oil	Soybean oil that has been refined for consumption or for use as a base for printing inks and oil paints	Our hermetic filters are used in the winterisation process to separate the solid crystals from the slurry in the edible oil.
Potable water and wastewater	Municipal water	Tap water that has been filtered for distribution to residential, commercial and industrial areas	Our filter presses are used to filter raw water and remove impurities prior to further processing into drinkable water.
	Filtered industrial wastewater	Filtered wastewater produced from factories	Our filter presses are used in industrial wastewater treatment plants to filter sludge from industrial wastewater before it is reused in industrial processes or safely discharged into the environment.
Sustainable fuel	Biodiesel	Renewable and biodegradable fuel	Our hermetic filters are used to remove sterol glucosides which are present in waste oil, prior to further processing.
	Hydrotreated vegetable oil	Used edible oil that is used as sustainable aviation fuel	Our hermetic filters are used for the pre-treatment of used edible oils prior to further processing.
Food processing	Sugar	Soluble substance that is used to sweeten food and beverages	Our filter presses are used to filter carbonated liquor from the sugarcane extract prior to further processing.
	Cassava starch	Starch that has a variety of uses such as producing food, animal feed or medication	Our filter presses are used to filter liquid from the cassava extract prior to further processing.

7. BUSINESS OVERVIEW *(Cont'd)*

7.5 PRINCIPAL MARKETS AND REVENUE SEGMENTATION

(a) Revenue by business segments

The table below sets out our Group's revenue by business segments for the Financial Years Under Review:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Filtration solutions								
- Filter press	37,755	35.84	43,880	28.43	57,877	41.79	44,770	31.63
- Hermetic filter	38,868	36.89	66,776	43.26	42,241	30.50	52,477	37.08
	76,623	72.73	110,656	71.69	100,118	72.29	97,247	68.71
Steel works (1)	17,068	16.20	21,828	14.14	17,909	12.93	17,141	12.11
Technical support services	11,660	11.07	21,872	14.17	20,466	14.78	27,153	19.18
Total	**105,351**	**100.00**	**154,356**	**100.00**	**138,493**	**100.00**	**141,541**	**100.00**

Note:

(1) Details of the revenue contribution of steel works are as follows:

Steel works	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Customers of filtration solutions segment	14,362	13.63	19,868	12.87	14,308	10.33	15,989	11.30
From other engineering companies	2,706	2.57	1,960	1.27	3,601	2.60	1,152	0.81
Total	**17,068**	**16.20**	**21,828**	**14.14**	**17,909**	**12.93**	**17,141**	**12.11**

7. BUSINESS OVERVIEW *(Cont'd)*

(b) Revenue by end-user industry

The table below sets out our Group's revenue by end-user industry for our Group's filtration solutions and steel work segments for the Financial Years Under Review:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Edible oil	69,764	74.46	101,540	76.65	102,071	86.48	102,535	89.64
Sustainable fuel	14,028	14.97	26,515	20.01	5,399	4.57	8,500	7.43
Potable water and wastewater	6,763	7.22	272	0.21	390	0.34	-	-
Others (1)	2,567	2.74	2,099	1.58	1,428	1.21	3,031	2.65
Food processing	569	0.61	2,058	1.55	8,739	7.40	322	0.28
Total (2)	**93,691**	**100.00**	**132,484**	**100.00**	**118,027**	**100.00**	**114,388**	**100.00**

Notes:

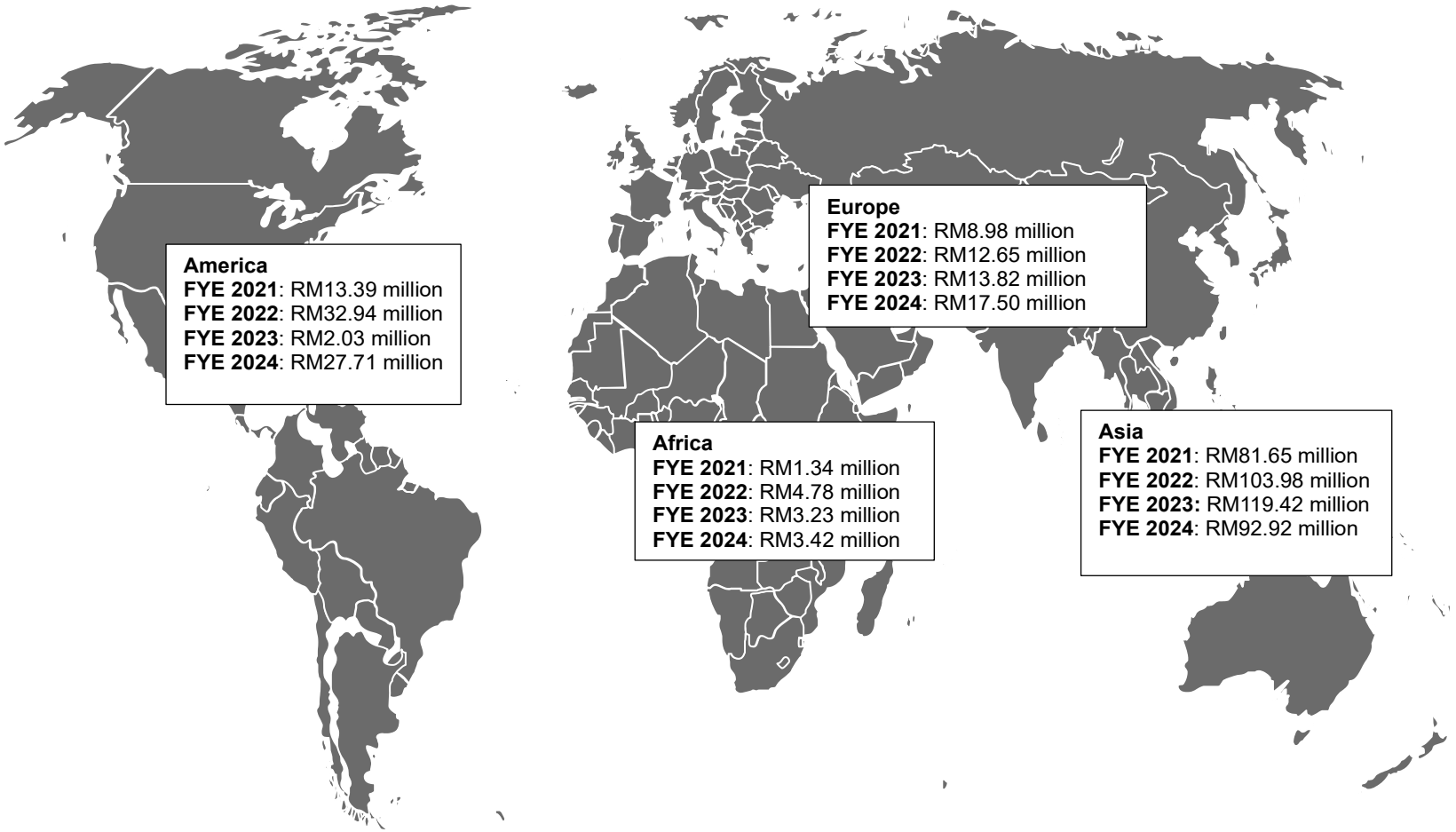
(1) Comprising oleochemical, chemical and industrial minerals industries.

(2) Revenue by end-user industry can only be computed for filtration solutions and steel works segments. The end-user industry for technical support services segment cannot be determined as the Group does not have information on the end-users for replacement parts at the point of sale.

7. BUSINESS OVERVIEW *(Cont'd)*

(c) Revenue by geographical markets

Our Group serves the global market, having served customers in Asia, America, Europe and Africa during the Financial Years Under Review, as illustrated in the diagram below. In Asia, Malaysia and Indonesia remained as the largest markets we have served.



Note:

* Denotes the markets we have served

7. BUSINESS OVERVIEW *(Cont'd)*

7.6 LOCATION OF OPERATIONS

Our Group's operations are based in Malaysia, the Netherlands, USA and Singapore, as described below:

Business premises	Function	Address	Built-up area	Land Area
Headquarters #	Sales and marketing, finance, engineering and design, product development, technical support services and administrative functions	Nos. 17 & 19, Jalan Pengacara U1/48, Temasya Industrial Park, 40150 Shah Alam, Selangor	7,691 sq. ft. each for Nos. 17 and No. 19	9,601 sq. ft. each for Nos. 17 and No. 19
Jelapang Plant 1 #	Manufacturing of filters and its components	No. 3, Hala Jati 10, Taman Meru Industrial Estate, 30020 Jelapang, Ipoh, Perak	39,394 sq. ft.	68,534 sq. ft.
Jelapang Plant 2 #	Manufacturing of filters and its components	Lot 2, Kawasan Perindustrian Taman Meru 3B, Jalan Jelapang, 30020 Jelapang, Ipoh, Perak	33,321 sq. ft.	60,988 sq. ft.
Lahat Plant #	Manufacturing of filters and its components, and fabrication of steel-based equipment	Lot 11004, 4 3/4 Miles, Jalan Lahat, 31500 Lahat, Perak	130,104 sq. ft.	298,752 sq. ft.
Netherlands office * (1)	Sales and marketing activities, manufacturing of filter leaves and technical support services	Helmkamp 48, 7091 HR Dinxperlo, Netherlands	6,458 sq. ft.	-
USA office *	Sales and marketing activities and technical support services	1802 Turkey Creek Road, Unit A-1, Plant City, FL 33566, USA	4,800 sq. ft.	Not available
Singapore offices * (2)	Sales and marketing activities	1 One North Crescent, Level 7, Singapore 138538	80 sq. ft.	-
	Networking and marketing activities	40 Scotts Road #22-01 Environment Building Singapore 228231	-	-

Notes:

* Property rented by our Group

\# Property owned by our Group

(1) The Netherlands office is a rented area within a business premise.

(2) Our Group rents 2 workstations in a co-working space and 1 hot-desk in the building of the Public Utilities Board to function as our Singapore offices.

Please refer to Section 7.26 of this Prospectus for further information on the abovementioned properties.

7. BUSINESS OVERVIEW *(Cont'd)*



Headquarters



Jelapang Plant 1



Jelapang Plant 2



Lahat Plant

7.7 COMPETITIVE STRENGTHS

We believe that our historical successes and future prospects are underpinned by the following competitive strengths:

(i) We have a proven track record of 38 years in providing filtration solutions and have been able to establish our industry reputation under our "PMI" trade name as the largest homegrown solid liquid filtration solution provider

Our extensive experience in filtration solutions dates back 38 years ago, when Pan-Merchant Industries commenced its operations. Since then, the business has evolved from being an agent for filters under the "Hoesch" trade name; to manufacturing and assembling filters under the "PMI" trade name; to undertaking the complete process of designing, manufacturing, assembling, delivery and commissioning of filters. Our Company is currently in the process of registering the "PMI" trade name.

The range of end-user industries that we serve has broadened over the years. We initially served the edible oil, wastewater and food processing industries and later expanded the range of end-user industries served to include the sustainable fuel and potable water industries.

Our proven track record of customising our filters to various industry applications and requirements of multinational companies led to our customers gaining confidence in the "PMI" trade name. As a result, we are the largest homegrown filtration solution provider in Malaysia in terms of our revenue, according to the IMR Report by PROVIDENCE.

We have also been able to secure repeat orders and contracts from some of our major customers including Alfa Laval Group, Desmet Group and Lipico Group. Our relationships with our major customers (as set out in Section 7.19 of this Prospectus) span over 30 years. Our ability to build long-term relationships with our major customers demonstrates their satisfaction with our filters as well as our Group's track record in continuously meeting the expectations of our customers, which comprises multinational companies. Please refer to Section 7.19 of this Prospectus for details of our major customers.

Our proven track record, coupled with the established industry reputation of our "PMI" trade name, will be vital to our Group's growth and will continue to be a key factor in our future development.

(ii) We have the capability to compete internationally with global solid liquid filtration solution providers

Over the years, we have established our industry reputation globally and we compete with global solid liquid filtration solution providers to serve customers in various countries. During the Financial Years Under Review, 74.11% to 89.41% of our Group's revenues were generated from international markets, and our geographical market reach spans across the Asia (including Malaysia), America, Europe and Africa regions.

We also have offices in the Netherlands, the USA and Singapore that are strategically located to serve customers in the Europe, America and Asia regions. With offices in these countries, our after-sales service coverage can accommodate customers based in these regions across multiple time zones. This allows us to promptly respond to enquiries and resolve technical issues for customers based in these regions, as well as establish a stronger presence in these regions. Our Netherlands office also has a production line to manufacture filter leaves as replacement parts in a timely manner. As part of our future plans (elaborated in Section 7.22 of this Prospectus), we also intend to expand our Netherlands office to further establish our presence in the Europe region and better serve our existing customers in Europe. We believe our international offices will continue to enable us to tap into opportunities globally.

We believe that our global industry reputation lends confidence to our customers in our filtration solutions, which will, in turn, give us a competitive edge to continue growing our market reach internationally.

(iii) We have the in-house expertise to design our filters to serve a diverse range of industry applications and are continuously engaging in product development activities

As at the LPD, we have an engineering and design team of 19 personnel that continuously engage in product development activities.

Over the years, we have proven our capability to design and customise our filters to a diverse range of end-user industries.

Through our product development activities, the range of end-user industries for which we have designed and customised filters has grown over the years. We initially served the edible oil, industrial wastewater and food processing industries. With continuous product development efforts, we are now able to serve more high-end industries, such as the sustainable fuel industry for biodiesel and hydrotreated vegetable oil industry applications. We also serve the potable water industry, which is deemed as an essential industry.

Our product development capabilities will enable us to seize opportunities in other end-user industries. We intend to customise filters to cater for new end-user industries such as the mining industry in the future to grow our market reach and revenue base. We also intend to enhance existing filters and supporting equipment with the development of complementary products, design and manufacture filters and modular form and design replacement parts in-house. Further details on our product development activities and future plans are set out in Sections 4.7.2 and 7.22 of this Prospectus.

Apart from the above, our continuous product development activities have also led to the enhancement of our filters. Our Group has developed and still owns the technical designs for our filters, and we have an in-house engineering and design team who continuously innovate these designs based on our customers' needs. Over the years, we have introduced new features or mechanisms such as the hydro-mechanical filter cloth cleaning system (which automates the cleaning of filter cloths), membrane mixed filter plate pack (which enhances filtrate yield), multi-plate shifters (which improves the speed of cake discharge) and straddle cloth cake discharge system (which eases the discharge of cakes formed).

(iv) We have manufacturing and assembly capabilities, and we can meet locally and internationally recognised standards to serve our global customers

We have the expertise to manufacture and assemble filters in-house. As at the LPD, we have 3 manufacturing plants, namely Jelapang Plant 1, Jelapang Plant 2 and Lahat Plant with a combined land area of approximately 428,274 sq. ft.

Based on the research conducted by PROVIDENCE on homegrown companies based in Malaysia that are principally involved in the design, manufacturing and/or assembly of solid liquid filtration equipment (namely filter presses and/or pressure leaf filters), we are the only local Malaysian company with a revenue of more than RM100.00 million that provides complete filtration solutions to our customers. As we are able to undertake the design, manufacture and assembly of our filters in-house at our manufacturing plants, we have better control over:

- our design, as we can manufacture customised filter components according to the design used in our filters;
- our quality, as we have implemented quality control processes throughout our manufacturing process; and
- production lead time, as we have more autonomy over our manufacturing process with less dependency on outsourced manufacturers.

Moving forward, we also intend to enhance our manufacturing capabilities by automating certain manufacturing processes, as elaborated in Section 7.22 of this Prospectus.

7. BUSINESS OVERVIEW *(Cont'd)*

As we have manufacturing capabilities for filters, we can also perform steel works for vessels/equipment such as heat exchangers, pressure vessels, agitators, columns and silos which are used by customers of our filters and/or other engineering companies. By offering these complementary services, we stand to benefit from a new revenue stream and, at the same time, better serve our customers as they need not seek a different vendor to perform steel works.

Further, we also place importance on providing quality filters to our customers. The quality of our filters can be attested by our ability to comply with locally and internationally recognised standards. As at the LPD, we have obtained the following:

- ISO 9001:2015 certifications from both Standards Malaysia and United Kingdom Accreditation Service (UKAS) Management Systems in 2017 to ensure the design and manufacture of filters are in compliance with locally and internationally recognised standards;

- Certificate of Authorisation (U and U2 certificate) from ASME of USA, which illustrates that we are able to meet its production requirements for hermetic filters and other pressure-tight vessels;

- Certificate of Authorisation (R) from the National Board of Boiler and Pressure Vessel Inspections of USA, which illustrates that we are able to meet its requirements for hermetic filters and other pressure-tight vessels to repair and/or perform alterations;

- SELO Licence, which illustrates that we are able to meet the production requirements for hermetic filters and other pressure-tight vessels for China. For clarity, the SELO Licence is only required for the manufacture of hermetic filters and other pressure-tight vessels outside of China for export to China; and

- SPAN TS 3002:2021 certification from the National Water Services Commission, which illustrates that we can submit tender applications for the manufacture of filter presses for sludge dewatering processes.

We have also been manufacturing hermetic filters and vessels/equipment that comply with the Pressure Equipment Directive of Europe, Ministry of Manpower requirements of Singapore, and DOSH requirements of Malaysia. Further details on these internationally recognised standards are as elaborated in Section 7.9 of this Prospectus. As detailed in Sections 7.8.1(iv) and 7.8.2(iv) of this Prospectus, a third-party inspection agency will be engaged on a project-basis to ensure our hermetic filters and vessels/equipment comply with these requirements, if required. There is no certification or licence to be obtained in respect of these requirements.

We believe that these standards and certifications are a testament to our technical competency, and this will increase our customers' confidence in our capabilities. Hence, this will bolster our reputation and give us a competitive edge in securing customers.

7. BUSINESS OVERVIEW *(Cont'd)*

(v) We have experienced and committed Executive Directors and Key Senior Management team

Our Executive Directors have extensive experience of 38 years in the filtration solutions business. Our Executive Directors have been instrumental in growing our Group and the "PMI" trade name over the years. They have been key in growing our capabilities in design, manufacturing, assembly, delivery and commissioning of filters to-date, and expanding the end-user industry applications our filters cater for.

Our Executive Directors are also supported by a team of experienced and dedicated Key Senior Management with extensive experience and expertise across a range of business activities from sales and marketing, engineering and design, product development, and manufacturing to business development and finance. Their expertise and experience are instrumental in driving our Group's growth strategies.

Our Executive Directors' and Key Senior Management team's industry experience, expertise and business acumen are vital to our Group's growth, and will continue to be a key factor in our future development.

(vi) We benefit from repeated sales orders for replacement parts and recurrent revenue from technical support services

Our Group's revenue from technical support services has been growing from RM11.66 million in FYE 2021 to RM27.15 million in FYE 2024 We generate repeat sales from replacement parts such as filter media and other moving parts of the filter. Generally, filter media utilised in our filters are changed or replaced every 12 to 18 months, depending on the frequency of use, operator handling and level of maintenance, filter size and industry application. Other moving parts of the filter are also subject to general wear and tear.

Our filters will also require periodic maintenance to ensure that they continue to function optimally. To this end, we provide after-sales support and maintenance services on a contract basis, from which we earn a recurring revenue.

We expect our technical support services segment to grow in line with the growth of our filtration business segment and thus, generate a constant revenue stream when our customers renew their service contracts with us.

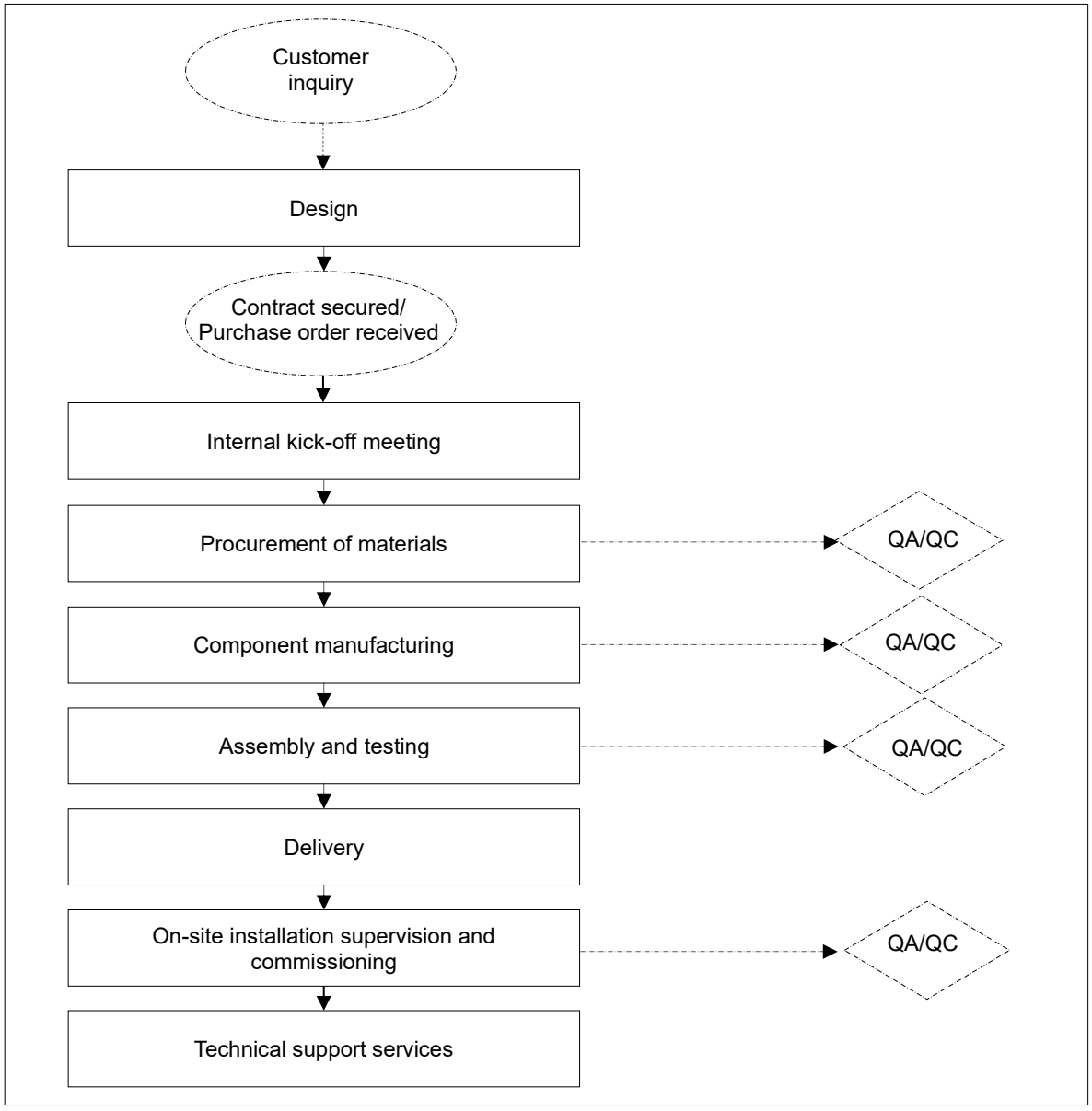
In order to improve the efficiency of our technical support services in Europe, we intend to expand our Netherlands office and set up an additional filter leaf production line, as elaborated in Section 7.22 of this Prospectus. This will allow us to improve our lead time for replacement parts and provide prompt technical support services to the region.

7. BUSINESS OVERVIEW *(Cont'd)*

7.8 OPERATIONAL PROCESS FLOW

7.8.1 Design, manufacture, assembly and commission of filters and technical support services

Our operational process flow for the filters and technical support services are depicted as follows:



7. BUSINESS OVERVIEW *(Cont'd)*

(i) Design

Upon receiving an inquiry from a potential customer, we will form a team comprising representatives from our technical sales and marketing, engineering and design departments. Our technical sales personnel will work with our engineering and design personnel to propose a suitable design for the filters.

Our technical sales personnel will first understand the potential customers' requirements, industry application and slurry that is intended to be filtered. These requirements include the intended production capacity, the physical constraints and operating conditions of the potential customers' facility, the intended form of output to be produced from the slurry, i.e. liquid and/or solid output, and financial budget.

For industry applications that we have not been previously served, our technical sales personnel will request for slurry samples. Our engineering and design personnel will then perform tests on the slurry samples to determine its composition in terms of moisture content and density, as elaborated in Section 7.10 of the Prospectus. The potential customer will also provide us with detailed information including particle size distribution, chemical composition, pH, viscosity and solid structure of the slurry.

Based on our understanding of the slurry's composition and density through the abovementioned tests and information provided by our potential customer, our engineering and design personnel will then decide on the suitable filter type and filter element to be designed and manufactured.

Our engineering and design personnel will perform a series of filtration process tests on the slurry using our filtration laboratory test unit to determine the optimal operating parameters (in terms of pressure and flow rate, among others) to be used to produce the desired output. Thereafter, our engineering and design personnel will compute the filter size and number of filter elements required to meet our potential customers' intended production capacity.

Next, our technical sales, engineering and design personnel will prepare a proposal outlining our proposed filter dimensions, specifications (material type, features and ancillary equipment), number of filter elements and price quotation. Our potential customer may undertake site visits at our plants and/or observe the filtration trials using our filtration laboratory test unit on the sample slurry. Our potential customer may subsequently negotiate on the filter specifications and price quotation with us. If the potential customer is satisfied with the filter specifications and price quotation, they will either issue a purchase order or sign a contract with us.

(ii) Internal kick-off meeting

Once a purchase order is issued or we have signed a contract, our sales team will then have an internal kick-off meeting with our project, engineering and design, QA/QC and operations personnel. During the internal kick-off meeting, we will discuss the following, among others:

- filter specifications and dimensions as well as number and type of filter elements, and required ancillary equipment;
- project schedule and deliverables;
- suppliers and subcontractors that will potentially be engaged; and
- information on our customer's person-in-charge.

7. BUSINESS OVERVIEW *(Cont'd)*

Our engineering and design personnel will then prepare the production drawings for each component of the filter, general assembly drawings and P&ID. At the same time, our engineering and design personnel will also draw up the electrical circuit design for the control panel and hydraulic design for the hydraulic system. The general assembly and electrical circuit design drawings, and P&ID will be sent to our customer for approval so that we are able to estimate the amount of materials and components that need to be procured.

(iii) Procurement of materials

Our operations personnel will raise a request for the materials and components required for the manufacturing of the filter through our cloud-based ERP software. Please refer to Section 7.11(iv) of this Prospectus for further details on our ERP software. These materials include steel plates, pipes, structures and valves. Based on this information, our supply chain and operations personnel will use the ERP software to determine if there is available stock for the requested materials and components. Should there be insufficient materials or components, our supply chain personnel will procure the relevant materials from our suppliers. Generally, it takes 2 weeks of lead time to procure most materials and components, save for certain imported materials and components which may take up to 8 months.

Upon receipt of the materials and components, our QA/QC personnel and supply chain personnel will conduct an inspection to ensure that they are in accordance with our purchase order, and that there are no physical damages.

(iv) Component manufacturing

Our operations personnel will then begin manufacturing the filter components. The manufacturing process for the key components are as follows:

Filter press components	
Equipment main body, plate opening system and hydro-mechanical filter cloth cleaning system	We will cut and form structural steel bars, plates and pipes based on the finalised production drawings. Precision milling of some components are outsourced to third-parties. The respective parts will then be assembled to form the equipment main body for the filter press and other ancillary systems such as the plate opening system and hydro-mechanical filter cloth cleaning system. We will then perform grit blasting and spray painting for the surface preparation and finishing of the equipment main body to remove any rust or residue and prevent oxidation of the surfaces. Thereafter, we will perform a final test and inspection on the equipment main body as elaborated in Section 7.9 of this Prospectus.
Filter elements	We will procure prefabricated polypropylene plates and filter cloth rolls from our supplier. We will then cut the filter cloth to size and fit the filter cloth over the filter plates. The filter cloth and filter plates will typically be packaged separately until it is delivered to our customers' premises.

7. BUSINESS OVERVIEW *(Cont'd)*

Hydraulic systems	Certain parts of the hydraulic systems are fabricated using our CNC machines, which will automatically perform precision engineering processes such as cutting, milling and drilling following the pre-programmed measurements based on the finalised hydraulic design drawings. These fabricated parts are then assembled with other parts procured from our suppliers (such as motors and hydraulic fittings) to form a hydraulic power pack. The hydraulic power pack will subsequently be installed with piping, hydraulic cylinders and instrumentations to form the hydraulic system.
Control panel	We will perform electrical design by preparing the electrical circuits according to the dedicated machine control and instrumentation. We will outsource the fabrication and configuration of the control panel based on our finalised electrical design drawing.
Hermetic filter components	
Equipment main body (which include the vibrator and manifolds)	Steel plates and pipes are cut, formed and rolled into a cylindrical-shaped tank based on the measurements from our finalised production drawings. The tank is then fitted with flanges, brackets and support saddles. Our operations personnel will then perform welding to weld the seams, forming a pressure-tight tank. Our QA/QC personnel will then perform inspections on the welding and dimensions as well as non-destructive tests and hydrostatic tests on the tank as described in Section 7.9 of this Prospectus. If required, a third-party inspection agency will be engaged to perform inspections on the tank to ensure it complies with Pressure Equipment Directive of Europe, or Ministry of Manpower requirements of Singapore, or ASME stamp requirements of USA, or DOSH requirements of Malaysia. We also have the SELO Licence for export to China, indicating that we can manufacture tanks that comply with their requirements. Any non-compliances identified during the inspection process will be rectified accordingly. Upon completion of inspections, the tank will undergo surface preparation and finishing works. Carbon steel tanks will undergo grit blasting and spray painting, whereas stainless steel tanks will undergo acid pickling and passivation. Subsequently, we will assemble the tanks with the manifolds, swing bolts, nuts and other accessories before it is packed.
Filter leaves	As at the LPD, we have 1 filter leaf production line at Jelapang Plant 1. Our filter leaf production line begins with the forming of steel profiles to produce the frame for the filter leaves. 5 layers of wire mesh are then fitted into the steel profiles, after which the steel profiles are welded. The wire mesh is subsequently fastened with rivets. We will then perform an inspection on the steel profiles, as described in Section 7.9 of this Prospectus. After clearing inspection, the steel profiles are fitted and welded with the U-fork, nozzles and handles. The filter leaves will then be cleaned and undergo a final inspection before it is packed. Details of the inspections are as described in Section 7.9 of this Prospectus.

Candles	Pre-fabricated steel tubular wedge wire screen is fitted and welded with breaker bars and end-caps to form the candles. We will then cut the seamless filter sleeves to fit the candles. Both the candles and seamless filter sleeves are separately packaged for delivery to our customers' premises.

It generally takes 4 to 6 months to manufacture all of the abovementioned components.

(v) Assembly and testing

Our operations personnel will then proceed with the assembly of the components to form the filter press.

During assembly of the filter press, we will configure the control panel with the hydraulic system and other instrumentations required for the operation of the filters with the PLC. It generally takes 2 to 3 weeks to fully assemble a filter press.

Pursuant to the process mentioned in Section 7.8.1 (iv) of this Prospectus, the hermetic filters will not require further assembly prior to its delivery to our customers' premises.

Our project, QA/QC as well as operations personnel will carry out an in-house test on our filters. If required, a similar test known as a factory acceptance test will be performed on the filters, which will be witnessed by our customer as well as our technical sales, QA/QC and HSE, and operations personnel. Both tests involve a dry test run to assess the functionality of the filter. Details of the tests performed are as described in Section 7.9 of this Prospectus.

(vi) Delivery

Prior to delivery, our operations personnel will disassemble the filter press and pack the equipment main body and its components. The equipment main body of the hermetic filters will be packed together with its ancillary parts. Delivery may either be arranged by us or our customers. For deliveries handled by us, we generally engage a logistics provider to perform local deliveries within Peninsular Malaysia and engage a freight forwarder for shipments to international markets.

In the event our customer is unable to accept delivery of the filter upon completion of assembly, we will send the filter to a third-party warehouse for storage.

(vii) Installation supervision and commissioning at customers' premises

Our operations personnel will be present physically, or if not physically possible, virtually via video conferencing, to supervise the installation of the filters at our customers' facility to ensure it is correctly installed according to our product installation instruction manual. We also ensure that it is properly integrated with our customers' SCADA system, if required.

Thereafter, the filter will be subjected to a site acceptance test. Typically, the site acceptance test involves operating the filter in a real-time environment to validate that the filter's performance satisfies our customer's requirements.

The site acceptance test is witnessed by our customer together with our technical sales personnel. After obtaining a satisfactory site acceptance test result, our customer will sign-off on the commissioning and completion report, signifying the completion of the project and handover of the filter to our customer.

7. BUSINESS OVERVIEW *(Cont'd)*

We will also provide a detailed user manual and a list of critical spare parts during the handover. With this list, our customers can opt to purchase these critical spare parts from us so that they can easily replace these parts in the future, thus minimising any downtime.

Our typical warranty period is 12 months, and is provided for our filters except for wear and tear and mishandling of filter components such as filter cloths and gaskets.

(viii) Technical support services

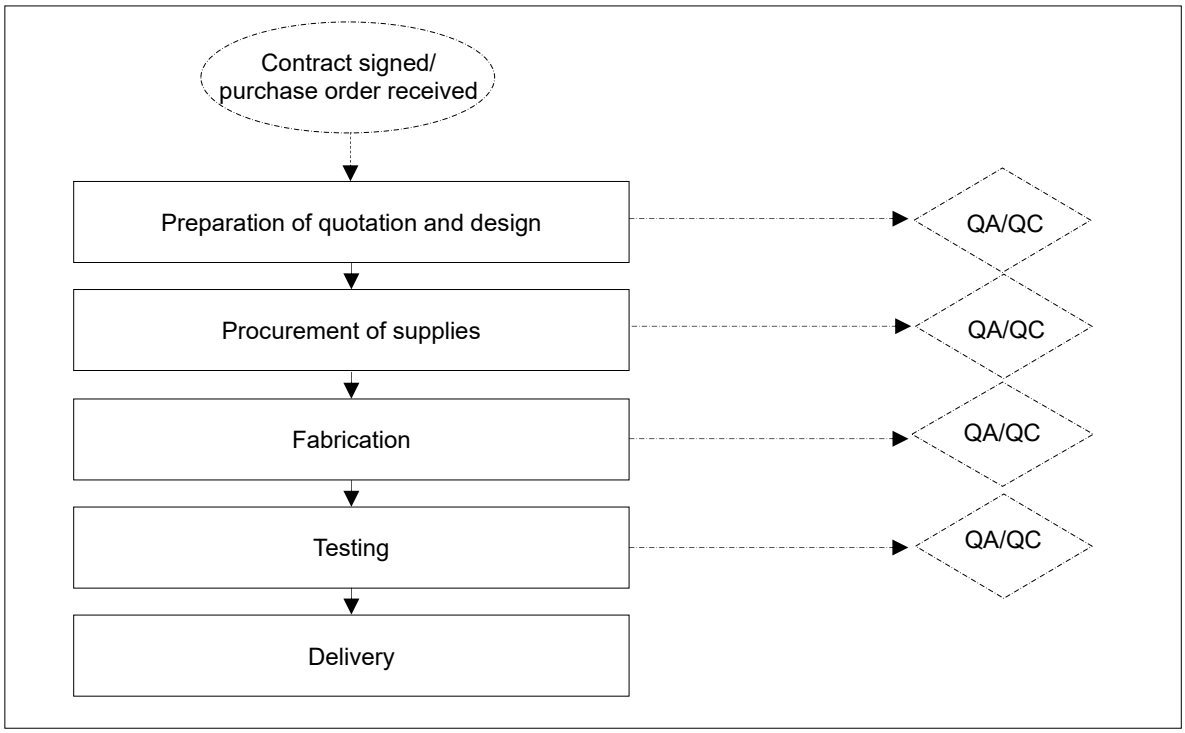
If and when requested by our customer, we are able to provide technical support services including after-sales support services, upgrading of filters, replacement part support and maintenance services. Our technical sales personnel will be present on-site at our customer's premises to carry out these technical support services for both local and international customers. Our technical sales personnel stationed locally in Malaysia will serve customers with premises based in Asia, Africa and Middle East regions. Meanwhile, our technical sales personnel stationed in our Netherlands and USA offices will serve customers with premises based in the European and American regions. We also have a filter leaf production line stationed in our Netherlands office to assemble filter leaves as replacement parts for customers with premises based in Europe.

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7. BUSINESS OVERVIEW *(Cont'd)*

7.8.2 Provision of steel works

Our operational process flow for the provision of steel works is depicted as follows:



(i) Preparation of quotation and design

For the fabrication of steel products, our customers may either provide a design or inform us of their specifications and requirements. We will then provide our customers with a price quotation based on the design and our potential customer may subsequently negotiate on the price quotation with us. If the potential customer is satisfied with the price quotation, they will issue a purchase order to us or sign a contract with us.

Thereafter, we will work on the finalised design based on the customers' specifications and requirements. Prior to submitting to our customer, the design will be checked and approved internally. After the customer approves the design, we will then estimate the amount of materials and components that need to be procured.

(ii) Procurement of supplies

Our operations personnel will raise a request for the materials and components required for the steel works through our ERP software. These materials include mild, carbon and stainless steel plates, pipes, structures, flanges and gaskets. Based on this information, our supply chain and operations personnel will use the ERP software to determine if there are available stocks for the requested materials and components. Should there be insufficient materials or components, our supply chain and operations personnel will procure the relevant materials and components from our suppliers. Generally, it takes 2 weeks of lead time to procure most materials and components, save for certain imported materials and components which may take up to 5 months.

7. BUSINESS OVERVIEW *(Cont'd)*

Upon receipt of the materials and components, our QA/QC personnel and supply chain personnel will conduct an inspection to ensure that they are in accordance with our purchase order, and that there are no physical damages. For further details on the quality control procedures performed on incoming materials, please refer to Section 7.9 of this Prospectus.

(iii) Fabrication

We will then begin with the fabrication of the steel products based on the approved design. We use plasma cutting machines, oxygen-acetylene machines or CNC machines to perform cutting and/or drilling of steel materials. The steel materials will then be formed according to the approved design and thereafter fitted with flanges, brackets and/or support saddles.

Our operations personnel will then perform welding on the seams to form a strong, continuous weld, thus ensuring a pressure-tight vessel.

(iv) Testing

Our QA/QC personnel will then inspect the weld and dimensions as well as perform non-destructive tests and/or hydrostatic tests if required, as described in Section 7.9 of this Prospectus.

If required, a third-party inspection agency will be engaged to perform inspections on the vessel to comply with the Pressure Equipment Directive of Europe, or Ministry of Manpower requirements of Singapore, or ASME stamp requirements of USA, or DOSH requirements of Malaysia. We also have the SELO Licence for export to China, indicating that we can manufacture vessels that comply with their requirements. Any non-compliances identified during the inspection process will be rectified accordingly.

After that, the welded steel equipment will undergo surface preparation and finishing works. Carbon steel vessels/equipment will undergo grit blasting and spray painting, whereas stainless steel vessels/equipment will undergo acid pickling and passivation.

(v) Delivery

Prior to delivery, we will pack the vessels/equipment. Delivery may be arranged by us or our customers. For deliveries handled by us, we generally engage a logistics provider to perform local deliveries within Peninsular Malaysia and engage a freight forwarder to handle the shipping of our vessels/equipment for deliveries to international markets.

In the event our customers are unable to accept delivery of the vessels/equipment upon completion of assembly, we will send the vessels/equipment to a third-party warehouse for storage.

We provide a standard warranty period of 12 months for our vessels/equipment, excluding wear and tear items such as gaskets and seals as well as any damages resulting from the mishandling of equipment components.

7. BUSINESS OVERVIEW *(Cont'd)*

7.9 QUALITY CONTROL AND QUALITY ASSURANCE

We recognise the importance of consistently being able to deliver quality products to our customers that meet their specifications and requirements. Our quality control and quality assurance processes are spearheaded by our QA/QC and HSE departments.

Further, as a testament to our commitment in ensuring the delivery of quality solutions and services, we presently comply with the following international standards:

Standard	Certification body	Scope of certification	First issue date	Issue date of latest renewed certification	Expiry date
ISO 9001:2015 (previously known as ISO 9001:2008)	Standards Malaysia (1)	Design and/or manufacture of unfired pressure vessels, tanks and silos, shell and tube heat exchangers, filter presses, pressure leaf filters, pulse tube filters, cartridge filters, bag filters, agitators, static mixers and related equipment at Jelapang Plant 1, Jelapang Plant 2, Lahat Plant and our present Headquarters for customers in Malaysia	1 December 2009	1 December 2024	30 November 2027
ISO 9001:2015 (previously known as ISO 9001:2008)	UKAS Management Systems (1)	Design and/or manufacture of unfired pressure vessels, tanks and silos, shell and tube heat exchangers, filter presses, pressure leaf filters, pulse tube filters, cartridge filters, bag filters, agitators, static mixers and related equipment at Jelapang Plant 1, Jelapang Plant 2, Lahat Plant and our present Headquarters for all customers	1 December 2009	1 December 2024	30 November 2027
Certificate of Authorisation (U)	ASME	Manufacture of pressure vessels at Lahat Plant and field sites controlled by Lahat Plant (2)	20 September 2016	20 September 2022	20 September 2025

7. BUSINESS OVERVIEW *(Cont'd)*

Standard	Certification body	Scope of certification	First issue date	Issue date of latest renewed certification	Expiry date
Certificate of Authorisation (U2)	ASME	Manufacture of Class 1 and Class 2 pressure vessels at Lahat Plant and field sites controlled by Lahat Plant [(2)]	20 September 2016	20 September 2022	20 September 2025
Certificate of Authorisation (R)	The National Board of Boiler and Pressure Vessel Inspectors	Metallic repairs and alterations for ASME stamp vessels at Lahat Plant	29 September 2016	2 August 2022	20 September 2025
SELO Licence	State Administration for Market Regulation, China	Manufacture of pressure vessels at Lahat Plant for customers based in China	15 March 2024	15 March 2024	14 March 2028
SPAN TS 3002: 2021	National Water Services Commission	Manufacture of filter press for sludge dewatering	21 July 2022	24 July 2024	10 August 2027

Notes:

(1) The ISO 9001: 2015 certification from UKAS Management Systems is typically recognised by both local and international customers whereas the ISO 9001: 2015 certification from Standards Malaysia is typically recognised by certain government agencies.

(2) For clarity, the scope of Certificate of Authorisation (U) does not cover the manufacturing of Class 1 and Class 2 pressure vessels. The manufacturing of Class 1 and Class 2 pressure vessels requires the Certificate of Authorisation (U2).

We also carry out the following QA/QC tests to ensure the quality of our filters and vessels/equipment:

(ii) Tests and inspections on control panels after receipt from our vendor

- visual inspection to ensure the following are in accordance with the electrical circuit design drawings:
  - dimension of the control panel;
  - colour and labels of the control panel; and
  - cable size.

- start-up tests which involve checking that the components (i.e. lights, fans, switches and transformers) are functional

- point-check inspection which involves:
  - checking to ensure wires are tagged according to the electrical circuit design drawing; and
  - input-output points are providing the appropriate signals.

7. BUSINESS OVERVIEW *(Cont'd)*

(iii) Liquid penetrant test on hermetic filters, vessels/equipment

Our QA/QC personnel will then perform a liquid penetrant test, which is a non-destructive test to detect any surface defects such as cracks, pin holes and undercuts on the welded seams of the tank's surface. This is done by spreading a thin layer of liquid dye on the surface. The surface is then visually inspected using ambient lighting to identify any surface defects. Should there be any surface defects, the surface will be reworked.

(iv) Hydrostatic test on hermetic filters, vessels/equipment

Our QA/QC personnel will also perform a hydrostatic test. The hydrostatic test is conducted by filling the vessel with water and then pressurising the vessel. The pressure gauge is then observed to ensure that there is no pressure loss or water leakage. Should there be loss in pressure and/or water leakage, this indicates that the vessel is not pressure-tight and the location of the leakage will be rectified.

(v) Final tests on assembled filter press

Our operations personnel will perform the following in-house tests on the assembled filter press:

- Input-output tests, to validate that the PLC signal is properly integrated with the hydraulic system.
- Hydraulic pressure holding test, which involves a dry test run of the filter to assess if there are any leakages in the hydraulic cylinder and if the hydraulic cylinder can withstand the required pressure.

(vi) Factory acceptance tests on filters

Our operations personnel will also perform a factory acceptance test to ensure the functionality of the filter. We will conduct a dry test run to assess if the filter can be installed based on the design drawings and to ensure that the calibration of the filter is correct, among others. This involves the setting up and programming of the PLC to ensure that the filter press is able to operate according to the hydraulic sequence.

(vii) Site acceptance tests on filters

A site acceptance test is then conducted to ensure that the filter is fully functional. This involves the operation of the filter in a real-time environment to validate the filter's integrity and performance is in accordance with our customer's requirements.

A third-party inspection agency will also be engaged to perform their tests on the hermetic filter equipment main body, if required by our customer. These tests include radiographic testing, ultrasonic testing, impact testing and/or magnetic particle testing, among others.

7. BUSINESS OVERVIEW *(Cont'd)*

7.10 PRODUCT DEVELOPMENT

Currently, our product development activities are undertaken by our engineering and design department, and spearheaded by our Technical Director, Lee Cheng Ngee. As at the LPD, there are 19 engineering and design personnel.

Our product development activities are generally focused on the following areas:

(i) Designing filters according to internationally recognised standards to cater to new and existing industry applications

We work closely with our customers to design and customise the filter to suit their industry applications, site constraints and performance requirements.

For industry applications that we have not previously served, our engineering and design personnel conduct the following tests to accurately size the filter by determining the composition of moisture content and density of the slurry to be filtered:

- slurry density tests – involves measuring the mass (in terms of weight) over volume (in terms of litres) of the slurry;
- dry solids tests – involves measuring the weight of the slurry sample before and after the liquid has evaporated after it has been heated using a moisture tester;
- cake dryness tests – involves measuring the weight of the cake sample before and after liquid has evaporated or heated using a moisture tester; and
- cake density tests – involves measuring the mass (in terms of weight) over volume (in terms of litres) of the solid particles (slurry).

Over the years, our in-house team has designed and customised our filters to be applied to a diverse range of end-user industries, including the edible oil, potable water and wastewater, sustainable fuel and food processing industries.

Our manufacturing capability to meet locally and internationally recognised standards and our in-depth understanding of the filtration process engineering for different types of slurry allows us to customise our filter designs and filter element types to fulfil our customers' performance requirements.

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7. BUSINESS OVERVIEW *(Cont'd)*

(ii) Developing enhanced features and mechanisms for existing industry applications, improving manufacturing processes and optimising material usage

Our engineering and design personnel are committed to staying informed of technology trends and process developments in the filtration industry. Our on-going business development activities (as described in Section 7.14 of the Prospectus), including participation in industry exhibitions, enable us to stay informed of broader trends and changes in customers' specifications and requirements. Our in-house product knowledge and process engineering expertise are reflected in the continued evolution of our filter designs.

We have, over the years, engaged in product development activities to introduce new features or mechanisms which enhance the performance of our filters. Examples of these enhanced features and mechanisms include:

- hydro-mechanical filter cloth cleaning system – eases the cleaning of filter plates as filter plates can be automatically cleaned by the system, thus simplifying on-site operations;
- membrane mixed filter plate pack – enhances filtrate yield as it can squeeze excess liquid from the cake formed on filter plates;
- multi-plate shifters – improves the speed of cake discharge from the filter plates to achieve faster operational cycles as the filter plates are sequentially opened like an accordion as opposed to being opened one-by-one; and
- straddle cloth cake discharge system – eases the discharge of cakes formed that stick to the filter cloth, simplifying on-site operations.

In addition to the above, we continuously seek to improve our cost and profit margins. These include:

- improving and automating our manufacturing processes to increase operational efficiency and optimise material and labour usage; and
- identifying cost-effective materials without compromising on quality.

7.11 TECHNOLOGY

Our Group utilises the following technology in our design activities:

(i) Design and simulation testing software tools

We utilise computer-aided design (CAD) software such as SolidWorks, GstarCAD and Autodesk Product Design Ultimate to design our filters. We also use PV-Elite and SEE Electrical software solutions for pressure vessel design and electrical design, respectively. These software tools are foundational to the 2D and 3D design and modelling process of our filtration solutions. We also perform load simulation on major components using Finite Element Analysis simulation software (COSMOWorks Professional) to analyse and evaluate the performance of our filter designs before proceeding to manufacturing.

7. BUSINESS OVERVIEW *(Cont'd)*

(ii) PLC programming software

A Programmable Logic Controller, or PLC, is a durable computer used for industrial automation. Our in-house engineers use Siemens Totally Integrated Automation (TIA) software for PLC programming. This PLC programming ensures the reliable execution of operational tasks, simplifies wiring routing and helps to reduce wiring material costs.

Fundamentally, a PLC is responsible for controlling system functions based on its internal programming logic. These controllers have the ability to automate the operation of our filters, manage the necessary cycle stages, collect detailed data for performance analysis and ensuring safe operation during normal conditions and maintenance.

Our Group utilises the following technology in our manufacturing activities:

(iii) CNC machines

We have 4 CNC machines that can perform precision engineering processes such as turning, milling or drilling. These CNC machines run using pre-programmed instructions from our engineering and design personnel, and the machines are able to accurately and consistently perform precision engineering tasks to the tolerances we require to ensure our manufactured components perform optimally.

Our Group utilises the following technology in our operations activities:

(iv) ERP software

We use cloud-based SAP Business ByDesign ERP software to facilitate information and resource sharing, enabling collaboration across our functional operations. This unified solution leads to greater information transparency between inventory management, procurement, manufacturing, sales, marketing and finance processes. Our ERP software enables our departments to deliver data-driven planning and decision-making whilst ensuring efficient governance and prudent cost controls.

(v) Microsoft Active Directory and Microsoft 365

We use Microsoft Active Directory to administrate and secure our users, directory data and network resources. We also use the cloud-based Microsoft 365 productivity software to efficiently collaborate across our global offices.

(vi) TrendMicro cybersecurity

We use TrendMicro Email Security Advanced to prevent phishing, spam, malware, ransomware and business email compromise attacks.

7. BUSINESS OVERVIEW *(Cont'd)*

7.12 TYPES, SOURCES AND AVAILABILITY OF SUPPLIES

The main supplies that we purchase for our business operations are filter components, hydraulic systems components as well as mild, carbon and stainless steel materials.

Our supplies are sourced from local and overseas suppliers. As such, we are susceptible to global price fluctuations which are influenced by global supply chain disruptions, economic conditions and geopolitical factors. In particular, mild, carbon and stainless steel materials are subject to price volatility. Prices of steel materials are generally influenced by global supply and demand conditions, economic conditions and geopolitical factors.

Raw materials	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Filter components (1)	34,648	39.84	41,140	42.77	32,860	44.27	35,901	47.89
Hydraulic systems components (2)	16,634	19.12	14,140	14.70	12,948	17.44	12,918	17.23
Mild, carbon and stainless steel materials (3)	26,807	30.82	25,709	26.73	18,338	24.70	16,806	22.41
Subcontractor services (4)	5,764	6.63	10,657	11.08	6,712	9.04	5,411	7.22
Consumables (5)	3,126	3.59	4,538	4.72	3,375	4.55	3,934	5.25
Total	**86,979**	**100.00**	**96,184**	**100.00**	**74,233**	**100.00**	**74,970**	**100.00**

Notes:

(1) Filter components include steel profiles, wire mesh, filter plates, filter cloths and filter sleeves.

(2) Hydraulic systems components include valves, pumps, hydraulic power packs, hydraulic cylinders and control panels.

(3) Mild, carbon and stainless steel materials include bars, plates and pipes.

(4) Subcontractor services refer to outsourcing of certain manufacturing processes such as precision milling of equipment main body components, and precision machining of mild, carbon and stainless steel, and mild, carbon and stainless steel round components.

(5) Consumables include fasteners such as swing bolts, screws and plugs, machining tools and other accessories.

7. BUSINESS OVERVIEW *(Cont'd)*

7.13 OPERATIONAL CAPACITIES AND OUTPUT

Due to the nature of our business, we are unable to quantify our operational capacity and utilisation rate. This is because our output is customised to our customer's specific requirements and hence, is dependent on the project size and scale, and design complexity of our filters and vessels/equipment. Our in-house design expertise and manufacturing capacity enables us to customise our designs to meet our customers' specific site constraints and performance requirements. Thus, the time and resources taken to manufacture these filters and vessels/equipment will vary from project to project.

Our output is dependent on a combination of the following factors:

(i) Size and scale of project and complexity of customers' requirements

Our filters and vessels/equipment are available in standardised dimensions, in various sizes and scale, and can be customised based on design complexity and project specifications. Larger and more complex filters and vessels/equipment will utilise more floor space and require a longer manufacturing lead time compared to smaller filters and vessels/equipment.

(ii) Availability of floor space required for manufacturing, fabrication and assembly works

We currently operate in Jelapang Plant 1, Jelapang Plant 2 and Lahat Plant. Our manufacturing plants have a land area size totalling approximately 428,274 sq. ft. dedicated as areas for manufacturing, fabrication and assembly works. Such work areas are generally occupied with materials, fixed machinery and equipment, work-in-progress assembly components and finished products due for testing or delivery. Thus, the number of projects we undertake are limited to the availability of floor space in our manufacturing plants.

(iii) Manpower capacity and capability

The number of filters and vessels/equipment that we can manufacture at any given time is dependent on the availability of sufficient personnel and technical expertise within our operations department. These personnel play a crucial role in the manufacturing, assembly and commissioning of filters. Therefore, it is essential for us to ensure that sufficient manpower is allocated to the project in order to meet the delivery deadlines. As at the LPD, we have 108 permanent employees and 106 contract employees in the supply chain and operations department.

7.14 BUSINESS DEVELOPMENT

Our local and international business development and sales activities are spearheaded by our Sales and Marketing Director, Wong Voon Yoong and the technical sales department. The sales process for our filtration solutions and technical support services requires in-depth understanding of filters, filtration process engineering and design engineering. As such, our engineering and design personnel also contribute technical expertise during the sales and marketing stages of our solutions. This enables us to efficiently gather our customers' requirements, accurately convey technical information and engage in detailed discussions about our filtration solutions. We secure our sales via the following methods:

(i) Direct approach

We employ a direct sales approach by directly marketing our solutions and services to our potential and existing customers. We target companies involved in the edible oil industry and other industries including the potable water and wastewater, food processing as well as sustainable fuel industries which require filters as part of their production processes.

7. BUSINESS OVERVIEW *(Cont'd)*

As part of our marketing strategy, we identify and approach potential customers who may require our solutions and services to gather important information on the project's scope, specifications and performance requirements. Thereafter, in order to prepare a proposal and quotation, we conduct technical and feasibility assessments to evaluate their requirements. This consultative approach enables us to offer a suitable and customised solution to our customers, thus increasing our chances of securing the project.

With 38 years of experience within the filtration industry, we have established ourselves as a reputable solution provider for filters in international markets. Our industry reputation and quality of solutions and services have helped us to secure customers globally.

(ii) Repeat orders and recurrent sales from existing customers

We focus on maintaining and developing our business relationships with our existing customers. We recognise that reliable process performance is critical for our customers to achieve their target production capacity. We strive to provide our customers with efficient and reliable after-sales services and technical support to ensure the long-term optimal performance of our filters. As such, we have managed to secure repeat orders from existing customers who are satisfied with our solutions and services.

We earn recurring revenue from our customers through after-sales support, upgrading of filters, maintenance services and the sale of replacement parts such as filter elements, filter cloths and other ancillary parts which need to be replaced over time.

(iii) Exhibitions

We have participated in various tradeshows and exhibitions organised by associations and government agencies located both locally and internationally as attendees or exhibitors. Our participation in such tradeshows and exhibitions provides us a platform to showcase our capabilities within the industry and gain further exposure to potential customers and/or suppliers. We are also able to stay updated with the latest trends and developments in our industry and customers' industries, helping us to better anticipate and respond to our customers' needs.

We have participated in the following tradeshows and exhibitions in the last 3 FYEs and up to the LPD:

Date	Event	Role	Organiser	Location
1 to 4 May 2022	2022 AOCS Annual Meeting & Expo	Exhibitor	The American Oil Chemists' Society (AOCS)	Atlanta, USA
30 April to 3 May 2023	2023 AOCS Annual Meeting & Expo	Exhibitor	The American Oil Chemists' Society (AOCS)	Denver, USA
22 to 25 August 2023	69th Philsutech Annual National Convention & Exhibition	Exhibitor	Philippines Sugar Technologists Association Inc.	Cebu, Philippines
4 to 8 September 2023	Asian Pacific Confederation of Chemical Engineering (APCChE)	Exhibitor	Asian Pacific Confederation of Chemical Engineering	Manila, Philippines

7. BUSINESS OVERVIEW *(Cont'd)*

Date	Event	Role	Organiser	Location
7 to 9 November 2023	MPOB International Palm Oil Congress and Exhibition (PIPOC 2023)	Visitor	Malaysian Palm Oil Board	KL Convention Centre, Malaysia
29 April to 1 May 2024	2024 AOCS Annual Meeting & Expo	Exhibitor	The American Oil Chemists' Society (AOCS)	Montreal, Canada
13 to 17 May 2024	IFAT 2024	Visitor	Messe München GmbH	Munich, Germany
3 to 5 June 2024	WaterTech 2024	Visitor	Herui group of companies	Shanghai, China
13 to 14 June 2024	Achema 2024	Visitor	DECHEMA Gesellschaft für Chemische Technik und Biotechnologie e.V.	Frankfurt, Germany
19 to 21 June 2024	Singapore International Water Week 2024	Visitor	Singapore's National Environment Agency	Singapore
5 to 8 February 2024	Clean Fuels Conference 2024	Visitor	Clean Fuels Alliance America	Texas, USA
9 to 11 September 2024	OFI International 2024	Exhibitor	Oil & Fats International	Rotterdam, Netherlands
11 to 14 September 2024	Mining Indonesia 2024	Visitor	Pamerindo Indonesia	Jakarta, Indonesia
11 to 14 March 2025	Aquatech Amsterdam 2025	Visitor	RAI Amsterdam	Amsterdam, Netherlands
9 to 10 April 2025	MINEX Kazakhstan	Exhibitor	Advantix Ltd	Astana, Republic of Kazakhstan
27 to 30 April 2025	2025 AOCS Annual Meeting & Expo	Exhibitor	The American Oil Chemists' Society (AOCS)	Oregon, USA

(iv) Corporate website

We have our own corporate website at https://www.pmi-group.com/ which introduces our Group, our principal activities and details of our solutions and services to our potential customers. The corporate website is an integral part of our global digital marketing strategy to grow our presence internationally and to intensify our sales and marketing activities. We market our latest solutions and services through LinkedIn.

7.15 SEASONALITY

We do not experience any fluctuations due to seasonality or cyclicality in our business as the demand for our solutions is not subject to major seasonal fluctuations.

7. BUSINESS OVERVIEW *(Cont'd)*

7.16 INTERRUPTIONS TO BUSINESS OPERATIONS

Our Group has not experienced any interruptions which had a significant effect on our business operations for the past 12 months prior to the LPD.

7.17 IMPACT OF EXTERNAL FACTORS

7.17.1 Impact of COVID-19 pandemic

During the MCO, we had to halt our operations for approximately 1 month between 18 March 2020 and 17 April 2020. We received MITI's approval on 18 April 2020 for us to resume our business activities during the MCO. In accordance with the SOPs set out by the Malaysian Government at that time, we were also allowed to operate our manufacturing plants albeit at a lower capacity throughout the different phases of the MCOs.

However, we experienced longer delivery time for materials as well as delays in shipping our filters to our international customers mainly due to port congestions and constraints, as well as the implementation of additional SOPs at the ports. This resulted in an increase in logistics costs.

Subsequently, another national lockdown policy was implemented from 1 June 2021 to 14 June 2021 throughout Malaysia and Phase 1 of the National Recovery Plan was implemented on 15 June 2021. Throughout this period, most economic sectors were not allowed to operate with the exception of essential economic and service sectors. Our Group was able to operate subject to SOPs imposed by the Malaysian Government as we served the edible oil industry, which is deemed as an essential service sector.

All the states in Malaysia entered into Phase 4 of the National Recovery Plan by 3 January 2022, where public and private sector workplaces were allowed to operate at full capacity and physical meetings and gatherings were allowed with physical distancing. Malaysia entered into the "Transition to Endemic" phase in 1 April 2022, and "Endemic" phase in 1 May 2022. Since then, all restrictions limiting business operating hours and headcounts have been uplifted.

Impact on our financial performance

Filters are essential in various sectors including the edible oil, potable water and wastewater, food processing and sustainable fuel industries. As such, there was continuous demand for filters and we were able to conduct our business activities despite the implementation of the MCOs.

Our financial performance was not materially and adversely impacted by the COVID-19 pandemic. Our Group's revenue grew from RM105.35 million in FYE 2021 to RM154.36 million in FYE 2022. In FYE 2023, several projects for filters in the sustainable fuel industry from potential customers which we tendered or quoted for were delayed or cancelled, largely due to persistent political tensions and economic uncertainties resulting from the impact of geopolitical factors in Europe, particularly the war between Ukraine and Russia in 2022, which led to our customers and potential customers reassessing their investments. In turn, this hampered our Group's ability to secure new contracts for filters in the sustainable fuel industry due to delays by our clients and potential customers in obtaining project approvals, funding and execution. This has resulted in our Group's revenue declining to RM138.49 million in FYE 2023. Please refer to Section 12.3.3 of this Prospectus for further details.

7. BUSINESS OVERVIEW *(Cont'd)*

7.17.2 Impact of the recent tariffs imposed by the USA

On 2 April 2025, the USA government announced a 24% tariff rate on imported goods from Malaysia into the USA with effect from 9 April 2025. Subsequently, on 9 April 2025, the USA government announced a 90-day postponement of the tariff (from 9 April 2025 until 8 July 2025) while maintaining a baseline tariff rate of 10% on imported goods from Malaysia into the USA. Upon the expiry of the 90-day postponement of the tariff, the tariff presents challenges for us, particularly in terms of supply chain disruptions, rising operational costs and shifting global demand. The tariff rate imposed on Malaysia is relatively low when compared to countries that are facing higher tariff rates. This positions Malaysia favourably and could provide Malaysian companies, including ours, with a competitive edge to potentially capture additional market share in certain sectors.

Historically, revenue contribution from our customers based in the America region has fluctuated depending on the number and value of projects secured as disclosed in Section 12.3.3(i)(c) of this Prospectus, and the Asia region still remains our largest revenue contributor. This allows us flexibility to evaluate our approach towards the USA market, which remains one of our target markets for future growth. We expect to continue to remain competitive as many of our key competitors are subject to similar tariffs imposed by the USA, albeit at different rates. This helps level the competitive playing field and may allow us to maintain or even strengthen our position in the global solid liquid filtration market.

While the global trade landscape will continue to evolve, we are committed to staying informed and adapting to these changes. We will continue to manage potential risks while seeking opportunities that may arise from this shifting environment and continually undertake investments in both skilled human capital and machine automation to increase our productivity and mitigate any potential compression in our sales margin, if any.

Impact on our financial performance

As the situation post-imposition of the tariffs is still fluid at this juncture and due to its multi-jurisdictional impact, we are unable to confirm how the tariff will affect our business and financial performance, given the complexity of trade tariffs and their varied impact across sectors. Nevertheless, as the revenue contribution from the America region ranged between 1.46% and 21.34% during the Financial Years Under Review, we believe that any impact on our revenue will correspondingly be within the same range, all other things being equal.

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7. BUSINESS OVERVIEW *(Cont'd)*

7.18 EMPLOYEES

As at the LPD, we have 309 employees located in Malaysia, the Netherlands, the USA and Singapore, comprising 203 permanent employees and 106 contract employees. 196 employees are Malaysians and 113 employees are foreigners. Foreigners employed by the Group possess the requisite working permits/employment passes. Details of our Group's employees based on geographical locations as at 31 December 2024 and as at the LPD are as follows:

Malaysia

Divisions	No. of employees			
	As at 31 December 2024		As at the LPD	
	Permanent	Contract	Permanent	Contract
Directors and key senior management	12	-	12	-
Finance and administration	16	-	17	-
Engineering and design (1)	19	-	19	-
Technical sales and marketing (2)	24	-	24	-
Innovation and technology (3)	1	-	1	-
Supply chain and operations (4)	99	106 (6)	106	106 (6)
QA/QC and HSE (5)	17	-	17	-
Total	**294**		**302**	

Netherlands

Divisions	No. of employees	
	As at 31 December 2024	As at the LPD
Directors and key senior management	1 (6)(7)	1 (6)(7)
Supply chain and operations (4)	2 (6)	2 (6)
Total	**3**	**3**

USA

Divisions	No. of employees	
	As at 31 December 2024	As at the LPD
Technical sales and marketing (2)	2 (6)	2 (6)
Finance and administration	1 (6)	1 (6)
Total	**3**	**3**

7. BUSINESS OVERVIEW *(Cont'd)*

Singapore

Divisions	No. of employees	
	As at 31 December 2024	As at the LPD
Directors and key senior management	1 (6)	1 (6)
Technical sales and marketing	-	-
Total	**1**	**1**

Notes:

(1) Engineering and design department carries out design and product development activities to enhance our filters, and prepare production drawings and P&ID
(2) Technical sales and marketing department will liaise with potential customers to understand their requirements and industry application and slurry to be filtered, carry out business development and marketing activities as well as carry out after-sales technical support and commissioning activities
(3) Innovation and technology department identifies and oversees the implementation of new technological tools and automated equipment to enhance our operational activities
(4) Supply chain and operations department carries out procurement, manufacturing and assembly, and handles delivery and installation supervision of filters
(5) QA/QC and HSE department carries out QA/QC processes and ensures HSE measures are put in place
(6) Foreign employees
(7) Excludes Marcel Nicolaas Lupé who works with us on a management agreement basis to provide services to manage PMIT Europe NL's business activities

In addition to the above, Vimabo Metal Industry B.V. supplies labour for the manufacture of filter leaves on behalf of PMIT Europe NL under a service agreement.

We provide our employees, particularly those in the operations department, with training and development to enhance their skills and knowledge by enrolling them in courses, seminars and training programmes. Some of the courses, seminars and training programmes our employees have attended include:

Year	Training programme	Location	Organiser
2021	The Welding and Weld Repair of Stainless Steel and Nickel-based Alloys used in High Temperature Service	Online	Malaysian Iron & Steel Industry Federation
2021	Webinar on ISO 3834	Online	Lloyd's Register Malaysia
2021	Webinar – What's New in PV Elite	Online	Sutra Analytics Sdn Bhd
2022	QA & QC Dalam Pembinaan	Online	WH Skill Training Sdn Bhd
2022	Authorised Entrant and Standby Person for Confined Space	Artworks Hotel	NIOSH Bandar Baru Bangi
2022	ASME Section VIII DIV 1 ED 2021 Updates Training	PMI Lahat Plant	ABS Consulting Sdn Bhd
2022	5S Implementation & Workplace Organization	PMI Lahat Plant	LEAN Business Solutions PLT

7. BUSINESS OVERVIEW *(Cont'd)*

Year	Training programme	Location	Organiser
2022	Pematuhan Akta Kualiti Alam Sekeliling 1974, Tatacara Penggunaan Sistem Eswis & Larangan Pembakaran Terbuka Peringkat Negeri Perak Tahun 2022	RITZ Garden Hotel, Manjung Perak.	Jabatan Alam Sekitar Negeri Perak
2022	Webinar on Pickling, Passivation and Cleaning of Stainless Steels	Online	Malaysian Iron & Steel Industry Federation
2022	Safety and Health at Workplace	Online	OSHMA Sdn Bhd
2023	7 Quality Tools for Process Improvement	FMM Perak	Federation of Malaysian Manufacturers Perak
2023	Authorised Entrant & Standby Person for Confined Space	NIOSH Bandar Baru Bangi	NIOSH Bandar Baru Bangi
2023	Surface Preparation and Painting	PMI Lahat Plant	Chugoku Marine Paints, Ltd
2023	Conference on QHS2E Innovation for Safer and Healthier Systems & Technology	Online	Unbox Resources Sdn. Bhd.
2023	Authorised Entrant & Standby Person for Confined Space	NIOSH Bandar Baru Bangi	NIOSH Bandar Baru Bangi
2023	Noise Hazard at Workplace 2023 Seminar	MH Hotel Ipoh	Pertubuhan Kebajikan dan Sukan JKKP Negeri Perak
2023	ASME VIII Division 1 " Pressure Vessel' Code Simplified	IDC Training House Sdn. Bhd.	IDC Training House Sdn. Bhd.
2023	SOLIDWORKS Simulation	IME CADCAM Training Centre Sdn. Bhd.	IME CADCAM Training Centre Sdn. Bhd.
2023	Visual Testing Level 2	Proweld Training Centre Sdn. Bhd.	Proweld Training Centre Sdn. Bhd.
2023	Authorised Entrant & Standby Person for Confined Space	NIOSH Bandar Baru Bangi	NIOSH Bandar Baru Bangi
2024	Occupational Safety and Health Conference 2024 (OSHCOF 2024)	Online	OMK Consultant Sdn Bhd
2024	Authorised Entrant and Standby Person for Confined Space Refresher	Lahat Plant	NIOSH Bandar Baru Bangi
2024	Understanding the Essentials of E-Invoicing in Malaysia and Preparing for E-Invoicing Implementation	Headquarters	AVICS Tax Consultants Sdn Bhd
2024	Authorised Entrant and Standby Person for Confined Space Refresher	NIOSH Bandar Baru Bangi	NIOSH Bandar Baru Bangi
2024	Oil & Gas Safety Passport – Refresher	NIOSH Bandar Baru Bangi	NIOSH Bandar Baru Bangi
2024	Understanding ESG Disclosure According to the IEM Simplified ESG Disclosure Guidelines for Built Environment	WISMA IEM	Institution of Engineers Malaysia
2024	Refresher Training for Radiographic Interpretation	TWI Technology (S.E.Asia) Sdn Bhd	TWI Technology (S.E.Asia) Sdn Bhd

7. BUSINESS OVERVIEW *(Cont'd)*

Year	Training programme	Location	Organiser
2024	Seminar Key Changes To New OSHA 2022	Hotel Casuarina @ Meru	DOSH Perak
2024	ASME 2023 Edition Code Changes	Lahat Plant	Apave TIV Malaysia Sdn Bhd
2024	Corporate Liability Refresher Training; Anti-bribery & Anti-Corruption	Headquarters	Respublica Advisory Sdn Bhd
2025	Sustainable Manufacturing Maturity Tools and Framework for ESG	Selangor Human Resources Development Centre, Shah Alam	Selangor Human Resources Development Centre
2025	Seminar on Malaysia-United Arab Emirates (UAE) Comprehensive Economic Partnership Agreement (CEPA): Leveraging Malaysia's First Free Trade Agreement in the Middle East	Royale Chulan Damansara, Petaling Jaya, Selangor	Federation of Malaysian Manufacturers
2025	Sustainable Manufacturing Maturity Analysis and Prioritisation for ESG	PMI Lahat Plant and Headquarters	Selangor Human Resources Development Centre
2025	Drawing Up Salary Structures, Compensation and Benefits Plans	Crystal Crown Hotel, Petaling Jaya, Selangor	Apple Academy Sdn Bhd
2025	FMM Annual Sales & Service Tax (SST) Seminar 2025: Navigating Compliance and Updates	M World Hotel, Petaling Jaya, Selangor	Federation of Malaysian Manufacturers

None of our employees belong to any labour unions. We have a good working relationship with our employees and this is expected to continue in the future. Our Group is in compliance with the statutory minimum wage, EPF and SOCSO in relation to our employees. For the Financial Years Under Review up to the LPD, there has been no industrial dispute pertaining to our employees.

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7. BUSINESS OVERVIEW *(Cont'd)*

7.19 MAJOR CUSTOMERS

Our Group's top 5 major customers, as a percentage of our total revenue, for the Financial Years Under Review are as follows:

Customers	Length of relationship as at the respective FYE [1] (years)	Revenue contribution		Industry / Products provided
		RM'000	%	
FYE 2021				
Desmet Group [2]	24	42,138	40.00	Edible oil and sustainable fuel industries / Filter press, agitators, hermetic filter, vessels, tanks and replacement parts
Lipico Group [3]	25	12,097	11.48	Edible oil, sustainable fuels and oleochemical industries / Filter press, agitators, hermetic filter, vessels, tanks and replacement parts
Alfa Laval Group [4]	26	11,673	11.08	Edible oil and sustainable fuel industries / Filter press, agitators, hermetic filter and replacement parts
Intersonikon Engineering Sdn Bhd	25	3,765	3.57	Edible oil industry / Filter press, hermetic filter and replacement parts
Munseh Engineering Sdn Bhd	2	3,144	2.98	Potable water industry / Filter press and replacement parts
	Total	**72,817**	**69.11**	
FYE 2022				
Desmet Group [2]	25	38,878	25.19	Edible oil and sustainable fuel industries / Filter press, agitators, hermetic filter, vessels, tanks and replacement parts
Lipico Group [3]	26	29,844	19.33	Edible oil, sustainable fuels and oleochemical industries / Filter press, agitators, hermetic filter, vessels, tanks and replacement parts
Alfa Laval Group [4]	27	19,637	12.72	Edible oil and sustainable fuel industries / Filter press, agitators, hermetic filter and replacement parts
Crown Iron Works Company	8	5,168	3.35	Edible oil, sustainable fuels and oleochemical industries / Hermetic filter and replacement parts

7. BUSINESS OVERVIEW *(Cont'd)*

Customers	Length of relationship as at the respective FYE [1] (years)	Revenue contribution		Industry / Products provided
		RM'000	%	
Oiltek Sdn Bhd	27	5,071	3.29	Edible oil industry / Filter press, agitators, hermetic filter, vessels and tanks
	Total	**98,598**	**63.88**	
FYE 2023				
Desmet Group [2]	26	36,114	26.08	Edible oil and sustainable fuel industries / Filter press, agitators, hermetic filter, vessels, tanks and replacement parts
Lipico Group [3]	27	31,456	22.71	Edible oil, sustainable fuels and oleochemical industries / Filter press, agitators, hermetic filter, vessels, tanks and replacement parts
Alfa Laval Group [4]	28	11,180	8.07	Edible oil and sustainable fuel industries / Filter press, agitators, hermetic filter and replacement parts
Oiltek Sdn Bhd	28	9,207	6.65	Edible oil industry / Filter press, agitators, hermetic filter, vessels, tanks and replacement parts
Customer A [5]	7	7,473	5.40	Food processing industry / Filter press and replacement parts
	Total	**95,430**	**68.91**	
FYE 2024				
Desmet Group [2]	27	45,105	31.87	Edible oil and sustainable fuel industries / Filter press, agitators, hermetic filter, vessels, tanks and replacement parts
Lipico Group [3]	28	22,671	16.02	Edible oil, sustainable fuels and oleochemical industries / Filter press, agitators, hermetic filter, vessels, tanks and replacement parts
Oiltek Sdn Bhd	29	7,920	5.60	Edible oil industry / Filter press, agitators, hermetic filter, vessels, tanks and replacement parts

7. BUSINESS OVERVIEW *(Cont'd)*

Customers	Length of relationship as at the respective FYE [1] (years)	Revenue contribution		Industry / Products provided
		RM'000	%	
Alfa Laval Group [4]	29	7,324	5.17	Edible oil and sustainable fuel industries / Filter press, agitators, hermetic filter and replacement parts
PT Prima Ega Teknindo [6]	21	4,849	3.43	Solid liquid filtration / Replacement parts
	Total	**87,869**	**62.08**	

Notes:

(1) Length of relationship is determined as at the respective FYE 2021, FYE 2022, FYE 2023 and FYE 2024.

(2) For the Financial Years Under Review, our Group's customers that are part of Desmet Group are as follows:

Desmet Group	Country	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
		RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue
Desmet Malaysia Sdn Bhd (formerly Desmet Ballestra (M) Sdn Bhd)	Malaysia	22,633	21.49	20,813	13.48	24,427	17.64	24,199	17.10
Desmet Singapore Pte Ltd (formerly Desmet Ballestra (SEA) Pte Ltd)	Singapore	11,886	11.28	5,149	3.34	8,041	5.81	17	0.01
Desmet USA Inc. (formerly Desmet Ballestra North America Inc.)	USA	5,533	5.25	8,239	5.34	477	0.34	13,230	9.35
Desmet Ballestra Group S.A	Belgium	2,086	1.98	4,677	3.03	3,169	2.29	7,659	5.41
Total		**42,138**	**40.00**	**38,878**	**25.19**	**36,114**	**26.08**	**45,105**	**31.87**

7. BUSINESS OVERVIEW *(Cont'd)*

(3) For the Financial Years Under Review, our Group's customers that are part of Lipico Group are as follows:

Lipico Group	Country	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
		RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue
Lipico Technologies Pte Ltd	Singapore	10,539	10.00	25,404	16.46	28,906	20.87	21,394	15.11
Lipico Bioenergy Pte Ltd	Singapore	1,112	1.06	3,329	2.15	847	0.61	590	0.42
Lipico Engineering Sdn Bhd	Malaysia	446	0.42	1,095	0.71	1,701	1.23	687	0.49
Lipico Technologies (India) Pte Ltd	India	-	-	16	0.01	2	0.002	-	-
Total		**12,097**	**11.48**	**29,844**	**19.33**	**31,456**	**22.71**	**22,671**	**16.02**

(4) For the Financial Years Under Review, our Group's customers that are part of Alfa Laval Group are as follows:

Alfa Laval Group	Country	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
		RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue
Alfa Laval Inc.	USA	7,540	7.16	16,694	10.82	752	0.54	558	0.39
Alfa Laval Copenhagen A/S	Denmark	3,024	2.87	1,748	1.13	2,130	1.54	-	-
Alfa Laval Malaysia Sdn Bhd	Malaysia	1,059	1.01	1,195	0.77	5,503	3.97	5,991	4.23
Alfa Laval Potok	Russia	50	0.04	-		-	-	-	-
Alfa Laval (Shanghai) Technologies Co. Ltd	China	-	-	-	-	2,795	2.02	775	0.55
Total		**11,673**	**11.08**	**19,637**	**12.72**	**11,180**	**8.07**	**7,324**	**5.17**

7. BUSINESS OVERVIEW *(Cont'd)*

(5) We are unable to disclose the identity of the following customers as they have declined to be named in any public documents to be issued by our Company.

Name	Description
Customer A	Customer A is a company incorporated in Thailand and is an industrial product provider mainly in pulp and paper, filtration and screening, abrasive and power tools, and general purpose machinery. Customer A is not listed on any stock exchange.

(6) This is an agent of our Company which is located in Indonesia.

Due to the nature of our Group's business, where sales are procured on a purchase order basis, the order secured from any given customer may contribute a significant portion to our Group's annual revenue for a given year. As such, our Group's top 5 customers generally contribute a large percentage to our Group's revenue. For the Financial Years Under Review, our Group's top 5 customers contributed 69.11%, 63.88%, 68.91% and 62.08% of our Group's revenues, respectively.

Particularly, revenue generated from the Desmet Group, Lipico Group and Alfa Laval Group constituted a large proportion of our Group's revenue, i.e. more than 10.00% during the Financial Years Under Review, details as follows:

Customers	**Audited**			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
	%	**%**	**%**	**%**
Alfa Laval Group*	11.08	12.72	8.07	5.17
Desmet Group*	40.00	25.19	26.08	31.87
	51.08	37.91	34.15	37.04
Lipico Group	11.48	19.33	22.71	16.02
Total	**62.56**	**57.24**	**56.86**	**53.06**

Note:

* Alfa Laval had completed the acquisition of Desmet on 2 August 2022 and hence, their aggregate contributions are presented in the above manner.

Alfa Laval Group of companies, Desmet Group of companies and Lipico Group of companies are multinational engineering companies with global presence and operate in similar countries and serve similar industries. Alfa Laval Group of companies is one of the leading global providers in the design and manufacture of fluid handling equipment and is active in the areas of energy, marine, and food and water, offering its expertise, products and services to a wide range of industries in some 100 countries. It is headquartered in Sweden and its parent company is listed on Nasdaq Stockholm. The Desmet Group of companies is one of the leading global providers of custom engineered plants and equipment for the food, feed and biofuels industries. Desmet is headquartered in Brussels, Belgium. Lipico Group of companies is one of the engineering companies supplying solutions for oils and fats refineries worldwide and is headquartered in Singapore. *(Source: Websites of the respective companies)*

7. BUSINESS OVERVIEW *(Cont'd)*

While we do not have long-term contracts with the Desmet Group, Lipico Group and Alfa Laval Group, we have maintained a trusted working relationship of between 27 and 29 years with them as at FYE 2024. Our long-term business relationships with them indicate that we have been able to meet their quality standards and requirements for filters.

In addition, the revenue contribution from Alfa Laval Group of companies, Desmet Group of companies and Lipico Group of companies has been on a reducing trend from approximately 62.56% in FYE 2021 to 53.06% in FYE 2024. Hence, the risk of high concentration of these group of customers are mitigated as the decisions to purchase are diverse and independent, and there has been a reduction in the dependency on these major customers for the Financial Years Under Review.

Our Group had, during the Financial Years Under Review, received orders from various country-specific and regional offices of the Alfa Laval Group, Desmet Group and Lipico Group. In general, each of the companies in the Desmet Group, Lipico Group and Alfa Laval Group has been maintaining and managing their own costs. Although they are provided with a recommended list of filtration solution providers, they have a high degree of autonomy in terms of certain business decisions and are generally able to independently select from the recommended list of filtration solution providers without requiring a collective group approval or decisions on such matters. As such, any decision undertaken by a single company under the group of companies to appoint a filtration solution provider may not impact the decisions of other companies under the group of companies.

In addition to serving engineering companies, we also sell directly to the broader ecosystem of end-user customers (such as edible oil refineries). These end-user customers directly purchase new filters, replacement parts and technical support services from us to replace and maintain their existing filtration equipment used in the operation and expansion of their production facilities.

Save for Desmet Group, Lipico Group and Alfa Laval Group, the other top 5 customers generally vary over the years, and we are not dependent on any one of these customers as we have a large customer base for our filters comprising between 180 and 231 companies in each financial year.

As at the LPD, none of our Directors, Promoters and/or substantial shareholders has any interest, direct or indirect, in any of our major customers.

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7. BUSINESS OVERVIEW *(Cont'd)*

7.20 MAJOR SUPPLIERS

Our Group's top 5 major suppliers, as a percentage of our total purchases, for the Financial Years Under Review are as follows:

Suppliers	Length of relationship as at the respective FYE [1] (years)	Purchases		Major products or services purchased
		RM'000	%	
FYE 2021				
Leon Fuat Metal Sdn Bhd	22	6,634	7.63	Mild, carbon and stainless steel materials
Supplier A [2]	7	6,076	6.99	Wire mesh
Supplier B Group [3]	15	4,877	5.61	Wire mesh
Ebro Valves B. V.	2	4,850	5.58	Valves
Supplier C [2]	10	3,528	4.06	Hydraulic systems components
	Total	**25,965**	**29.87 [4]**	
FYE 2022				
Leon Fuat Metal Sdn Bhd	23	9,952	10.35	Mild, carbon and stainless steel materials
Supplier B Group [3]	16	5,717	5.94	Wire mesh
Supplier D [3]	24	5,070	5.27	Filter plates
Wilhelm Hoven Maschinenfabrik	1	4,533	4.71	Hydraulic systems components
Acerinox SC Malaysia Sdn Bhd	14	4,170	4.34	Stainless steel materials
	Total	**29,442**	**30.61 [5]**	
FYE 2023				
Leon Fuat Metal Sdn Bhd	24	7,665	10.33	Mild, carbon and stainless steel materials
Supplier B Group [3]	17	6,043	8.14	Wire mesh
Supplier D [3]	25	3,559	4.79	Filter plates

7. BUSINESS OVERVIEW *(Cont'd)*

Suppliers	Length of relationship as at the respective FYE [1] (years)	Purchases		Major products or services purchased
		RM'000	%	
Wilhelm Hoven Maschinenfabrik	2	3,211	4.33	Hydraulic systems components
KSB Malaysia Pumps & Valves Sdn Bhd	6	2,951	3.98	Valve and accessories
	Total	**23,429**	**31.57** [6]	
FYE 2024				
Supplier D [3]	26	11,033	14.72	Filter plates
Supplier B Group [3]	18	7,329	9.78	Wire mesh
KSB Malaysia Pumps & Valves Sdn Bhd	7	5,017	6.69	Valve and accessories
Supplier C [2]	13	4,982	6.64	Hydraulic systems components
Leon Fuat Metal Sdn Bhd	25	3,932	5.24	Mild, carbon and stainless steel materials
	Total	**32,293**	**43.07** [7]	

Notes:

(1) Length of relationship is determined as at the respective FYE 2021, FYE 2022, FYE 2023 and FYE 2024.

(2) We are unable to disclose the identity of these suppliers as they have declined to be named in any public documents to be issued by our Company.

Name	Description
Supplier A	Supplier A is a company incorporated in Germany and is a manufacturer of technical mesh and filtration solutions produced from metal, synthetic wires, and technical fibres. Supplier A is not listed on any stock exchange.
Supplier C	Supplier C is a company incorporated in Malaysia and is a manufacturer of hydraulic systems for all kinds of fluid operating system. They are also a distributor of renowned brands of fluid components and parts suitable for both high and low pressure system. Supplier C is not listed on any stock exchange.

7. BUSINESS OVERVIEW *(Cont'd)*

(3) We are unable to disclose the identity of these suppliers as such information is highly confidential and sensitive and such disclosure may attract unwarranted attention from our competitors thereby affecting our competitive position.

Name	Description
Supplier B Group	Supplier B Group is a group of companies incorporated in China which is mainly involved in the production of metal wire mesh and plastic netting. Supplier B Group is not listed on any stock exchange.
Supplier D	Supplier D is a company incorporated in Malaysia and is a subsidiary of a listed company on the Vienna Stock Exchange. Supplier D is a manufacturer of filter elements and accessories. Supplier D is not listed on any stock exchange.

(4) Our Group's total purchases for FYE 2021 was RM86.98 million.

(5) Our Group's total purchases for FYE 2022 was RM96.18 million.

(6) Our Group's total purchases for FYE 2023 was RM74.23 million.

(7) Our Group's total purchases for FYE 2024 was RM74.97 million.

Purchases from our Group's top 5 suppliers constituted 29.87%, 30.61%, 31.57% and 43.07% of our Group's purchases in FYE 2021, FYE 2022, FYE 2023 and FYE 2024. Save for Leon Fuat Metal Sdn Bhd and Supplier D, the contribution of purchases from our top 5 major suppliers for the Financial Years Under Review have generally varied from year-to-year.

We are able to source similar materials from Leon Fuat Metal Sdn Bhd and Supplier D from other suppliers. Nevertheless, we have purchased mild, carbon and stainless steel materials and wire mesh from these suppliers as they offer us competitive prices for the materials. We are not dependent on any individual supplier for our business operations during the Financial Years Under Review. We have not experienced any major disruptions in supplies during the Financial Years Under Review up to the LPD.

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7. BUSINESS OVERVIEW *(Cont'd)*

7.21 ENVIRONMENTAL, SOCIAL AND GOVERNANCE MEASURES

We strive to grow our business responsibly, in alignment with the United Nation's Sustainable Development Goals, taking into account the environmental and social impact of our business on our community, stakeholders and employees. We also seek to instil a robust governance culture. To this end, we have implemented the following practices:

(i) Environmental

Our Group designs, manufactures, assembles and installs filters in multiple end-user industries, which have the following environmental benefits:

- **Prevention of pollution and reducing waste**

  Our filters can be utilised to treat industrial wastewater by filtering harmful substances such as contaminants (heavy metals and others) or pollutants before the treated water is re-used or safely discharged into the environment. This filtration process prevents the release of harmful contaminants and pollutants into the environment, reduces the risk of environmental pollution and reduces the volume of waste stream after its final treatment.

- **Production of sustainable alternative fuels**

  Our filters can be applied to the production of sustainable fuel, particularly biodiesel, a renewable, biodegradable fuel that has lower greenhouse gas emissions in comparison to fossil fuels like diesel. It can also be applied in the pre-treatment process of hydrotreated vegetable oils which can be used as sustainable aviation fuel.

- **Reduce resource consumption and improved process efficiency**

  Our filters can be applied to industrial wastewater treatment and promote the conservation of water resources by enabling the use of treated industrial wastewater as a sustainable water source for these industrial processes. The broader adoption of recycled sources can reduce the demand for virgin materials and conserve natural resources.

  In addition, our filter presses can use palm olein for the hydraulic system. This provides our customers with the option of using palm olein to operate the filter as opposed to other mineral oils. By using palm olein, our customers can recycle palm olein which would reduce waste oil produced and reduce the occurrence of contamination within the hydraulic system.

7. BUSINESS OVERVIEW *(Cont'd)*

We have also implemented the following practices in our manufacturing process to reduce or minimise our impact to the environment:

- **Optimise electricity and water usage**

  The use of electricity and water are essential in our manufacturing processes. Thus, we use solar renewable energy and energy efficient light-emitting diode (LED) lighting, which are more energy efficient at our plants and offices. In addition, as part of our efforts to generate clean energy and reduce our carbon footprint, we have installed 391 kilowatt-hour solar photovoltaic systems at our Lahat Plant in August 2024. The solar photovoltaic system is expected to generate 544 megawatt-hour of electricity annually, which is equivalent to a reduction of approximately 318.86 tonnes of carbon dioxide emissions.

  We also have a rainwater harvesting system in our Lahat Plant that can collect up to 260,000 litres of rainwater. The collected rainwater is used during hydrostatic testing of our pressure vessels.

- **Responsible waste management**

  Our manufacturing processes generate both scheduled (hazardous) and non-scheduled (municipal) wastes. Responsible waste management can help reduce the environmental impact of our manufacturing processes by ensuring that our industrial wastes are properly disposed in compliance with environmental laws and regulations.

  We manage our scheduled waste by properly storing, treating and disposing of such waste in accordance with the Environmental Quality (Amendment) Act 2023, and by appointing a licensed third-party schedule waste collector to conduct the collection, treatment and disposal of the said waste.

- **Automation of processes**

  Some of our manufacturing processes are automated using CNC machines which can be programmed to perform accurate and precise material removal based on design specifications. As such, CNC machines can produce lower volumes of scrap material compared to conventional manufacturing methods. In this way, we are able to optimise our production designs and CNC instructions to minimise material wastage. Additionally, with efficient planning and mapping to the raw materials dimensions, we can further optimise our raw material consumption during manufacturing.

7. BUSINESS OVERVIEW *(Cont'd)*

- **Digital tools and workplace platform**

  We are investing in a company-wide digital transformation to reduce our carbon footprint. Employees are trained and encouraged, where possible and practical, to leverage on our digital tools and workplace platforms. Employees securely communicate and collaborate with internal and external parties via digital tools including video conferencing, email and instant messaging to reduce travel to in-person meetings. Employees are trained and encouraged to utilise digital documents and digital storage to reduce the use of paper.

PMIT Malaysia has also been certified with the Consumer Sustainability Industry Readiness 24 Index (COSIRI-24) for solid liquid filtration equipment and steelworks, signifying that PMIT Malaysia has implemented ESG measures in its operations.

(ii) Social

We recognise that our employees are valuable assets and as such, we strive to create a safe work environment for our employees to enhance their productivity and performance, as well as retain and nurture talent through the following practices:

- **Health and safety**

  We strive to provide a safe and conducive workplace for our employees, prioritise worker safety through safety and health training programmes, implementing safety protocols and conducting periodic inspections. Our manufacturing plants have achieved Grade A, the highest achievement, in terms of workplace assessment by the Department of Occupational Safety and Health, Ministry of Human Resources in 2024.

- **Labour management**

  Our Group endeavours to provide fair wages and good working conditions for our foreign workers. The accommodations that we provide to our foreign workers are in compliance with the minimum requirement set out under the relevant regulations and have obtained the Certificate of Accommodation issued by the Department of Labour of Peninsular Malaysia. For the Financial Years Under Review and up to the LPD, the Group has not received any substantiated complaints related to human rights violations. We also have not experienced any labour disputes that has led to a disruption in our operations.

- **Diversity, equity and inclusion**

  We provide equal opportunity to individuals from diverse backgrounds in our recruitment process by evaluating potential candidates for job opportunities, career development and advancement solely based on individual merit.

- **Promoting personal development and employee welfare**

  We seek to retain our skilled employees and attract new talent by supporting their personal and professional growth and rewarding employees with competitive remuneration packages. We set a minimum number of training hours per calendar year for our employees to ensure they are continually upskilled through technical training programmes. The relevant training courses are nominated by the respective managers and approved by our Key Senior Management team. We believe that supporting our employees' professional development enhances their skills to better meet the demands of our changing business, improves role performance and individual productivity and encourages career progression.

  We also regularly organise team-building events to foster teamwork and improve the relationship among our employees and encourage interaction with our Key Senior Management team, most recently in Malacca, Malaysia (November 2018) and Kuantan, Malaysia (October 2023). In addition, we sponsor sports events such as Poh Kong's Ladies Golf Series 2.0 and Touch World Cup 2024. Apart from the above, we organise annual company-wide offsite sessions to recognise our employees' collective efforts, facilitate strategic planning between departments and to further promote company culture.

- **Donations**

  We contribute back to our society by donating funds to charitable causes. For the Financial Years Under Review, we have donated approximately RM25,000 for the betterment of underprivileged communities. Specifically, we have donated to UOB Global Heartbeat Run/Walk, University Malaya Medical Centre's Breast Cancer Fund and Sri Mahamariamman Temple.

(iii) Governance

We are committed to conducting our business ethically and in compliance with all applicable laws and regulations in Malaysia, as disclosed in Section 7.27 of this Prospectus. Our Board is committed to achieving and sustaining high standards of corporate governance and have adopted all relevant recommendations under the MCCG (i.e. ethical behaviour, accountability, transparency and sustainability). Accordingly, we have established the following policies and guidelines:

- **Anti-bribery and anti-corruption policy and guidelines in compliance with the Malaysian Anti-Corruption Commission Act 2009 and its amendments**

  Our Group is dedicated to carrying out our business operations with integrity, clarity, and accountability. To uphold these values, we have implemented an anti-bribery and anti-corruption policy. This policy is in accordance with the Malaysian Anti-Corruption Commission Act 2009 and outlines our Group stance against all types of bribery and corruption. We maintain a zero-tolerance approach to such practices, not only within our organisation, but also in our dealings with external entities such as our customers and suppliers.

7. BUSINESS OVERVIEW *(Cont'd)*

- **Whistleblowing policy and guidelines**

  Our Group is devoted to managing our business operations ethically, transparently, and responsibly. In line with this commitment, we have established a Whistleblowing Policy, which is compliant with the Whistleblower Protection Act 2010. This policy enables stakeholders, including customers, employees, suppliers and the local community, to report any real suspicions or accusations regarding fraud within our Group, alleged unethical actions, or inappropriate business practices conducted by our employees or external parties in their business relations with us. This policy is designed to safeguard our Group's integrity and to address any concerns that might impact us.

- **Code of conduct and ethics in compliance with MCCG**

  Our Group has adopted a code of ethics that applies to all employees and our Board members to maintain robust corporate governance practices and promote corporate accountability. In order to foster a Board that effectively instils these corporate governance practices within our Group, we have formed a Nomination Committee and Remuneration Committee. These committees are comprised solely of Independent Non-Executive Directors. Among its various responsibilities, the committees' key roles include assessing and evaluating the performance of our Board and Key Senior Management. The Board also regularly reviews the Group's corporate governance practices to ensure it continues to promote and uphold integrity and ethical business behaviour.

- **Procurement management procedure which includes supplier evaluation and quality management system**

  Our procurement management procedure is a comprehensive approach that encompasses supplier evaluation and a quality management system to ensure that we engage with capable and reliable suppliers. This procedure includes a thorough assessment of potential suppliers to verify their ability to consistently meet our quality standards and fulfil our requirements.

  Additionally, we have integrated our quality management system into this process to facilitate the regular monitoring and evaluation of our suppliers and the quality of goods or services they provide. This helps us to ensure that the goods or services we procure adhere to our organisational standards.

  The assessment of existing suppliers is based on the quality of products/services offered, co-operation given during the pre-sale and after-sale processes as well as punctuality of delivery. The assessment is performed annually on suppliers whom we have dealings with during the year.

  On the other hand, we also assess potential new suppliers based on quality of products/services offered, reputation in the industry, financial capability, work organisation and recommendation by our customers.

To this end, our Group's sustainability efforts are focused on enhancing our value proposition for our stakeholders and customers with the adoption of best practices. We will monitor industry trends and adapt accordingly to remain at the forefront and stay relevant to our stakeholders.

7. BUSINESS OVERVIEW *(Cont'd)*

7.22 FUTURE PLANS AND STRATEGIES

In summary, our future plans will strategically focus on the following areas:

GROWTH AREAS	EXISTING	FUTURE PLANS AND STRATEGIES
Enhancing manufacturing capabilities 	Some processes are performed manually and some are outsourced to outsourced manufacturers	The set up of an additional filter leaf production line at Jelapang Plant 1 and new automated machineries, equipment and tools will: - Improve consistency in the production of quality filters - Reduce manpower requirement - Reduce outsourcing
Product development on filters and components 	Mainly cater to the edible oil, sustainable fuels, potable water and wastewater, and food processing industries.	Invest in the following to cater for product development activities: - Customising filters to cater for new end-user industries - Enhancing existing filters and supporting equipment - Designing and manufacturing filters in modular form - Designing replacement parts in-house - Development of a mobile filtration test centre
Geographical presence and reach 	Geographical market reach spans across the Asia, America, Europe, and Africa regions	Grow our presence in international markets by: - Expanding our Netherlands office and setting up an additional filter leaf production line to cater for increasing orders locally and internationally - Intensify our sales and marketing activities.

7. BUSINESS OVERVIEW *(Cont'd)*

Our future plans and strategies are as detailed below:

(i) We intend to enhance our manufacturing capabilities at our existing manufacturing plants

As at the LPD, the majority of our manufacturing processes at Jelapang Plant 1, Jelapang Plant 2 and Lahat Plant are not automated, excluding the fabrication of our hydraulic system components using our CNC machines. Moving forward, we intend to enhance our manufacturing capabilities by acquiring new machinery, equipment and tools.

The list of key machinery and equipment we intend to purchase, and the processes they will automate are as follows:

Key machinery / equipment	**Description of processes**	
	Before new machinery/equipment	**After new machinery/equipment**
CNC machine for filter element production	Filter elements are pre-fabricated by suppliers	Filter elements can be manufactured based on proprietary design
CNC double column machining centre	Equipment main body components are fabricated in-house, but the precision milling of its components are outsourced to third-parties	Precision milling of the equipment main body components can be machined in-house
CNC laser cutting machine	Mild, carbon and stainless steel plates are cut manually using metal cutting equipment	Mild, carbon and stainless steel plates can undergo precision profiling to the required specification; mapping to raw material dimensions will reduce cutting waste
CNC horizontal lathe machine	Existing CNC lathe machine can machine mild/carbon steel and stainless steel bars of up to 60 mm in diameter. Mild, carbon and stainless steel bars with larger diameter are machined by outsourced manufacturers	New CNC lathe machine can machine mild, carbon and stainless steel of up to 250mm in diameter which will allow us to manufacture such components in-house
CNC vertical lathe machine	Mild, carbon and stainless steel round components which have a diameter of up to 2.5 meters are machined by outsourced manufacturers. These round components are generally used in the closure of hermetic filters	Mild, carbon and stainless steel round components which have a diameter of up to 2.5 meters can be machined in-house
Robotic welding machine	Welding process is carried out manually using welding equipment	Welding process is carried out by programmable robotic arms, improving productivity and ensuring greater accuracy and consistency

7. BUSINESS OVERVIEW *(Cont'd)*

The rationale for acquiring new machineries, equipment and tools to automate our manufacturing processes is as follows:

- Improve consistency in the production of quality filters, leading to greater efficiency in the manufacturing process and reduction in wastages. For instance, as the cutting of steel plates can be performed by CNC machines, this minimises any human errors that may occur if the processes were performed manually;

- Reduce manpower requirement as fewer personnel is required to operate the machinery and equipment compared to manually performing the task. This would increase workplace safety and reduce our dependency on labour, which in return reduces our cost of labour; and

- Reduce outsourcing of certain steel-related component manufacturing. This will lower our production costs.

Thus, by minimising material wastage, and reducing labour and outsourcing costs, this will enable our Group to improve our profit margins.

We intend to source for these new machinery and equipment required from overseas companies which have offices in Malaysia. We also intend to finalise such purchase within 36 months from receipt of the IPO proceeds. These new machinery, equipment and tools will be installed progressively within 36 months of the receipt of the IPO proceeds.

To cater for increasing orders locally and internationally, we also intend to set up an additional filter leaf production line at Jelapang Plant 1. We expect that the new filter leaf production line will amount to RM0.66 million, and this will be funded via our gross IPO proceeds. We intend to purchase and install the new filter leaf production line within 36 months from the receipt of the gross IPO proceeds.

We estimate that we will require RM20.00 million for the abovementioned machinery, equipment and tools and new filter leaf production line. This will be funded through our gross IPO proceeds.

Further, we also intend to renovate our manufacturing plants. Renovation works for our manufacturing plants will include flooring works and changing the layout of the manufacturing plants to improve overall workflow and efficiency for Jelapang Plant 1, Jelapang Plant 2 and Lahat Plant, as well as purchasing supporting equipment such as forklifts and overhead cranes which are used to lift and move our Group's filters.

To this end, we have allocated RM8.00 million from our gross IPO proceeds to carry out renovation works at our manufacturing plants. The breakdown of the estimated renovation costs by manufacturing plants is as follows:

Renovation works	**Jelapang Plant 1** **RM'000**	**Jelapang Plant 2** **RM'000**	**Lahat Plant** **RM'000**	**Total** **RM'000**
Enhancement works	1,530	800	3,590	5,920
Upgrade of supporting equipment	260	210	1,610	2,080

7. BUSINESS OVERVIEW *(Cont'd)*

The enhancement works can be carried out progressively in phases within each manufacturing plant to minimally disrupt our Group's manufacturing activities. In order to do so, the enhancement works will be carried out in phases within each manufacturing plant. Thus, only manufacturing activities carried out within that area in the manufacturing plant will be impacted at the time, while manufacturing activities carried out in other spaces in the manufacturing plant will continue. Our Group intends to complete these renovation works within 36 months from receipt of the gross IPO proceeds.

Please refer to Sections 4.7.1(i) and (ii) of this Prospectus for details on the utilisation of proceeds for capital expenditure on our manufacturing plants.

(ii) We intend to invest in product development on filters and its components

Moving forward, we intend to undertake the following product development activities:

- **Customising filters to cater for new end-user industries**

  We intend to design and customise our filters to cater for new end-user industries. The strategy to design and customise filters to cater for new end-user industries is meant to reduce our Group's dependency on existing industries it currently serves and enable our Group to be more resilient to market and industry fluctuations. In particular, we have identified the mining industry as a potential new end-user industry to target.

  Based on our Group's industry knowledge, there are a limited number of solid liquid filtration solution providers serving the industry due to the requirements of the industry for large-sized filters and specific mining expertise in the manufacture of such filters. As such, there are few solid liquid filtration solution providers capable of undertaking such projects. As these large-sized filters are generally higher in value, our Group stands to benefit from an additional revenue source should our Group succeed in customising its filters to cater to the mining industry.

  Based on the IMR Report prepared by PROVIDENCE, the global mining industry grew from approximately USD692.0 billion (RM2.9 trillion) in 2019 to USD793.0 billion (RM3.6 trillion) in 2024, at a CAGR of 2.8%. This indicates that there is an opportunity for our Group to expand into the mining industry to support our future growth strategy. Our Group foresees good prospects and growth to satisfy market needs in the mining industry.

  As at the LPD, we have yet to identify any potential customer to explore the development of a prototype filter. We expect to develop a prototype filter that is customised for the mining industry by the end of 2026.

  For information, there is no specific standard that we need to comply with to manufacture filters that are specific to the mining industry. We currently comply with the necessary standards for the manufacture of filters as set out in Section 7.9 of this Prospectus.

7. BUSINESS OVERVIEW *(Cont'd)*

- **Enhancing existing filters and supporting equipment**

  We also intend to invest in product development activities to enhance our present filters and supporting equipment with the development of complementary products. In particular, we plan to develop the following:

Product development activity	Description	Timeframe for completion
Slurry thickeners	Solution that can be included in the slurry to improve flow rate within filter presses. This is applicable to slurry filtered for the potable water and wastewater industry.	By the end of 2025
Cake discharge mechanism	Improve the discharge of cake formed that is sticky in nature, with minimal human intervention. This will be applicable to the slurry filtered for the mining and food processing industries.	By the end of 2026
Cake conveyor system	Transports cakes that have been discharged to a collection point to ensure efficient movement of cake without manual handling. This will improve operational efficiency and reduce labour required to perform these tasks.	By the end of 2026

  The abovementioned product development activities will enhance the capability of our filters, enabling us to expand our sales from existing and new end-user industries such as the potable water and wastewater, mining and food processing industries.

- **Designing and manufacturing filters in modular form**

  Large-sized filters are necessary for certain industry applications and/or customer requirements but due to their physical size they are difficult to disassemble and costly to transport to customers in international markets. As they may not fit within standard dimensions for container shipment, the high cost of shipment and difficult delivery logistics can be commercially unattractive for certain customers.

  To address this, we plan to design and manufacture filter presses that can be disassembled into modular forms. These modular forms would be sized to fit into standard shipment containers for simpler transport and can be easily assembled by our customers once it reaches its intended destination. This would reduce the cost of transport for our customers and would, in turn, increase the attractiveness of our filters to international customers. We intend to develop this by the end of 2026.

- **Designing of replacement parts in-house**

  At present, we purchase certain pre-fabricated materials such as aluminium alloy components and other filter elements which form part of the equipment and future replacement parts for our filters. Moving forward, we intend to design and manufacture such components using selected material types so that we have a proprietary design over our replacement parts. This would enable us to have more autonomy over our replacement parts as we will be able to modify the design of the replacement parts ourselves to adapt to any changes in our suppliers' materials and components. We intend to develop and manufacture the prototypes of the major replacement parts by mid-2026.

We have allocated a budget of RM4.00 million from our gross IPO proceeds for the product development of prototypes for the mining industry and new complementary products, filters in modular form and replacement parts. Please refer to Section 4.7.2 of this Prospectus for details on the utilisation of proceeds for our Group's product development activities.

Apart from the above, we also intend to undertake the following product development activities:

- **Development of a mobile filtration test centre**

  We presently have a filtration laboratory test unit to perform filtration process tests during our design stage. This filtration laboratory test unit is a basic unit and does not have all of the functions and features we require to conduct comprehensive filtration tests.

  As such, we intend to invest in a new filtration laboratory test unit to support product development activities and improve our design capabilities, whilst showcasing our filters as a customised solution to potential customers. The test centre will have more functionality and be sized and configured to be mobile, thus allowing us to easily transport it to our customers' premises for demonstration.

  We have allocated RM1.60 million from our gross IPO proceeds to manufacture and assemble a mobile filtration test centre. We intend to develop this by end 2027.

- **Recruitment of specialists in the new end-user industries we intend to target**

  We intend to expand our sales, engineering and design department by hiring specialists in certain end-user industries so that we can design and customise filters that are tailored to the needs of the end-user industry and market our filters to the industry. Specifically, we intend to hire up to 2 engineers to carry out sales as well as product development of filters for the mining industry. We expect that the salaries for these new hires will amount to RM360,000 annually, and this will be funded via our internally generated funds. We intend to hire these specialists by end 2027.

- **Upgrade of laboratory at Headquarters**

  We intend to upgrade the laboratory at our Headquarters by acquiring new equipment such as ovens and testers, and laboratory tools. We estimate that it will cost approximately RM1.40 million over 24 months to procure these equipment, which will be funded via gross IPO proceeds.

7. BUSINESS OVERVIEW *(Cont'd)*

(iii) We plan to grow our presence internationally, particularly in Europe

Revenues generated from filters commissioned for international customers have been growing from RM78.08 million in FYE 2021 to RM126.55 million in FYE 2024. In particular, between 8.20% to 12.36% of these sales were generated from Europe during the Financial Years Under Review, and our Group's revenues from Europe have been growing from RM8.98 million in FYE 2021 to RM17.50 million in FYE 2024.

We presently have 3 offices located in international markets, i.e. our Netherlands office which serves the Europe region, USA office which serves the America region and Singapore office which serves the Asia region.

We intend to grow our presence internationally by:

- **Expanding our Netherlands office**

  Our Netherlands office provides technical sales and marketing as well as technical support services to customers based in Europe. As at the LPD, we have 1 filter leaf production line at our Netherlands office to manufacture replacement parts for hermetic filters. The current Netherlands office occupies a built-up area of 6,458 sq. ft., that is within a business premise which has a built-up area of 28,632 sq. ft. and a land size of 45,262 sq. ft.

  Moving forward, we intend to grow our sales from Europe in light of the growing demand from this region and future prospects in the market for filters as indicated in the IMR Report. The solid liquid filtration solution industry in Europe has been growing at a CAGR of 10.3% between 2019 and 2024 (Source: IMR Report by PROVIDENCE).

  In order to do so, we intend to set up an additional filter leaf assembly line at the Netherlands office to manufacture replacement parts. This will allow us to increase the production of filter leaves to cater for the increasing orders for replacement parts, which will further improve our lead time for replacement parts across Europe and allow us to provide prompt technical support services.

  This will enable us to better serve our customers in the region and respond more promptly to replacement part orders for filter leaves. It will also reduce the logistics costs and time taken to transport filter leaves from Malaysia to the Europe region. For clarity, our Group currently exports filter leaves which are part of its filtration solutions projects to its Netherlands office. Replacement filter leaves are produced in our Netherlands office.

  To accommodate the expansion of our operations at our Netherlands office, we will need to renovate and expand our office and workshop space. The larger office in Netherlands will also be part of our brand globalisation strategy to enhance our brand awareness and image in Europe. For clarity, our Group will not be acquiring any additional properties as part of the expansion of the Netherlands office.

The newly renovated Netherlands office will have an estimated built-up area of up to 7,200 sq. ft., and will encompass, among others, the following:

- An estimated 6,000 sq. ft. workshop and assembly area, which will enable our Group to carry out the assembly of filter leaves;

- An estimated 800 sq. ft. of office area, which will include workspaces and meeting rooms;

- An estimated 300 sq. ft. demonstration room to demonstrate filtration testing to potential and existing customers; and

- An estimated 100 sq. ft. reception area for potential and existing customers to meet our Group's technical sales personnel.

We envisage that the renovation of our Netherlands office will take up to 24 months from the receipt of the IPO proceeds. As the renovation works will take place in other parts of the office than is presently used, we expect minimal disruptions to our present operations in our Netherlands office.

We estimate that the cost of renovation of the Netherlands office will amount to RM1.64 million, which will be fully funded via our IPO proceeds. We also estimate that the purchase and setting up of our additional filter leaf production line at our Netherlands office will amount to RM1.44 million, which will also be fully funded via our gross IPO proceeds.

- **Intensifying our sales and marketing activities**

  We intend to invest in the following sales and marketing activities:

  - Intensify our participation as exhibitors or attendees in international exhibitions in various regions including Europe and America to increase brand exposure. While we have already been participating in such exhibitions, the exhibitions we have participated in so far have mostly been in the Asia region. We have identified several exhibitions that we intend to participate in Europe and America and will continue to participate in exhibitions in the Asia region; and

  - Update our website and marketing materials, such as corporate brochures and promotional/corporate videos. These marketing materials will be standardised across the markets our Group serves and will enhance our corporate image.

  We have allocated a budget of RM2.92 million from our gross IPO proceeds for these sales and marketing activities within 12 months from receipt of the gross IPO proceeds.

By growing our presence internationally, we will be able to tap on opportunities worldwide to grow our global market share and consequently, our Group's revenue.

Please refer to Section 4.7.3 of this Prospectus for details on the utilisation of proceeds for our Group's business expansion activities.

7. BUSINESS OVERVIEW *(Cont'd)*

7.23 MAJOR APPROVALS, LICENCES, PERMITS OBTAINED

Details of major approvals, licences and permits applicable to our Group as at the LPD are as follows:

7.23.1 Malaysia

No.	Licensee / Permit Holder	Issuer / Authority	Nature of Approval / Major Licence / Permits / Certificate	Validity Period	Major Conditions Imposed	Status of Compliance
1.	PMIT Malaysia	MITI	Manufacturing licence pursuant to the Industrial Co-ordination Act 1975 Premises: Headquarters Products: Filter Press, Vertical Filters, Agitators and Tanks Licence No.: A018987 Serial No.: A032125	**Issue Date** 3 January 2013 **Validity Period** Valid until revoked	1. MITI and the Malaysian Investment Development Authority ("**MIDA**") shall be notified of any sale of shares in PMIT Malaysia. 2. PMIT Malaysia shall train Malaysians to ensure transfer of technological expertise to all levels of the workforce.	Complied
2.	PMIT Malaysia	MITI	Manufacturing licence pursuant to the Industrial Co-ordination Act 1975 Premises: Lahat Plant Products: Filter Press, Vertical Filters, Agitators and Tanks Licence No.: A018988 Serial No.: A032126	**Issue Date** 3 January 2013 **Validity Period** Valid until revoked	1. MITI and MIDA shall be notified of any sale of shares in PMIT Malaysia. 2. PMIT Malaysia shall train Malaysians to ensure transfer of technological expertise to all levels of the workforce.	Complied

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Licensee / Permit Holder	Issuer / Authority	Nature of Approval / Major Licence / Permits / Certificate	Validity Period	Major Conditions Imposed	Status of Compliance
3.	PMIT Malaysia	MITI	Manufacturing licence pursuant to the Industrial Co-ordination Act 1975 Premises: Jelapang Plant 1 Products: Filter Press, Vertical Filters, Agitators and Tanks Licence No.: A018985 Serial No.: A032123	**Issue Date** 3 January 2013 **Validity Period** Valid until revoked	1. MITI and MIDA shall be notified of any sale of shares in PMIT Malaysia. 2. PMIT Malaysia shall train Malaysians to ensure transfer of technological expertise to all levels of the workforce.	Complied
4.	PMIT Malaysia	MITI	Manufacturing licence pursuant to the Industrial Co-ordination Act 1975 Premises: Jelapang Plant 2 Products: Filter Press, Vertical Filters, Agitators and Tanks Licence No.: A018986 Serial No.: A032124	**Issue Date** 3 January 2013 **Validity Period** Valid until revoked	1. MITI and MIDA shall be notified of any sale of shares in PMIT Malaysia. 2. PMIT Malaysia shall train Malaysians to ensure transfer of technological expertise to all levels of the workforce.	Complied
5.	PMIT Malaysia	Shah Alam City Council ("**MBSA**")	Industrial licence for the sale/service/wholesale/storage/manufacture/process of metal-based designs, patterns and moulds, as well as management office Premise: Headquarters Account No.: L0U1110920240001	8 October 2024 – 14 September 2025	1. This licence is non-transferable. 2. This licence is encouraged to be renewed 3 months prior to the date of expiry.	Complied

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Licensee / Permit Holder	Issuer / Authority	Nature of Approval / Major Licence / Permits / Certificate	Validity Period	Major Conditions Imposed	Status of Compliance
6.	PMIT Malaysia	MBSA	Licence for signage/ advertisement Premise: Headquarters Account No.: L0U1130220240002	29 October 2024 – 31 October 2025	1. This licence is non-transferable. 2. This licence is encouraged to be renewed 3 months prior to the date of expiry.	Complied
7.	PMIT Malaysia	MBSA	Temporary building permit for the building of a temporary partition, an open shed and a temporary guardhouse, and a demolished portion of the wall between the 2 semi-detached factories. Premise: Headquarters Permit No.: MBSA/BGN/KB/600/SEK:U1/176 -2024	4 July 2024 – 3 July 2025	1. The owner must renew or demolish the temporary construction upon the expiry of this approval. 2. This approval must be renewed 3 months prior to the date of expiry.	Complied
8.	PMIT Malaysia	Ipoh City Council	Business premise licence for iron/aluminium/copper/tin factory Premise: Jelapang Plant 1 Account No.: L0069392-01	1 January 2025 – 31 December 2025	Nil.	N/A
9.	PMIT Malaysia	Ipoh City Council	Billboard licence for signage/advertisement Premise: Jelapang Plant 1 Account No.: L0069253-01	1 January 2025 – 31 December 2025	Nil.	N/A

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Licensee / Permit Holder	Issuer / Authority	Nature of Approval / Major Licence / Permits / Certificate	Validity Period	Major Conditions Imposed	Status of Compliance
10.	PMIT Malaysia	Ipoh City Council	Business premise licence for iron/aluminium/copper/tin factory Premise: Jelapang Plant 2 Account No.: L0037015-01	1 January 2025 – 31 December 2025	Nil.	N/A
11.	PMIT Malaysia	Ipoh City Council	Business premise licence for iron/aluminium/copper/tin factory Premise: Lahat Plant Account No.: L0089326-01	1 June 2025 – 31 May 2026	Nil.	N/A
12.	PMIT Malaysia	Construction Industry Development Board, Malaysia ("**CIDB**")	Certificate of Registration of Contractor for Grade G7 (also known as *Perakuan Pendaftaran Kontraktor Tempatan* ("**PPK**")) Registration No.: 0120120731-PK144449	13 September 2022 – 23 September 2025	1. This certificate is non-transferable. 2. PMIT Malaysia shall not undertake to carry out any construction project exceeding the value of construction work stated for the grade he or she is registered under, and shall not carry out any construction projects beyond its registered category. 3. PMIT Malaysia must make an application to renew this registration together with all certificate(s) of registration of contractor issued by CIDB within 60 days prior to the expiry date of this certificate. 4. All employees at the construction site must have a Construction Personnel Card that is valid.	Complied

7. BUSINESS OVERVIEW *(Cont'd)*

<table>
<tr><th>No.</th><th>Licensee / Permit Holder</th><th>Issuer / Authority</th><th>Nature of Approval / Major Licence / Permits / Certificate</th><th>Validity Period</th><th>Major Conditions Imposed</th><th>Status of Compliance</th></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td><u>Table of Grade and Tender Limit</u>

<table><tr><th>Grade</th><th>Tender Limit (RM)</th></tr><tr><td>G7</td><td>No limit</td></tr><tr><td>G6</td><td>Not exceeding 10,000,000</td></tr><tr><td>G5</td><td>Not exceeding 5,000,000</td></tr><tr><td>G4</td><td>Not exceeding 3,000,000</td></tr><tr><td>G3</td><td>Not exceeding 1,000,000</td></tr><tr><td>G2</td><td>Not exceeding 500,000</td></tr><tr><td>G1</td><td>Not exceeding 200,000</td></tr></table></td><td></td></tr>
<tr><td>13.</td><td>PMIT Malaysia</td><td>Ministry of Domestic Trade and Cost of Living ("MDTC")</td><td>Permit to purchase and store scheduled controlled goods (diesel) pursuant to Supply Control Act 1961:

Premises: Jelapang Plant 2

Permit No.: PBKB/2024/P/A-000319</td><td>21 July 2024 to 20 July 2027</td><td>1. Holder of this permit is subject to the Supply Control Act 1961 and its subsidiary legislation.

2. Holder of this permit is allowed to purchase and store the following scheduled controlled goods:

a) Diesel (EURO 2M) Non-Subsidised– 1,800 litres.

3. This permit is non-transferable.</td><td>Complied</td></tr>
<tr><td>14.</td><td>PMIT Malaysia</td><td>MDTC</td><td>Permit to purchase and store scheduled controlled goods (diesel) pursuant to Supply Control Act 1961:

Premises: Lahat Plant

Permit No.: PBKB/2024/P/A-000314</td><td>21 July 2024 to 20 July 2027</td><td>1. Holder of this permit is subject to the Supply Control Act 1961 and its subsidiary legislation.

2. Holder of this permit is allowed to purchase and store the following scheduled controlled goods:

a) Diesel (EURO 2M) Non-Subsidized– 1,800 litres.

3. This permit is non-transferable.</td><td>Complied</td></tr>
</table>

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Licensee / Permit Holder	Issuer / Authority	Nature of Approval / Major Licence / Permits / Certificate	Validity Period	Major Conditions Imposed	Status of Compliance
15.	PMIT Malaysia	Royal Malaysian Customs Department ("**RMCD**")	Certificate under the Sales Tax (Person Exempted From Payment of Tax) Order 2018 Certificate No.: B16-2409-27200018	26 September 2024 – 25 September 2025	1. Raw materials, components, manufacturing aids, cleanroom equipment and packing and packaging materials are imported, purchased or transported with exemption from sales tax under Item 4 Schedule B, Sales Tax (Person Exempted From Payment of Tax) Order 2018, for use in the manufacturing of: a) pressure vessel/tanks; b) filter press; c) pressure leaf vertical / horizontal filter; d) agitator; and e) static mixer. 2. The goods exempted are raw materials, components, manufacturing aids, cleanroom equipment, packing and packaging materials, excluding petroleum solely for use in the manufacture of exempted goods for export. 3. The goods are imported or purchased from a registered manufacturer or transported from a licensed warehouse under section 65 of the Customs Act 1967 ("**Licensed Warehouse**"), a licensed manufacturing warehouse under section 65A of the Customs Act 1967 ("**Licensed Manufacturing Warehouse**") or a free zone established under the Free Zone Act 1990 ("**Free Zone**"). 4. The goods are used to produce exempted goods which shall be exported or transported to designated area or special area within 12 months from the date of import or purchase or transported from the Licensed Warehouse, Licensed Manufacturing Warehouse or Free Zone, or such further period as approved by the Director General.	Complied

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Licensee / Permit Holder	Issuer / Authority	Nature of Approval / Major Licence / Permits / Certificate	Validity Period	Major Conditions Imposed	Status of Compliance
					5. If the goods are not used and the goods produced thereof are not exported within 12 months from the date of import or purchase or transported from a Licensed Warehouse, Licensed Manufacturing Warehouse or Free Zone or such further period as approved by the Director General, PMIT shall be liable to pay the sales tax.	
16.	PMIT Malaysia	RMCD	Certificate under the Sales Tax (Person Exempted From Payment of Tax) Order 2018 Certificate No.: W10-1809-27300357	Issuance Date: 28 August 2023 **Validity Period** Valid until revoked	1. Raw materials, components, manufacturing aids and packaging materials are imported or purchased with exemption from sales tax under Item 1 Schedule C, Sales Tax (Person Exempted From Payment of Tax) Order 2018, for use in the manufacture of goods. 2. The raw materials, components and packaging materials are imported or purchased from another registered manufacturer or from a licensed warehouse under section 65 or licensed manufacturing warehouse under section 65A of the Customs Act 1967. 3. The raw materials, components and packaging materials shall be used solely in the manufacturing of finished taxable goods of the registered manufacturer.	Complied
17.	PMIT Malaysia	National Water Services Commission ("**SPAN**")	Supplier Registration Certificate for the supply of water treatment equipment Certificate No.: SPAN/BPAI/0842-2024 Product: Sludge Dewatering Standard: SPAN TS 3002:2021	24 July 2024 – 10 August 2027	SPAN reserves the right to suspend, cancel and withdraw this certificate if: 1. There is a deterioration in the product quality; 2. Complaints received from any party regarding the product supplied by PMIT Malaysia are proved to be true.	Complied

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Licensee / Permit Holder	Issuer / Authority	Nature of Approval / Major Licence / Permits / Certificate	Validity Period	Major Conditions Imposed	Status of Compliance
18.	PMIT Malaysia	DOSH	Certificate of registration as a competent firm to repair steam boiler. Registration No.: JKKP/2023/20/86 Registered Address: Lahat Plant	1 December 2023 – 30 November 2026	1. DOSH shall be notified if there is any change/addition/transfer on existing officers, machinery and premises. DOSH may cancel this registration if PMIT Malaysia fails to notify the above immediately. 2. PMIT Malaysia shall obtain approval from DOSH before any manufacturing or repair work can be carried out. 3. All manufacturing or repair work shall be conducted at the premises in this registration or the premises of the owner of the machinery. 4. PMIT Malaysia shall obtain DOSH's permission before any manufacturing or repair work of the machinery can be carried out on a new premise. 5. This registration shall be renewed with DOSH at least 3 months prior to the expiration date. **Scope of Application** 1. Repairing steam boiler	Complied

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Licensee / Permit Holder	Issuer / Authority	Nature of Approval / Major Licence / Permits / Certificate	Validity Period	Major Conditions Imposed	Status of Compliance
19.	PMIT Malaysia	DOSH	Certificate of registration as a competent firm to manufacture and repair pressure vessel. Registration No.: JKKP/2023/19/178 Registered Address: Lahat Plant	1 December 2023 – 30 November 2026	1. DOSH shall be notified if there is any change/addition/transfer on existing officers, machinery and premises. DOSH may cancel this registration if PMIT Malaysia fails to notify the above immediately. 2. PMIT Malaysia shall obtain approval from DOSH before any manufacturing or repair work can be carried out. 3. All manufacturing or repair work shall be conducted at the premises as set out in this registration or the premises of the owner of the machinery. 4. PMIT Malaysia shall obtain DOSH's permission before any manufacturing or repair work of the machinery can be carried out on a new premise. 5. This registration shall be renewed with DOSH at least 3 months prior to the expiration date. **Scope of Application** 1. Manufacturing unfired pressure vessel. 2. Manufacturing clutch door 3. Repairing unfired pressure vessel.	Complied

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Licensee / Permit Holder	Issuer / Authority	Nature of Approval / Major Licence / Permits / Certificate	Validity Period	Major Conditions Imposed	Status of Compliance
Certificates of Fitness pursuant to OSHA 1994 for the Group's hoisting machines and unfired pressure vessels located at Lahat Plant						
20.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 35027	17 May 2024 to 13 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied
21.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 35028	17 May 2024 to 13 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied
22.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 72894	17 May 2024 to 13 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied
23.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 35591	17 May 2024 to 13 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied
24.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA A4750	17 May 2024 to 13 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied
25.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 14352	17 May 2024 to 13 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied
26.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 56481	17 May 2024 to 13 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied
27.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 56354	17 May 2024 to 13 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Licensee / Permit Holder	Issuer / Authority	Nature of Approval / Major Licence / Permits / Certificate	Validity Period	Major Conditions Imposed	Status of Compliance
28.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 14351	17 May 2024 to 13 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied
29.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 56353	17 May 2024 to 13 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied
30.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 8839	17 May 2024 to 13 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied
31.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 28865	17 May 2024 to 14 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied
32.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 14350	17 May 2024 to 13 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied
33.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 56355	17 May 2024 to 13 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied
34.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 972	17 May 2024 to 13 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied
35.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 973	17 May 2024 to 13 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Licensee / Permit Holder	Issuer / Authority	Nature of Approval / Major Licence / Permits / Certificate	Validity Period	Major Conditions Imposed	Status of Compliance
36.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 82733	17 May 2024 to 13 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied
37.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 82734	17 May 2024 to 13 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied
38.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 83022	17 May 2024 to 13 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied
39.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 83023	17 May 2024 to 13 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied
40.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 83024	17 May 2024 to 13 August 2025	The machinery must be operated by a competent person registered with DOSH.	Complied
41.	PMIT Malaysia	DOSH	Certificate of Fitness (Unfired Pressure Vessel) pursuant to OSHA 1994 Registration No.: PK PMT 5751	17 May 2024 to 13 August 2025	Nil	N/A
42.	PMIT Malaysia	DOSH	Certificate of Fitness (Unfired Pressure Vessel) pursuant to OSHA 1994 Registration No.: PK PMT 80498	17 May 2024 to 13 August 2025	Nil	N/A
43.	PMIT Malaysia	DOSH	Certificate of Fitness (Unfired Pressure Vessel) pursuant to OSHA 1994 Registration No.: PK PMT 80499	17 May 2024 to 13 August 2025	Nil	N/A

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Licensee / Permit Holder	Issuer / Authority	Nature of Approval / Major Licence / Permits / Certificate	Validity Period	Major Conditions Imposed	Status of Compliance
Certificates of Fitness pursuant to OSHA 1994 for the Group's hoisting machines and unfired pressure vessels located at Jelapang Plant 2						
44.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 3398	6 March 2024 to 28 May 2025 (1)	The machinery must be operated by a competent person registered with DOSH.	Complied
45.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 2392	6 March 2024 to 28 May 2025 (1)	The machinery must be operated by a competent person registered with DOSH.	Complied
46.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 2394	6 March 2024 to 28 May 2025 (1)	The machinery must be operated by a competent person registered with DOSH.	Complied
47.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 2393	6 March 2024 to 28 May 2025 (1)	The machinery must be operated by a competent person registered with DOSH.	Complied
48.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 3427	6 March 2024 to 28 May 2025 (1)	The machinery must be operated by a competent person registered with DOSH.	Complied
49.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 3428	6 March 2024 to 28 May 2025 (1)	The machinery must be operated by a competent person registered with DOSH.	Complied
50.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 3429	6 March 2024 to 28 May 2025 (1)	The machinery must be operated by a competent person registered with DOSH.	Complied
51.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 3399	6 March 2024 to 28 May 2025 (1)	The machinery must be operated by a competent person registered with DOSH.	Complied

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Licensee / Permit Holder	Issuer / Authority	Nature of Approval / Major Licence / Permits / Certificate	Validity Period	Major Conditions Imposed	Status of Compliance
52.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PMA 56323	6 March 2024 to 28 May 2025 (1)	The machinery must be operated by a competent person registered with DOSH.	Complied
53.	PMIT Malaysia	DOSH	Certificate of Fitness (Unfired Pressure Vessel) pursuant to OSHA 1994 Registration No.: JH PMT 83902	6 March 2024 to 28 May 2025 (1)	Nil	N/A
54.	PMIT Malaysia	DOSH	Certificate of Fitness (Unfired Pressure Vessel) pursuant to OSHA 1994 Registration No.: PK PMT 1910	6 March 2024 to 28 May 2025 (1)	Nil	N/A
55.	PMIT Malaysia	DOSH	Certificate of Fitness (Unfired Pressure Vessel) pursuant to OSHA 1994 Registration No.: PK PMT 3633	6 March 2024 to 28 May 2025 (1)	Nil	N/A
56.	PMIT Malaysia	DOSH	Certificate of Fitness (Unfired Pressure Vessel) pursuant to OSHA 1994 Registration No.: PK PMT 4339	6 March 2024 to 28 May 2025 (1)	Nil	N/A

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Licensee / Permit Holder	Issuer / Authority	Nature of Approval / Major Licence / Permits / Certificate	Validity Period	Major Conditions Imposed	Status of Compliance
Certificates of Fitness pursuant to OSHA 1994 for the Group's hoisting machines and unfired pressure vessels located at Jelapang Plant 1						
57.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PMA 56629	6 March 2024 to 28 May 2025 (1)	The machinery must be operated by a competent person registered with DOSH.	Complied
58.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PMA 28864	6 March 2024 to 28 May 2025 (1)	The machinery must be operated by a competent person registered with DOSH.	Complied
59.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 2827	6 March 2024 to 28 May 2025 (1)	The machinery must be operated by a competent person registered with DOSH.	Complied
60.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 2683	6 March 2024 to 28 May 2025 (1)	The machinery must be operated by a competent person registered with DOSH.	Complied
61.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 2682	6 March 2024 to 28 May 2025 (1)	The machinery must be operated by a competent person registered with DOSH.	Complied
62.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 1218	6 March 2024 to 28 May 2025 (1)	The machinery must be operated by a competent person registered with DOSH.	Complied
63.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 1217	6 March 2024 to 28 May 2025 (1)	The machinery must be operated by a competent person registered with DOSH.	Complied
64.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 1216	6 March 2024 to 28 May 2025 (1)	The machinery must be operated by a competent person registered with DOSH.	Complied

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Licensee / Permit Holder	Issuer / Authority	Nature of Approval / Major Licence / Permits / Certificate	Validity Period	Major Conditions Imposed	Status of Compliance
65.	PMIT Malaysia	DOSH	Certificate of Fitness (Hoisting Machine) pursuant to OSHA 1994 Registration No.: PK PMA 1215	6 March 2024 to 28 May 2025 (1)	The machinery must be operated by a competent person registered with DOSH.	Complied
66.	PMIT Malaysia	DOSH	Certificate of Fitness (Unfired Pressure Vessel) pursuant to OSHA 1994 Registration No.: PK PMT 6850	6 March 2024 to 28 May 2025 (1)	Nil	N/A
67.	PMIT Malaysia	DOSH	Certificate of Fitness (Unfired Pressure Vessel) pursuant to OSHA 1994 Registration No.: PK PMT 6849	6 March 2024 to 28 May 2025 (1)	Nil	N/A
68.	PMIT Malaysia	DOSH	Certificate of Fitness (Unfired Pressure Vessel) pursuant to OSHA 1994 Registration No.: PK PMT 3873	6 March 2024 to 28 May 2025 (1)	Nil	N/A
69.	PMIT Malaysia	DOSH	Certificate of Fitness (Unfired Pressure Vessel) pursuant to OSHA 1994 Registration No.: PK PMT 3634	6 March 2024 to 28 May 2025 (1)	Nil	N/A
70.	PMIT Malaysia	DOSH	Certificate of Fitness (Unfired Pressure Vessel) pursuant to OSHA 1994 Registration No.: PK PMT 82415	6 March 2024 to 28 May 2025 (1)	Nil	N/A

Note:

(1) PMIT Malaysia is in the midst of renewing these licences and DOSH has scheduled 12 June 2025 for an on-site inspection of the machineries.

7. BUSINESS OVERVIEW *(Cont'd)*

7.23.2 Singapore

As at the LPD, PMIT Singapore does not have and is not required to have any governmental licence or permit under Singaporean laws for its current business operations in Singapore.

7.23.3 Netherlands

As at the LPD, our Netherlands subsidiaries do not have and are not required to have any governmental licence or permit under Dutch laws for its current business operations in the Netherlands.

7.23.4 USA

No.	Licensee / Permit Holder	Issuer / Authority	Nature of Approval / Major Licence /Permits / Certificate	Validity Period	Major Conditions Imposed	Status of Compliance
1.	PMIT US	Florida Department of State, Division of Corporations	Certificate of Authority in relation to the registration with the Florida Secretary of State to conduct business pursuant to Section 607.1501 of the Florida Business Corporation Act No.: 523A00026612	**Issuance Date** 16 November 2023 **Validity Period** Valid until withdrawn	PMIT US is required to file annual report by 1st of May of each year.	Complied

7. BUSINESS OVERVIEW *(Cont'd)*

7.24 INTELLECTUAL PROPERTY RIGHTS, PATENTS, TRADEMARKS AND REGISTRATIONS

Save as disclosed below, as at the LPD our Group does not have any registered patents, trademarks, copyrights and other intellectual property rights:

Locally Registered Application

No.	Company	Trademark	Class / Description	Authority	Registration No.	Validity Period	Status
1.	PMIT Malaysia (1)	Filtex	Class 7 / Machine and machine tools for use in the textile industry; All included in Class 7	Intellectual Property Corporation of Malaysia ("**MyIPO**")	94001690	Until 7 March 2031	Registered

Note:

(1) Pan-Merchant Industries vide a deed of assignment of trademark ("**DOA**") dated 13 September 2024, has assigned this trademark and its associated business goodwill to PMIT Malaysia. PMIT Malaysia has filed the DOA with MyIPO on 1 October 2024 and the assignment of this trademark to PMIT Malaysia was recorded on 15 January 2025. PMIT Malaysia is the current registered owner of this trademark.

7. BUSINESS OVERVIEW *(Cont'd)*

Other than the trademark applications made in Malaysia set out below, we have not applied for any other intellectual property rights registrations as at the LPD:

Trademark Registration Applications

No.	Company	Trademark	Class / Description	Authority	Application No.	Application Date	Status
1.	PMIT Malaysia	PMI PMI	Class 7 / Filter presses; Filters for machines; Membrane filters for use as parts of machines; Filtering machines; Filtering machines for chemical processing; Filters being parts of machines or engines; Machines and machine tools; Cartridges for filtering machines; Machines for removing waste materials during industrial processes; Mechanical mixing machines; Mixing machines; Centrifugal separators; Agitators; Agitators for chemical processing; Agitators for circulating liquid media; Filtration equipment; Filtration machines; Hermetic filters; Filter presses for chemical processing; Filtering machines, separators and centrifuges.	MyIPO	TM2024 023039	1 August 2024	Pending registration (1)
2.	PMIT Malaysia	PMI PMI	Class 35 / Providing information concerning technical sales of filters presses, testing and maintenance services relating to filtration efficiency and reliability; Business management planning in solid filtration business; Business management services; Business organisation and management consulting services; Business management consultancy relating to production and sale matters; Business management analysis and business consultancy; Business management; Providing business information.	MyIPO	TM2024 023042	1 August 2024	Pending registration (1)

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Company	Trademark	Class / Description	Authority	Application No.	Application Date	Status
3.	PMIT Malaysia		Class 42 / Design and development of engineering products; Consultancy in the field of engineering; Environmental engineering services; Engineering services in the field of environmental technology; Plant engineering services; Technical consultancy in the field of environmental engineering; Technical design; Technical testing and quality control services; Testing of filters; Technical testing services; Technical testing services for machines, apparatus and instruments; Technical design services relating to sanitary apparatus and installations; Technical design services relating to water supply installations; Technical project planning in the field of engineering; Providing expert technical support.	MyIPO	TM2024 023060	1 August 2024	Pending registration (1)

Note:

(1) These trademark applications have been provisionally refused by MyIPO on the grounds that these trademarks are similar to earlier trademarks and are to be registered for goods or services identical with or similar to the earlier trademarks, pursuant to Section 24(2)(b) of the Trademarks Act 2019. On 30 December 2024, PMIT Malaysia has filed hearing applications with MyIPO to appeal against the provisional refusals of these trademarks. As at the LPD, PMIT Malaysia is awaiting the scheduling of a hearing date by MyIPO.

Pan-Merchant Industries, being the holding company of PMIT Malaysia up to December 2024, had started using the "PMI" trademark since 1993 when it applied for registration in the same year. This "PMI" trademark was used by Pan-Merchant Industries up to 1995 and thereafter, Pan-Merchant Industries started to use the "PMI" trademark (as shown in the logo above depicting the blue triangle in the background) and is the first party to use the said trademark in Malaysia. Since its incorporation, PMIT Malaysia has used the said trademark above in all its dealings with the public and its customers for nearly 23 years up to the present date. Pending the formal registration of PMIT Malaysia's trademark, PMIT Malaysia has acquired trademark rights under common law in Malaysia, and is recognised as a common law proprietor of its trademark through the concept of 'first to use' of the trademark in commerce, instead of mere registration or intent to use.

Given that the appeals for the above trademark registration applications are still being processed, if PMIT Malaysia does not succeed in obtaining the approval for the trademark registrations, PMIT Malaysia may continue using its brand name provided that no similar or identical mark had been registered or used by a third party in the Malaysian jurisdiction. However, PMIT Malaysia's rights vis-à-vis their brand name will not be protected under the Trademarks Act 2019 of Malaysia, and PMIT Malaysia may not be able to stop the misuse of PMIT Malaysia's brand name or initiate an action against third parties for infringement of trademark and claim for damages in the territory of Malaysia. Instead, PMIT Malaysia's rights vis-à-vis their brand name would be founded in an action for passing off under the common law.

In the event PMIT Malaysia's appeal against the provisional refusals is rejected on the basis that a similar or identical mark had been registered by a third party in any of the territories mentioned above, PMIT Malaysia's continued use of the trademark may risk infringing the rights of a third party. Nonetheless, the Company's trademark agent is of the view that the chances of a successful registration are more than 50% based on the legal and factual submission, provided that sufficient proof of use is provided to MyIPO:

(a) the legal submission will be rendered in the form of a legal opinion on the right of PMIT Malaysia to register its trademark to justify the difference between the goods and services of PMIT Malaysia and the goods and services of the earlier trademarks, the common law rights of PMIT Malaysia to its trademark and the goodwill established by PMIT Malaysia in relation to its trademark; and

(b) the factual submission involves providing proof and evidence of use of PMIT Malaysia's trademark by Pan Merchant Industries since 1993, and by PMIT Malaysia since 1995, including the use of such trademark in their purchase orders, sales brochures, invoices, receipts, photographs and other documentary records.

Notwithstanding the above, the absence of the trademark registration approval will have no material impact to our Group's business operations or financial results. Our Group's ability to conduct its businesses, maintain its market position and generate revenue is not dependent on this trademark. Furthermore, our Group's brand recognition and customer relationships are well-established and not contingent on this trademark registration, thus ensuring continuity and stability in our Group's operations.

7.25 MATERIAL DEPENDENCY ON COMMERCIAL OR FINANCIAL CONTRACTS/AGREEMENTS/INTELLECTUAL PROPERTY RIGHTS/LICENCES OR PERMITS/ PRODUCTION OR BUSINESS PROCESSES

Save for the major licences in Section 7.23 of this Prospectus and the trademarks in Section 7.24 of this Prospectus, our Group's business and profitability are not materially dependent on any contracts, intellectual property rights, licences and permits, and production or business processes as at the LPD.

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7. BUSINESS OVERVIEW *(Cont'd)*

7.26 PROPERTIES, PLANT AND EQUIPMENT

7.26.1 Properties owned

A summary of the material land and buildings owned by our Group in Malaysia for our operations as at LPD is as follows:

No.	Registered/ Beneficial Owner	Title details/Property address	Description and Existing Use	Category of land use/ Express conditions/ Tenure of property	Restrictions in interest/ Existing encumbrances	Date of CCC or CFO	Land/Gross built-up area (Approximate)	NBV as at 31 December 2024 (RM'000)
1.	PMIT Malaysia	**Headquarters** Title details: HS(D) 102262 PT16076, Mukim Damansara Daerah Petaling, Negeri Selangor Darul Ehsan Property address: 17, Jalan Pengacara U1/48, Temasya Industrial Park, 40150 Shah Alam, Selangor	Description: 2½-storey semi-detached factory Existing use: Headquarters, manufacturing facility, warehouse and storage facility	Category of land use: Industrial Express conditions: Industrial use. Tenure of property: Freehold	Restrictions in interest: Nil Existing encumbrances: Charged in favour of United Overseas Bank (Malaysia) Berhad	28 February 2000 (1)	Land area: 892 sq. m. / 9,601 sq. ft. Gross built-up area: 714.50 sq. m. / 7,691 sq. ft.	6,367

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Registered/ Beneficial Owner	Title details/Property address	Description and Existing Use	Category of land use/ Express conditions/ Tenure of property	Restrictions in interest/ Existing encumbrances	Date of CCC or CFO	Land/Gross built-up area (Approximate)	NBV as at 31 December 2024 (RM'000)
2.	PMIT Malaysia	**Headquarters** Title details: HS(D) 102263 PT16077, Mukim Damansara Daerah Petaling, Negeri Selangor Darul Ehsan Property address: 19, Jalan Pengacara U1/48, Temasya Industrial Park, 40150 Shah Alam, Selangor	Description: 2½-storey semi-detached factory Existing use: Head office and manufacturing facility, warehouse and storage facility	Category of land use: Industrial Express conditions: Industrial use. Tenure of property: Freehold	Restrictions in interest: Nil Existing encumbrances: Charged in favour of United Overseas Bank (Malaysia) Berhad	28 February 2000 (1)	Land area: 892 sq. m. / 9,601 sq. ft. Gross built-up area: 714.50 sq. m. / 7,691 sq. ft.	6,367
3.	PMIT Malaysia	**Jelapang Plant 1** Title details: PN 59890, Lot 120056, Mukim Hulu Kinta, Daerah Kinta Negeri Perak Darul Ridzuan Property address: No. 3, Hala Jati 10, Taman Meru Industrial Estate, 30020 Jelapang, Ipoh, Perak	Description: An industrial premise comprising a single-storey detached factory annexed with a double-storey office building, single-storey detached factory and other ancillary buildings Existing use: Manufacturing facility	Category of land use: Industrial Express conditions: Industrial use Tenure of property: Leasehold of 60 years, expiring on 6 September 2043	Restrictions in interest: This land shall not be transferred, sub-leased or encumbered without the consent of the Perak Chief Minister. Existing encumbrances: Charged in favour of United Overseas Bank (Malaysia) Berhad	1 February 2023	Land area: 6,367 sq. m. / 68,534 sq. ft. Gross built-up area: 4,265 sq. m. / 45,908 sq. ft.	2,848

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Registered/ Beneficial Owner	Title details/Property address	Description and Existing Use	Category of land use/ Express conditions/ Tenure of property	Restrictions in interest/ Existing encumbrances	Date of CCC or CFO	Land/Gross built-up area (Approximate)	NBV as at 31 December 2024 (RM'000)
4.	PMIT Malaysia	**Jelapang Plant 2** Title details: PN 115323, Lot 198618, Mukim Hulu Kinta, Daerah Kinta Negeri Perak Darul Ridzuan Property address: Lot 2, Kawasan Perindustrian Taman Meru 3B, Jalan Jelapang, 30020 Jelapang, Ipoh Perak	Description: An industrial premise comprising a single-storey warehouse, a double-storey office building, and other ancillary buildings Existing use: Manufacturing facility	Category of land use: Industrial Express conditions: Industrial use. Tenure of property: Leasehold of 99 years, expiring on 29 October 2091	Restrictions in interest: This land shall not be transferred or leased unless with the consent of the Perak Chief Minister. The land cannot be subdivided pursuant to Section 135 of the National Land Code without the consent of the Perak Chief Minister. Existing encumbrances: Charged in favour of OCBC Bank (Malaysia) Berhad	28 May 1996, 13 September 2024 (2)	Land area: 5,666 sq. m. / 60,988 sq. ft. Gross built-up area: 3,184 sq. m. / 34,272 sq. ft.	5,419

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Registered/ Beneficial Owner	Title details/Property address	Description and Existing Use	Category of land use/ Express conditions/ Tenure of property	Restrictions in interest/ Existing encumbrances	Date of CCC or CFO	Land/Gross built-up area (Approximate)	NBV as at 31 December 2024 (RM'000)
5.	PMIT Malaysia	**Lahat Plant** Title details: H.S.(D) 199747, PT 232222, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak Property address: Lot 11004, 4 ¾ Miles, Jalan Lahat, 31500 Lahat, Perak	Description: An industrial premise comprising a single-storey detached factory annexed with a double-storey office, a single-storey warehouse, a two and half storey office building and other ancillary buildings Existing use: Manufacturing facility	Category of land use: Industrial Express conditions: Heavy industrial use Tenure of property: Leasehold of 60 years, expiring on 29 November 2053	Restrictions in interest: Nil Existing encumbrances: Charged in favour of OCBC Bank (Malaysia) Berhad	13 June 2014, 11 July 2024, 26 December 2024 (3)	Land area: 27,755 sq. m. / 298,752 sq. ft. Gross built-up area: 13,060 sq. m. / 140,576 sq. ft.	15,465

7. BUSINESS OVERVIEW *(Cont'd)*

Notes:

(1) Our Group's Headquarters comprise 2 semi-detached factories and possess the CFOs for each individual factory from when it was first bought. Subsequently, our Group had constructed a temporary partition, an awning (open shed) and a temporary guardhouse, and removed a party wall ("**Amended Structures**").

As part of PMIT Malaysia's regularisation exercise, PMIT Malaysia had on 10 July 2024 obtained a temporary building permit from MBSA ("**TBP**") based on the latest building plan for the 2 semi-detached factories (which includes the Amended Structures) as approved by MBSA. The TBP is valid from 7 July 2024 to 3 July 2025 and is renewable annually. For clarity, the TBP applies to the Amended Structures which are constructed across both the semi-detached factories located at the Headquarters. However, if the TBP is unable to be renewed for whatever reason, we will tear down the temporary partition, awning (open shed) and temporary guardhouse, and rebuild the party wall. Alternatively, we can also consider moving our Headquarters to another location should rectifying the Amended Structures affect the flow of our operations. Nonetheless, the relocation of our Headquarters will not have any material impact on our Company's business operations or financials, as the Headquarters function primarily as an office, administration and product development centre, and does not involve any manufacturing activities. There will be no disruption to our production, supply chain and operational processes.

(2) The CCC dated 28 May 1996 was obtained when we set up Jelapang Plant 2 whereas the CCC dated 13 September 2024 was obtained for additional warehouses erected in 2008 and 2011. Please refer to Section 7.27.5(i) of this Prospectus for further details.

(3) The CCC obtained for the Lahat Plant dated 13 June 2014 was pursuant to the as-built building plans for the factory after having acquired it at the time whereas the CCC dated 11 July 2024 was obtained for the amendments and extensions made to the factory. On 26 December 2024, we have also obtained the CCC for the single storey warehouse and the QC office which was converted into a permanent structure for the Lahat Plant. Please refer to Section 7.27.5(ii)(b) of this Prospectus for further details.

As at the LPD, our Group does not own any material lands and buildings for our operations in Singapore, the Netherlands and the USA.

Please refer to Section 7.27.5 of this Prospectus for details on outstanding and past non-compliances relating to our properties.

7. BUSINESS OVERVIEW *(Cont'd)*

7.26.2 Material properties rented by our Group for our business operations

As at the LPD, the material properties rented by our Group for our business operations are as set out below:

No.	Landlord	Tenant	Property Address	Description / Existing Use	Gross built-up area	Tenure	Date of CCC or CFO	Rental per month
1.	Loo Yew Fong	PMIT Malaysia	No. 824, Jalan Merah 1/4F, Kampung Baru Bukit Merah, 31500 Lahat, Perak	Workers' accommodation(1)	396 sq. m. / 4,263 sq. ft.	16 May 2024 to 15 May 2026	24 July 2024	RM750
2.	Low Kim Hoong	PMIT Malaysia	No. 685, Jalan Merah 1/2F, Kampung Baru Bukit Merah 31500 Lahat, Perak	Workers' accommodation(1)	377 sq. m. / 4,058 sq. ft.	16 May 2025 to 15 May 2026	24 July 2024	RM1,800
3.	Ng Sam Mooi	PMIT Malaysia	No. 686, Jalan Merah 1/2F, Kampung Baru Bukit Merah 31500 Lahat, Perak	Workers' accommodation(1)	371 sq. m. / 3,993 sq. ft.	16 August 2024 to 15 August 2026	16 August 2022	RM1,200
4.	CLQ Silvervalley Sdn Bhd	PMIT Malaysia	Blok A, Asrama 1 Tingkat, Lot 196934, Kawasan Perkilangan Jelapang, 30020 Ipoh, Perak	Workers' accommodation(1)	410.48 sq. m / 4,413 sq. ft.	1 August 2024 – 31 July 2025	10 September 1996	RM16,250 (in aggregate for various workers)
5.	Justco (Singapore) Pte. Ltd.	PMIT Singapore	1 One-North Crescent, Level 7, Singapore 138538	2 workstations	80 sq. ft.	1 July 2024 to 30 June 2025	7 October 2024	RM3,685 (SGD1,050)
6.	Public Utilities Board	PMIT Singapore	40 Scotts Road #22-01 Environment Building Singapore 228231	1 hot-desk	-	18 November 2024 to 17 November 2025	14 May 2018, 11 October 2018	RM552.78 (SGD157.50)
7.	Vimabo Metal Industry BV	PMIT Europe NL	Helmkamp 48, 7091 HR Dinxperlo, Netherlands	Office and warehouse	600 sq. m. / 6,458 sq. ft.	1 March 2024 to 28 February 2029	N/A(2)	RM13,020.13 (EUR2,634)
8.	Suenos Turkey Creek, LLC	PMIT US	1802 Turkey Creek Rd Unit A-1 Plant City, FL 33566	Office and warehouse	446 sq. m. / 4,800 sq. ft.	1 December 2023 to 30 November 2028	5 January 1981	RM28,335.30 (USD $6,203)

7. BUSINESS OVERVIEW *(Cont'd)*

Notes:

(1) As at the LPD, the premises above rented by us for use as workers' accommodation are with valid certificates of accommodation required under the Employees Minimum Standards of Housing and Amenities Act 1990. The number of workers housed in the properties under items 1 to 4 above are as follows:

No.	Address	No. of workers
1.	No. 824, Jalan Merah 1/4F, Kampung Baru Bukit Merah, 31500 Lahat, Perak	8
2.	No. 685, Jalan Merah 1/2F, Kampung Baru Bukit Merah 31500 Lahat, Perak	19
3.	No. 686, Jalan Merah 1/2F, Kampung Baru Bukit Merah 31500 Lahat, Perak	14
4.	Blok A, Asrama 1 Tingkat, Lot 196934, Kawasan Perkilangan Jelapang, 30020 Ipoh, Perak	65

(2) There is no mandatory requirement under Dutch laws for a property to be issued with a CCC or CFO.

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7. BUSINESS OVERVIEW *(Cont'd)*

7.27 GOVERNING LAWS AND REGULATIONS

A summary of the relevant laws and regulations governing the business of our Group, which do not purport to be an exhaustive description of all laws and regulations which our businesses are subject to, are set out below:

7.27.1 Malaysia

(a) Industrial Co-ordination Act 1975

The Industrial Co-ordination Act 1975 (**"ICA 1975"**) governs the co-ordination and development of manufacturing activities in Malaysia.

Pursuant to Section 3(1) of the ICA 1975, no person shall engage in any manufacturing activity unless he is issued a licence in respect of such manufacturing activity. Failure to observe and adhere to the licensing requirements under the ICA 1975 will constitute an offence which is punishable on conviction by a fine not exceeding RM2,000 or to a term of imprisonment not exceeding six (6) months and to a further fine not exceeding RM1,000 per day during which the non-compliance continues.

"Manufacturing activity" is defined under the ICA 1975 as the "making, altering, blending, ornamenting, finishing or otherwise treating or adapting any articles or substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade".

Manufacturing companies with shareholders' funds of RM2.5 million and above or engaging 75 or more full-time paid employees are required to apply to the MITI for a manufacturing licence.

Pursuant to Section 6(1) of the ICA 1975, where a licensed manufacturer has not complied with any condition imposed in the licence, the licensing officer may at his discretion revoke the licence.

As at the LPD, our subsidiary, PMIT Malaysia, holds valid manufacturing licences issued by MITI for our Headquarters, Jelapang Plant 1, Jelapang Plant 2 and Lahat Plant. Please refer to Section 7.23.1 of this Prospectus for further details of PMIT Malaysia's manufacturing licences, major conditions imposed therein and the status of our compliance.

(b) Construction Industry Development Board Act 1994

The Construction Industry Development Board Act 1994 ("**CIDB Act 1994**") governs the establishment of CIDB and to provide for its function relating to the construction industry and all matters in connection therewith.

Section 25 of the CIDB Act 1994 stipulates that no person shall carry out or complete, undertake to carry out or complete any construction work or hold himself out as a contractor, unless he is registered with CIDB and holds a valid certificate of registration issued by CIDB under the CIDB Act 1994. Pursuant to the Registration of Contractors (Construction Industry) Regulations 1995, every registered contractor shall be capable of carrying out construction works according to the grade of registration specified in the certificate of registration and the grade of registration determines the value of construction works which a registered contractor is capable of carrying out.

Any person who fails to comply with Section 25 of the CIDB Act 1994 shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM10,000 but not more than RM100,000.

7. BUSINESS OVERVIEW *(Cont'd)*

As at LPD, our subsidiary, PMIT Malaysia, holds a valid Certificate of Registration of Contractor for Grade G7 issued by CIDB. Please refer to Section 7.23.1 of this Prospectus for further details of PMIT Malaysia's certificate of registration, major conditions imposed therein and the status of our compliance.

(c) Water Services Industry Act 2006

The Water Services Industry Act 2006 ("**WSIA 2006**") and the Water Services Industry (Registration of Supplier) Rules 2023 issued under the WSIA 2006 stipulates that no person shall supply an installation, a device or an equipment relating to water supply system unless the person has been registered as a supplier with SPAN. Failure to register with SPAN, upon conviction, may result in a fine up to RM100,000 or imprisonment up to 1 year, or both.

Additionally, the supply of an installation, a device or an equipment relating to water supply system must meet the standard or specifications as outlined in the WSIA 2006. Failure to comply with these standards or specifications may result in a fine up to RM50,000 or imprisonment for up to 6 months, or both.

As at the LPD, our filter press meets the standard recognised by SPAN and our subsidiary, PMIT Malaysia, is a supplier registered with SPAN. Please refer to Section 7.23.1 of this Prospectus for further details of PMIT Malaysia's supplier registration certificate, major conditions imposed therein and the status of our compliance.

(d) Street, Drainage and Building Act 1974, Uniform Building By-Laws 1984, Selangor Uniform Building Bylaws 1986, Perak Uniform Building Bylaws 1988, Town and Country Planning Act 1976 and Fire Services Act 1988

In the course of our business operations, we are required to ensure that the properties owned or rented by our Group for our business operations comply with the Street, Drainage and Building Act 1974 ("**SDBA**"), the Uniform Building By-Laws 1984 ("**UBBL**"), the Selangor Uniform Building Bylaws 1986, the Perak Uniform Building Bylaws 1988 as well as the Town and Country Planning Act 1976 ("**Town and Country Planning Act**") and the relevant by-laws issued pursuant thereto which regulate, among others, the occupation of buildings and uniformity of local government matters relating to street, drainage and buildings. The UBBL is a subsidiary legislation made under the SDBA. The Town and Country Planning Act governs the proper control and regulation of town and country planning in Peninsular Malaysia and regulates, among others, modifications to planning permissions and building plan approvals issued by local authorities.

Pursuant to the SDBA, prior written permission of the local authority is required, among others, for any partition, compartment, loft, roof, ceiling or other structures built in a building, any deviation from any plans or specifications approved by the local authorities, or any alteration to a building otherwise than allowed by the local authority or by-laws made under the SDBA. Failure to obtain the local authorities' prior written permission for the above may subject the person in breach to fines or imprisonment or both, if convicted. Depending on the applicable provisions of the SDBA in breach, the maximum fines may range from RM25,000 to RM50,000 and additional daily fines for continuing offences after conviction, and the maximum imprisonment term may be up to 3 years. The SDBA also stipulates that any person who occupies a building or any part of a building without a CCC may be subject to a fine of RM250,000 and/or imprisonment for up to 10 years, if convicted.

Please refer to Section 7.26 of this Prospectus for further details of the material properties which we own or rent for our business operations and the status of our compliance with the above regulations.

7. BUSINESS OVERVIEW *(Cont'd)*

(e) Environmental Quality Act 1974

Due to the nature of our Group's assembly and manufacturing activities, we are required to comply with the Environmental Quality Act 1974 ("**EQA 1974**") and the Environmental Quality (Scheduled Wastes) Regulation 2005 among others in particular to the disposal of scheduled waste in Malaysia. The EQA 1974 also empowers the Department of Environment ("**DOE**") to issue regulations, such as the Environmental Quality (Scheduled Wastes) Regulations 2005 ("**Scheduled Waste Regulations**"), specifying acceptable conditions for the emission, discharge or deposit of environmentally hazardous substances, pollutants or wastes or the emission of noise into the environment.

It is an offence under the EQA 1974 to dispose scheduled wastes on land or into Malaysian waters unless with the approval of the DOE. A breach of this provision would subject the offender to a fine of not more than RM500,000 or imprisonment of not more than 5 years or both. Among others, the EQA 1974 and the Scheduled Waste Regulations also requires that only licensed holders are allowed to transport and/or dispose of scheduled wastes.

In the course of our operations, we generate scheduled wastes such as blasting sand mix, empty paint cans, contaminated cloths, and expired paints. As at the LPD, our Group's disposal of scheduled wastes is carried out by a licensed service provider. For the Financial Years Under Review and up to the LPD, our Group has not been issued with any penalties by the DOE pursuant to the EQA1974 and any regulations issued under the EQA 1974 in relation to the disposal of our scheduled wastes which has resulted in a material adverse impact on our business.

(f) Occupational Safety and Health Act 1994

The Occupational Safety and Health Act 1994 ("**OSHA 1994**") regulates among others, the safety, health and welfare of persons at work, protecting others against the risks to safety or health in connection with the activities of persons at work in the manufacturing industry. The OSHA 1994 imposes an obligation on employers in the manufacturing industry to take proper steps to ensure the health, safety and welfare of persons at work, the protection of others against the risks to safety or health related to the activities of persons at work.

The OSHA 1994 provides that it is the duty of every employer to ensure the safety, health and welfare at work of all his employees, so far as is practicable, in particular:

(i) the provision and maintenance of plant and systems of work that are safe and without risks to health;

(ii) the making of arrangements for ensuring safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;

(iii) the provision of such information, instruction training and supervision as is necessary to ensure the safety and health at work of his employees;

(iv) as regards any place of work under the control of the employer, the maintenance of it in a condition that is safe and without risks to health and the provision and maintenance of the means of access to and egress from it that are safe and without such risks; and

(v) the provision and maintenance of a working environment for his employees that is safe, without risks to health, and adequate as regards facilities for their welfare at work.

Non-compliance of the above will result in an offence and on conviction would constitute to a fine not exceeding RM500,000 and/or to imprisonment for a term not exceeding 2 years.

If an activity is undertaken at the workplace that may likely cause serious risk to the health of any person or create an immediate danger to life or property, the DOSH officer may issue an improvement notice or prohibition notice for any non-compliance of the OSHA 1994. Non-compliance with such notice without reasonable excuse will result in an offence and on conviction, the employer is liable to a fine not exceeding RM500,000 and/or imprisonment for a term not exceeding 2 years and a further fine of RM2,000 for each day during which the offence continues.

For the Financial Years Under Review and up to the LPD, our Group has not been issued with any penalties pursuant to the OSHA 1994 save as disclosed in Section 7.27.5(ii)(d) of this Prospectus.

(g) Occupational Safety and Health Act 1994 (in relation to certificate of fitness for machineries)

The Factories and Machineries (Repeal) Act 2022 which came into effect on 1 June 2024 has repealed the Factories and Machinery Act 1967 and its subsidiary legislations pursuant to the Occupational Safety and Health (Amendment) Act 2022 ("**Amendment**"). Due to the Amendment, the requirements governing the issuance of the certificate of fitness for applicable machineries had been subsumed into the OSHA 1994. Consequently, the OSHA 1994 read together with the Occupational Safety and Health (Plant Requiring Certificate of Fitness) Regulations 2024 presently governs the issuance of the certificate of fitness for applicable machineries. We are required among others to ensure that the machinery used in our Group's operations has undergone the necessary inspection upon installation, registered and possesses the relevant certificate of fitness.

Breaches and offences of the OSHA 1994 (relating to the certificate of fitness for machineries) may amount to penalties imposed on our Group. Taking into account of its severity and type of offences, the penalties imposed may be a fine of up to RM500,000 and/or imprisonment for a term not exceeding 2 years or both.

As at the LPD, our Group has obtained valid certificates of fitness for the applicable machineries. Please refer to Section 7.23.1 for further details of the certificates of fitness we have obtained for our machineries pursuant to the Factories and Machinery Act 1967.

(h) Occupational Safety and Health Act 1994 (in relation to manufacture / repair of steam boiler and pressure vessel)

Due to the Amendment, the requirement to register with DOSH as a competent person to manufacture or repair any plant had been subsumed into the OSHA 1994. Under the OSHA 1994, a "plant" is defined as any machinery, equipment and appliances.

Therefore, we are required to register with DOSH as a competent person under the OSHA 1994 to manufacture or repair steam boilers and pressure vessels. Failure to do so constitutes an offence which upon conviction, may result in a fine up to RM100,000.

As at the LPD, our subsidiary, PMIT Malaysia, is registered with DOSH as a competent person to manufacture and/or repair steam boilers and pressure vessels. Please refer to Section 7.23.1 of this Prospectus for further details of PMIT Malaysia's certificate of registration, major conditions imposed therein and the status of our compliance.

(i) Employees Minimum Standards of Housing and Amenities Act 1990

The Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("**EMSHA 1990**") and the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020 issued under the EMSHA 1990 imposes, among other things, the minimum standards on accommodation for employees and the requirement for employers to obtain a COA from the Department of Labour Peninsular Malaysia for each accommodation premise.

To obtain the COA, the employer is required to ensure that every accommodation provided for employees complies with the minimum standards which includes, among others, the minimum space requirement for workers' accommodation, basic facilities, as well as safety and hygiene standards required under the EMSHA 1990 or any regulations made thereunder. Pursuant to the EMSHA 1990, failure to obtain such certification may constitute to a fine not exceeding RM50,000 with respect to each employees' accommodation without a COA.

As at the LPD, all workers' accommodation provided to our staff have been issued with valid COAs. Please refer to Section 7.26.2 of this Prospectus for further details on the COAs issued in relation to our staff accommodations.

(j) Local Government Act 1976

Pursuant to Section 102 of the Local Government Act 1976 ("**LGA 1976**"), local authorities are empowered to make, amend and revoke bylaws. Presently, as our Group's business activities are carried out at the manufacturing facilities in Shah Alam, Selangor, as well as Ipoh, Perak, we come under the jurisdiction of MBSA and Majlis Bandaraya Ipoh ("**MBI**") respectively and the relevant bylaws governing the conduct of our Group's business activities would be the Licensing of Trades, Businesses and Industries (Shah Alam City Council) By-Laws 2007 ("**MBSA By-Laws 2007**") and the Licensing of Trades, Businesses and Industries (Ipoh City Council) By-Laws 2017 (**"MBI By-Laws 2017**).

The MBSA By-Laws 2007 and MBI By-Laws 2017 provides that no person shall operate any activity of trade, business and industry or use any place or premise in the local area of MBSA and MBI for any activity of trade, business and industry without a licence issued by the respective local council. A contravention of the MBSA By-Laws 2007 and the MBI By-Laws 2017 would constitute to an offence and shall, on conviction, be liable to a fine not exceeding RM2,000 and/or to imprisonment for a term not exceeding 1 year and to a further fine not exceeding RM200 for each day during which such offence is continued after conviction.

As at the LPD, PMIT Malaysia has valid business and industrial licences issued by MBSA, and MBI respectively, further details of which are set out in Section 7.23.1 (Items 5, 8, 10 and 11) of this Prospectus.

7.27.2 Singapore

As at the LPD, our Group's business operations in Singapore are not subject to any specific legislation, regulatory controls or environmental issues other than those generally applicable to companies and businesses operating in Singapore. As at the LPD, there are no breaches of laws, regulations, rules or requirements governing the conduct of our business in Singapore and environmental issues which may materially affect our business or operations in Singapore.

7. BUSINESS OVERVIEW *(Cont'd)*

7.27.3 Netherlands

As at the LPD, our Group's business operations in the Netherlands are not subject to any specific legislation, regulatory controls or environmental issues other than those generally applicable to companies and businesses operating in the Netherlands. The manufacturing of filter leaves by PMIT Europe NL does not require any governmental permits or licences either. As at the LPD, there are no breaches of laws, regulations, rules or requirements governing the conduct of our business in the Netherlands and environmental issues which may materially affect our business or operations in the Netherlands.

7.27.4 USA

(a) Florida Business Corporation Act ("FBCA")

Under Section 607.1501, foreign entities (any entity not formed in the state of Florida) that transact business in Florida must file a Certificate of Authority with the Department of State to qualify to do business in the state. The Certificate of Authority was issued to PMIT US pursuant to Section 607.1501 of the FBCA. While there is no specific statute in the state of Florida which defines what "transacting business" means, activities such as having employees and leasing property in Florida are usually considered "transacting business" because they create a physical presence in the state, thereby necessitating registration to obtain the Certificate of Authority in Florida.

Furthermore, under Section 607.1502 of the FBCA, PMIT US could be subject to penalties in relation to not having or maintaining the Certificate of Authority while it has employees or leased property in the state of Florida. Such penalties include (i) PMIT US being unable to prosecute or maintain an action or proceeding in Florida until it has obtained a Certificate of Authority and (ii) being subject to a civil penalty of not less than USD500 but not more than USD1,000 for each year or part thereof during which it transacts business in this state without a certificate of authority. PMIT US may also be responsible for any fees and penalties it should have paid if it had registered properly. Notwithstanding the foregoing, a shareholder, officer, or director of PMIT US cannot be held liable for the debts, obligations, or other liabilities of PMIT US solely because PMIT US transacted business in Florida without a Certificate of Authority.

As at the LPD, PMIT US has a valid Certificate of Authority issued by the Florida Department of State, further details of which are set out in Section 7.23.4 of this Prospectus.

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7. BUSINESS OVERVIEW *(Cont'd)*

7.27.5 Non-compliances

As at the LPD, save as disclosed below, there are no other breaches of laws, regulations, rules or requirements governing the conduct of our business and environmental issues which may materially affect our Group's business or operations and usage of properties owned by our Group.

(i) Licences

As at the LPD, the following properties of our Group do not comply with the LGA 1976 as set out in Section 7.27.1(j) of this Prospectus:

Company	Nature of non-compliance	Status as at the LPD	Estimated time for rectification	Rectification cost	Potential maximum penalty	Impact to business operations or financial condition
PMIT Malaysia	Jelapang Plant 2 and Lahat Plant do not have billboard licences for their signage/advertisement within their premises.	Prior to our Company's application to MBI for the billboard licences, we are required to apply to Dewan Bahasa dan Pustaka ("**DBP**") to seek their approval for the proposed language of our signage. We had submitted our applications to DBP on 17 January 2025 and we have obtained DBP's approval on 6 February 2025 and 7 February 2025 for the Jelapang Plant 2 and Lahat Plant, respectively. We have thereafter proceeded and submitted applications to MBI for the billboard licences on 8 February 2025 and 16 February 2025 for Jelapang Plant 2 and Lahat Plant, respectively. We expect to obtain these billboard licences from MBI within 2nd quarter of 2025.	The Company endeavours to obtain the billboard licences within the 2nd quarter of 2025. Subsequent to the LPD, the Company had obtained the billboard licence for Jelapang Plant 2 on 4 June 2025.	Up to RM5,000	A fine of RM2,000 or to imprisonment for a term not exceeding 1 year or to both and in the case of a continuing offence to a fine not exceeding RM200 for each day during which such offence is continued after conviction.	No material impact to our Group's business operations and financial condition as (i) the signage/advertisement for Lahat Plant is not necessary for our manufacturing activities and we can operate without the signage/advertisement; and (ii) the Company has obtained the billboard licence for Jelapang Plant 2.

The abovementioned non-compliance had occurred due to our Company's oversight. We have taken steps to ensure the rectification of the above non-compliance and have put in place robust control measures to prevent risk of oversight from re-occurring. To this end, we developed a centralised monitoring mechanism to track and monitor the availability and validity of operation licences and certificates required.

We have appointed our Chief Financial Officer to oversee and monitor the renewal of all relevant licences required for our Group's operations to prevent such non-compliances from occurring in the future.

We will provide updates on this matter to our shareholders through disclosures in our quarterly financial report after our Listing.

7. BUSINESS OVERVIEW *(Cont'd)*

(ii) Past non-compliances

During the Financial Years Under Review, our Group had certain non-compliance incidents relating to property-related matters, tax and transfer pricing matters, licences, frameworks and policies, health, safety and environmental rules and regulations which had occurred due to our Company's oversight. These non-compliances have already been rectified prior to the LPD. Further details on such non-compliance incidents are as follows:

(a) Licences

Save as disclosed below and as at the LPD, our Group has not been fined or issued with any notice of non-compliance from the relevant authorities in relation to the below non-compliance relating to the LGA 1976 as set out in Section 7.27.1(j) of this Prospectus:

Company	Nature of non-compliance	Status as at the LPD	Estimated time for rectification	Rectification cost	Potential maximum penalty	Impact to business operations or financial condition
PMIT Malaysia	No industrial licence was issued to PMIT Malaysia by MBSA for the Headquarters(1).	PMIT Malaysia has obtained the industrial licence for the Headquarters on 8 October 2024.	-	-	A fine of RM2,000 or to imprisonment for a term not exceeding 1 year or to both and in the case of a continuing offence to a fine not exceeding RM200 for each day during which such offence is continued after conviction. The above penalty applies if PMIT Malaysia is convicted of an offence. As at the LPD, PMIT Malaysia has obtained the industrial licence without any penalty.	No material impact to our Group's business operations and financial condition as PMIT Malaysia has obtained the industrial licence for the Headquarters on 8 October 2024.

Note:

(1) Pan-Merchant Industries was previously holding the industrial licence for the operations of our Group. The then subsisting licence, which is renewed annually, was valid from 1 January 2024 to 31 December 2024.

Pan-Merchant Industries was a former holding company of PMIT Malaysia whereby on 9 December 2023, Pan-Merchant Industries disposed of PMIT Malaysia as part of the internal reorganisation by our Promoters as a prelude to our Listing.

7. BUSINESS OVERVIEW *(Cont'd)*

Prior to the above, Pan-Merchant Industries had also transferred its filtration solutions business to PMIT Malaysia which was completed in 2013. PMIT Malaysia had not obtained local council industrial licence for its business and industrial activities since then due to an oversight by the personnel-in-charge who was under the impression that the subsisting industrial licence of Pan-Merchant Industries encompassed PMIT Malaysia's activities as well in view that PMIT Malaysia was the wholly-owned subsidiary of Pan-Merchant Industries at the time. PMIT Malaysia had engaged MBSA on the matters and on 20 August 2024 had submitted an application to MBSA for the reissuance of an industrial licence. The industrial licence was subsequently issued by MBSA to PMIT Malaysia on 8 October 2024 and is valid from 8 October 2024 to 14 September 2025. Please see Section 7.23.1 (Item 5) of this Prospectus for further details of the industrial licence.

We have appointed our Chief Financial Officer to oversee and monitor the renewal of all relevant licences required for our Group's operations to prevent such non-compliances from occurring in the future.

(b) Property-related matters

Save as disclosed below and as at the LPD, our Group has not been fined or issued with any notice of non-compliances from the MBI and Jabatan Tenaga Kerja Semenanjung Malaysia in relation to the below non-compliances relating to the SDBA, UBBL, and EMSHA 1990 as set out in Sections 7.27.1(d) and (i) respectively of this Prospectus:

Company	Nature of non-compliance	Status as at the date of the LPD	Estimated time for rectification	Rectification cost	Potential maximum penalty	Impact to business operations or financial condition
PMIT Malaysia	Our Group's Headquarters comprise 2 semi-detached factories and possess the CFOs for each individual factory from when it was first bought. Subsequently, our Group had constructed a temporary partition, an awning (open shed) and a temporary guardhouse, and removed a party wall ("**Amended Structures**").	PMIT Malaysia had on 10 July 2024 obtained a temporary building permit from MBSA ("**TBP**") based on the latest building plan for the 2 semi-detached factories (which includes the Amended Structures) as approved by MBSA. The TBP is valid from 7 July 2024 to 3 July 2025 and is renewable annually. For clarity, the TBP applies to the Amended Structures which are constructed across both the semi-detached factories located at our Headquarters.	Not applicable as our Group has obtained a TBP in lieu of a CCC for the Amended Structures.	-	Not applicable as our Group has already obtained the TBP for the Amended Structures.	No material impact to our Group's business operations and financial condition as PMIT Malaysia has already obtained the TBP for the Amended Structures. However, if the TBP is unable to be renewed for whatever reason, we will tear down the temporary partition, awning (open shed) and temporary guardhouse, and rebuild the party wall.

7. BUSINESS OVERVIEW *(Cont'd)*

Company	Nature of non-compliance	Status as at the date of the LPD	Estimated time for rectification	Rectification cost	Potential maximum penalty	Impact to business operations or financial condition
	These Amended Structures do not comply with the existing CFOs.					Alternatively, we can also consider moving our Headquarters to another location should rectifying the Amended Structures affect the flow of our operations.
PMIT Malaysia	Jelapang Plant 1 has 2 single storey detached factories. Both factories have been added with Lean-to-Sheds which are within the setback areas and may not be in compliance with the *Garis Panduan Rancangan Tempatan Ipoh 2020*.	The Lean-to-Sheds are utilised for light manufacturing work and as protection from rain. PMIT Malaysia had on 30 April 2024 applied to the MBI for approval for amendments and additions built on Jelapang Plant 1 based on the latest 'as-built' plans which included the Lean-to-Sheds ("**Amendments and Additions Application**"). MBI had approved the Amendments and Additions Application on 13 June 2024 and as such, the Lean-to-Sheds are deemed approved. In approving the Amendments and Additions Application, MBI had issued a penalty for the Lean-to-Sheds and that additional assessment tax will be payable on the Lean-to-Sheds. Such additional tax will be reflected in their next assessment tax due in the 1st half of 2025.	Not applicable	Penalty imposed by MBI was RM1,860	10 times of the plan fee, estimated to be RM20,000	No material impact to our Group's business operations and financial condition as MBI has approved the Lean-to-Sheds under its approval for the Amendments and Additions Application.

7. BUSINESS OVERVIEW *(Cont'd)*

Company	Nature of non-compliance	Status as at the date of the LPD	Estimated time for rectification	Rectification cost	Potential maximum penalty	Impact to business operations or financial condition
PMIT Malaysia	Jelapang Plant 2 has the following structures: • The warehouse built in 1996 ("**Warehouse A**") has the approved building plans and a CFO; • The warehouse built in 2008 ("**Warehouse B**") has the approved building plans, but does not have a CFO; The warehouse built in 2011 ("**Warehouse C**") has approved plans from the Fire and Rescue Department of Malaysia ("**FRDM**") but has no approved building plans from MBI and does not have a CFO; and	In 2011, our Company had submitted the building plans for Jelapang Plant 2 to the FRDM and MBI for approval. We obtained the approval from FRDM, but we could not locate the building plans application submitted to MBI in our files. As such, this matter was overlooked as all these applications were handled by the then appointed civil and structural consultant. In January 2023, we applied to MBI and obtained a copy in March 2023 of the then existing CFO which was dated 1996. However, on 27 August 2024, the consultant had advised that the existing 1996 CFO was not in alignment with the approved drawings and submissions made in 2011 which had included the Warehouses B and C (and the Lean-to-Sheds). Hence, we proceeded to extract the latest copy of the CFO from MBI and obtained the CFO (sijil ini sebagai gantian asal) (which is inclusive of Warehouses B and C) on 13 September 2024.	Not applicable as it has been rectified.	Approximately RM44,750	10 times of the plan fee, estimated to be RM20,000	No material impact to our Group's business operations and financial condition in view that we have obtained the CFOs for both Warehouse B and Warehouse C. Further, the compressor located in the compressor room and staff located in the quality control room has been relocated.

7. BUSINESS OVERVIEW *(Cont'd)*

Company	Nature of non-compliance	Status as at the date of the LPD	Estimated time for rectification	Rectification cost	Potential maximum penalty	Impact to business operations or financial condition
	There are lean-to-sheds adjoining to the factories ("**Lean-to-Sheds**") and building extensions i.e. compressor room and the quality control room, erected within the setback areas and may not be in compliance with the *Garis Panduan Rancangan Tempatan Ipoh 2020*.	Subsequently, we demolished the areas of the compressor room and the quality control room which are located within the setback areas to ensure compliance with the Garis Panduan Rancangan Tempatan Ipoh 2020. We then submitted all current "as-built" building plans to MBI for their approval on 21 October 2024. We obtained MBI's approval for the aforesaid building plans on 8 January 2025 and has obtained the CCC on 18 February 2025.				
PMIT Malaysia	Lahat Plant has: (a) small areas of several buildings i.e. extension of the single storey factory and single storey canteen, are located within the setback area as demarcated in the 2022 Plans (as defined herein); and	(a) The extension of the single storey factory is utilised as a storage area and the single storey canteen is utilised as a staff canteen. • Based on the building plan submitted to MBI in 2012 as part of PMIT Malaysia's application for amendments and extensions to the existing factory based on 'as-built' plans ("**2012 Plans**"), with an approved setback line of 10 feet. • Based on the building plan submitted to MBI in 2022 as part of PMIT Malaysia's application for amendments and extensions to the existing factory ("**2022 Plans**"), the architect had demarcated a setback line of 20 feet instead.	Not applicable as it has been rectified.	-	Not applicable as our Group has received MBI's approval for the New Building Plans and the CCC for the cabin office as a permanent structure, together with the single storey warehouse.	No material impact to our Group's business operations and financial condition as our Group has already rectified the non-compliances.

7. BUSINESS OVERVIEW *(Cont'd)*

Company	Nature of non-compliance	Status as at the date of the LPD	Estimated time for rectification	Rectification cost	Potential maximum penalty	Impact to business operations or financial condition
	(b) a single storey warehouse, and approved cabin office that was designated as a non-permanent structure has been modified into a permanent structure.	• To rectify the discrepancy in the setback lines drawn in the 2012 Plans and 2022 Plans, PMIT Malaysia has submitted new building plans to MBI for the Lahat Plant ("**New Building Plans**"). Under the New Building Plans, the extension of the single storey factory and the single storey canteen will no longer be within the setback area. MBI had approved the New Building Plans vide its letter dated 9 December 2024. (b) The single storey warehouse is utilised as a storage area and the cabin office is currently utilised as the quality control team office. The cabin office originally has a CCC as a non-permanent structure, and PMIT Malaysia has applied for the CCC for the cabin office as a permanent structure, together with the single storey warehouse, as part of the submission of the New Building Plans. • Our Group has obtained the CCC for the cabin office as a permanent structure, together with the single storey warehouse on 26 December 2024.				

7. BUSINESS OVERVIEW *(Cont'd)*

Company	Nature of non-compliance	Status as at the date of the LPD	Estimated time for rectification	Rectification cost	Potential maximum penalty	Impact to business operations or financial condition
PMIT Malaysia	4 of the properties rented by PMIT Malaysia(1) as workers' accommodation were not provided with CCCs by the landlords during the tenancy period prior to 24 July 2024. Additionally, 3 of the 4 properties(2) referred to above were without COAs prior to the relocation of the foreign workers to the CLQ on 11 August 2024.	Our Group had relocated our workers housed in these properties(1) to the Centralised Labour Quarters ("**CLQ**") on 11 August 2024 and our Group has obtained the relevant CCCs and requisite COAs from the CLQ. Upon the relocation of our workers, we are no longer renting the 4 properties.	Not applicable as it has been rectified.	-	Not applicable as our Group has relocated our workers to the CLQ which has the relevant CCCs and requisite COAs.	No material impact to our Group's business operations and financial condition as PMIT Malaysia has already rectified the non-compliances and are no longer using the said accommodations.
PMIT Malaysia	PMIT Malaysia did not possess sufficient COAs to accommodate the number of foreign workers employed prior to relocating some of the foreign workers to the CLQ on 11 August 2024.	Our Group has obtained sufficient COAs to accommodate the number of foreign workers employed after relocating some of the foreign workers to the CLQ on 11 August 2024.	Not applicable as it has been rectified.	-	Not applicable as our Group has already obtained sufficient COAs to accommodate the number of foreign workers employed.	No material impact to our Group's business operations and financial condition as our Group has already obtained sufficient COAs to accommodate the number of foreign workers employed.

7. BUSINESS OVERVIEW *(Cont'd)*

Notes:

(1) The details of the rented properties that previously did not have CCCs are as follows:

No.	Address	Description
1.	15, Laluan Jati 3, Taman Seri Meru, Jelapang 30020 Ipoh, Perak	Double storey terrace house
2.	30, Laluan Jati 3, Taman Seri Meru, Jelapang 30020 Ipoh, Perak	Double storey terrace house
3.	68, Laluan Jati 5, Taman Seri Meru, Jelapang 30020 Ipoh, Perak	Double storey terrace house
4.	1040, Jalan Merah 1/4, Bukit Merah, 31500 Lahat, Perak	Shophouse

(2) The rented properties which housed our Group's foreign workers and did not have the requisite COAs are items 2 to 4 under Note 1 above. For clarification, PMIT Malaysia has the required COAs for its foreign workers housed in item 1 under Note 1 above.

Please refer to Section 7.26 of this Prospectus for further details of the material properties which our Group owns and rents for our business operations.

In order to ensure that such non-compliances will not re-occur, we have appointed Wong Voon Shek and Chin Wai Chun to oversee and monitor the compliance of all relevant building laws and regulations required for the properties of our Group to prevent such non-compliances from occurring in the future. Further, we will conduct prior checks to ensure that any properties we intend to occupy in the future comply with the building laws and regulations.

Further, our Group's Human Resources department will be in charge of overseeing matters relating to the employment of foreign workers by our Group and monitor to ensure that our Group possess sufficient COAs and relevant permits for the lawful employment of foreign workers.

7. BUSINESS OVERVIEW *(Cont'd)*

(c) Tax and transfer pricing matters

Save as disclosed below and as at the LPD, our Group has not been fined or issued with any notice of non-compliances from the Inland Revenue Board in relation to the below non-compliances relating to the Income Tax Act 1967:

Company	Nature of non-compliance	Status as at the LPD	Estimated time for rectification	Rectification cost	Potential maximum penalty	Impact to business operations or financial condition
PMIT Malaysia	Balance of tax due for YA 2021 of RM2,047,815.20, late payment penalty of RM161,227.07 for late payment of tax due and underestimation penalty of RM129,907.06.	PMIT Malaysia had, on 30 December 2022, fully settled the balance of tax due and penalties for YA 2021 with the IRB.	Not applicable as it has been rectified.	-	Not applicable as the tax liabilities and tax penalty have been fully settled.	No material impact to our Group's business operations and financial condition as PMIT Malaysia has already fully settled the tax liabilities and tax penalty with the IRB. The balance of tax due and penalties settled represent approximately 9.54% of our Group's PBT for FYE 2022.
PMIT Malaysia	Balance of tax due for YA 2022 of RM4,022,793.04 and underestimation penalty of RM221,595.51.	PMIT Malaysia had, on 29 August 2023, paid RM848,877.71 to the IRB and received IRB's approval on 4 September 2023 to pay the balance of tax payable of RM3,395,510.84 via 6 monthly instalment payments. The last instalment was paid on 29 February 2024 and as such, the balance of tax payable has been fully settled.	Not applicable as it has been rectified.	-	Not applicable as the tax liabilities and tax penalty have been fully settled.	No material impact to our Group's business operations and financial condition as PMIT Malaysia has already fully settled the tax liabilities and tax penalty with the IRB. The balance of tax due and penalty settled in FYE 2023 represent approximately 21.81% of our Group's PBT for FYE 2023. The balance of tax due and penalty settled in FYE 2024 represent approximately 9.75% of our Group's PBT for FYE 2024.

7. BUSINESS OVERVIEW *(Cont'd)*

Company	Nature of non-compliance	Status as at the LPD	Estimated time for rectification	Rectification cost	Potential maximum penalty	Impact to business operations or financial condition
PMIT Europe NL	PMIT Europe NL did not prepare any transfer pricing documentation as required by The Netherlands Tax Administration (*Belastingdienst*).	PMIT Europe NL has prepared transfer pricing documentation for its intra-group transactions from FYE 2021 to FYE 2023 in 2024.	Not applicable as it has been rectified.	-	Detention for a maximum of 4 years or a fine of up to EUR25,750 or the amount of tax that should have been levied.	No material impact to our Group's business operations and financial condition as this issue has been rectified.

As at the LPD, our Group has:

- paid all the abovementioned tax liabilities and tax penalties to the IRB; and
- formalised a Group-wide finance manual which sets out tax and accounting related processes, including the preparation and review of tax computation by the Chief Financial Officer to ensure compliance with tax regulations and to consult the tax agent (if required) to ensure the accuracy of computation.

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7. BUSINESS OVERVIEW *(Cont'd)*

(d) Employment matters

Save as disclosed below and as at the LPD, our Group has not been fined or issued with any notice of non-compliance from the Jabatan Tenaga Kerja Semenanjung Malaysia in relation to the below non-compliance relating to the OSHA 1994 as set out in Section 7.27.1(f) of this Prospectus:

Company	Nature of non-compliance	Status as at the LPD	Estimated time for rectification	Rectification cost	Potential maximum penalty	Impact to business operations or financial condition
PMIT Malaysia	On 13 March 2019, a contract employee welding a solvent tank at the Lahat Plant made a mistake when adjusting the welding rotator machine which caused the solvent tank to overturn and fall on him, which resulted in a fatal accident. On 1 July 2019, PMIT Malaysia was issued a summons by the Ipoh Sessions Court to appear before the court on 31 July 2019.	PMIT Malaysia was fined RM30,000 by the Ipoh Sessions Court for the breach of the Occupational Safety and Health Act 1994. The fine was fully settled on 31 July 2019.	Not applicable as this has been rectified.	-	Not applicable as the fine has been fully settled.	No material impact to our Group's business operations and financial condition as PMIT Malaysia has already settled the fine, implemented additional safety precautions and increased the frequency of safety and standard operating procedure briefings.

As at the LPD, our Group has:

- implemented additional safety precautions to prevent, as far as practicable, workplace accidents from occurring;
- increased the frequency of safety and standard operating procedure briefings for our employees; and
- formalised an Employee Handbook which sets out the relevant processes and procedures that need to be done and monitored in respect of our employees. The Employee Handbook was previously prepared by the Human Resources Manager who is also in-charge of monitoring employment matters.

Further, all 3 of our Group's manufacturing plants have achieved Grade A, being the highest grade, in terms of workplace assessment by the DOSH in 2024. The assessment grade will be valid until the next workplace assessment by the DOSH.

7. BUSINESS OVERVIEW *(Cont'd)*

(iii) Measures taken by our Group to enhance the internal control systems to reduce the incidence of any future non-compliance

In addition to the steps taken by our Group set out above, our Board has implemented the following measures to enhance the internal control system of our Group and to prevent the recurrence of the non-compliance incidents in the future:

- we have established, among others, our Audit and Risk Management Committee ("**ARMC**"). Our ARMC's terms of reference which set out its duties and obligation include overseeing our Group's internal control framework to ensure operational effectiveness and efficiency and encourage legal and regulatory compliance, reviewing the risk management framework and its related policies within our Group, ensuring the infrastructure, resources and systems are in place and adequate for risk management, and that processes for the identification, measurement and analysis, reporting, and mitigation of risks are in place;

- furthermore, we have developed a compliance framework to ensure that our Group's compliance matters are effectively managed with responsible stewardship and it also serves as our Group's commitment to uphold proper compliance management. The framework sets out the roles and responsibilities, compliance obligations register, and procedures on managing compliance issues and incidents, to ensure strict compliance to all relevant rules and regulations;

- our Group has also established a set of standard operating procedures that establishes key controls to enhance operational efficiency and safeguarding the interests of our shareholders. The guidelines encapsulate key controls across various functions, including production, procurement, marketing, inventory management, finance, and more; and

- post-listing, our Group will establish an internal audit function to conduct independent assessment on the adequacy and effectiveness of our Group's internal control and risk management systems and shall report directly to our ARMC. Our Group will also engage professionals where necessary to provide trainings to our Directors and employees to develop a clear understanding of matters pertaining to corporate governance, risk management, internal controls and compliance to enhance our Group's policies and processes and implementation of the same.

8. IMR REPORT

PROVIDENCE STRATEGIC PARTNERS SDN BHD
(1238910-A)
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Date: 20 May 2025

The Board of Directors
PAN MERCHANT BERHAD
Nos. 17 & 19, Jalan Pengacara U1/48
Temasya Industrial Park
40150 Shah Alam
Selangor Darul Ehsan

Dear Sirs/Madam,

Independent Market Research ("IMR") Report on the Global Solid Liquid Filtration Solution Industry in conjunction with the Listing of PAN MERCHANT BERHAD on the ACE Market of Bursa Malaysia Securities Berhad

PROVIDENCE STRATEGIC PARTNERS SDN BHD ("**PROVIDENCE**") has prepared this IMR report on the Global Solid Liquid Filtration Solution Industry for inclusion in the Prospectus of PAN MERCHANT BERHAD.

PROVIDENCE has taken prudent measures to ensure reporting accuracy and completeness by adopting an independent and objective view of this industry within the confines of secondary statistics, primary research and evolving industry dynamics. We believe that this IMR report presents a balanced view of the industries within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive.

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For and on behalf of PROVIDENCE:



MELISSA LIM
EXECUTIVE DIRECTOR

About PROVIDENCE STRATEGIC PARTNERS SDN BHD:

PROVIDENCE is an independent research and consulting firm based in Petaling Jaya, Selangor, Malaysia. Since our inception in 2017, PROVIDENCE has been involved in the preparation of independent market research reports for capital market exercises. Our reports aim to provide an independent assessment of industry dynamics, encompassing aspects such as industry performance, demand and supply conditions and competitive landscape.

About MELISSA LIM:

Melissa Lim is the Executive Director of PROVIDENCE. She has approximately 15 years of experience in market research for capital market exercises. Melissa Lim holds a Bachelor of Commerce (Double major in Marketing and Management) from Murdoch University, Australia.

Pan Merchant Berhad and its subsidiaries (collectively referred to as "**Pan Merchant Group**" or "**the Group**") are principally involved in the design, manufacturing, assembly, delivery and commissioning of solid liquid filtration solutions, namely filter presses and hermetic filters. Pan Merchant Group's sales are generated from Asia (including Malaysia and Indonesia), America, Europe and Africa regions. As such, this IMR report focuses on the global solid liquid filtration solution industry**,** as this is the industry and geographic markets which Pan Merchant Group operates in.

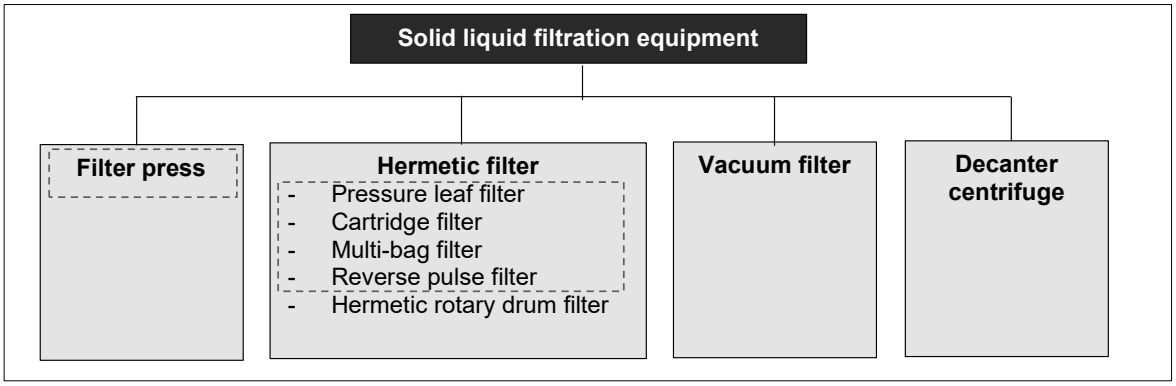
1 THE GLOBAL SOLID LIQUID FILTRATION SOLUTION INDUSTRY

INTRODUCTION

Solid liquid filtration equipment are designed to separate solid particles from the slurry in large quantities. There are various types of solid liquid filtration equipment, including:

- Filter press – A filter that comprises a metal structural frame that holds an array of filter plates to perform solid liquid filtration;
- Hermetic filter – A filter in a fully-sealed, pressure-tight vessel that uses filter elements such as filter leaves, cartridges, filter bags, candles and rotary drums, to perform solid liquid filtration. Examples of hermetic filters include pressure leaf filters (filter using filter leaves which is a filter element that uses cloth, wire mesh or a combination of both as its filter media), hermetic cartridge filters (filter that uses cartridges as its filter media), multi-bag filters (filter that uses bag filters as its filter media), reverse pulse filter (filter that uses candles as its filter element), and hermetic rotary drum filters (filter that features a rotary drum covered with a filter media);
- Vacuum filter – A filter that uses vacuum to pull liquid through a filter media, to perform solid liquid filtration; and
- Decanter centrifuge – An equipment that uses centrifugal force to separate liquid from solids.

Types of solid liquid filtration equipment



Note:
(i) Denotes the types of filtration equipment Pan Merchant Group presently designs, manufactures, assembles, delivers and commissions

Source: PROVIDENCE

Meanwhile, solid liquid filtration solutions refer to the design, manufacture, assembly and commissioning of solid liquid filtration equipment to match the needs and requirements of industry applications.

Pan Merchant Group is principally involved in the design, manufacturing, assembly, delivery and commissioning of filter presses and hermetic filters such as pressure leaf filters, cartridge filters, multi-bag filters and reverse pulse filters. As such, this IMR report will focus on filter presses and hermetic filters.

Solid liquid filtration equipment, particularly filter presses and hermetic filters, can be used in a wide variety of end-user industries for various applications, as follows:

- Edible oil industry – This industry refers to the extraction, refining, packaging and distribution of oils and fats that are suitable for human consumption. Examples of edible oil include palm oil, soybean oil, sunflower oil and coconut oil. Solid liquid filtration equipment can be used during edible oil refining processes to remove bleaching clay, to facilitate fractionation (to form olein and stearin) and winterisation processes (to separate components into fractions that have different melting points), and to remove impurities;
- Food processing industry – This industry refers to the processing of food and food ingredients. For example, processing of sugar from sugarcane and cassava starch from cassava. Solid liquid filtration equipment are used to separate liquid from sugarcane extract or cassava extract before it is further processed into sugar or cassava starch, respectively;
- Sustainable fuel industry – This industry refers to the processing of fuels produced from renewable energy resources which can be used as fuel in transportation, aviation, power generation and heating industries. Examples of sustainable fuels include biodiesel and hydrotreated vegetable oils. Solid liquid filtration equipment can be used to remove impurities such as sterol glucosides from waste oil, and for pre-treatment of used edible oil before it is processed into hydrotreated vegetable oils;
- Potable water and wastewater industry – The potable water industry refers to the treatment of raw water sourced from natural sources such as rivers, lakes, reservoirs and groundwater into drinkable water that is safe for human consumption to be distributed to residential, commercial and industrial areas. Meanwhile, the wastewater industry refers to treatment of wastewater from industrial facilities so that it can be re-used or safely discharged into the environment. Solid liquid filtration equipment is used to filter sludge and remove impurities from water; and
- Mining industry – This industry refers to the extraction of valuable minerals as well as processing and refining of these minerals into usable forms. Solid liquid filtration equipment can be used to extract valuable minerals.

Solid liquid filtration equipment may be sold to companies in the end-user industries or to other solid liquid filtration equipment industry players that do not have the capability or capacity to manufacture a certain type of solid liquid filtration equipment.

INDUSTRY PERFORMANCE, SIZE AND GROWTH

The global industry size for filter presses and hermetic filters, as depicted by industry revenue of solid liquid filtration solution providers that provide filter presses and hermetic filters, grew from USD2.9 billion (RM12.0 billion[1]) in 2019 to an estimated USD5.6 billion (RM25.6 billion[1]) in 2024 at a compound annual growth rate ("**CAGR**") of 14.2%. The global industry size for filter presses and hermetic filters experienced a fall of 6.9% in 2020 due to the Coronavirus Disease 2019 ("**COVID-19**") that led to the implementation of movement control orders and disruptions in business operations which resulted in less capital expenditure on new filters to expand or set up new facilities. Nevertheless, the industry recovered the following year, growing by 22.2% between 2020 and 2021.

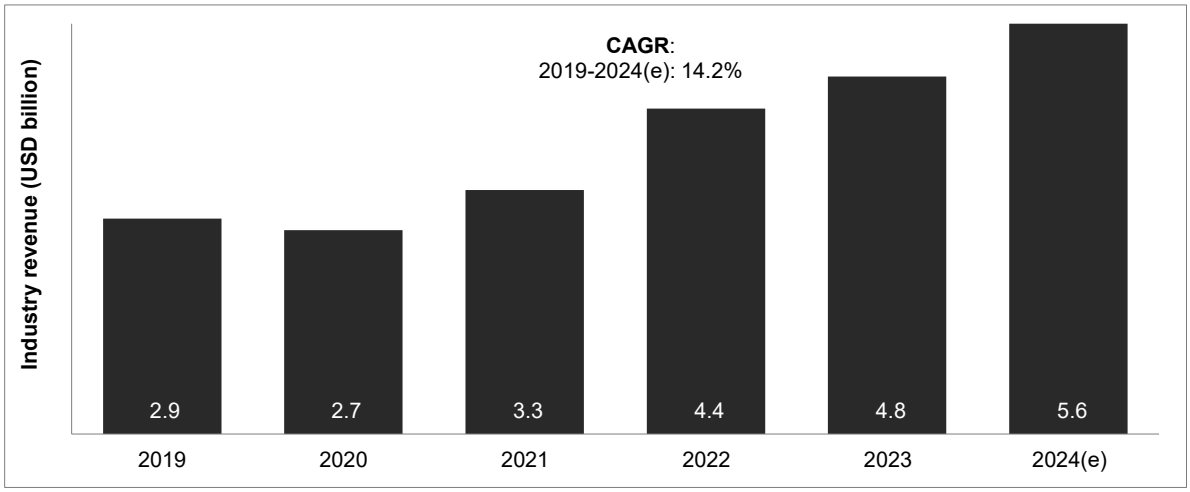
Moving forward, the global filter press and hermetic filter industry size is forecast to grow by a further CAGR of 10.8%, from an estimated USD6.4 billion (RM29.3 billion[1]) in 2025 to USD7.9 billion (RM36.1 billion[1]) in 2027.

[1] Exchange rates from USD to RM were converted based on average annual exchange rates extracted from published information from Bank Negara Malaysia at:
2019: USD1 = RM4.1425
2023: USD1 = RM4.5653
2024: USD1 = RM4.5718
2025: USD1 = RM4.5718 (based on 2024 average annual exchange rates)
2027: USD1 = RM4.5718 (based on 2024 average annual exchange rates)

8. IMR REPORT *(Cont'd)*

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Global filter press and hermetic filter industry size



Notes:

(i) e – Estimate
(ii) Industry size is based on revenues of industry players and may include revenue from other types of filters and related products such as decanter centrifuge and vacuum filters

Source: Bosson Research, Maia Research, PROVIDENCE

Global filter press and hermetic filter industry size by region

Revenue (USD million)	2019	2020	2021	2022	2023	2024(e)	CAGR (2019-2024(e))
America region	694.8	631.6	627.5	905.9	1,042.9	1,064.8	8.9%
Asia and Africa regions	2,205.5	1,878.8	2,049.1	2,461.1	2,870.5	3,074.2	6.9%
Europe region	581.2	545.3	548.7	749.5	877.0	948.5	10.3%

Notes:

(i) e – Estimate
(ii) Industry size may include revenue from other types of filters and related products such as centrifugal and vacuum filters. It may also include sales between industry players.

Source: Bosson Research, Maia Research, PROVIDENCE

The global industry size for filter presses and hermetic filters is also growing at higher CAGRs in the America region and Europe region (i.e. 8.9% and 10.3%, respectively), as compared to Asia and Africa regions, which grew at a CAGR of 6.9% between 2019 and 2024.

KEY GROWTH DRIVERS

The long-term growth of end-user industries will create demand for solid liquid filtration equipment

Solid liquid filtration equipment have many process applications and are used in a diverse range of end-user industries. As such, the solid liquid filtration solution industry is generally driven by the growth in its end-user industries. In 2023, the potable water and wastewater industry contributed 29.3% to the global solid liquid filtration solution industry size. Meanwhile, the mining, edible oil, food processing and sustainable fuel industries contributed 22.3%, 5.8%, 4.4% and 3.5%, respectively, to the global solid liquid filtration solution industry size.

The prospects of some of key end-user industries that Pan Merchant Group serves are as follows:

(a) Edible oil industry

Edible oils comprise various types of edible oils such as palm oil, soybean oil and canola oil. The global edible oil industry, as depicted by the sales value of edible oils, increased from USD89.9 billion (RM372.4 billion[1]) in 2019 to USD120.5 billion (RM550.1 billion[1]) in 2023, registering a CAGR of 7.6%.[2] During the same period, the retail volume of edible oil globally grew at a CAGR of 1.1%, from 43.0 million tonnes in 2019 to 45.0 million tonnes in 2023.[3]

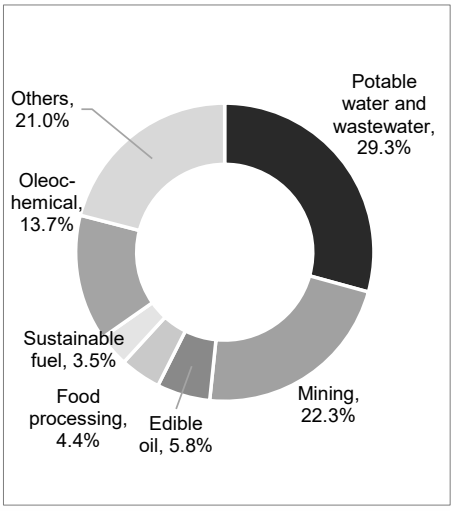
The global demand for edible oil is expected to grow in tandem with global population and high disposable income. World population has been growing from 7.7 billion persons to 8.0 billion persons between 2019 and 2023.[4] Over the same period, the world GDP per capita has also been growing from USD11,359 (RM47,055[1]) to USD13,138 (RM59,979[1]), which indicates higher disposable income.[5] This will lead to higher consumption of edible oils and demand for products that are manufactured using edible oils.

(b) Food processing industry

The food processing industry is a wide industry, comprising the processing of various types of food and food ingredients. Particularly for sugar processing, the global sugar industry has been growing, in terms of retail volume, from 93.3 million tonnes in 2019 to 100.3 million tonnes in 2023, registering a CAGR of 1.8%.[6] Meanwhile, the global cassava processing industry has been stable, with volume of cassava starch sold maintaining between 20.7 million tonnes and 22.4 million tonnes between 2019 and 2023.[7]

Similar to the global edible oil industry, the global sugar industry is driven, and will continue to be driven, by the growth in global population and rising incomes, as well as urbanisation. Sugar and cassava remain as staple ingredients and thus, a growing population would sustain demand for these food ingredients. Higher disposable incomes will also contribute towards the increased likelihood of consumer spending on non-essential foods such as desserts which use sugar as a key ingredient. Meanwhile, with the growing urbanisation of the world population, demand for processed and convenience food products, which uses sugar and cassava as key ingredients, is expected to increase. The global urban population increased from 55.6% in 2019 to 57.3% in 2023.[8]

Global solid liquid filtration solution industry size by end-user industry in 2023



Note:
(i) Others include the pharmaceutical, paint and coatings, pulp and paper, as well as industrial lubricants and coolants industries
(ii) Latest publicly available information is as at 2023

Source: Bosson Research, Maia Research

(c) Sustainable fuel industry

Sustainable fuel refers to fuel produced from renewable energy resources, which include biodiesel and hydrotreated vegetable oils. There is a growing global emphasis on reducing greenhouse gas emissions and transitioning to cleaner energy sources. Sustainable fuels play an important role in reducing greenhouse gas emissions for various industries including the logistics, transportation and aviation, and construction industries.

The biofuel demand has been growing from 158.5 billion litres in 2019 to 175.6 billion litres in 2023, registering a CAGR of 2.6% over the period.[9] Biofuel demand is set to expand by 38.0 billion litres over the 5-year period between 2023 and 2028, which is approximately a 30.0% increase from the 5-year period between 2017 and 2022.[10]

[2] Source: Euromonitor International
[3] Source: Euromonitor International
[4] Source: World Bank
[5] Source: World Bank
[6] Source: Euromonitor International
[7] Source: Euromonitor International
[8] Source: World Bank
[9] Source: International Energy Association ("IEA")
[10] Source: IEA

The growth in demand will be largely driven by the policies and regulations implemented by governments worldwide to promote the use of sustainable fuels. Examples are as follows:

- In the United States of America, the United States Inflation Reduction Act (IRA) provides production and investment support of up to USD9.4 billion (RM42.9 billion[1]) for the development of advanced biofuels through to 2031[11];
- Government of Canada implemented its Clean Fuel Regulations in 2023, which targets to reduce up to 26 million tonnes of greenhouse gas emissions by 2030, as well as reduce the carbon intensity of petrol and diesel used in Canada by approximately 15% by 2030[12];
- The European Union ("**EU**") reinforced the EU Renewable Energy Directive with a provisional agreement which targets for renewable energy to comprise a minimum of 42.5% of energy used by 2030[13];
- Government of India targets to achieve a 20.0% of ethanol blending in petrol with fossil fuels by 2025-2026, from 10.0% ethanol blending in 2022[14]; and
- Government of Brazil plans to increase biodiesel blending to 15.0% in 2026, from 10.0% in 2022.[15]

In addition, international collaborations will also accelerate use of sustainable fuels. Some of the current international collaborations include:

- The Biofuture Platform Initiative - A 23-country initiative established under the Clean Energy Ministerial, a global forum that promotes policies, programmes and knowledge transfer to advance clean energy technology and encourage the transition to a global clean energy economy. The initiative aims to foster consensus on biomass sustainability, promote best practices, enable financing and promote international cooperation to achieve an advanced low-carbon bioeconomy;
- International Energy Association Bioenergy - A Technology Collaboration Programme established to facilitate cooperation and information exchange between countries that have national programmes in bioenergy research, development and deployment;
- Clean Skies for Tomorrow Coalition – A platform for industry players in the aviation industry to facilitate the transition and adoption of sustainable fuel; and
- International Civil Aviation Organisation (ICAO) Assistance, Capacity-building and Training for Sustainable Aviation Fuels - A programme which aims to support knowledge exchange, development and deployment of sustainable fuel supply and policies.

(d) Potable water and wastewater industry

The volume of treated water globally is estimated to have grown from 710.8 trillion cubic meters in 2019 to 718.8 trillion cubic metres in 2023.[16] The growth of the potable water and wastewater treatment industry is supported by the growing industrialisation and population.

Particularly in Malaysia, the growth of industrialisation in Malaysia can be measured by the number of industrial facilities in Malaysia, which grew from 116,981 units in 2019 to 123,077 units in 2024.[17] The increased number of industrial facilities will contribute to higher levels of wastewater generation, thus resulting in increased demand for solid liquid filtration solutions. The global population growth (as illustrated above) has also led to more residential and commercial developments, and will result in higher volume of wastewater being generated. At the same time, there will be increased demand for supply of potable water for household use.

(e) Mining industry

The global mining industry size, in terms of revenue from mining industry players, grew from approximately USD692.0 billion (RM2.9 trillion[1]) in 2019 to USD793.0 billion (RM3.6 trillion[1]) in 2024, at a CAGR of 2.8%.[18] The global mining industry supplies minerals used in industries such as the construction, semiconductor and electronics industries. As global economies continue to develop, this will lead to industrialisation and urbanisation which will drive demand for construction materials and minerals for manufactured electronics products.

[11] Source: United States Department of Energy Bioenergy Technologies Office
[12] Source: Government of Canada
[13] Source: European Commission
[14] Source: Ministry of Petroleum & Natural Gas, India
[15] Source: Ministry of Mines and Energy, Brazil
[16] Source: Euromonitor International
[17] Source: National Property Information Centre
[18] Source: PricewaterhouseCoopers International Limited. Industry size based on Top 40 industry players' revenues

The global semiconductor industry size grew from USD412.1 billion (RM1.7 trillion[1]) in 2019 to USD627.6 billion (RM2.9 trillion[1]) in 2024, registering a CAGR of 8.8% over the period.[19] The rising worldwide demand for semiconductor and electronic products has been largely driven by the technological revolution with 5th Generation (5G) adoption and the emergence of 6th Generation (6G), Internet of Things (IoT), Artificial Intelligence (AI) and machine learning, which have resulted in the emergence of new electronic products. As consumers are highly receptive to new product innovations and advancements, electronic products tend to have relatively shorter product lifecycles.

Further, the growth in end-user industries of the semiconductor and electronic products which also require minerals, will also drive the mining industry. For instance, minerals such as lithium, cobalt and nickel are crucial for the production of batteries for electric vehicles and energy storage systems. As the global market for electric vehicles has been growing, with the number of electric vehicles in use globally increasing from 8.3 million in 2019 to 42.4 million globally in 2023[20], this will also drive the growth of the mining industry.

Constant need for replacement of parts will benefit the solid liquid filtration solution industry

Solid liquid filtration equipment are subject to wear and tear during operation, leading to a need for regular replacement of components. The frequency of replacement depends on several factors, including the type of filter, usage frequency and the industry application.

Among the components most susceptible to wear and tear are filter media, such as filter cloths used in filter presses. Filter media can degrade and weaken over time due to several factors, including clogging, chemical exposure and cleaning damage. The timely replacement of filter media is crucial to ensure optimal performance and reduced equipment downtime. Failing to replace filter media promptly may lead to lower filtration efficiency, and an increased risk of process leakages and contamination in the filtered products.

The industry players in the solid liquid filtration solution industry can benefit from the ongoing need for replacement parts leading to recurring sales orders from customers.

Technological advancements are expected to encourage continuous investments in upgrading solid liquid filtration equipment

New features and more advanced solid liquid filtration equipment have been developed and introduced over the years. An example of a new feature is self-cleaning filter systems, which automatically cleans the filter and remove accumulated dirt and sediments from the filter. There are also technological advancements to improve the efficiency of the filtration process such as to increase filtrate yield or ease the discharge of cakes formed on plates, as well as enhancements to improve overall operational efficiency or automate certain processes.

As such, customers may replace or upgrade their existing solid liquid filtration equipment with more advanced system solutions or invest in incorporating new features to keep up with the latest technological trends and improve their process efficiency and output. These investments would thus drive the solid liquid filtration solution industry.

SUPPLY CONDITIONS

Materials and components

Materials and components are key in the manufacturing of solid liquid filtration equipment. Such materials and components include mild, carbon and stainless steel-based materials (such as bars, plates and pipes), filter elements and media (such as filter plates, filter cloths and wire mesh) and other components (such as flanges, brackets, support saddles, valves, motors and hydraulic fittings).

Most of these materials and components can be procured from local and foreign suppliers. The materials and components, particularly mild, carbon and stainless steel-based materials and components, are subject to global price fluctuations which are influenced by global supply and demand conditions, economic conditions and geopolitical factors. Any significant fluctuation in prices of materials and components could affect the selling prices of the filtration equipment, as well as the profit margins if the increase in costs are not passed on to customers.

[19] Source: Semiconductor Industry Association
[20] Source: IEA

8. IMR REPORT *(Cont'd)*

In particular, global prices for certain steel-based materials increased between 2021 and 2022.[21] This was the result of a global supply chain disruption as there were stricter regulations of steel production, removal of export rebates in China which led to lower supply of steel from China. Further, the re-opening of the global economies after the lockdown policies imposed to curb the Coronavirus Disease 2019 ("**COVID-19**") were lifted spurred demand for steel-based materials from its end-user industries, and this further contributed to the rise in global prices for the steel-based materials.

Machinery and equipment

Some of the manufacturing processes for solid liquid filtration equipment such as cutting, milling, drilling and welding for solid liquid filtration equipment require the use of machinery and equipment. Identifying suitable and reliable machinery and equipment as well as reputable machinery and equipment suppliers will allow solid liquid filtration solution industry players to equip their manufacturing facilities with suitable machinery and equipment to manufacture at consistent quality and output. This enables industry players to remain competitive. Machinery and equipment utilised in the solid liquid filtration solution industry are readily available and may be procured from local or foreign suppliers.

Human resources

One of the key resources in the industry is the talent involved in the design, manufacturing, assembly and commissioning of solid liquid filtration equipment. To remain competitive in the industry, these personnel must be capable of designing the equipment to cater to customers' needs. As such, it is necessary to hire and retain personnel with the required technical skills and engineering capabilities.

In addition, some of the manufacturing and assembly processes for solid liquid filtration equipment are manually performed and thus, human labour are required to perform these tasks. Generally, Malaysia has an adequate supply of skilled personnel with an engineering background. The number of technicians and other professionals grew from 1.5 million in 2019 to 1.9 million in 2023.[22]

COMPETITIVE OVERVIEW

The competitive landscape of the global solid liquid filtration solution industry comprises companies involved in the design, manufacturing and/or assembly of solid liquid filtration equipment. PROVIDENCE estimates that there are over 20 industry players globally that are involved in the design, manufacturing and/or assembly of filter presses and pressure leaf filters relating to the end-user industries and countries that the Group serves. These industry players are mainly located in the America, Europe and Asia regions. Some of these industry players may also design, manufacture and/or assemble other types of solid liquid filtration equipment and other types of steel-based equipment.

PROVIDENCE has identified the following 6 industry players, including Pan Merchant Group, on the basis that:

(i) They are principally involved in the design, manufacturing and/or assembly of solid liquid filtration equipment, namely filter presses and/or pressure leaf filters;

(ii) They are homegrown companies based in Malaysia; and

(iii) They have a revenue of RM1.0 million and above.

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[21] Source: MEPS International Ltd
[22] Source: Department of Statistics Malaysia.

8. IMR REPORT *(Cont'd)*

PROVIDENCE

These 6 identified industry players are as detailed below[(a)]:

Company name	Manufactures filter presses	Manufactures pressure leaf filters	Manufactures other steel-based equipment	Latest audited FYE	Revenue[(b)] (RM'000)	Gross profit ("GP") (RM'000)	GP margin [(c)] (%)	Profit before tax ("PBT") (RM'000)	PBT margin [(d)] (%)	Profit after tax ("PAT") (RM'000)	PAT margin [(e)] (%)
Pan Merchant Group	✓	✓	✓	**31 December 2024**	**141,541**	**50,236**	**35.5**	**11,609**	**8.2**	**8,003**	**5.7**
Tapis Teknik Sdn Bhd	-	✓	✓	31 December 2023	37,659	12,461	33.1	5,598	14.9	5,165	13.7
Equipwell Sdn Bhd	✓	-	-	31 December 2023	15,840	3,562	22.5	2,366	14.9	1,762	11.1
LISSE Engineering Sdn Bhd	✓	-	-	30 April 2024	6,420	2,066	32.2	375	5.8	307	4.8
Plus Point Engineering Sdn Bhd	✓	-	-	31 December 2023	5,875	1,937	33.0	153	2.6	106	1.8
Metasis Engineering Sdn Bhd	✓	✓	✓	31 December 2023	5,116	1,844	36.0	144	2.8	90	1.8

Notes:

(i) [a] The list above is based on publicly available information as at 5 May 2025.

(ii) [b] Revenues may be derived from business activities other than solid liquid filtration solutions, unless otherwise stated.

(iii) [c] GP margin is computed based on GP divided by revenue.

(iv) [d] PBT margin is computed based on PBT divided by revenue.

(v) [e] PAT margin is computed based on PAT divided by revenue.

Source: Companies Commission of Malaysia, various company websites, PROVIDENCE analysis

In comparison to other homegrown companies that are based in Malaysia that designs, manufactures and/or assembles solid liquid filtration equipment, namely filter presses and/or hermetic filter, Pan Merchant Group is the largest homegrown solid liquid filtration solution provider in Malaysia in terms of its revenues. Its competitors have significantly lower revenues than Pan Merchant Group, as it is the only local Malaysian company with a revenue of more than RM100.0 million that provides complete filtration solutions to our customers, based on the research conducted on homegrown companies based in Malaysia that are principally involved in the design, manufacturing and/or assembly of solid liquid filtration equipment (namely filter presses and/or pressure leaf filters).

PROVIDENCE has also identified the following global industry players on the basis that:

(i) They are involved in the design, manufacturing and/or assembly of solid liquid filtration equipment, namely filter presses and/or pressure leaf filters;

(ii) They have a local subsidiary or distributor in Malaysia; and

(iii) They are public listed companies.

8. IMR REPORT *(Cont'd)*

These identified industry players are as detailed below[a]:

Company name	Location of headquarters	Manufactures filter presses	Manufactures pressure leaf filters	Manufactures other steel-based equipment	Latest audited FYE	Revenue [(b)] (RM '000)	GP (RM'000)	GP margin [(c)] (%)	PBT (RM'000)	PBT margin [(d)] (%)	PAT (RM'000)	PAT margin [(e)] (%)
Alfa Laval AB[(f)]	Sweden	✓	-	✓	31 December 2024	4,555,766 [(g)(h)]	10,034,707 [(g)(i)]	34.7	N/A	N/A	3,213,597 [(g)(i)]	11.1
Andritz AG[(j)]	Austria	✓	-	✓	31 December 2024	7,438,416 [(k)(h)]	N/A	N/A	3,198,494 [(k)(i)]	7.8	2,456,384 [(k)(i)]	6.0
Metso Corporation[(l)]	Finland	✓	✓	✓	31 December 2024	24,059,206 [(k)]	8,044,472 [(k)]	33.4	3,205,915 [(k)]	13.3	1,632,642 [(k)]	6.8

Notes:

(i) [a] The list above is based on publicly available information as at 5 May 2025.
(ii) [b] Revenues may be derived from business activities other than solid liquid filtration solutions, unless otherwise stated.
(iii) [c] GP margin is computed based on GP divided by revenue.
(iv) [d] PBT margin is computed based on PBT divided by revenue.
(v) [e] PAT margin is computed based on consolidated PAT divided by consolidated revenue, and takes into consideration margins of businesses other than solid liquid filtration solutions.
(vi) [f] Public listed company on Nasdaq Stockholm
(vii) [g] Exchange rates from SEK to RM were converted based on average annual exchange rates extracted from published information from Bank Negara Malaysia in 2024 at SEK 1 = RM 0.4324
(viii) [h] Segmental revenue generated from equipment that can perform separation, and may include equipment other than filter presses and hermetic filters
(ix) [i] Consolidated financial information as segmental financial information is not publicly available, and may be derived from business activities other than solid liquid filtration solutions
(x) [j] Public listed company on the Vienna Stock Exchange
(xi) [k] Exchange rates from EUR to RM were converted based on average annual exchange rates extracted from published information from Bank Negara Malaysia in 2024 at EUR 1 = RM 4.9474
(xii) [l] Public listed company on Nasdaq Helsinki

Source: Various company websites, PROVIDENCE analysis

The barriers to entry for the solid liquid filtration solution industry is moderately high as the entry of new industry players are restricted by the following factors:

- **Capital expenditure**

  The solid liquid filtration solution industry is capital intensive as initial investments are required to secure manufacturing facilities, acquire machinery and equipment. Industry players will also require working capital for the purchase of materials and components; and

- **Technical competence**

  Industry players in the solid liquid filtration solution industry require a certain degree of technical competence and know-how to design, manufacture, assemble, deliver and/or commission solid liquid filtration equipment that are tailored to customers' needs and requirements and conforms to industry standards.

8. IMR REPORT *(Cont'd)*

Customers of solid liquid filtration solution industry players, particularly multinational companies, may also conduct supplier selection processes to ensure that the industry player, which is the solution provider they engaged, has the necessary track record and experience to undertake the project. This is because customers generally ensure that these industry players have the relevant track record and experience before they engage them as it is imperative that the equipment can perform at optimal efficiency and minimal downtime given that the cost of equipment is relatively high. Thus, the ability of the industry player to be selected as an approved supplier by these multinational companies is an important factor to remain competitive in the industry.

The ability of the industry player to meet the performance guarantees or obtain certain approvals or licences to tender for projects with the customer is also important. Further, the industry players must also have the capability and expertise to design and manufacture filters that conforms to the industry standards of a particular country.

The Government of the United States of America has recently announced the imposition of tariffs on imported goods into America. In particular, the tariff rates for imported goods from Malaysia into America was initially set at 24.0% from 9 April 2025 onwards. However, the United States announced a 90-day postponement (from 9 April 2025 to 8 July 2025) of the tariffs implementation to allow for negotiations, while maintaining a baseline tariff of 10.0% during this period. The tariffs may result in lower demand from end-users in America for solid liquid filtration solutions manufactured by solution providers based in other countries, including Malaysia. Nevertheless, the tariffs imposed may also increase the production cost of solid liquid filtration solutions manufactured in America, as these solution providers have to pay for tariffs for imports of materials into America and incur higher labour costs to shift manufacturing activities to America. Thus, this may reduce the competitiveness of solid liquid filtration solutions manufactured in America, and/or cause a global supply disruption as solution providers shift their operational activities to America. Further, the tariffs imposed on imported goods from Malaysia are relatively low when compared to other countries, thus positioning solid liquid filtration solution providers in Malaysia favourably to capture opportunities should end-users in America opt to import these solid liquid filtration solutions.

INDUSTRY REVENUE SHARE

Although Pan Merchant Group is based in Malaysia, its sales are generated globally from the Asia (including Malaysia and Indonesia), America, Europe and Africa regions. As such, this IMR report takes into consideration Pan Merchant Group's industry revenue share globally.

Globally, Pan Merchant Group garnered an industry revenue share of 0.6% of the global industry for filter presses and hermetic filters, based on its revenue generated from its filtration solutions and technical support services division of RM120.6 million for the FYE 2023, computed against the global industry size for filter presses and hermetic filters of USD4.8 billion (RM21.9 billion[1]) in 2023.

In 2024, Pan Merchant Group garnered an industry revenue share of 0.5% of the global industry for filter presses and hermetic filters, based on its revenue generated from its filtration solutions and technical support services division of RM124.4 million for the FYE 2024, computed against the global industry size for filter presses and hermetic filters of USD5.0 billion (RM22.9 billion[1]) in 2024.

PROSPECTS AND OUTLOOK

The global industry size for filter presses and hermetic filters grew at a CAGR of 14.2% between 2019 and 2024 and is forecast to grow at a CAGR of 10.8% between 2025 and 2027 in light of the following demand drivers:

- Long term growth of the end-user industries, particularly the edible oil, food processing, sustainable fuel, potable water and wastewater as well as mining industries, which will drive demand for solid liquid filtration equipment;
- Constant need for replacement of parts which will lead to recurring sales orders from customers for these replacement parts; and
- Technological advancements will encourage investments in upgrading solid liquid filtration equipment.

Pan Merchant Group stands to benefit from the positive outlook of the global solid liquid filtration solution industry as one of the largest homegrown solid liquid filtration solution industry players in Malaysia, in terms of its revenues. The United States of America's announcement of a revised import tariff policy which is set to commence in July 2025 will have an effect on production costs, supply chains and global trade dynamics. This is expected to have an impact on most industries, including the global filter press and hermetic filter industry.

9. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER, IN ADDITION TO THE OTHER INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, THE FOLLOWING RISK FACTORS (WHICH MAY OCCUR EITHER INDIVIDUALLY OR IN COMBINATION, AT THE SAME TIME OR AROUND THE SAME TIME) THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF OUR GROUP BEFORE INVESTING IN OUR SHARES.

IF YOU ARE IN ANY DOUBT AS TO THE INFORMATION CONTAINED IN THIS SECTION, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.

9.1 RISKS RELATING TO THE BUSINESS AND OPERATIONS OF OUR GROUP

9.1.1 We are dependent on our ability to secure new projects and customers

We generally do not enter into long-term contractual agreements with our customers. Our projects are typically secured via individual purchase orders or contracts issued by our customers on a project-to-project basis and on an as-needed basis, save for our technical support services which may be provided on a contract basis that can be renewed annually. As such, our financial performance is dependent on our ability to secure new purchase orders and/or contracts to sustain our order book. If we are unable to do so, our order book may decline and this would adversely affect our business sustainability and future business performance.

There is no guarantee that we will be able to continuously secure purchase orders and/or contracts from new and existing customers. As at the LPD, we have an order book of RM69.60 million. However, there is no assurance that our current order book can be sustained in the future, nor can we provide any assurance that the implementation of the projects that are currently in our order book will not be delayed, suspended or cancelled, which may adversely impact our business operations and financial performance.

We place great emphasis on maintaining and developing strong business relationships with our existing customers. Our Group has managed to secure repeat orders and contracts from some of our major customers including Alfa Laval Group, Desmet Group and Lipico Group. We have working relationships with our major customers (as set out in Section 7.19 of this Prospectus) of up to 30 years. Our ability to continue to maintain and strengthen our existing business relationships and establish relationships with new customers to expand our customer base is dependent on the following factors:

(a) our track record, industry reputation and technical expertise in the solid liquid filtration industry;

(b) our ability to design and customise our filters to meet the requirements of our customers' industry application and requirements; and

(c) timely delivery of our solutions and services.

Any failure on our part to meet the operational and technical requirements of our customers may subsequently impact our business relationships with them and impair our ability to secure new projects and customers. Consequently, this could adversely affect our business operations and financial performance.

9. RISK FACTORS *(Cont'd)*

9.1.2 Our business is dependent on necessary licences, permits and accreditations

We hold various accreditations including ISO 9001:2015 from Standards Malaysia and UKAS Management Systems for our filtration solutions. These accreditations are a testament to our commitment to quality and are subject to renewal every 3 years.

Generally, we are required to comply with locally and internationally recognised standards. In that respect, we have received the Certificate of Authorisation (U and U2 certificate) from ASME, Certificate of Authorisation (R) from the National Board of Boiler and Pressure Vessel Inspections, SELO Licence from the State Administration for Market Regulation, China . We are also certified by the National Water Services Commission, Malaysia with SPAN TS 3002:2021 certification which will allow us to supply filter presses for sludge dewatering projects for the National Water Services Commission, Malaysia. Our hermetic filters and vessels/equipment have also complied with the Pressure Equipment Directive of Europe, Ministry of Manpower requirements of Singapore and DOSH requirements of Malaysia.

Although we have not faced any difficulties in renewing our certifications with the relevant authorities, there is no assurance that the relevant authorities will renew our certifications and provide their authorisations within the anticipated timeframe, or at all. Further, there is no assurance that our operations and business will not be affected by the following:

(i) implementation of new laws, regulations and policies by the relevant authorities;

(ii) changes to current laws, regulations and policies; and/or

(iii) imposition of additional conditions to the existing approvals, licences, permits and certificates.

If we are unable to continuously comply with all the regulations and/or conditions of our licences and accreditations, such licences and accreditations may be suspended or revoked and we are at risk of not being able to renew these licences and accreditations. Consequently, we will not be able to export to certain countries and this may have an impact on our business operations and industry reputation.

9.1.3 We are dependent on our major customers

During the Financial Years Under Review, revenue generated from Desmet group of companies, Lipico group of companies and Alfa Laval group of companies constituted a large proportion of our Group's revenue, i.e. more than 10.00% during the Financial Years Under Review as follows:

Customers	**Audited**			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
	% of revenue	**% of revenue**	**% of revenue**	**% of revenue**
Alfa Laval Group*	11.08	12.72	8.07	5.17
Desmet Group*	40.00	25.19	26.08	31.87
	51.08	37.91	34.15	37.04
Lipico Group	11.48	19.33	22.71	16.02
Total	**62.56**	**57.24**	**56.86**	**53.06**

Note:

* Alfa Laval group had completed the acquisition of Desmet group on 2 August 2022 and hence, their aggregate contributions are presented in the above manner.

Please refer to Section 7.19 of this Prospectus for further details.

As such, we may experience a reduction in sales which could result in a loss of revenue should any of the above major customers cease to purchase from us and/or if we are unable to secure new customers in a timely manner to replace the customers which have ceased to purchase from us. We are also exposed to risks that we may encounter delays in payments or non-payments from the companies under the group of companies, which may adversely affect our Group's business operations and financial performance.

While we do not have long-term contracts with any of these major customers, we have maintained a trusted working relationship of up to 30 years with them as at the LPD. Notwithstanding, there can be no assurance that we are able to continue maintaining such business relationships with them and continue securing future projects or receive prompt payments from these major customers.

9.1.4 We are dependent on our Executive Directors and our Key Senior Management for the continued success of our Group

Our Group's growth and continuing success are heavily reliant on the leadership capabilities, significant efforts, commitments, expertise, abilities and the direction of our Managing Director, Wong Voon Ten and the Executive Directors comprising our Finance Director, Wong Nyeon Thiat; Sales and Marketing Director, Wong Voon Yoong; Technical Director, Lee Cheng Ngee; and Supply Chain and Operations Director, Wong Voon Shek. They are our Executive Directors and have been instrumental in the development and implementation of our business strategies since our inception. They have, over the years, expanded our business globally, established long-term relationships and built a network of customers and suppliers in the global solid liquid filtration industry.

We are also reliant on the expertise and experience of our Key Senior Management, who play significant roles in our Group's day-to-day operations as well as the implementation of our business strategies. They possess an in-depth understanding of our industry as well as the requisite technical skills and design engineering capabilities to fulfil our customers' needs and requirements, thus ensuring that we remain competitive in the industry. They comprise professionals from various backgrounds and expertise (such as mechanical, electrical and chemical engineers), and have an average of 9 years' experience in their respective fields.

Please refer to Sections 5.1.2 and 5.4.2 of this Prospectus for the profiles of our Executive Directors and Key Senior Management.

As such, any loss of our Executive Directors and Key Senior Management without a suitable and timely replacement may have a material adverse impact on our business and our ability to continue competing effectively in the industry. Hence, our ability to retain and attract experienced and skilled employees is important to ensure our Group's continued performance and growth. Our Company currently has a succession planning framework in place to ensure the continuity of our business and operations. We have also taken the necessary measures such as providing career development, and fair and adequate compensation, as a method to attract and retain our Executive Directors and Key Senior Management.

As at the LPD, we have not experienced any departure of our Key Senior Management which has had a material adverse effect on our operations in the past. Nonetheless, there is no assurance that we will be successful in retaining our Executive Directors and Key Senior Management or ensuring a smooth succession should any changes occur.

9. RISK FACTORS *(Cont'd)*

9.1.5 We may face disruptions in our manufacturing plants

Our manufacturing activities are dependent on the continued operations of our manufacturing plants, namely Jelapang Plant 1, Jelapang Plant 2 and Lahat Plant. Our manufacturing activities require the use of various machinery and equipment such as CNC machines, welding equipment as well as surface and heat treatment equipment, which may be subject to unanticipated operational failures, sub-optimal performance and/or damages.

Additionally, we may be required to temporarily suspend or shut down our operations in the event of circumstances such as fire outbreaks, natural disasters and outbreak of diseases. Further, as our manufacturing plants are dependent on a continuous supply of electricity, any major disruptions to the supply of electricity may interrupt our manufacturing operations.

Any prolonged interruptions in our business operations will affect our production schedules and timely delivery of our products, which may result in order cancellations and adversely impact our industry reputation and relationships with our customers.

Our Group has put in place a regular maintenance schedule for our machinery and equipment as a preventive step to minimise the risk of disruptions to our manufacturing activities. However, there is no assurance that with the regular maintenance schedule in place, there will be no disruption to our manufacturing activities caused by our machinery and equipment.

Further, as we have 3 manufacturing plants, we are able to ramp up our manufacturing activities at our other manufacturing plants should there be any disruptions at one of our manufacturing plants caused by machinery and equipment failures, fire outbreaks and power outages, amongst others.

As at the LPD, we have not experienced any major disruptions in the past or any unanticipated failures or damages sustained which led to major disruptions to our operations. Despite this, there can be no assurance that we will not experience any prolonged disruptions to our operations that would adversely impact our business and financial performance in the future.

There can also be no assurance that our Group can prevent any or all unforeseen circumstances that may cause disruptions to, or prolonged suspension of, all or part of our manufacturing activities, as well as damages or destruction to all or part of our manufacturing plants.

9.1.6 We are dependent on foreign workers in our operations

We are dependent on foreign workers for our Malaysian operations. Our foreign workers for our manufacturing operations in Malaysia are primarily from Myanmar, Nepal, Indonesia and Bangladesh. We are therefore exposed to changes in the availability and costs of employing foreign workers in Malaysia.

The supply of foreign workers in Malaysia is subject to the labour and immigration policies and regulations imposed by the Malaysian Government from time to time. Any changes in labour and immigration policies and regulations, and visa restrictions on foreign workers will lead to interruptions to our business operations.

For example, in 2020, the Malaysian Government announced the first MCO in March 2020 as an effort to curb the spread of the COVID-19 pandemic, which led to the closure of non-essential businesses as well as the closure of national borders. This subsequently led to a ban on the entry of foreign workers in June 2020 in order to prioritise jobs for locals. The ban on the entry of foreign workers consequently led to labour shortages in the country for industries that are heavily dependent on foreign workers such as the construction, plantation and manufacturing industries. However, in October 2021, the Malaysian Government lifted the 16-month long ban in an attempt to meet the demand for foreign labour and to jump-start the Malaysian economy.

9. RISK FACTORS *(Cont'd)*

Although there is presently no ban on the entry of foreign workers, the Malaysian Government requires employers to obtain approval from the Director General of Labour before employing any foreign workers. There is also a levy rate imposed for foreign workers. In March 2016, the Malaysian Government implemented a new levy rate for foreign workers within Peninsular Malaysia only, where the levy rate for manufacturing, construction and services sectors was increased from RM1,250 to RM1,850. Any further increase in the levy rate for foreign workers will lead to an increase in the cost of labour which will consequently increase our cost of sales and decrease our profit margins if we are unable to pass on such cost increases to our customers.

Currently, we have obtained 1-year working permits for our foreign workers, which are renewed annually. In the event of any changes to the work permit policies for foreign workers in Malaysia where we may face difficulties in maintaining a sufficient foreign labour workforce. If there is a shortage of foreign workers to meet our operational requirements, it may result in delays in the manufacturing process and/or an increase in labour costs if local workers are hired in the absence of sufficient foreign workers. As a result, it will have a material and adverse impact on our business operations and financial conditions.

We may also be impacted by any changes in government policies and regulations that may affect the cost of hiring foreign workers. For instance, the recent announcements of the Malaysian Government's plans under the Budget 2025 to make EPF mandatory for foreign workers could result in increased costs, and this may adversely impact our profit margins and consequently our financial performance.

9.1.7 We are exposed to foreign currency exchange risk

We procure materials and components from both local suppliers and foreign suppliers based in Europe and Asia. As such, we are susceptible to the risk of foreign currency fluctuations as approximately 26.27% to 45.35% of our purchases for the Financial Years Under Review of our materials and components, are purchased in foreign currency, namely USD, EUR, RMB, JPY, GBP and SGD. Any unfavourable exchange rate may affect our ability to offer competitive pricing to our customers which may adversely impact our business.

Thus, any significant fluctuations in these foreign exchange rates may affect our Group's financial performance.

We maintain foreign currency accounts for payments of our foreign sales and purchases. We may also enter into foreign currency forward contracts to hedge our exposure to the foreign exchange fluctuations. However, there can be no assurance that we will be able to completely eliminate our exposure to adverse foreign currency fluctuations in the future.

Over the years, we have expanded our presence globally. During the Financial Years Under Review, our revenue from the overseas market has grown from RM78.08 million in FYE 2021 to RM126.55 million in FYE 2024. Revenue denominated in foreign currencies represented 55.56%, 60.57%, 51.32% and 59.08% of total revenue for the FYEs 2021, 2022, 2023 and 2024 respectively. Our sales of filters are denominated in various currencies, mainly RM, EUR, USD, RMB and SGD.

During the Financial Years Under Review, we have incurred losses from fluctuations in foreign exchange rates, as seen below:

	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unrealised loss on foreign exchange	24	2	-	1,085
Realised loss on foreign exchange	-	-	334	192
Total	**24**	**2**	**334**	**1,277**

9. RISK FACTORS *(Cont'd)*

9.1.8 We may not have sufficient insurance to cover all losses or liabilities that may occur due to our business operations

We maintain insurance coverage for our property, plant and equipment to cover against various risks, including fire and burglary that may occur in the course of our business operations. Our current insurance coverage, which covers fire, burglary and all risks, is adequate for our business and level of operations.

As at the LPD, our insurance policies are as detailed below:

Type of insurance policy	Total sum insured RM
Fire insurance	55,560,000
Comprehensive general liability	28,000,000
Others (including public liability (premises) and all risks)	10,877,000
Burglary	2,000,000

For the Financial Years Under Review, we have not made any insurance claims under our insurance policies.

In addition to the above, we may also secure marine and in-land transit insurance for delivery of filters, and vessels/equipment and/or materials and components.

Although the Group reviews our insurance policies on a regular basis to ensure that there is adequate coverage on our assets, there can be no assurance that the coverage is sufficient to cover the replacement cost of our assets or any consequential losses, as well as claims arising from product liability. Any losses or damages in excess of our insured limit or in areas where insurance protection is insufficient to cover such risks may have a negative impact on our business, financial performance and operations. Further, there can be no assurance that such insurance policies will continue to be available on terms acceptable to us.

9.1.9 We may not be able to successfully execute our future plans

We plan to expand our presence in international markets, particularly in Europe. We also intend to enhance our manufacturing capabilities and invest in product development for filters and components. Please refer to Section 7.22 of this Prospectus for further details on our future plans and strategies.

The future growth of our Group and the successful execution of our future plans and strategies are dependent on, among others, our ability to employ suitable and qualified staff, our ability to market our services to attract potential and retain existing customers, as well as other factors which may be beyond our control such as changes in market and regulatory conditions in Malaysia and regionally.

We expect to allocate significant efforts and resources to executing our future plans and there can be no assurance that the implementation of our expansion plans will yield the expected results or that we will be able to recover our initial capital outlay. We are also not able to guarantee that we will be successful in executing our expansion plans, nor can we assure that we will be able to anticipate all the business, operational and industry risks arising from our expansion plans. Should our future plans not materialise or yield the results we expect, this may adversely affect our growth and financial performance.

9. RISK FACTORS *(Cont'd)*

9.2 RISKS RELATING TO OUR INDUSTRY

9.2.1 Competition risk

Our Group competes with other existing global and local industry players who offer similar filters. They may compete with us in terms of, among others, branding, pricing, range of filters, quality and timeliness of delivery. Our Group's objective is to differentiate itself from its competitors through our expertise and know-how focus on quality and safety and technical support service offering. As some of our competitors have a longer operating history, wider market reach, greater financial resources, and larger customer base, our existing and prospective customers may take this into account in their decision to engage a solid liquid filtration solutions provider for their projects.

We may also face competition from new and prospective industry players. There is a moderately high barrier to entry for the solid liquid filtration industry due to the initial capital outlay from the costs of purchasing materials and components, setting up of manufacturing plants, and acquiring machinery and equipment as well as technical know-how and expertise in providing filtration solutions to meet customers' needs and comply with industry standards.

Some new market entrants may also have stronger financial support and local connections in some of the countries in which we sell to, allowing them to enter the market and compete with us for customers. Thus, if such new industry players have the ability to secure sufficient capital to sustain its business operations throughout its incubation period and effectively compete with existing industry players, we are likely to also face increased competition from these new industry players.

Nonetheless, the success of our business depends on our ability to maintain a track record of consistently offering quality services with a reliable project delivery timeline and nurturing customer loyalty. Our major customers have longstanding working relationships with us of over 30 years as at the LPD.

However, there can be no assurance that our Group will be able to compete effectively with the existing and new competitors in the future and the increase in competition may result in our Group experiencing reduced profits or lower profit margins due to loss of market share. All of these may adversely affect our Group's business operations and financial performance.

9.2.2 We are dependent on the performance of the industries in which our customers operate

As a solid liquid filtration solutions provider, our solutions form an integral component in our customers' production processes. Accordingly, the demand for our solutions is tied to our customers' business prospects and outlook of the industries in which they serve or operate. Please refer to Section 12.3.3 (b) of this Prospectus for the breakdown of our Group's revenues by end-user industries.

For the Financial Years Under Review, our customers are mainly concentrated within the edible oil industry. As such, any adverse changes to the edible oil industry which include, but are not limited to, a slowdown in the demand for our customers' products, changes to regulations, taxation and trade duties, imposition of trade sanctions and adverse political, regulatory or economic developments may have unfavourable impact on the industries in which our customers serve or operate in. This may subsequently lead to a reduction in demand for our filtration solutions, which would then have an adverse impact on our business and financial performance.

9. RISK FACTORS *(Cont'd)*

9.2.3 We are exposed to economic, political and regulatory risks in Malaysia as well as in the countries in which we, our customers and suppliers, currently or may in the future operate in, as well as the occurrence of force majeure events

Our Group is a global provider of filtration solutions and offers its solutions and services to Asia (including Malaysia and Indonesia), America, Europe and Africa. Similar to other business entities, changes in the political, economic and regulatory conditions in Malaysia and the markets in which our customers and suppliers operate may materially and adversely affect the overall financial performance of our business. Among others, such changes include changes in political leadership, changes in interest rates, trade sanctions, trade tariffs, acts of terrorism, riots and wars, deterioration in international bilateral relationships, prolonged pandemics, fluctuations in currency exchange rates, expropriation, nationalisation or nullification of existing sales orders and contracts, as well as changes in regulations relating to taxation, foreign exchange controls and/or licensing within the sectors in which our Group, our customers and our suppliers operate.

The above factors, which are beyond our Group's control, may have a direct impact on the demand and supply of our services which may affect our business and financial performance. Nevertheless, we adopt a proactive approach of staying up to date with the political, economic and regulatory developments reported via various media to anticipate any potential impact on our Group's business. We also participate in and attend various industry-related events and seminars hosted by government-related agencies as well as provide relevant trainings to our designated employees to keep themselves updated on the regulatory standards in respect of machinery and safety regulations.

Further, the imposition of trade tariffs by the USA government on various countries with effect from 9 April 2025 will give rise to challenges for us, particularly in terms of potential supply chain disruptions, rising operational costs and shifting global demand which may adversely affect our financial performance. There will be a 90-day pause until 8 July 2025 to allow for negotiations, and a baseline tariff of 10.0% will be applicable during this period.

However, there can be no assurance that any adverse political, economic and regulatory changes which have not impacted our business in the past, will not materially affect our business in the future. The occurrence of other force majeure events which are beyond our control, whether globally or in Malaysia could also unfavourably affect our financial condition and business prospects.

9.2.4 We are subject to fluctuations in steel prices

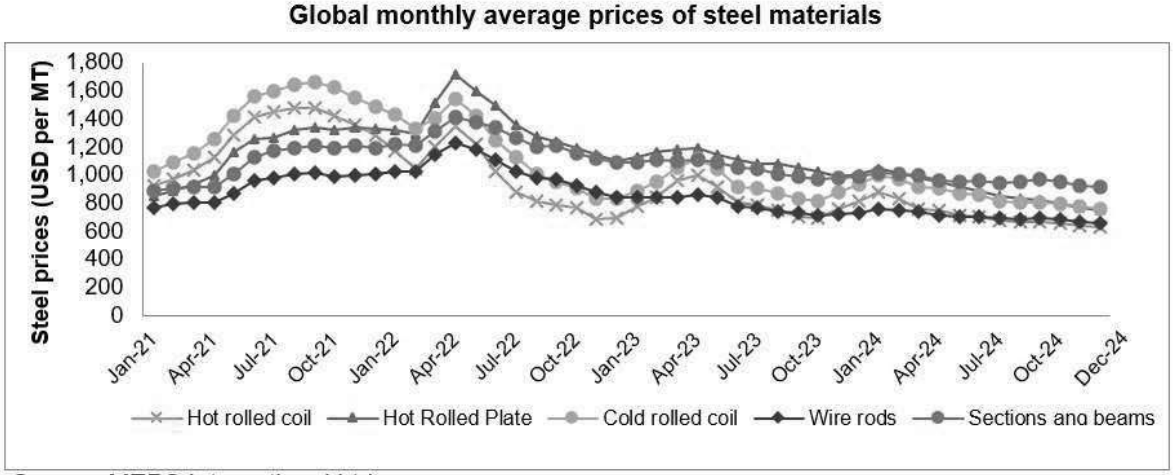
Our Group's materials mainly comprise mild, carbon and stainless steel materials which are sourced from local and foreign suppliers. These mild, carbon and stainless steel materials are one of the key components of our Group's purchases, comprising between 17.66% and 30.82% of our Group's total purchases during the Financial Years Under Review.

Fluctuations in the prices of steel materials are influenced by global supply and demand conditions, economic conditions and geopolitical factors. Our Group monitors steel market prices as frequently as needed to stay updated on market price to effectively negotiate pricing terms with our suppliers. This also enables us to quote our selling prices based on the prevailing market prices of steel, and hence we have been able to pass on some of the increased costs to our customers. We also have sales contracts with our suppliers to supply us a specified amount of steel materials at a predetermined price within a stipulated timeframe.

However, if we are unable to reflect the increase in material costs in our selling prices to our customers, we may have to bear such increased costs ourselves, and this may have a material adverse impact on our financial performance.

9. RISK FACTORS *(Cont'd)*

The price movements of the steel materials during the Financial Years Under Review are as depicted below:



Source: MEPS International Ltd

9.3 RISKS RELATING TO OUR SHARES AND OUR LISTING

9.3.1 There has been no prior market for our Shares

Prior to our Listing, there has been no public market for our Shares. The listing of and quotation for our Shares on the ACE Market of Bursa Securities provides no assurance that an active and liquid market for the trading of our Shares will develop, or if developed, that such market can be sustained. Further, there also can be no assurance that the IPO Price which has been determined after taking into consideration the factors as set out in Section 4.5 of this Prospectus will correspond to the price at which our Shares will be traded on the ACE Market of Bursa Securities upon or subsequent to our Listing and that the market price of our Shares will not decline below the IPO Price.

9.3.2 Our listing may be aborted or delayed

The occurrence of certain events, including the following, may cause a delay in or termination of our Listing:

(i) the Sole Underwriter's exercise of their rights under the Underwriting Agreement to discharge themselves of their obligations under such agreement;

(ii) our inability to meet the minimum public shareholding spread requirement under the Listing Requirements of having at least 25% of the total number of our issued Shares for which our Listing is sought being held by a minimum number of 200 public shareholders holding at least 100 Shares each upon the completing of our IPO and at the point of our Listing; or

(iii) the revocation of the approvals from the relevant authorities for our Listing for whatever reason.

Where prior to the issuance and allotment of our IPO Shares:

a) the SC issues a stop order pursuant to Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and we or such other person who received the monies shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or

b) our Listing is aborted, investors will not receive any of our IPO Shares and all monies paid in respect of all applications for our IPO Shares will be refunded free of interest within 14 days.

Where subsequent to the issuance and allotment of our IPO Shares:

(i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of our IPO Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or

(ii) our Listing is aborted other than pursuant to a stop order by the SC under Section 245(1) of the CMSA, a return of monies to our shareholders can only be achieved by way of a cancellation of share capital as provided under the Act and its related rules. Such cancellation can be implemented through the sanction of our shareholders by special resolution in a general meeting and supported by either:

   (a) consent from our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances; or

   (b) a solvency statement from the Directors.

Nonetheless, our Board will endeavour to ensure compliance with the various requirements for our successful Listing.

9.3.3 Our Promoters may be able to exert significant influence over our Company

Upon completion of our IPO, our Promoters and substantial shareholder including persons connected to them, will collectively hold an aggregate of 667,458,500 Shares, representing approximately 72.87% of our enlarged issued Shares. As a result, our Promoters, acting together, will be our controlling shareholders and have voting control over our Company and may have significant influence on the outcome of certain matters, unless they are required to abstain from voting by law and/or by the relevant authorities.

Nevertheless, our Company has appointed 5 Independent Directors and they will play an active role in our Board's deliberations to ensure future transactions involving related parties are entered into on an arms-length basis, so as to facilitate good corporate governance whilst promoting greater corporate transparency.

9.3.4 We may not be able to pay dividends

As part of our Board's guidance on dividends, we aim to declare a certain portion of our retained earnings for the financial year, subject to the approval of our Board and to any applicable law and contractual obligations, as dividends, provided that such distribution will not be detrimental to our Group's cash requirements or to any plans approved by our Board. We have set out further details of our dividend policy in Section 12.8 of this Prospectus.

9. RISK FACTORS *(Cont'd)*

We propose to pay dividends after setting aside the necessary funds for capital expenditure and working capital and taking into account applicable restrictive covenants under our financing documents such that any declaration of dividends shall not exceed our distributable profits. We believe that we have sufficient working capital for the next 12 months from the date of this Prospectus, based on our cash generated from our operating activities, cash and bank balances, credit facilities and the gross proceeds of approximately RM62.69 million that we expect to raise from our Public Issue.

However, there can be no assurance that our working capital will be sufficient or that we will be able to make dividend payments in the future. Even if we are able to pay dividends, our Board may decide, in its sole and absolute discretion, at any time and for any reason, not to pay dividends or to pay lower dividends than we currently propose. Further, if we incur new borrowings subsequent to our Listing, we may be subject to additional covenants restricting our ability to pay dividends.

If we do not pay dividends, or we pay dividends at levels lower than anticipated by investors, the market price of our Shares may be negatively affected and the value of your investment in our Shares may be reduced. The payment of our dividends and the receipt of dividends from our subsidiaries may also be affected by the passing of new laws, adoption of new regulations and other events outside our control, and we or our subsidiaries may not continue to meet the applicable legal and regulatory requirements for the payment of dividends in the future. In addition, changes in accounting standards may also affect our ability to pay dividends. Further, our payment of dividends may adversely affect our ability to fund unexpected capital expenditure. As a result, we may be required to borrow additional money or raise capital by issuing equity securities, which may not be on favourable terms or available at all.

9.3.5 The trading price of our Shares following our Listing may be volatile

The performance of Bursa Securities is heavily reliant on external factors such as the performance of the regional and world bourses and the inflow and outflow of foreign funds. The performance of Bursa Securities is also very much dependent on internal factors such as economic and political conditions of the country as well as the potential for growth in various sectors of the economy. These factors may contribute to the volatility of trading prices and volumes on Bursa Securities and these add risks to investments of our Shares.

In addition, the market price of our Shares may be highly volatile and may fluctuate drastically and rapidly in response to several factors, including some of which are beyond our control:

- general operational and business risks of our Group;
- variations in our financial results and operations;
- success or failure of our Executive Directors and Key Senior Management team in the implementation of our Group's business and growth strategies;
- additions or departure of our Key Senior Management;
- involvement in claims, litigation, arbitration or other forms of dispute resolution;
- fluctuations in stock market prices and volume;
- changes in conditions affecting the industry, prevailing local and global economic conditions or stock market sentiments or other events or factors;
- changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- changes in market valuations of listed shares in general or share prices of companies with similar businesses to our Group; and/or
- changes in government policy, legislation or regulation.

Accordingly, there can be no assurance that the market price of our Shares will not be subject to volatility or trade at prices below the IPO Price.

10. RELATED PARTY TRANSACTIONS

Pursuant to the Listing Requirements, subject to certain exemptions, a "related party transaction" is a transaction entered into by a listed corporation or its subsidiaries, which involves the interest, direct or indirect, of a related party. A "related party" is defined as a director, major shareholder or person connected with such director or major shareholder (including a director or major shareholder within the preceding 6 months of the date the transaction was entered into) as stated in Rule 10.02 of the Listing Requirements. "Major shareholder" means a shareholder with a shareholding of 10% or more (or 5% or more where such person is the largest shareholder in the company) of all the voting shares in the company as stated in Rule 1.01 of the Listing Requirements.

Upon our Listing, we may be required to seek our shareholders' approval each time we enter into a material related party transaction in accordance with Rule 10.08 of the Listing Requirements. However, if the related party transactions are deemed as RRPT, we may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time and the interested person shall abstain from voting on resolution(s) pertaining to the respective transaction.

Further, pursuant to the Listing Requirements, related party transactions may be aggregated to determine its materiality if the transactions occurred within a 12-month period, are entered into with the same party or with parties related to one another or if the transactions involved the acquisition or disposal of securities or interests in one corporation / asset or of various parcels of land contiguous to each other.

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10. RELATED PARTY TRANSACTIONS *(Cont'd)*

10.1. RELATED PARTY TRANSACTIONS

10.1.1 Material related party transactions entered into by our Group

The following table sets out the material related party transactions that we had entered into with related parties in respect of the Financial Years Under Review and up to the LPD:

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value									
				FYE 2021		FYE 2022		FYE 2023		FYE 2024		1 January 2025 to LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(i)	Pan-Merchant Industries and PMIT Malaysia	Prior to the acquisition of PMIT Malaysia by Pan Merchant, PMIT Malaysia was a wholly-owned subsidiary of Pan-Merchant Industries. Wong Voon Ten, Wong Nyeon Thiat, Wong Voon Yoong, Wong Voon Shek, Lee Cheng Ngee and Budhi Sentoso Rachmat are shareholders of Pan Merchant and Pan-Merchant Industries. Wong Voon Ten, Wong Voon Yoong and Lee Cheng Ngee are directors of Pan Merchant, PMIT Malaysia and Pan-Merchant Industries.	Acquisition by PMIT Malaysia from Pan-Merchant Industries of the properties on 30 November 2023 held under: (i) HS(D) 102262 PT16076, Mukim Damansara Daerah Petaling, Negeri Selangor Darul Ehsan, with the address of 17, Jalan Pengacara U1/48, Temasya Industrial Park, 40150 Shah Alam, Selangor (which was owned by Pan-Merchant Industries); and (ii) HS(D) 102263 PT16077, Mukim Damansara Daerah Petaling, Negeri Selangor Darul Ehsan, with the address of 19, Jalan Pengacara U1/48, Temasya Industrial Park, 40150 Shah Alam, Selangor (which was acquired by Pan-Merchant Industries from Maxz Concept Sdn Bhd prior to the aforesaid transaction).	-	-	-	-	12,200*	19.37 (1)	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value									
				FYE 2021		FYE 2022		FYE 2023		FYE 2024		1 January 2025 to LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(ii)	Pan-Merchant Industries and PMIT Malaysia	Prior to the Acquisition of PMIT Malaysia by Pan Merchant, PMIT Malaysia was a wholly-owned subsidiary of Pan-Merchant Industries. Wong Voon Ten, Wong Nyeon Thiat, Wong Voon Yoong, Wong Voon Shek, Lee Cheng Ngee and Budhi Sentoso Rachmat are shareholders of Pan Merchant and Pan-Merchant Industries. Wong Voon Ten, Wong Voon Yoong and Lee Cheng Ngee are directors of Pan Merchant, PMIT Malaysia and Pan-Merchant Industries.	Rental of head office and manufacturing facility at 17, Jalan Pengacara U1/48, Temasya Industrial Park, 40150 Shah Alam, Selangor by PMIT Malaysia from Pan-Merchant Industries. The tenancy had been terminated and ceased as at 30 November 2023.	192	1.88 (2)	192	1.08 (2)	176	1.67 (2)	-	-	-	-
(iii)	Maxz Concept Sdn Bhd and PMIT Malaysia	Maxz Concept Sdn Bhd is a wholly-owned company of Pan-Merchant Industries. Prior to the acquisition of PMIT Malaysia by Pan Merchant, PMIT Malaysia was a wholly-owned subsidiary of Pan-Merchant Industries. Wong Voon Ten, Wong Nyeon Thiat, Wong Voon Yoong, Wong Voon Shek, Lee Cheng Ngee and Budhi Sentoso Rachmat are shareholders of Pan Merchant and Pan-Merchant Industries. Wong Voon Ten, Wong Voon Yoong and Lee Cheng Ngee are directors of Pan Merchant, PMIT Malaysia, Pan-Merchant Industries and Maxz Concept Sdn Bhd.	Rental of head office and manufacturing facility at 19, Jalan Pengacara U1/48, Temasya Industrial Park, 40150 Shah Alam, Selangor by PMIT Malaysia from Maxz Concept Sdn Bhd. The tenancy had been terminated and ceased as at 30 November 2023.	192	1.88 (2)	192	1.08 (2)	176	1.67 (2)	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value									
				FYE 2021		FYE 2022		FYE 2023		FYE 2024		1 January 2025 to LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(iv)	Pan-Merchant Industries and PMIT Malaysia	Prior to the acquisition of PMIT Malaysia by Pan Merchant, PMIT Malaysia was a wholly-owned subsidiary of Pan-Merchant Industries. Wong Voon Ten, Wong Nyeon Thiat, Wong Voon Yoong, Wong Voon Shek, Lee Cheng Ngee and Budhi Sentoso Rachmat are shareholders of Pan Merchant and Pan-Merchant Industries. Wong Voon Ten, Wong Voon Yoong and Lee Cheng Ngee are directors of Pan Merchant, PMIT Malaysia and Pan-Merchant Industries.	Being management fees charged by Pan-Merchant Industries (being the holding company of PMIT Malaysia then) to PMIT Malaysia for management services provided by the directors of Pan-Merchant Industries who spent majority of their time and efforts in managing PMIT Malaysia. The management service contract has been terminated and ceased as at 31 December 2023.	960	9.38 (2)	960	5.38 (2)	960	9.11 (2)	-	-	-	-
(v)	PMIT Malaysia and PMIT Singapore	Prior to the acquisition of PMIT Singapore by PMIT Malaysia on 20 November 2023, the shareholders and directors of PMIT Singapore were Wong Nyeon Thiat and Lee Cheng Ngee. They are both Directors and substantial shareholders of Pan Merchant. PMIT Singapore is a wholly-owned subsidiary of PMIT Malaysia since 20 November 2023. Hence, there is no related party transaction since then.	Sales of filtration equipment from PMIT Malaysia to PMIT Singapore	-	-	7	#	190	0.14 (3)	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value									
				FYE 2021		FYE 2022		FYE 2023		FYE 2024		1 January 2025 to LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(vi)	PMIT Malaysia and PT Prima Ega Teknindo	Prior to the Acquisition of PMIT Malaysia by Pan Merchant, PMIT Malaysia was a wholly-owned subsidiary of Pan-Merchant Industries. Since the completion of the Acquisition of PMIT Malaysia by Pan Merchant, PMIT Malaysia is a wholly-owned subsidiary of Pan Merchant. Budhi Sentoso Rachmat is a 12.97% shareholder in Pan Merchant (after IPO), 20.00% shareholder in Pan-Merchant Industries and 48.00% shareholder in PT Prima Ega Teknindo. Budhi Sentoso Rachmat is a director of Pan-Merchant Industries and PT Prima Ega Teknindo.	Sales of replacement parts from PMIT Malaysia to PT Prima Ega Teknindo [(5)]	1,993	1.89 [(3)]	3,552	2.30 [(3)]	1,822	1.32 [(3)]	4,849	3.43 [(3)]	1,816	N/A
(vii)	PMIT Malaysia and PT Prima Ega Teknindo	Prior to the Acquisition of PMIT Malaysia by Pan Merchant, PMIT Malaysia was a wholly-owned subsidiary of Pan-Merchant Industries. Since the completion of the Acquisition of PMIT Malaysia by Pan Merchant, PMIT Malaysia is a wholly-owned subsidiary of Pan Merchant. Budhi Sentoso Rachmat is a 12.97% shareholder in Pan Merchant (after IPO), 20.00% shareholder in Pan-Merchant Industries and 48.00% shareholder in PT Prima Ega Teknindo. Budhi Sentoso Rachmat is a director of Pan-Merchant Industries and PT Prima Ega Teknindo.	Provision of support services by PT Prima Ega Teknindo on behalf of PMIT Malaysia [(5)]	9	0.01 [(4)]	42	0.04 [(4)]	10	0.01 [(4)]	13	0.01 [(4)]	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value									
				FYE 2021		FYE 2022		FYE 2023		FYE 2024		1 January 2025 to LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(viii)	PMIT Europe NL and Vimabo Metal Industry B.V.	Lupé Beheer B.V. is a 10.00% shareholder in PMIT Holding NL. PMIT Europe NL is a wholly-owned subsidiary of PMIT Holding NL. Marcel Nicolaas Lupé is the sole shareholder of Lupé Beheer B.V., and 50.00% shareholder in Vimabo Metal Industry B.V.. Marcel Nicolaas Lupé is a director of PMIT Europe NL, Lupé Beheer B.V. and Vimabo Metal Industry B.V.. Lupé Beheer B.V. is the director of PMIT Holding NL.	Rental of Helmkamp 48, 7091 HR Dinxperlo, Netherlands by PMIT Europe NL from Vimabo Metal Industry B.V.[6]	71	0.69 [2]	83	0.46 [2]	101	0.96 [2]	104	1.35 [2]	35	N/A
(ix)	PMIT Europe NL and Vimabo Metal Industry B.V., and Lupé Beheer B.V.	Lupé Beheer B.V. is a 10.00% shareholder in PMIT Holding NL. PMIT Europe NL is a wholly-owned subsidiary of PMIT Holding NL. Marcel Nicolaas Lupé is the sole shareholder of Lupé Beheer B.V. and 50.00% shareholder in Vimabo Metal Industry B.V.. Marcel Nicolaas Lupé is a director of PMIT Europe NL, Lupé Beheer B.V. and Vimabo Metal Industry B.V.. Lupé Beheer B.V. is the director of PMIT Holding NL.	Administration costs incurred by PMIT Europe NL which is payable to Vimabo Metal Industry B.V. comprising amongst others, telephone, internet, office supplies, labour charge for an administrative personnel [7] and reimbursement of travelling costs, and reimbursement of travelling costs by PMIT Europe NL to Lupé Beheer B.V.	192	1.88 [2]	244	1.37 [2]	30	0.28 [2]	56	0.73 [2]	7	N/A

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value									
				FYE 2021		FYE 2022		FYE 2023		FYE 2024		1 January 2025 to LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(x)	PMIT Europe NL and Vimabo Metal Industry B.V.	Lupé Beheer B.V. is a 10.00% shareholder in PMIT Holding NL. PMIT Europe NL is a wholly-owned subsidiary of PMIT Holding NL. Marcel Nicolaas Lupé is the sole shareholder of Lupé Beheer B.V. and 50.00% shareholder in Vimabo Metal Industry B.V.. Marcel Nicolaas Lupé is a director of PMIT Europe NL, Lupé Beheer B.V. and Vimabo Metal Industry B.V.. Lupé Beheer B.V. is the director of PMIT Holding NL.	Labour charge for an administrative personnel [(7)] from PMIT Europe NL to Vimabo Metal Industry B.V.	-	-	-	-	37	0.35 [(2)]	-	-	-	-
(xi)	PMIT Europe NL and Lupé Beheer B.V.	Lupé Beheer B.V. is a 10.00% shareholder in PMIT Holding NL. PMIT Europe NL is a wholly-owned subsidiary of PMIT Holding NL. Marcel Nicolaas Lupé is the sole shareholder of Lupé Beheer B.V.. Marcel Nicolaas Lupé is a director of PMIT Europe NL and Lupé Beheer B.V.. Lupé Beheer B.V. is the director of PMIT Holding NL.	Management fees incurred by PMIT Europe NL which is payable to Lupé Beheer B.V. where Lupé Beheer B.V. undertakes the management of PMIT Europe NL[(8)]	147	1.44 [(2)]	139	0.78 [(2)]	148	1.40 [(2)]	198	2.58 [(2)]	63	N/A

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value									
				FYE 2021		FYE 2022		FYE 2023		FYE 2024		1 January 2025 to LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(xii)	PMIT Europe NL and Vimabo Metal Industry B.V.	Lupé Beheer B.V. is a 10.00% shareholder in PMIT Holding NL. PMIT Europe NL is a wholly-owned subsidiary of PMIT Holding NL. Marcel Nicolaas Lupé is the sole shareholder of Lupé Beheer B.V. and 50.00% shareholder in Vimabo Metal Industry B.V.. Marcel Nicolaas Lupé is a director of PMIT Europe NL, Lupé Beheer B.V. and Vimabo Metal Industry B.V.. Lupé Beheer B.V. is the director of PMIT Holding NL.	Purchase of replacement parts and provision of support services by Vimabo Metal Industry B.V. on behalf of PMIT Europe NL and provision of labour services by Vimabo Metal Industry B.V. to produce candles, handles or leaves for PMIT Europe NL [(9)]	2,324	3.40 [(4)]	1,374	1.33 [(4)]	731	0.78 [(4)]	1,671	1.83 [(4)]	365	N/A
(xiii)	PMIT USA NL and Vimabo Metal Industry B.V.	Lupé Beheer B.V. is a 10.00% shareholder in PMIT Holding NL. PMIT USA NL is a wholly-owned subsidiary of PMIT Holding NL. Marcel Nicolaas Lupé is the sole shareholder of Lupé Beheer B.V. and 50.00% shareholder in Vimabo Metal Industry B.V.. Marcel Nicolaas Lupé is a director of Lupé Beheer B.V. and Vimabo Metal Industry B.V.. PMIT Holding NL is the director of PMIT USA NL.	Provision of labour services by Vimabo Metal Industry B.V. to produce candles, handles or leaves for PMIT USA NL [(10)]	-	-	-	-	-	-	282	0.31 [(4)]	46	N/A

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value									
				FYE 2021		FYE 2022		FYE 2023		FYE 2024		1 January 2025 to LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(xiv)	Pan Merchant and Wong Voon Ten, Wong Nyeon Thiat, Wong Voon Yoong, Wong Voon Shek, Lee Cheng Ngee and Budhi Sentoso Rachmat	Prior to the completion of the Acquisition of PMIT Malaysia by Pan Merchant on 2 May 2025, Wong Voon Ten, Wong Nyeon Thiat, Wong Voon Yoong, Wong Voon Shek, Lee Cheng Ngee and Budhi Sentoso Rachmat were shareholders of PMIT Malaysia. Wong Voon Ten, Wong Nyeon Thiat, Wong Voon Yoong, Wong Voon Shek, and Lee Cheng Ngee are also directors of Pan Merchant.	Acquisition of PMIT Malaysia.	-	-	-	-	-	-	-	-	68	N/A

Notes:

\# Negligible.

* The transaction value of RM12.20 million which was transacted on 30 November 2023 was premised on the market value then as appraised by the Valuer and as such the transaction can be justified as on arm's length basis. Subsequently, the market value of the 2 semi-detached factories had increased by RM800,000 due to an increase in value for several recent transactions of similar properties within the same locality as noted by the Valuer in its Valuation Report dated 16 October 2024. This is also in line with the performance of industrial property in Klang Valley.

(1) Computed based on our Group's equity attributable to the owners of our Company for the respective FYE.

(2) Computed based on our Group's PATNCI for the respective FYE.

(3) Computed based on our Group's revenue for the respective FYE.

(4) Computed based on our Group's cost of sales for the respective FYE.

(5) In relation to items (vi) and (vii):

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

The related party transactions between PMIT Malaysia and PT Prima Ega Teknindo ("**PT Prima**") may continue from time to time after our Listing. PT Prima has been appointed as the sales agent in Indonesia for the edible oil industry for PMIT Malaysia since 2003. PMIT Malaysia's products sold by PT Prima include filter presses, hermetic filters, pulse tube filters, agitators, cartridge, filter cloths and replacement parts of the filtration equipment. PT Prima also provides after-sales services to PMIT Malaysia's customers in Indonesia on behalf of PMIT Malaysia from time to time.

PT Prima's current appointment as exclusive agent of PMIT Malaysia is via an agency agreement dated 12 August 2024 (**"PT Prima Agency Agreement"**), the salient terms of which are set out below:

Term and renewal of term	:	12 August 2024 to 11 August 2026 and may be renewed by PMIT Malaysia upon expiry.
Agency commission	:	Commission is payable to PT Prima in respect of contracts secured or where PMIT Malaysia secures the contract with the participation of PT Prima. The commission rates are prescribed in the PT Prima Agency Agreement and ranges for various products.
Termination	:	The PT Prima Agency Agreement terminates: (a) Upon the expiry of the agency appointment period unless otherwise extended in writing by PMIT Malaysia; or (b) Provided 1 year has lapsed after 12 August 2024, either party may terminate the agreement by giving the other a minimum 6 month notice to the other party; or (c) PMIT Malaysia may at any time forthwith terminate the agreement among others if PT Prima fails to remedy a breach within 30 days after PMIT Malaysia issues a breach notice; or upon insolvency of PT Prima; or upon a change of control (more than 50% voting interests) of PT Prima.
Governing laws	:	Malaysian laws

(6) In relation to item (viii):

Vimabo Metal Industry B.V. is the main lessee of the premises at Helmkamp 48, 7091 HR Dinxperlo, Netherlands, of which Lupe Beheer B.V. is the owner. Pursuant to a lease agreement dated 7 March 2024 between Vimabo Metal Industry B.V. and PMIT Europe NL, Vimabo Metal Industry B.V. had sub-leased approximately 600 sq. m. of the premise to PMIT Europe NL (consisting of office space, production space and storage space). The salient terms of the lease agreement are set out below:

Address	:	Helmkamp 48, 7091 HR Dinxperlo, Netherlands
Tenancy period and terms of renewal	:	5 years, commencing from 1 March 2024 to 28 February 2029
Termination	:	The lease agreement shall terminate: (a) by notice period of 12 months given by PMIT Europe NL to Vimabo Metal Industry B.V. or by Vimabo Metal Industry B.V. to PMIT Europe NL by the end of a current lease period or, in the event the lease is for an indefinite period, by the end of a calendar year; or

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

(b) if the main lease between Lupé Beheer B.V. and Vimabo Metal Industry B.V. ends, regardless of the reason underlying it.

Rental per annum	:	EUR 21,924
Governing laws	:	Dutch laws

(7) The administrative personnel was employed under Vimabo Metal Industry B.V. for the FYEs 2021 and 2022. Thereafter, during the FYE 2023, he was employed by PMIT Europe NL.

(8) In relation to item (xi):

PMIT Europe NL had since 1 January 2021 appointed Lupé Beheer B.V. to provide services to manage PMIT Europe NL's business activities and act as PMIT Europe NL's director. On 22 August 2024, PMIT Europe NL had entered into a management agreement with Lupé Beheer B.V to record the arrangement (**"Management Agreement"**). The Management Agreement term is effective from 1 January 2021 and is valid until terminated. This RRPT as such will continue after our Listing.

The Management Agreement may be terminated by either party via 3 months' written notice. PMIT Europe NL may also immediately terminate the Management Agreement if Lupé Beheer B.V. is no longer PMIT Europe NL's director. Either party may also terminate the Management Agreement immediately, among others, if the defaulting party fails to rectify a default after 14 days of the default notice, or upon bankruptcy or dissolution of a party, death or suspension of Lupé Beheer B.V.'s director or his/her cessation as director of Lupé Beheer B.V..

Pursuant to the Management Agreement, Lupé Beheer B.V.'s fees per calendar year is EUR40,000 (excluding applicable taxes) subject to annual review.

(9) In relation to item (xii):

Vimabo Metal Industry B.V. assists PMIT Europe NL in sourcing replacement parts. Additionally, Vimabo Metal Industry B.V. supplies labour for ad-hoc production jobs on behalf of PMIT Europe NL. Moving forward, PMIT Europe NL will directly source its own replacement parts instead of through Vimabo Metal Industry B.V.

These RRPT will continue after our Listing from time to time.

PMIT Europe NL has entered into a labour agreement to define an arm's length pricing policy arrangement with Vimabo Metal Industry B.V. on 28 August 2024 ("**Framework Agreement**"). The Framework Agreement sets out the agreed rates for the provision of services by Vimabo Metal Industry B.V. to customers of PMIT Europe NL at the customers' premises (man-hour rates, travel allowance rates and expenses). The transaction values for each occurrence of service performed would be based on individual purchase order and invoice basis. The Framework Agreement is effective from 28 August 2024 and valid until terminated. The Framework Agreement may be terminated by either party via 12 months' written notice.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

PMIT Europe NL also entered into a service agreement dated 24 September 2024 with Vimabo Metal Industry B.V. to engage Vimabo Metal Industry B.V. for labour services to produce candles, handles or leaves ("**Service Agreement**"). The Service Agreement sets out the agreed service rates to produce the items at a price per piece payable by PMIT Europe NL to Vimabo Metal Industry B.V. The transaction values for each individual order would be based on purchase order and invoice basis. The Service Agreement is effective from 11 September 2024 and valid until terminated. The Service Agreement may be terminated by either party via 12 months written notice. Either party may also terminate the Service Agreement immediately among others upon bankruptcy or liquidation of the other party, or if the defaulting party fails to rectify a default after 15 days of the default notice, or if a change of control of the other party occurs.

(10) In relation to item (xiii):

Vimabo Metal Industry B.V. supplies labour for ad-hoc production jobs on behalf of PMIT USA NL. This RRPT will continue after our Listing from time to time.

PMIT USA NL also entered into a service agreement dated 10 December 2024 with Vimabo Metal Industry B.V. to engage Vimabo Metal Industry B.V. for labour services to produce candles, handles or leaves ("**Service Agreement**"). The Service Agreement sets out the agreed service rates to produce common items at a price per piece payable by PMIT USA NL to Vimabo Metal Industry B.V. The transaction values for each individual order would be based on purchase order and invoice basis. The Service Agreement is effective from 11 September 2024 and valid until terminated. The Service Agreement may be terminated by either party via 12 months' written notice. Either party may also terminate the Service Agreement immediately among others upon bankruptcy or liquidation of the other party, or if the defaulting party fails to rectify a default after 15 days of the default notice, or if a change of control of the other party occurs.

Our Directors confirm that the above transactions were transacted on an arm's length basis and based on normal commercial terms which are not more favourable to the related party and are not detrimental to our minority shareholders.

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10. RELATED PARTY TRANSACTIONS *(Cont'd)*

The following related party transactions are essential for operational efficiency and align with the business strategy of the Group (which are RRPTs), and will continue subsequent to the listing of Pan Merchant on the ACE Market of Bursa Securities which will be undertaken on an as-needed basis:

(a) sales of filtration equipment from PMIT Malaysia to PMIT Singapore (as stated in item (v) above);
(b) sales of replacement parts from PMIT Malaysia to PT Prima Ega Teknindo (as stated in item (vi) above);
(c) provision of support services by PT Prima Ega Teknindo on behalf of PMIT Malaysia (as stated in item (vii) above);
(d) rental of Helmkamp 48, 7091 HR Dinxperlo, Netherlands by PMIT Europe NL from Vimabo Metal Industry B.V. (as stated in item (viii) above);
(e) administration costs incurred by PMIT Europe NL which is payable to Vimabo Metal Industry B.V. (as stated in item (ix) above);
(f) management fees incurred by PMIT Europe NL which is payable to Lupé Beheer B.V. (as stated in item (xi) above);
(g) provision of support services by Vimabo Metal Industry B.V. on behalf of PMIT Europe NL and provision of labour services by Vimabo Metal Industry B.V. to produce candles, handles or leaves for PMIT Europe NL (as stated in item (xii) above); and
(h) provision of labour services by Vimabo Metal Industry B.V. to produce candles, handles or leaves for PMIT USA NL (as stated in item (xiii) above).

The Directors will ensure appropriate measures will be in place so that the abovementioned transactions will continue to be transacted on an arm's length basis and based on terms and conditions which will not be unfavourable to the Group.

Upon our Listing, to safeguard the interest of our Group and our minority shareholders, our Audit and Risk Management Committee will review the terms of any related party transactions and ensure that any related party transactions (including any RRPT) are carried out on terms which are not more favourable to the related party than those normally agreed with other third parties, and are not to the detriment to our minority shareholders.

In the event there are any proposed related party transactions that involve the interest, direct or indirect, of our Directors, the interested Director(s) shall disclose his interest to our Board, of the nature and extent of his interest including all matters in relation to the proposed related party transaction that he is aware or should reasonably be aware of, which is not in our best interest. The interested Director(s) shall also abstain from any Board deliberation and voting on the relevant resolution(s) in respect of such proposed related party transaction.

In the event there are any proposed related party transactions that require the prior approval of our shareholders, our Directors, major shareholders and/or persons connected with them who have any interest, direct or indirect, in the proposed related party transactions shall abstain from deliberation and voting on resolution(s) pertaining to the respective transactions. Such interested Director and/or major shareholder will also undertake to ensure that persons connected with them, if any, will abstain from voting on the resolution approving the proposed related party transaction at the general meeting.

If the related party transactions are deemed as RRPT, we may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time we wish to enter into such RRPT during the validity period of the mandate. Related party transactions can be deemed as recurrent, if they are entered into at least once every three years, in the ordinary course of business and are of a revenue or trading nature necessary for the day-to-day operations of our Group.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

10.1.2 Related party transactions that are unusual in nature or condition

Our Directors have confirmed that there are no related party transactions that were unusual in its nature or condition involving goods, services, tangible or intangible assets to which we were a party in respect of the Financial Years Under Review and up to the LPD.

10.1.3 Loans and/or financial assistance made to or for the benefit of related parties

Save as disclosed below, there are no other outstanding loans and/or financial assistance (including guarantees of any kind) that have been granted by our Group to or for the benefit of the related parties for the Financial Years Under Review and as at the LPD:

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value									
				As at 31 December 2021		As at 31 December 2022		As at 31 December 2023		As at 31 December 2024		As at the LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(i)	Pan-Merchant Industries and PMIT Malaysia	Prior to the acquisition of PMIT Malaysia by Pan Merchant, PMIT Malaysia was a wholly-owned subsidiary of Pan-Merchant Industries. Wong Voon Ten, Wong Nyeon Thiat, Wong Voon Yoong, Wong Voon Shek, Lee Cheng Ngee and Budhi Sentoso Rachmat are shareholders of Pan Merchant and Pan-Merchant Industries. Wong Voon Ten, Wong Voon Yoong and Lee Cheng Ngee are directors of Pan Merchant, PMIT Malaysia and Pan-Merchant Industries.	Being expenses paid by PMIT Malaysia on behalf of Pan-Merchant Industries and for the amount paid by PMIT Malaysia to Pan-Merchant Industries which was in turn paid to the shareholders of Pan-Merchant Industries	5,465 (1)	19.10 (2)	3,609 (1)	8.50 (2)	(3,333) (1)	(5.30) (2)	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value									
				As at 31 December 2021		As at 31 December 2022		As at 31 December 2023		As at 31 December 2024		As at the LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(ii)	Maxz Concept Sdn Bhd and PMIT Malaysia	Maxz Concept Sdn Bhd is a wholly-owned company of Pan-Merchant Industries. Prior to the acquisition of PMIT Malaysia by Pan Merchant, PMIT Malaysia was a wholly-owned subsidiary of Pan-Merchant Industries. Wong Voon Ten, Wong Nyeon Thiat, Wong Voon Yoong, Wong Voon Shek, Lee Cheng Ngee and Budhi Sentoso Rachmat are shareholders of Pan Merchant and Pan-Merchant Industries. Wong Voon Ten, Wong Voon Yoong and Lee Cheng Ngee are directors of Pan Merchant, PMIT Malaysia, Pan-Merchant Industries and Maxz Concept Sdn Bhd.	Being rental charged by Maxz Concept Sdn Bhd to PMIT Malaysia	784	2.74 (2)	976	2.30 (2)	-	-	-	-	-	-

Notes:

(1) Being amount owing by/(to) Pan-Merchant Industries to/(from) PMIT Malaysia as at the respective dates and includes the dividend paid by PMIT Malaysia to Pan-Merchant Industries during the respective FYEs 2021, 2022 and 2023 amounted to RM2.00 million, RM4.00 million and RM13.00 million respectively.

In addition to the dividend paid by PMIT Malaysia to Pan-Merchant Industries of RM13.00 million in FYE 2023, the amount owing by Pan-Merchant Industries during FYE 2023 were also set-off against the following:

- Acquisition by PMIT Malaysia from Pan-Merchant Industries of the properties held under:

  (i) HS(D) 102262 PT16076, Mukim Damansara Daerah Petaling, Negeri Selangor Darul Ehsan, with the address of 17, Jalan Pengacara U1/48, Temasya Industrial Park, 40150 Shah Alam, Selangor; and

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

(ii) HS(D) 102263 PT16077, Mukim Damansara Daerah Petaling, Negeri Selangor Darul Ehsan, with the address of 19, Jalan Pengacara U1/48, Temasya Industrial Park, 40150 Shah Alam, Selangor,

for a total consideration of RM12.20 million;

- Rental of head office and manufacturing facility at 17, Jalan Pengacara U1/48, Temasya Industrial Park, 40150 Shah Alam, Selangor by PMIT Malaysia from Pan-Merchant Industries for RM176,000; and
- Payment of management fees from PMIT Malaysia to Pan-Merchant Industries of RM960,000,

which are stated in items (i), (ii) and (iv) of Section 10.1.1 of this Prospectus above. In addition, Pan-Merchant Industries also subscribed for new shares in PMIT Malaysia amounting to RM12.20 million during FYE 2023.

For FYE 2024, no amounts were set-off apart from the amount paid by PMIT Malaysia to Pan-Merchant Industries which was in turn paid to the shareholders of Pan-Merchant Industries) and expenses paid by PMIT Malaysia on behalf of Pan-Merchant Industries. This amount has been fully settled during the FYE 2024.

(2) Computed based on our Group's equity attributable to the owners of our Company for the respective FYE.

As stated above, PMIT Malaysia had paid for expenses on behalf of Pan-Merchant Industries and for amount paid by PMIT Malaysia to Pan-Merchant Industries which was in turn paid to the shareholders of Pan-Merchant Industries. These advances were non-trade in nature and were not on an arm's length basis as they were unsecured, interest-free and repayable on demand. As at the LPD, the amount owing to Pan-Merchant Industries have been fully settled.

For clarity, the abovementioned financial assistance transactions will not continue upon our listing on the ACE Market of Bursa Securities.

Moving forward, our Group has put in place relevant internal control and compliance procedures in relation to advances and loans to/by related parties, and no further advances or loans will be given/received to/from any related parties of our Group unless such advances and loans are permitted under applicable law and the Listing Requirements and brought to our Audit and Risk Management Committee and our Board for deliberation and approval.

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10. RELATED PARTY TRANSACTIONS *(Cont'd)*

10.1.4 Loans and/or financial assistance from related parties to our Group

Save as disclosed below, there are no other outstanding loans and/or financial assistance (including guarantees of any kind) received by our Group from any related parties for the Financial Years Under Review and as at the LPD:

No.	Transacting parties	Nature of relationship	Nature of transaction	Outstanding amount as at				
				31 December 2021 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2024 RM'000	LPD RM'000
(i)	Pan-Merchant Industries, Lee Cheng Ngee, Wong Voon Ten, Wong Voon Yoong; and PMIT Malaysia	Prior to the acquisition of PMIT Malaysia by Pan Merchant, PMIT Malaysia was a wholly-owned subsidiary of Pan-Merchant Industries. Wong Voon Ten, Wong Voon Yoong and Lee Cheng Ngee are shareholders of Pan Merchant and Pan-Merchant Industries. Wong Voon Ten, Wong Voon Yoong and Lee Cheng Ngee are directors of Pan Merchant, PMIT Malaysia and Pan-Merchant Industries.	Pan-Merchant Industries, Lee Cheng Ngee, Wong Voon Ten, and Wong Voon Yoong, had given joint and several guarantee of RM32,802,000 in favour of OCBC Bank (Malaysia) Berhad (**"OCBC"**) for credit facilities granted to PMIT Malaysia.	32,802	32,802	32,802	32,802	32,802 (1)
(ii)	Pan-Merchant Industries, Lee Cheng Ngee, Wong Voon Ten, Wong Voon Yoong; and PMIT Malaysia	Prior to the acquisition of PMIT Malaysia by Pan Merchant, PMIT Malaysia was a wholly-owned subsidiary of Pan-Merchant Industries. Wong Voon Ten, Wong Voon Yoong and Lee Cheng Ngee are shareholders of Pan Merchant and Pan-Merchant Industries. Wong Voon Ten, Wong Voon Yoong and Lee Cheng Ngee are directors of Pan Merchant, PMIT Malaysia and Pan-Merchant Industries.	Lee Cheng Ngee, Wong Voon Ten and Wong Voon Yoong had given personal joint and several guarantees of RM33,960,000 and RM16,000,000; and Pan-Merchant Industries had given corporate guarantees of RM33,960,000 and RM16,000,000, in favour of United Overseas Bank (Malaysia) Berhad (**"UOB"**) for credit facilities granted to PMIT Malaysia.	49,960	49,960	49,960	49,960	49,960 (1)

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Transacting parties	Nature of relationship	Nature of transaction	Outstanding amount as at				
				31 December 2021 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2024 RM'000	LPD RM'000
(iii)	PMIT US, Ryan Christopher Boyd and Charles Boyd	Ryan Christopher Boyd is a shareholder and director of PMIT US. Charles Boyd is Ryan Christopher Boyd's father, a person connected to Ryan Christopher Boyd	Ryan Christopher Boyd and Charles Boyd provided separate personal guarantees respectively in favour of Suenos Turkey Creek, LLC (the landlord) to secure the lease payment obligations of PMIT US for our US office located at 1802 Turkey Creed Road, Unit A-1, Plant City, Florida 33566, USA.	-	-	331	322	303 (2)

Notes:

(1) In respect of the existing personal guarantees and corporate guarantees set out in items (i) and (ii) above, we have applied to OCBC and UOB respectively for their approvals to discharge the guarantees by substituting the same with a corporate guarantee from our Company after our Listing. As at the date of this Prospectus, we have received conditional approvals respectively from UOB via a letter dated 12 November 2024 and from OCBC via a letter dated 27 March 2025.

(2) In respect of the personal guarantees in item (iii) above and as at the LPD, PMIT US is unable to obtain the landlord's consent to discharge the personal guarantees by substituting the same with a corporate guarantee from our Company after our Listing on the basis that PMIT US is still in the early stages of its operations. The landlord has indicated that they may be willing to reconsider their position at a later stage.

Our Directors, namely Wong Voon Ten, Wong Voon Yoong, Wong Voon Shek, Lee Cheng Ngee, have respectively provided personal guarantees for various hire purchase facilities granted by BMW Credit (Malaysia) Sdn Bhd and Public Bank Berhad to PMIT Malaysia, which were used to purchase motor vehicles, machines and equipment. The aggregate hire purchase facilities amount guaranteed is approximately RM5.66 million. We have applied to the respective financiers for their approvals to discharge the personal guarantees by substituting the same with a corporate guarantee from our Company after our Listing. As at the date of this Prospectus, we have received conditional approval from BMW Credit (Malaysia) Sdn Bhd via a letter dated 17 March 2025 and from Public Bank Berhad via a letter dated 22 May 2025.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

10.2. MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

10.2.1. Audit and Risk Management Committee review

Our Audit and Risk Management Committee assesses the related party transactions (including RRPT) and conflict of interest situations (including potential conflict of interest) that may arise within our Group including any transaction, procedure or course of conduct that raises questions of management integrity. Our Audit and Risk Management Committee maintains and periodically reviews the adequacy of the procedures and processes set by our Group to monitor related party transactions and conflicts of interest.

It also sets and reviews the procedures and processes to monitor related party transactions to ensure the integrity of these transactions, procedures or conducts. It also ensures that these transactions are carried out in the best interest of our Group, on an arm's length basis and are based on normal commercial terms which are not more favourable to the related party than those generally made available to the third parties and are not detrimental to our non-interested shareholders.

All reviews by our Audit and Risk Management Committee are reported to our Board for its further action.

10.2.2. Our Group's policy on related party transactions and conflicts of interest

Related party transactions by their very nature, involve conflicts of interest between our Group and the related parties with whom our Group has entered into such transactions. As disclosed in Section 10.1 of this Prospectus, some of our Directors and/or major shareholders are also directors and/or shareholders of related parties to our Group. As such, any of these related party transactions, may individually and in aggregate, have conflicts of interest.

It is the policy of our Group that all related party transactions and conflicts of interest must be immediately and fully disclosed by our interested or conflicted Directors or major shareholders to the management for reporting to our Audit and Risk Management Committee. Any related party transactions must be reviewed by our Audit and Risk Management Committee to ensure that they are negotiated and agreed upon in the best interest of our Group on an arm's length basis and are based on normal commercial terms not more favourable to the related party than those generally available to third parties, are not detrimental to the interest of our non-interested shareholders and are in the best interest of our Group.

In addition, in line with the MCCG and the Corporate Governance Guide, our Directors are required to make an annual disclosure of any related party transactions and conflicts of interest with our Group. Our Audit and Risk Management Committee must carry out an annual assessment of our Directors which include an assessment of such related party transactions and/or conflict of interest. Further, our Audit and Risk Management Committee will in turn report to our Board after their evaluation and assessment and make the appropriate recommendations to our Board.

11. CONFLICT OF INTEREST

11.1 INTEREST IN SIMILAR BUSINESS OR CUSTOMER OR SUPPLIER

11.1.1 Involvement of our Directors and/or Shareholders

Save as disclosed below and the RRPT set out in Section 10.1.1 (items (vi) to (ix), (xi), (xii), (xiii)) of this Prospectus, none of our other Directors and/or substantial shareholders have any other interest, whether direct or indirect, in any businesses or corporations which are carrying on a similar trade as our Group or which are the customers or suppliers of our Group:

(a) Our substantial shareholder Budhi Sentoso Rachmat's involvement in PT Prima Ega Teknindo

Budhi Sentoso Rachmat is a substantial shareholder of Pan Merchant and the largest shareholder (48% equity interest) in PT Prima Ega Teknindo ("**PT Prima**"). PT Prima has been appointed as the sales agent in Indonesia for the edible oil industry for PMIT Malaysia since 2003. PT Prima's current appointment as agent of PMIT Malaysia is via an agency agreement dated 12 August 2024, which is valid from 12 August 2024 to 11 August 2026 ("**PT Prima Agency Agreement**").

As the exclusive agent of PMIT Malaysia, PT Prima procures on behalf of PMIT Malaysia sales and negotiates business transactions with prospective customers in Indonesia for PMIT Malaysia's products which include filter presses, hermetic filters, pulse tube filters, agitators, cartridge and bag filter cloths (under the brand "Filtex") and replacement parts of the filtration equipment. PT Prima also carries out the following:

(i) refers projects from customers requesting for design, testing, and commissioning of filters to PMIT Malaysia as PT Prima does not have such expertise to carry out design, testing and commissioning of filters;

(ii) in relation to the above products, providing after-sales services to PMIT Malaysia's customers from time to time as requested by PMIT Malaysia; and

(iii) reconditioning works for filter leaves (for both PMI and non-PMI brand filters) using raw materials sourced from PMIT Malaysia.

Our Board is of the view that the involvement of our substantial shareholder in our customer, PT Prima, does not give rise to existing or potential conflict of interest due to the following reasons:

(i) pursuant to the terms of the PT Prima Agency Agreement, our Group has reserved the right to sell our products directly on our own accord to other customers in Indonesia if the customer approaches PMIT Malaysia directly and our Group is not required to sell to Indonesian customers through PT Prima.

A comparison between the amount sold to PT Prima vis-a-vis our Group's total revenue and our Group's total revenue derived from Indonesia (which includes revenue from sales to PT Prima) are as follows:

11. CONFLICT OF INTEREST *(Cont'd)*

	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Sales of replacement parts from PMIT Malaysia to PT Prima	1,993		3,552		1,822		4,849	
• as a % of our Group's total revenue derived from Indonesia	40,494	(1) 4.92	65,733	(1) 5.40	79,591	(1) 2.29	54,217	(1) 8.94
• as a % of our Group's total revenue	105,351	(2) 1.89	154,356	(2) 2.30	138,493	(2) 1.32	141,541	(2) 3.43

Notes:

(1) Derived by dividing the sales of replacement parts from PMIT Malaysia to PT Prima with the revenue of our Group derived from Indonesia.

(2) Derived by dividing the sales of replacement parts from PMIT Malaysia to PT Prima with the total revenue of our Group.

Premised on the above, it can be demonstrated that the sales of replacement parts from PMIT Malaysia to PT Prima is not material when compared to our Group's total revenue and our Group's revenue derived from Indonesia.

(ii) Further, Budhi Sentoso Rachmat is not involved in the management of our Group. He is not a Director of Pan Merchant nor our subsidiaries. He has represented that his involvement in Pan Merchant as a substantial shareholder is for investment purposes;

(iii) He has also represented that his involvement in PT Prima is also for investment purposes and he is not involved in the day-to-day management and operations of PT Prima, which has its own management team to undertake such day-to-day management and operations;

(iv) Budhi Sentoso Rachmat has provided Pan Merchant with an undertaking that for as long as he is a shareholder of Pan Merchant or its subsidiaries or related companies (if any), that:

- he shall ensure and procure that partnerships or companies which he is a partner or director or shareholder of, that they are not to in any way enter into any contracts, arrangements and undertakings or engage in any business that may give rise to a potential conflict of interest or which is in competition whether directly or indirectly with our Group; and

- he shall ensure that he abstains from deliberating and/or voting on resolutions in his capacity as shareholder of Pan Merchant, as well as ensure that persons connected to him abstain from deliberating and/or voting on resolutions pertaining to any transactions between our Group and the other companies in which he is a partner, director and/or shareholder.

He has also confirmed that he is not a person connected to the Directors and other substantial shareholders of Pan Merchant in accordance with the Listing Requirements;

11. CONFLICT OF INTEREST *(Cont'd)*

(v) Additionally, based on the PT Prima Agency Agreement, PT Prima is not allowed to be involved in the supply of any goods or services in Indonesia which are similar or competitive with PMIT Malaysia's products or related services unless PT Prima obtains PMIT Malaysia's written consent. PT Prima is also not allowed to sell any of PMIT Malaysia's products outside of Indonesia or to any person in Indonesia which they believe would resell the products outside of Indonesia; and

(vi) PT Prima is an exclusive agent for PMIT Malaysia but not vice versa. Further, PMIT Malaysia may also sell directly to customers in Indonesia.

For further details of the transactions between PT Prima and our Group, please refer to the segmental revenue of our Group to the Indonesian market as illustrated in Section 12.3.3 of this Prospectus compared to the revenue as recorded under the related party transaction by PT Prima as set out in item (vi) of Section 10.1.1 of this Prospectus.

(b) Our Independent Non-Executive Chairman's involvement in a supplier to our Group

In addition to the above, Datuk Tan Leh Kiah (our Independent Non-Executive Chairman) is a non-executive director of Van Leeuwen Tube (Malaysia) Sdn Bhd (**"Van Leeuwen"**), which is a supplier to our Group for pipes, tubes and pipe fittings. Van Leeuwen is principally involved in wholesale of pipes, tubes and pipe fittings and provision of management services. Our purchases from Van Leeuwen for the Financial Years Under Review are set out below :

	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%(1)	RM'000	%(1)	RM'000	%(1)	RM'000	%(1)
Total	117	0.13	-	-	1	*	27	0.06

Notes:

(1) Computed based on our Group's total purchases for the respective FYE.

* Negligible

Premised on the above, it can be demonstrated that our Group's purchases from Van Leeuwen are not material when compared to our Group's total purchases.

Our Board is of the view that the involvement of our Independent Non-Executive Chairman above does not give rise to any existing and potential conflict of interest situation as he is not involved in the day-to-day operations and management of our Group. He has also represented that he is not involved in the day-to-day operations and management of Van Leeuwen.

11.1.2 Involvement of our Key Senior Management

Our key senior management, Marcel Nicolaas Lupé's involvement in Vimabo Metal Industry B.V. and Lupé Beheer B.V.

Marcel Nicolaas Lupé is a director and sole shareholder of Lupé Beheer B.V.. Lupé Beheer B.V. is a 10% shareholder of PMIT Holding NL. PMIT Europe NL and PMIT USA NL are wholly-owned subsidiaries of PMIT Holding NL. Marcel Nicolaas Lupé is also a director and 50.00% shareholder in Vimabo Metal Industry B.V..

11. CONFLICT OF INTEREST *(Cont'd)*

Further details of Lupé Beheer B.V. and Vimabo Metal Industry B.V. are set out in Section 5.4.3 of this Prospectus.

Our subsidiaries:

- PMIT Europe NL had entered into several RRPT with Vimabo Metal Industry B.V., details as set out in items (viii), (ix), (x) and (xii) of Section 10.1.1 of this Prospectus.

  As stated in Notes (6) and (9) of Section 10.1.1 of this Prospectus, PMIT Europe NL had entered into lease agreement, Framework Agreement and Service Agreement with Vimabo Metal Industry B.V. to formalise the arrangements in relation to the RRPT;

- PMIT USA NL had entered into a RRPT with Vimabo Metal Industry B.V., details as set out in item (xiii) of Section 10.1.1 of this Prospectus.

  As stated in Note (10) of Section 10.1.1 of this Prospectus, PMIT USA NL had entered into service agreement in relation to the RRPT; and

- PMIT Europe NL had entered into the Management Agreement with Lupé Beheer B.V., details as set out in item (xi) of Section 10.1.1 of this Prospectus.

  PMIT Europe NL had since 1 January 2021 appointed Lupé Beheer B.V. to provide services to manage PMIT Europe NL's business activities and Lupé Beheer B.V. has assigned Marcel Nicolaas Lupé to act as PMIT Europe NL's director. On 22 August 2024, PMIT Europe NL had entered into the Management Agreement with Lupé Beheer B.V. to record the arrangement. Please refer to Note (8) of Section 10.1.1 of this Prospectus for further details of the Management Agreement. As such, Marcel Nicolaas Lupé is in charge of the Netherlands office where he oversees business development and technical support services for customers in Europe.

  In addition, moving forward PMIT Europe NL will directly source their own replacement parts instead of through Vimabo Metal Industry B.V.. Hence, the arrangement to source the replacement parts through Vimabo Metal Industry B.V. will not continue after we are listed on the ACE Market of Bursa Securities.

  Based on the above, other than the RRPT involving Lupé Beheer B.V. and Vimabo Metal Industry B.V. as set out in items (viii) to (xiii) of Section 10.1.1 of this Prospectus, Marcel Nicolaas Lupé's involvement does not give rise to any conflict or potential conflict of interest with our business.

Our Board is of the view that the existing and potential conflict of interest from the involvement of Marcel Nicolaas Lupé in both Vimabo Metal Industry B.V. and Lupé Beheer B.V. is mitigated based on the following:

(i) All transactions between our Group with Vimabo Metal Industry B.V. and Lupé Beheer B.V. are formalised and governed by a lease agreement, Framework Agreement, Service Agreement and Management Agreement which sets out the terms and conditions of the transactions;

11. CONFLICT OF INTEREST *(Cont'd)*

(ii) Although Marcel Nicolaas Lupé is a Director of PMIT Europe NL, the Board of Directors of PMIT Europe NL also comprises other shareholders being Wong Voon Ten (our Managing Director where PMIT Malaysia owns 60.10% in PMIT Holding NL), Jasper Johannes Vreeman (who owns 4.90% in PMIT Holding NL) and EMMAX Beheer B.V. (who owns 10.00% in PMIT Holding NL). Therefore, Marcel Nicolaas Lupé (who also owns 10.00% only in PMIT Holding NL) would not be able to materially influence the decisions made by the Board of Directors of PMIT Europe NL in respect of transactions between our Group, and both Vimabo Metal Industry B.V. and Lupé Beheer B.V.;

(iii) Vimabo Metal Industry B.V.'s principal activities are sheet metal work, welding, assembly and mounting, machine and equipment construction, service for maintenance and repairs. These activities are different from our Group's main core business. Vimabo Metal Industry B.V. does not possess the manufacturing capabilities that is in competition with our Group but provides technical support services that complement the manufacturing and after sales service of our filters;

(iv) Lupé Beheer B.V. is not involved in similar nature of businesses as our Group as it is a financial holding company;

(v) The past related party transactions as set out in Section 10.1.1 of this Prospectus involving PMIT Europe NL with Vimabo Metal Industry B.V. and Lupé Beheer B.V. were transacted on an arm's length basis and based on normal commercial terms which were not more favourable to Vimabo Metal Industry B.V. and/or Lupé Beheer B.V. and were not detrimental to our minority shareholders. Further, the transactions amounts are immaterial to our Group as disclosed in Section 10.1.1 of this Prospectus; and

(vi) As transactions between our Group, and Vimabo Metal Industry B.V. and Lupé Beheer B.V. are related party transactions, our Group is required to follow the relevant procedures as set out in our Group's related party transaction policy, in order to ensure that these transactions are undertaken on arm's length basis and on normal commercial terms which are not more favourable to the related party than those generally available to the third parties, and are not detrimental to the interest of our Company's minority shareholders.

Our Audit and Risk Management Committee will assess any conflict of interest or potential conflict of interest situations and review our Group's current and future related party transactions and ensure that such transactions will be carried out on an arm's length basis and on normal commercial terms which are not more favourable to the related party than those generally available to the third parties, are not detrimental to our non-interested shareholders and are in the best interest of our Group.

Notwithstanding the above, the interests that are held by our Directors and/or substantial shareholders and the interests that may be held by our Directors and/or substantial shareholders in the future in other businesses or corporations which carry on a similar trade as that of our Group or which are our customers or suppliers may give rise to a conflict of interest situation within our business.

Where such interests give rise to a conflict of interest situation, our Directors and/or substantial shareholders and persons connected to them shall abstain from deliberating and voting on the resolutions relating to these matters or transactions in the relevant Board and/or general meetings that require the approval of our shareholders, in respect of their direct or indirect interests.

Such transactions will be carried out on arm's length basis and on normal commercial terms which are not more favourable to the related party than those generally available to the third parties, are not detrimental to our non-interested shareholders and are in the best interest of our Group.

11. CONFLICT OF INTEREST *(Cont'd)*

Our Group will also seek such relevant shareholders' approval where required. We will also make disclosures in our annual report of the aggregate value of any RRPT to be entered into by us (where required) based on the nature of the transactions made, names of the related parties involved and their relationship with our Group.

11.2 DECLARATION BY ADVISERS ON CONFLICT OF INTEREST

11.2.1. Principal Adviser, Sponsor, Sole Placement Agent and Sole Underwriter

Affin Hwang IB has confirmed that it has no existing or potential interest in our Company and there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Sponsor, Sole Placement Agent and Sole Underwriter to our Group in relation to our Listing.

11.2.2. Solicitors to our Group

Cheang & Ariff has confirmed that they have no existing or potential interest in our Company and there is no existing or potential conflict of interest in their capacity as the solicitors to our Group in relation to our Listing.

11.2.3. Auditors and Reporting Accountants

Crowe Malaysia PLT has confirmed that it has no existing or potential interest in our Company and there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants to our Group in relation to our Listing.

11.2.4. Independent Market Researcher

PROVIDENCE has confirmed that it has no existing or potential interest in our Company and there is no existing or potential conflict of interest in its capacity as the IMR to our Group in relation to our Listing.

11.2.5. Internal Control Consultant

Resolve IR Sdn Bhd has confirmed that it has no existing or potential interest in our Company and there is no existing or potential conflict of interest in its capacity as the Internal Control Consultant to our Group in relation to our Listing.

11.2.6. Tax Consultant

Crowe KL Tax Sdn Bhd has confirmed that it has no existing or potential interest in our Company and there is no existing or potential conflict of interest in its capacity as the Tax Consultant to our Group in relation to our Listing.

11.2.7. Valuer

CBRE WTW Valuation & Advisory Sdn Bhd, has confirmed that it has no existing or potential interest in our Company and there is no existing or potential conflict of interest in its capacity as the Valuer to our Group in relation to our Listing.

12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

The historical audited consolidated financial statements for our Group for the Financial Years Under Review presented in this section were extracted from the Accountants' Report as set out in Section 13 of this Prospectus. Our historical audited consolidated financial statements were prepared as if our Group structure had been in existence throughout the Financial Years Under Review and in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards. All intra-group transactions and balances have been eliminated on consolidation.

The historical audited consolidated financial information presented below should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" as set out in Section 12.3 of this Prospectus and the Accountants' Report as set out in Section 13 of this Prospectus.

12.1.1 Consolidated statements of profit or loss and other comprehensive income of our Group

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	105,351	154,356	138,493	141,541
Cost of sales	(68,292)	(103,342)	(94,137)	(91,305)
GP	**37,059**	**51,014**	**44,356**	**50,236**
Other income	408	1,055	843	621
	37,467	52,069	45,199	50,857
Administrative expenses	(20,221)	(24,512)	(26,597)	(30,889)
Other expenses	(1,292)	(1,401)	(2,220)	(6,248)
Finance costs	(1,519)	(1,629)	(1,830)	(1,898)
Net impairment losses on financial assets ^	-	-	(276)	(213)
PBT	**14,435**	**24,527**	**14,276**	**11,609**
Income tax expense	(3,840)	(6,236)	(3,654)	(3,606)
PAT	**10,595**	**18,291**	**10,622**	**8,003**
Other comprehensive (loss) / income				
Items that will not be reclassified subsequently to profit or loss				
- Foreign currency translation difference	(73)	6	173	(357)
- Revaluation of right-of-use assets *	-	-	10,597	-
Total other comprehensive (loss) / income	(73)	6	10,770	(357)
Total comprehensive income for the financial year	**10,522**	**18,297**	**21,392**	**7,646**
PAT attributable to:				
Owners of the Company	10,231	17,853	10,542	7,678
Non-controlling interests	364	438	80	325
	10,595	**18,291**	**10,622**	**8,003**

12. FINANCIAL INFORMATION *(Cont'd)*

	Audited			
	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000
Total comprehensive income attributable to:				
Owners of the Company	10,187	17,857	21,312	7,335
Non-controlling interests	335	440	80	311
	10,522	**18,297**	**21,392**	**7,646**
GP margin (%) (1)	35.18	33.05	32.03	35.49
EBITDA (2)	17,603	27,707	18,233	16,549
EBITDA margin (%) (3)	16.71	17.95	13.17	11.69
PBT margin (%) (4)	13.70	15.89	10.31	8.20
PAT margin (%) (5)	10.06	11.85	7.67	5.65
PATNCI margin (%) (6)	9.71	11.57	7.61	5.42
Basic and diluted EPS (sen) (7)	1.12	1.95	1.15	0.84
Adjusted basic and diluted EPS (sen) (7)(8)	1.12	1.95	1.15	1.07

Notes:

^ The impairment losses on financial assets were recognised in relation to trade receivables in which there were disputes relating to the scope of services rendered by our Group.

* These relate to our properties, being the leasehold lands, factory buildings and workers' accommodations which were revalued by independent professional valuers on 31 December 2023. The surplus arising from the revaluation (net of deferred taxation), have been recorded as other comprehensive income and is only accumulated in equity under the revaluation reserve rather than in profit or loss.

(1) GP margin is computed based on GP divided by revenue.

(2) EBITDA is computed as follows:

	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000
PAT	10,595	18,291	10,622	8,003
Add:				
- Taxation	3,840	6,236	3,654	3,606
- Finance costs	1,519	1,629	1,830	1,898
Less:				
- Interest income	(105)	(199)	(258)	(280)
EBIT	**15,849**	**25,957**	**15,848**	**13,227**
Add:				
- Depreciation of property, plant and equipment	1,436	1,432	2,045	2,208
- Depreciation of right-of-use assets	318	318	340	1,114
EBITDA	**17,603**	**27,707**	**18,233**	**16,549**

(3) EBITDA margin is computed based on EBITDA divided by revenue.

(4) PBT margin is computed based on PBT divided by revenue.

(5) PAT margin is computed based on PAT divided by revenue.

12. FINANCIAL INFORMATION *(Cont'd)*

(6) PATNCI margin is computed based PATNCI divided by revenue.

(7) For comparative purposes, the basic EPS is computed based on the PATNCI divided by the enlarged number of issued Shares upon completion of our IPO of 916,000,000 Shares. The diluted EPS is equal to the basic EPS as there were no potential dilutive securities in issue during the respective Financial Years Under Review.

(8) Excluding the listing expenses for our IPO of RM2.16 million incurred during FYE 2024 where our Group's adjusted PATNCI for the FYE 2024 is approximately RM9.84 million.

12.1.2 Consolidated statements of financial position of our Group

	Audited			
	As at 31 December			
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	4,346	4,587	22,824	24,786
Right-of-use assets	11,532	11,214	26,162	25,365
Goodwill (1)	-	-	815	815
Total non-current assets	**15,878**	**15,801**	**49,801**	**50,966**
Current assets				
Inventories	37,988	29,504	20,143	18,035
Trade receivables	30,181	32,493	28,700	30,826
Other receivables, deposits and prepayments	10,769	8,054	3,306	2,552
Contract assets	14,792	18,693	18,191	15,671
Amount owing by holding company	5,465	3,609	-	-
Amount owing by a related party (2)	379	546	135	156
Fixed deposits with licensed banks	6,935	9,678	10,329	11,070
Cash and bank balances	6,109	7,300	8,053	13,777
Total current assets	**112,618**	**109,877**	**88,857**	**92,087**
Non-current assets held for sale	-	-	-	339
Total assets	**128,496**	**125,678**	**138,658**	**143,392**
EQUITY AND LIABILITIES				
Equity				
Share capital	2,000	2,000	14,200	14,200
Reserves	26,609	40,466	48,778	56,113
Equity attributable to owners of the Company	**28,609**	**42,466**	**62,978**	**70,313**
Non-controlling interests	826	1,266	1,452	1,763
Total equity	**29,435**	**43,732**	**64,430**	**72,076**

12. FINANCIAL INFORMATION *(Cont'd)*

	Audited			
	As at 31 December			
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Non-current liabilities				
Lease liabilities	-	-	1,100	1,120
Borrowings	2,673	2,067	2,350	2,879
Deferred tax liabilities	802	804	4,181	3,743
Current tax liabilities	662	-	-	-
Total non-current liabilities	**4,137**	**2,871**	**7,631**	**7,742**
Current liabilities				
Trade payables	30,253	18,392	15,125	13,261
Contract liabilities	18,231	10,404	9,906	8,063
Other payables and accruals [(3)]	8,020	5,866	4,762	9,456
Amount owing to related parties [(4)]	784	976	3,333	255
Lease liabilities	-	-	227	324
Borrowings	34,346	37,688	30,918	31,413
Current tax liabilities	3,290	5,749	2,326	802
Total current liabilities	**94,924**	**79,075**	**66,597**	**63,574**
Total liabilities	**99,061**	**81,946**	**74,228**	**71,316**
Total equity and liabilities	**128,496**	**125,678**	**138,658**	**143,392**

Notes:

(1) The goodwill is in respect of the acquisition of PMIT Singapore which was completed on 20 November 2023.

(2) The amount owing by PT Prima represents the sale of replacement parts by PMIT Malaysia to PT Prima. As at the LPD, the amount owing by PT Prima as at 31 December 2024 has been fully settled.

(3) The increase in other payables and accruals from approximately RM4.76 million as at 31 December 2023 to approximately RM9.46 million as at 31 December 2024 was mainly due to an increase in advances from customers.

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12. FINANCIAL INFORMATION *(Cont'd)*

(4) The amount owing to related parties comprise:

	Audited			
	As at 31 December			
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Amount owing to related parties:				
Maxz Concept Sdn Bhd				
- Non-trade [(i)]	784	976	-	-
Pan-Merchant Industries				
- Non-trade [(ii)]	-	-	3,333	-
Lupé Beheer B.V.				
- Non-trade [(iii)]	-	-	-	28
Vimabo Metal Industry B.V.				
- Trade [(iv)]	-	-	-	227
	784	**976**	**3,333**	**255**

(i) As at 31 December 2021 and 2022, the amount owing is non-trade in nature as it relates to the rental for part of our Headquarters which was payable to Maxz Concept Sdn Bhd then, details as set out in Section 10.1.3 of this Prospectus. The amount outstanding was fully settled during the FYE 2023.

(ii) As at 31 December 2023, the amount owing is non-trade in nature as it relates to the amount owing to Pan-Merchant Industries for the balance of the dividend declared during the FYE 2023, details as set out in Section 10.1.3 of this Prospectus. The amount owing to Pan-Merchant Industries was fully settled during the FYE 2024.

(iii) As at 31 December 2024, the amount owing to Lupé Beheer B.V. is non-trade in nature as it relates to the management fee payable to Lupé Beheer B.V., details as set out in Section 10.1.1 of this Prospectus. As at the LPD, the amount owing to Lupé Beheer B.V. as at 31 December 2024 has been fully settled.

(iv) As at 31 December 2024, the amount owing to Vimabo Metal Industry B.V. is trade in nature as it relates to the provision of labour services payable to Vimabo Metal Industry B.V., details as set out in Section 10.1.1 of this Prospectus. As at the LPD, the amount owing to Vimabo Metal Industry B.V. as at 31 December 2024 has been fully settled.

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12. FINANCIAL INFORMATION *(Cont'd)*

12.2 CAPITALISATION AND INDEBTEDNESS

The table below sets out our Group's capitalisation and indebtedness:

(i) unaudited capitalisation and indebtedness as at 7 April 2025;

(ii) after (i) and taking into account the Acquisition of PMIT Malaysia;

(iii) after (ii) and adjusting for the proceeds raised from our IPO; and

(iv) after (iii) and utilisation of proceeds raised from our IPO.

The pro forma financial information below is for illustrative purposes only and does not represent our actual capitalisation and indebtedness as at 7 April 2025 or in the future.

	(I) **Unaudited as at 7 April 2025** **RM'000**	**(II)** **After (I) and Acquisition of PMIT Malaysia** **RM'000**	**(III)** **After (II) and our IPO** **RM'000**	**After (III) and utilisation of proceeds** **RM'000**
INDEBTEDNESS [(1)]				
Current				
Secured and guaranteed:				
- term loans	32	32	32	32
- bankers' acceptances	22,982	22,982	22,982	22,982
- bank overdrafts	1,350	1,350	1,350	1,350
	24,364	24,364	24,364	24,364
Secured and unguaranteed:				
- hire purchase payables	1,152	1,152	1,152	1,152
Unsecured and unguaranteed:				
- lease liabilities	339	339	339	339
Non-current				
Secured and unguaranteed:				
- hire purchase payables	2,599	2,599	2,599	2,599
Unsecured and unguaranteed:				
- lease liabilities	1,062	1,062	1,062	1,062
Total indebtedness	**29,516**	**29,516**	**29,516**	**29,516**
CAPITALISATION				
Share capital	14,200	68,381	131,072	128,314
Retained profits	44,885	44,885	44,885	42,811
Reorganisation deficit	-	(54,276)	(54,276)	(54,276)
Revaluation reserve	10,597	10,597	10,597	10,597
Foreign exchange translation reserve	73	73	73	73
Total capitalisation	**69,755**	**69,660**	**132,351**	**127,519**

12. FINANCIAL INFORMATION *(Cont'd)*

	(I) Unaudited as at 7 April 2025	(II) After (I) and Acquisition of PMIT Malaysia	(III) After (II) and our IPO	After (III) and utilisation of proceeds
Total capitalisation and indebtedness	**99,271**	**99,176**	**161,867**	**157,035**
Gearing ratio (times) [(2)]	0.42	0.42	0.22	0.23

Notes:

(1) Indebtedness refers to financial liabilities arising from financing activities, which include bank borrowings, hire purchase and lease liabilities. The lease liabilities of our Group comprise the leases of leasehold lands, factory buildings, workers' accommodation and office premises which was recognised in accordance with MFRS 16 Leases.

(2) Gearing ratio is computed based on total indebtedness divided by total capitalisation.

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12. FINANCIAL INFORMATION *(Cont'd)*

12.3 MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following management's discussion and analysis in respect of the financial condition and results of operations of our Group for the Financial Years Under Review should be read in conjunction with the Accountants' Report together with the accompanying notes as set out in Section 13 of this Prospectus.

The management's discussion and analysis contain data derived from our audited consolidated financial statements as well as forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ significantly from those projected in the forward-looking statements. The factors that may cause future results to differ significantly from those included in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly the risk factors as set out in Section 9 of this Prospectus.

There are no accounting policies which are peculiar to our Group. For further information on the significant accounting policies of our Group, please refer to Note 3 of the Accountants' Report included in Section 13 of this Prospectus.

12.3.1 Overview of our business

We are an investment holding company. Through our subsidiaries, we are principally involved in the design, manufacture, assembly, delivery and commissioning of filters for solid liquid filtration, provision of steel works and provision of technical support services.

For further details, please refer to Section 7 of this Prospectus.

12.3.2 Significant factors affecting our financial condition and result of operations

Our financial condition and results of operations have been and are expected to be affected by, amongst others, the following factors:

(i) Dependency on continuously securing new projects and customers

We generally do not have long-term contractual agreements with our customers. Our projects are typically secured via individual purchase orders or contracts issued by our customers on a project-to-project basis and on an as-needed basis, save for our technical support services which may be provided on a contract basis that can be renewed annually.

While we emphasise on maintaining and developing strong business relationships with our existing customers, and have successfully secured repeat orders and referrals from some of our major customers, there is no guarantee that we are able to continuously secure new projects from new and existing customers. As at the LPD, we have an order book of RM69.60 million. However, we cannot assure that our current order book will be sustained or that existing projects will not face delays, suspensions, or cancellations, which could adversely impact our business operations and financial performance.

12. FINANCIAL INFORMATION *(Cont'd)*

(ii) Dependency on necessary licences, permits and accreditations

We hold several important accreditations and comply with locally and internationally recognised standards such as ISO 9001:2015 from Standards Malaysia and UKAS Management Systems, Certificate of Authorisation (U and U2 certificate) from ASME and Certificate of Authorisation (R) from the National Board of Boiler and Pressure Vessel Inspections as well as the SELO Licence from the State Administration for Market Regulation, China. Our hermetic filters and vessels/equipment have also complied with the Pressure Equipment Directive of Europe, Ministry of Manpower requirements of Singapore and DOSH requirements of Malaysia. These accreditations, authorisations and approvals validate our commitment to quality and compliance with local and international standards, allowing us to serve local and overseas markets.

If we are unable to continuously comply with all the regulations and/or conditions of our licences and accreditations, such licences and accreditations may be suspended or revoked and we are at risk of not being able to renew these licences and accreditations. Consequently, we will not be able to export to certain countries and this may have an impact on our business operations and industry reputation.

(iii) Dependency on our major customers

Our Group is dependent on major customers, including the Desmet Group, Lipico Group, and Alfa Laval Group, which together accounted for a substantial portion of our revenue, exceeding 10.00% during the Financial Years Under Review, details as follows:

Customers	**Audited**			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
	%	**%**	**%**	**%**
Alfa Laval Group*	11.08	12.72	8.07	5.17
Desmet Group*	40.00	25.19	26.08	31.87
	51.08	37.91	34.15	37.04
Lipico Group	11.48	19.33	22.71	16.02
Total	**62.56**	**57.24**	**56.86**	**53.06**

Note:

* Alfa Laval had completed the acquisition of Desmet on 2 August 2022 and hence, their aggregate contributions are presented in the above manner.

While we have maintained long-term relationships with these customers, there is no guarantee that we will continue maintaining such business relationships with them and continue securing future projects or receive prompt payments from these major customers. The loss of any of these major customers or delays in payments or non-payments could adversely impact our business operations and financial performance.

Further details of the major customers are set out in Section 7.19 of this Prospectus.

12. FINANCIAL INFORMATION *(Cont'd)*

(iv) Dependency on our Executive Directors and our Key Senior Management

Our Group's growth and continuing success are dependent on the leadership capabilities, significant efforts, commitments, abilities and the direction of our Executive Directors and Key Senior Management team. They have driven the development of our business strategies and expanded our global presence in the solid liquid filtration industry. We also rely on the skills and experience of our Key Senior Management, whose deep industry knowledge and technical expertise ensure that we meet customers' needs and requirements as well as to stay competitive.

The loss of any Executive Directors and Key Senior Management without a suitable and timely replacement could adversely affect our business and our ability to continue to stay competitive in the industry.

(v) Potential disruptions in our manufacturing plants

Our manufacturing activities depend on the continued operations of our manufacturing plants, namely Jelapang Plant 1, Jelapang Plant 2 and Lahat Plant as well as the performance of various machinery and equipment such as CNC machines and welding equipment. Any potential disruptions such as operational failures, sub-optimal performance, natural disasters, power outages, or disease outbreaks could lead to temporary shutdowns or interruptions in our business operation which will affect our production schedules and timely product delivery. These interruptions may result in order cancellations and negatively impact our industry reputation and customer relationships.

To mitigate these risks, we have implemented a regular maintenance schedule for our machinery and equipment and ensured that all vital machinery and equipment, as well as operational facilities are adequately insured. Additionally, with 3 manufacturing plants which are located nearby to each other, we can shift production to other facilities in the event of disruptions at one of our manufacturing plants. We have not experienced any incident in the past that resulted in major interruptions. Despite this, we cannot guarantee that there will not be any unforeseen circumstances which could not cause significant disruptions to our operations or adversely affect our business and financial performance in the future.

(vi) Dependency on foreign workers in our operations

Our operations are dependent on foreign workers, primarily from Myanmar, Nepal Indonesia and Bangladesh. We are vulnerable to fluctuations in the availability and cost of foreign labour due to changes in Malaysia's labour and immigration policies. For instance, the 2020 entry ban on foreign workers due to the COVID-19 pandemic led to severe labour shortages in industries dependent on foreign labour. Although the ban was lifted in October 2021, the Malaysian Government now requires employers to obtain approval from the Director General of Labour before employing any foreign workers and has implemented a new levy rate on foreign workers within Peninsular Malaysia in 2016, which has increased labour costs.

While we currently have valid work permits for our foreign workers, any changes in work permit policies or further increases in the levy rate could lead to difficulties in maintaining our labour force or result in higher labour costs. These factors may cause delays in manufacturing and increased operational expenses, which could adversely affect our Group's business operations and financial performance.

12. FINANCIAL INFORMATION *(Cont'd)*

We may also be impacted by any changes in government policies and regulations that may affect the cost of hiring foreign workers. For instance, the recent announcements of the Malaysian Government's plans under the Budget 2025 to make EPF mandatory for foreign workers could result in increased costs, and this may adversely impact our profit margins and consequently our financial performance.

(vii) Impact of foreign exchange rate, interest rate, commodity prices, inflation and government/economic/fiscal/monetary policies

Please refer to Section 12.3.4 of this Prospectus for further information on the impact of fluctuation in foreign exchange rate, interest rate, commodity prices, inflation and government/economic/fiscal/monetary policies on our Group's operations.

The impact of foreign exchange fluctuations on our financial performance during the Financial Years Under Review which mainly arises from the timing differences between our invoices or our suppliers' invoices and the actual receipt of payments from our foreign customers and actual payments to our suppliers, are as follows:

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Realised gain/(loss) on foreign exchange	19	593	(334)	(192)
Unrealised (loss)/gain on foreign exchange	(24)	(2)	408	(1,085)
Net (loss)/gain on foreign exchange	**(5)**	**591**	**74**	**(1,277)**

(viii) Insufficient insurance coverage to cover all losses or liabilities that may occur during our business operations

We may not have sufficient insurance coverage for our property, plant and equipment to protect against various risks, including natural disasters, fire, burglary or accidents that may occur in the course of our business operations. The insurance coverage may be inadequate to cover the replacement cost of our assets or any consequential losses, as well as claims arising from product liability. Any losses or damages in excess of our insured limit or in areas in which insurance protection is insufficient to cover such risks could negatively impact our business, financial performance and operations.

(ix) Dependency on ability to execute our future plans and strategies

Our Group's future growth and successful execution of our future plans and strategies as set out in Section 7.22 of this Prospectus are dependent on, among others, our ability to employ suitable and qualified staff, our ability to market our services to potential and existing customers and other factors which may be beyond our control such as changes in market and regulatory conditions in Malaysia and regionally. Should our future plans and strategies do not materialise or yield the results we expect, this may adversely affect our growth and financial performance.

12. FINANCIAL INFORMATION *(Cont'd)*

12.3.3 Results of operations

The components of our Group's statements of profit or loss and other comprehensive income as well as the analysis of the results of operations of our Group for the Financial Years Under Review are as follows:

(i) Revenue

Our Group's revenue can be segregated into the following segments:

- **Filtration solutions**

  Our Group designs, manufactures, assembles, delivers and commissions filters that are customised to meet our customers' industry application and requirements. Our core products are filter presses and hermetic filters. We charge a one-off project fee for the design, manufacturing, assembly, delivery and commissioning of our filters.

- **Steel works**

  We perform steel works, where we design and/or fabricate steel-based vessels/equipment such as heat exchangers, pressure vessels, agitators, columns and silos. Our Group mainly provides steel works to customers of their filtration solutions segment who also require vessels/equipment in their premises. We have also been engaged by other engineering companies to provide steel works. These engineering companies in turn will utilise our steel works to service a variety of industries, and as such, our steel works are not confined to solid liquid filtration solutions only. We charge a one-off project fee for the design, fabrication and installation of vessels/equipment.

- **Technical support services**

  Our Group also offers technical support services to customers of our filtration solutions. These technical support services are performed by our technical personnel who are based in our Group's Headquarters in Shah Alam, Selangor as well as in the Netherlands and USA offices. We provide technical support services to customers on either a one-off basis or contract basis which can be renewed annually. We also sell filter elements and media and any or all other replacement parts such as hydraulic seals and valves for the replacement of parts damaged in the course of ordinary use. In addition, we also provide after-sales services to upgrade our filters. For instance, we may upgrade filter components such as hydraulic systems, PLC system and plate opening systems that are used in our filters.

The sales of steel works and technical support services complement our filtration solutions as customers often require vessels and structural components for their systems. We also provide after-sales support, including commissioning and replacement parts, ensuring seamless integration, operational efficiency and long-term customer satisfaction.

12. FINANCIAL INFORMATION *(Cont'd)*

(a) Revenue by business segments

The table below sets out our Group's revenue by business segments for the Financial Years Under Review:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Filtration solutions								
- Filter presses	37,755	35.84	43,880	28.43	57,877	41.79	44,770	31.63
- Hermetic filters	38,868	36.89	66,776	43.26	42,241	30.50	52,477	37.08
	76,623	72.73	110,656	71.69	100,118	72.29	97,247	68.71
Steel works	17,068	16.20	21,828	14.14	17,909	12.93	17,141	12.11
Technical support services	11,660	11.07	21,872	14.17	20,466	14.78	27,153	19.18
Total	**105,351**	**100.00**	**154,356**	**100.00**	**138,493**	**100.00**	**141,541**	**100.00**

Note:

(1) Details of the revenue contribution of steel works are as follows:

Steel works	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Customers of filtration solutions segment	14,362	13.63	19,868	12.87	14,308	10.33	15,989	11.30
From other engineering companies	2,706	2.57	1,960	1.27	3,601	2.60	1,152	0.81
Total	**17,068**	**16.20**	**21,828**	**14.14**	**17,909**	**12.93**	**17,141**	**12.11**

12. FINANCIAL INFORMATION *(Cont'd)*

(b) Revenue by end-user industry

The table below sets out our Group's revenue by end-user industry for our Group's filtration solutions and steel work segments for the Financial Years Under Review:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Edible oil	69,764	74.46	101,540	76.65	102,071	86.48	102,535	89.64
Sustainable fuel	14,028	14.97	26,515	20.01	5,399	4.57	8,500	7.43
Potable water and wastewater	6,763	7.22	272	0.21	390	0.34	-	-
Others (1)	2,567	2.74	2,099	1.58	1,428	1.21	3,031	2.65
Food processing	569	0.61	2,058	1.55	8,739	7.40	322	0.28
Total (2)	**93,691**	**100.00**	**132,484**	**100.00**	**118,027**	**100.00**	**114,388**	**100.00**

Notes:

(1) Comprising oleochemical, chemical and industrial minerals industries.

(2) Revenue by end-user industry can only be computed for filtration solutions and steel works segments. The end-user industry for technical support services segment cannot be determined as our Group does not have information on the end-users for replacement parts at the point of sale.

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12. FINANCIAL INFORMATION *(Cont'd)*

(c) Revenue by geographical markets

The table below sets out our Group's revenue by geographical markets for the Financial Years Under Review:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Local	27,274	25.89	23,522	15.24	19,034	13.74	14,992	10.59
Overseas	78,077	74.11	130,834	84.76	119,459	86.26	126,549	89.41
Total	**105,351**	**100.00**	**154,356**	**100.00**	**138,493**	**100.00**	**141,541**	**100.00**

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Asia [(1)]	81,645	77.50	103,978	67.36	119,419	86.23	92,918	65.65
• *Malaysia*	*27,274*	*25.89*	*23,522*	*15.24*	*19,034*	*13.74*	*14,992*	*10.59*
• *Indonesia*	*40,494*	*38.44*	*65,733*	*42.58*	*79,591*	*57.47*	*54,217*	*38.31*
• *Asia (excluding Malaysia and Indonesia)* [(2)]	*13,877*	*13.17*	*14,723*	*9.54*	*20,794*	*15.02*	*23,709*	*16.75*
America	13,385	12.70	32,942	21.34	2,026	1.46	27,706	19.57
Europe	8,982	8.53	12,653	8.20	13,820	9.98	17,496	12.36
Africa	1,339	1.27	4,783	3.10	3,228	2.33	3,421	2.42
Total	**105,351**	**100.00**	**154,356**	**100.00**	**138,493**	**100.00**	**141,541**	**100.00**

Notes:

(1) For clarity, PMIT Malaysia services and supports its customers based in Asia.

(2) Comprising Southeast Asia (excluding Malaysia and Indonesia), Australia, China, Korea, Japan, India, Bangladesh and the Middle East.

12. FINANCIAL INFORMATION *(Cont'd)*

Indonesia was the largest revenue contributor to our Group, contributing approximately 38.44%, 42.58%, 57.47% and 38.31% of our Group's total revenue for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively. The revenue from Indonesia was mainly derived from edible oil industry.

The geographical profile of our Group's revenue contribution varies according to the demand and location of the existing and new customers secured by our Group.

Commentaries on revenue

Comparison between FYE 2021 and FYE 2022

Our Group's revenue increased by approximately RM49.01 million or 46.52% from approximately RM105.35 million for the FYE 2021 to approximately RM154.36 million for the FYE 2022.

The increase in our Group's revenue was mainly attributable to the following:

(i) an increase in revenue from hermetic filters by approximately RM27.91 million or 71.80% from approximately RM38.87 million for the FYE 2021 to approximately RM66.78 million for the FYE 2022. The increase in revenue was mainly attributable to the following:

(a) growth in demand from the sustainable fuel industry particularly from America from the following projects:

- 2 projects from a global heat transfer separation and fluid handling solution provider which commenced in the FYE 2021 and were completed in the FYE 2022. These projects contributed a revenue of RM15.80 million in the FYE 2022 (FYE 2021: RM7.54 million); and

- 2 projects from a global oils and fats plant engineering solution provider which commenced in the FYE 2021 and were completed in the FYE 2022. These projects contributed a revenue of RM7.74 million in the FYE 2022 (FYE 2021: RM4.42 million); and

(b) growth in demand from the edible oil industry, particularly from the following projects:

- 5 projects in America from a global supplier of oilseed extraction technology, refining plants and equipment which contributed a revenue of RM6.52 million in the FYE 2022 (FYE 2021: RM0.20 million from 2 projects);

- 19 projects in Indonesia from a global oils and fats plant engineering solution provider which contributed RM10.97 million in the FYE 2022 (FYE 2021: RM3.03 million from 15 projects); and

- a project in Europe from a global oils and fats plant engineering solution provider which commenced in the FYE 2021 and was completed in the FYE 2022. This project contributed a revenue of RM4.10 million in FYE 2022 (FYE 2021: RM0.57 million);

12. FINANCIAL INFORMATION *(Cont'd)*

(ii) an increase in revenue from the technical support services segment by approximately RM10.21 million or 87.56% from approximately RM11.66 million for the FYE 2021 to approximately RM21.87 million for the FYE 2022. The increase in revenue was mainly attributable to the higher sales of replacement parts which grew in tandem with the filtration solutions segment in the year. This is because filtration solution customers typically purchase replacement parts in advance along with their filtration systems to ensure availability for commissioning and to have spare replacement parts in hand as a security, which helps to reduce lead time for replacing any parts in the future;

(iii) an increase in revenue from filter presses by approximately RM6.12 million or 16.21% from approximately RM37.76 million for the FYE 2021 to approximately RM43.88 million for the FYE 2022. The increase in revenue was mainly attributable to 10 projects from a global oils and fats plant engineering solution provider for the edible oil industry in Indonesia and in Asia (excluding Malaysia and Indonesia) which contributed to RM11.37 million in the FYE 2022 (FYE 2021: RM4.45 million from 8 projects); and

(iv) an increase in revenue from the steel works segment by approximately RM4.76 million or 27.89%, from approximately RM17.07 million for the FYE 2021 to RM21.83 million for the FYE 2022. The increase in revenue was mainly attributable to the higher sales of vessels/equipment, which was in line with the growth in revenue from the filtration solutions segment, as these vessels/equipment are also required by filtration solutions customers for the setting up of facilities.

In terms of geographical markets, our Group's overseas market contribution increased by approximately RM52.75 million or 67.56% from approximately RM78.08 million for the FYE 2021 to approximately RM130.83 million for the FYE 2022. This was mainly due to higher revenue derived from Indonesia, America and Europe markets, in line with the filtration solution projects mentioned above.

Comparison between FYE 2022 and FYE 2023

Our Group's revenue decreased by approximately RM15.87 million or 10.28% from approximately RM154.36 million for the FYE 2022 to approximately RM138.49 million for the FYE 2023.

The decrease in our Group's revenue was mainly due to the following:

(i) a decrease in revenue from hermetic filters by approximately RM24.54 million or 36.75%, from approximately RM66.78 million for the FYE 2022 to approximately RM42.24 million for the FYE 2023. The decrease in revenue was mainly due to less orders received from the sustainable fuel industry, wherein our Group's revenue from the sustainable fuel industry fell by RM21.12 million or 79.64% from RM26.52 million in FYE 2022 to RM5.40 million in FYE 2023. Our Company believes that the lower demand for its hermetic filters in the sustainable fuel industry was mainly due to the impact from geopolitical factors in Europe, particularly the war between Ukraine and Russia in 2022. Persistent political tensions and economic uncertainties in the region had led to our clients and potential customers reassessing their investments as the construction of sustainable fuel refineries requires a high capital expenditure commitment. This in turn hampered our Group's ability to secure new contracts for hermetic filters in the sustainable fuel industry due to delays by our clients and potential customers in obtaining project approvals, funding and execution. As a result, our Group experienced reduced orders for our hermetic filters in FYE 2022 and this had a knock-on effect on the Group's projects delivered in FYE 2023;

(ii) a decrease in revenue from the steel works segment by approximately RM3.92 million or 17.96% from approximately RM21.83 million for the FYE 2022 to approximately RM17.91 million for the FYE 2023. The decrease in revenue was mainly due to the lower sales of vessels/equipment in line with lower revenue from the filtration solutions segment; and

12. FINANCIAL INFORMATION *(Cont'd)*

(iii) a decrease in revenue from technical support services segment by approximately RM1.40 million or 6.40% from approximately RM21.87 million for the FYE 2022 to approximately RM20.47 million for the FYE 2023. The decrease in revenue was mainly due to lower sales of replacement parts in tandem with lower revenue from filtration solutions segment.

However, the aforementioned decrease in revenue was partially offset by the increase in revenue from filter presses by approximately RM14.00 million or 31.91% from approximately RM43.88 million for the FYE 2022 to approximately RM57.88 million for the FYE 2023. The increase in revenue was mainly attributable to the following:

(i) a project from an industrial product provider for the food processing industry in Thailand which commenced in the FYE 2022 and was completed in the FYE 2023. This project contributed a revenue of RM7.17 million in the FYE 2023 (FYE 2022: RM1.66 million); and

(ii) 9 projects from a global oils and fats plant engineering solution provider for the edible oil industry in Indonesia which contributed a revenue of RM16.03 million in the FYE 2023 (FYE 2022: RM7.19 million from 8 projects).

In terms of geographical markets, our Group's overseas market contribution decreased by approximately RM11.37 million or 8.69% from approximately RM130.83 million for the FYE 2022 to approximately RM119.46 million for the FYE 2023. The decline was primarily due to reduced revenue from America which was mainly due to lesser demand from the sustainable fuel industry. However, this decrease was partially offset by an increase in revenue from Indonesia and Asia (excluding Malaysia and Indonesia).

Comparison between FYE 2023 and FYE 2024

Our Group's revenue increased by approximately RM3.05 million or 2.20% from approximately RM138.49 million for the FYE 2023 to approximately RM141.54 million for the FYE 2024.

The increase in our Group's revenue was mainly attributable to the following:

(i) an increase in revenue from hermetic filters by approximately RM10.24 million or 24.24% from approximately RM42.24 million for the FYE 2023 to approximately RM52.48 million for the FYE 2024. The increase in revenue was mainly attributable to the 11 projects for the edible oil industry in America from a global oils and fats plant engineering solution provider which contributed to RM13.07 million in the FYE 2024 (FYE 2023: RM0.38 million from 4 projects); and

(ii) an increase in revenue from technical support services segment by approximately RM6.68 million or 32.63% from approximately RM20.47 million for the FYE 2023 to approximately RM27.15 million for the FYE 2024. The increase in revenue was mainly attributable to higher sales of replacement parts from America, in accordance with our expansion to this market.

However, the aforementioned increase in revenue was partially offset by the following:

(i) a decrease in revenue from the filter presses by approximately RM13.11 million or 22.65% from approximately RM57.88 million for the FYE 2023 to approximately RM44.77 million for the FYE 2024. The decrease in revenue was mainly attributable to some of the projects undertaken in the FYE 2023 being completed within the same financial year. As such there were fewer filter press projects that were on-going in the FYE 2024 as compared to the FYE 2023, being 4 projects in Indonesia from a global oils and fats plant engineering solution provider for edible oil industry which contributed a revenue of RM5.94 million in the FYE 2024 (FYE 2023: RM19.22 million from 9 projects; and

12. FINANCIAL INFORMATION *(Cont'd)*

(ii) a decrease in revenue from steel works segment by approximately RM0.77 million or 4.30% from approximately RM17.91 million for the FYE 2023 to approximately RM17.14 million for the FYE 2024. The decrease in revenue was mainly attributable to fewer orders accepted as our Group was prioritising higher margin orders during the financial year.

In terms of geographical markets, our Group's overseas market contribution increased by approximately RM7.09 million or 5.94% from approximately RM119.46 million for the FYE 2023 to approximately RM126.55 million for the FYE 2024. This was mainly due to the increase in revenue from America, Europe and Asia (excluding Malaysia and Indonesia) by approximately RM25.68 million, RM3.68 million and RM2.92 million respectively, which was partially offset by the decrease in revenue from Indonesia by approximately RM25.37 million.

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12. FINANCIAL INFORMATION *(Cont'd)*

(ii) Cost of sales

Our Group's cost of sales comprises 5 main components, namely purchases of materials, labour costs, subcontractor costs, packing and transportation expenses and overheads. The major component of our cost of sales is purchases of materials, which accounted for 85.38%, 85.13%, 86.77% and 84.42% of our cost of sales for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

(a) Cost of sales by cost components

The table below sets out our Group's cost of sales by cost components for the Financial Years Under Review:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	RM'000	RM'000	%	RM'000	%
Material costs	58,309	85.38	87,976	85.13	81,683	86.77	77,080	84.42
Subcontractor costs	2,958	4.33	5,740	5.55	4,131	4.39	3,464	3.79
Labour costs	2,772	4.06	3,646	3.53	4,296	4.56	5,585	6.12
Packing and transportation costs	3,152	4.62	4,614	4.47	2,550	2.71	2,799	3.07
Overhead costs	1,101	1.61	1,366	1.32	1,477	1.57	2,377	2.60
Total	**68,292**	**100.00**	**103,342**	**100.00**	**94,137**	**100.00**	**91,305**	**100.00**

Material costs

Our material costs comprise mainly costs for mild/carbon steel and stainless steel, wire mesh, valves, filter plates, cylinder, hydraulic power pack and accessories.

Our material costs represent 85.38%, 85.13%, 86.77% and 84.42% of our cost of sales for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

Subcontractor costs

Our subcontractor costs mainly comprise expenses related to services provided by third-party service providers who supply and/or manage contract workers to carry out welding, assembly, and painting processes.

Our subcontractor costs represent 4.33%, 5.55%, 4.39% and 3.79% of our cost of sales for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

Labour costs

Our labour costs mainly comprise salaries, bonuses, contributions for EPF, SOCSO, EIS and other related benefits for our employees who are involved in our Group's manufacturing and assembly activities.

Our labour costs represent 4.06%, 3.53%, 4.56% and 6.12% of our cost of sales for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

Packing and transportation costs

Our packing and transportation costs mainly comprise packing charges, transportation expenses, port charges and custom duty as well as freight expenses.

Our packing and transportation costs represent 4.62%, 4.47%, 2.71% and 3.07% of our cost of sales for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

Overhead costs

Our overhead costs mainly comprise inspection and testing expenses, depreciation of plant and machinery, upkeep of machineries, rental of factory equipment and approval fee for DOSH.

Our overhead costs represent 1.61%, 1.32%, 1.57% and 2.60% of our cost of sales for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

12. FINANCIAL INFORMATION *(Cont'd)*

(b) Cost of sales by business segments

The table below sets out our Group's cost of sales by business segments for the Financial Years Under Review:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Filtration solutions	51,576	75.52	76,449	73.98	70,834	75.25	65,576	71.82
Steel works	12,291	18.00	16,355	15.82	13,263	14.09	12,832	14.05
Technical support services	4,425	6.48	10,538	10.20	10,040	10.66	12,897	14.13
Total	**68,292**	**100.00**	**103,342**	**100.00**	**94,137**	**100.00**	**91,305**	**100.00**

Commentaries on the cost of sales

Comparison between FYE 2021 and FYE 2022

Our Group's cost of sales increased by approximately RM35.05 million or 51.33% from approximately RM68.29 million for the FYE 2021 to approximately RM103.34 million for the FYE 2022.

The increase in the cost of sales was mainly due to the following:

(i) an increase in material costs by approximately RM29.67 million, which was mainly due to the higher consumption of materials which was in tandem with the increase in revenue as well as higher prices for certain steel materials in the FYE 2022 compared to FYE 2021. The higher prices for these steel materials was mainly caused by a global supply chain disruption as there were stricter steel production regulations and removal of export rebates in China which led to lower supply of steel from China in the first half of 2022, coupled with an increasing demand for steel materials due to the re-opening of the economy after the national lockdown policies were lifted;

(ii) an increase in subcontractor costs by approximately RM2.78 million which was mainly due to the increase in revenue for the FYE 2022, which led our Group to engage third-party service providers to supply and manage contract workers for welding, assembly and painting processes; and

(iii) an increase in packing and transportation costs by approximately RM1.46 million in tandem with the increase in revenue from overseas markets and the increase in freight costs in early 2022, post the COVID-19 pandemic.

12. FINANCIAL INFORMATION *(Cont'd)*

Comparison between FYE 2022 and FYE 2023

Our Group's cost of sales decreased by approximately RM9.20 million or 8.90% from approximately RM103.34 million for the FYE 2022 to approximately RM94.14 million for the FYE 2023.

The decrease in the cost of sales was mainly due to the following:

(i) a decrease in material costs by approximately RM6.29 million mainly due to lower consumption of materials which was in tandem with the decrease in revenue;

(ii) a decrease in packing and transportation costs by approximately RM2.06 million which was in tandem with the decrease in revenue from overseas markets. In addition, the freight costs began to normalise in the FYE 2023; and

(iii) a decrease in subcontractor costs by approximately RM1.61 million which was in line with the decrease in revenue for the FYE 2023, which led our Group to reduce its reliance on third-party service providers for welding, assembly and painting processes.

Comparison between FYE 2023 and FYE 2024

Our Group's cost of sales decreased by approximately RM2.83 million or 3.01% from approximately RM94.14 million for the FYE 2023 to approximately RM91.31 million for the FYE 2024. The decrease in the cost of sales was mainly due to the decrease in material costs by approximately RM4.60 million. This was mainly attributable to the lower price of steel during the financial year.

However, the aforementioned decrease in cost of sales was partially offset by the following:

(i) an increase in labour costs by approximately RM1.29 million mainly due to an additional of 32 headcounts. The number of production workers rose from 119 as at 31 December 2023 to 151 as at 31 December 2024; and

(ii) an increase in overhead costs by approximately RM0.90 million mainly due to the duties and taxes amounting to RM0.67 million upon importation of our filters to China for a project.

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12. FINANCIAL INFORMATION *(Cont'd)*

(iii) GP and GP margin

The table below sets out our Group's GP and GP margin by business segments for the Financial Years Under Review:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	GP RM'000	GP Margin %	GP RM'000	GP Margin %	GP RM'000	GP Margin %	GP RM'000	GP Margin %
Filtration solutions	25,047	32.69	34,207	30.91	29,284	29.25	31,671	32.57
Steel works	4,777	27.99	5,473	25.07	4,646	25.94	4,309	25.14
Technical support services	7,235	62.05	11,334	51.82	10,426	50.94	14,256	52.50
Total	**37,059**	**35.18**	**51,014**	**33.05**	**44,356**	**32.03**	**50,236**	**35.49**

Commentaries on GP and GP margin

Comparison between FYE 2021 and FYE 2022

Our Group's GP increased by approximately RM13.95 million or 37.64% from approximately RM37.06 million for the FYE 2021 to approximately RM51.01 million for the FYE 2022. The increase in GP was mainly attributable to the increase in revenue from filtration solutions segment.

Our Group's overall GP margin decreased by approximately 2.13% from approximately 35.18% for the FYE 2021 to 33.05% for the FYE 2022. The decrease in GP margin was mainly due to the decrease in the GP margin across all of our business segments (i.e. filtration solutions, steel works and technical support services). This was mainly due to the higher prices for certain steel materials in the FYE 2022. The higher prices for these steel materials was mainly caused by a global supply chain disruption as there were stricter steel production regulations and removal of export rebates in China which led to lower supply of steel from China in the first half of 2022, coupled with an increasing demand for steel materials due to the re-opening of the economy after the national lockdown policies were lifted.

12. FINANCIAL INFORMATION *(Cont'd)*

Comparison between FYE 2022 and FYE 2023

Our Group's GP decreased by approximately RM6.65 million or 13.04% from approximately RM51.01 million for the FYE 2022 to approximately RM44.36 million for the FYE 2023. The decrease in GP was mainly due to the decrease in revenue from filtration solutions segment.

Our Group's overall GP margin decreased marginally by approximately 1.02% from approximately 33.05% for the FYE 2022 to 32.03% for the FYE 2023. The marginal decrease was mainly due to lower availability of a particular steel material used in the manufacturing of filters, which led to higher prices of the material.

Comparison between FYE 2023 and FYE 2024

Our Group's GP increased by approximately RM5.88 million or 13.26% from approximately RM44.36 million for the FYE 2023 to approximately RM50.24 million for the FYE 2024. The increase in GP was mainly attributable to the higher revenue from hermetic filters and technical support services segment as well as lower material costs.

Our Group's overall GP margin increased by approximately 3.46% from approximately 32.03% for the FYE 2023 to 35.49% for the FYE 2024. The increase in GP margin was mainly attributable to the increase in GP margin of our filtration solutions segment. The GP margin for filtration solutions segment increased from 29.25% for the FYE 2023 to 32.57% for the FYE 2024 mainly due to the higher selling prices in the overseas market and lower price of steel materials during the financial year.

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12. FINANCIAL INFORMATION *(Cont'd)*

(iv) Other income

The table below sets out our Group's other income for the Financial Years Under Review:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Fixed deposit interest income	105	25.73	199	18.87	258	30.60	280	45.09
Gain on disposal of property, plant and equipment	172	42.16	49	4.64	120	14.24	100	16.10
Gain on foreign exchange - realised	19	4.66	593	56.21	-	-	-	-
Gain on foreign exchange - unrealised	-	-	-	-	408	48.40	-	-
Management fee	-	-	49	4.64	-	-	-	-
Others [(1)]	112	27.45	165	15.64	57	6.76	241	38.81
Total	**408**	**100.00**	**1,055**	**100.00**	**843**	**100.00**	**621**	**100.00**

Note:

(1) Comprising, amongst others, medical insurance claim from insurance company, government grant, sales of scrap, ancillary charges and rental income.

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12. FINANCIAL INFORMATION *(Cont'd)*

Commentaries on other income

Comparison between FYE 2021 and FYE 2022

Our Group's other income increased by approximately RM0.65 million or 158.54% from approximately RM0.41 million for the FYE 2021 to approximately RM1.06 million for the FYE 2022.

The increase in other income was mainly attributable to the following:

(i) increase in realised gain on foreign exchange by approximately RM0.57 million mainly attributable to the EUR and USD currency fluctuations in the FYE 2022 which led to higher gain on foreign exchange arising from trade transactions; and

(ii) increase in interest income from fixed deposit by approximately RM0.09 million attributable to the higher amount of fixed deposit placed with licensed banks of approximately RM9.68 million as at 31 December 2022 (as at 31 December 2021: RM6.94 million).

Comparison between FYE 2022 and FYE 2023

Our Group's other income decreased by approximately RM0.22 million or 20.75% from approximately RM1.06 million for the FYE 2022 to approximately RM0.84 million for the FYE 2023.

The decrease in other income was mainly due to the absence of realised gain on foreign exchange for the FYE 2023 (FYE 2022: RM0.59 million). This was partially offset by the increase in unrealised gain on foreign exchange by approximately RM0.41 million.

Comparison between FYE 2023 and FYE 2024

Our Group's other income decreased by approximately RM0.22 million or 26.19% from approximately RM0.84 million for the FYE 2023 to approximately RM0.62 million for the FYE 2024.

The decrease in other income was mainly due to the absence of unrealised gain on foreign exchange for the FYE 2024 (FYE 2023: RM0.41 million). This was partially offset by the increase in 'others' by approximately RM0.18 million as a result of the sale of scrap, ancillary charges from our customers for delivery, freight charge and travelling expenses as well as government grant from Malaysia External Trade Development Corporation (MATRADE).

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12. FINANCIAL INFORMATION *(Cont'd)*

(v) Administrative expenses

The table below sets out our Group's administrative expenses for the Financial Years Under Review:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Directors' remuneration	2,163	10.70	3,015	12.30	1,679	6.31	3,098	10.03
Rental expenses	514	2.54	535	2.18	533	2.00	325	1.05
Staff costs	12,548	62.06	14,564	59.42	16,949	63.73	19,770	64.00
Upkeep expenses	368	1.82	483	1.97	540	2.03	673	2.18
Management fees	1,204	5.95	1,115	4.55	1,108	4.17	198	0.64
Insurance expenses	521	2.58	518	2.11	731	2.75	934	3.03
Security service fee	313	1.55	339	1.38	348	1.31	376	1.22
Travelling, accommodation and transportation expenses	615	3.04	1,238	5.05	1,881	7.07	1,220	3.95
Utility expenses	569	2.81	757	3.09	710	2.67	671	2.17
Office expenses	420	2.08	442	1.80	391	1.47	467	1.51
Professional fees	331	1.64	201	0.82	319	1.20	1,324	4.29
Sales commission	-	-	-	-	-	-	321	1.04
Compound and penalty	75	0.37	300	1.22	224	0.84	24	0.08
Entertainment	207	1.02	448	1.83	513	1.93	574	1.86
Subscription fee	7	0.03	141	0.58	303	1.14	409	1.32
Others [(1)]	366	1.81	416	1.70	368	1.38	505	1.63
Total	**20,221**	**100.00**	**24,512**	**100.00**	**26,597**	**100.00**	**30,889**	**100.00**

Note:

(1) Comprise, amongst others, labour charge for the secondment of an administrative staff from Vimabo Metal Industry B.V. to PMIT Europe NL, advertisement and promotional expenses, bank charges, gift and donation expenses, licence fee, quit rent and assessment, disposal of waste expenses, tax compliance fee as well as stamp duty and registration fee.

12. FINANCIAL INFORMATION *(Cont'd)*

Commentaries on administrative expenses

Comparison between FYE 2021 and FYE 2022

Our Group's administrative expenses increased by RM4.29 million or 21.22% from approximately RM20.22 million for the FYE 2021 to approximately RM24.51 million for the FYE 2022.

The increase in administrative expenses was mainly due to the following:

(i) increase in staff costs by approximately RM2.02 million mainly due to net additional 29 headcounts from 120 staff as at 31 December 2021 to 149 staff as at 31 December 2022, and annual salary increase. Most of the additional headcounts had joined our Group in the 2nd half of FYE 2022. The Group had hired additional staff in anticipation of business growth during the year due to the slightly higher turnover rate since the COVID-19 pandemic;

(ii) increase in Directors' remuneration by approximately RM0.85 million mainly due to salary increments as well as higher bonuses and allowances;

(iii) increase in travelling, accommodation and transportation expenses by approximately RM0.62 million mainly due to increased domestic and international travel for securing sales, providing on-site installation supervision, commissioning of filters and delivering technical support services;

(iv) increase in entertainment expenses by approximately RM0.24 million mainly due to the sales and marketing activities undertaken by our Group in securing sales. This increase includes costs associated with various activities aimed at fostering business relationships and promoting our Company's products and services; and

(v) increase in compound and penalty expenses by approximately RM0.23 million mainly due to penalties in relation to the underestimation of tax for the year of assessment 2021.

Comparison between FYE 2022 and FYE 2023

Our Group's administrative expenses increased by RM2.09 million or 8.53% from approximately RM24.51 million for the FYE 2022 to approximately RM26.60 million for the FYE 2023.

The increase in administrative expenses was mainly due to the following:

(i) increase in staff costs by approximately RM2.39 million mainly due to the addition of 6 new headcounts during the FYE 2023, the full-year salary impact of employees who joined at different times during FYE 2022, new headcounts in our Group's foreign subsidiaries in FYE 2023 and annual salary increase;

(ii) increase in travelling, accommodation and transportation expenses by approximately RM0.64 million mainly due to increased domestic and international travel for securing sales, providing on-site installation supervision, commissioning of filters and delivering technical support services; and

(iii) increase in insurance expenses by RM0.21 million which was mainly due to the increase in insurance coverage for our Group's employees.

The increase in administrative expenses above was partially offset by the decrease in Directors' remuneration by approximately RM1.34 million as a result of lower allowances.

12. FINANCIAL INFORMATION *(Cont'd)*

Comparison between FYE 2023 and FYE 2024

Our Group's administrative expenses increased by RM4.29 million or 16.13% from approximately RM26.60 million for the FYE 2023 to approximately RM30.89 million for the FYE 2024.

The increase in administrative expenses was mainly due to the following:

(i) increase in staff costs by approximately RM2.82 million mainly due to net additional 5 headcounts during the FYE 2024, the full-year salary impact of employees who joined at different times during FYE 2023 as well as annual salary increment. As at 31 December 2024, the Group has 150 administrative employees.

The increase in headcount and staff costs is to support our Group's future business expansion and strengthen our middle management for succession planning. These investments are essential to ensure operational efficiency, governance and business continuity. Further, the increase in the staff costs was due to the full-year salary impact from the new headcounts in our Group's foreign subsidiaries in FYE 2023;

(ii) increase in Directors' remuneration by approximately RM1.42 million mainly due to the appointment of additional Directors in FYE 2024 and annual salary increments; and

(iii) increase in professional fees by RM1.01 million mainly due to the accounting fees incurred by our foreign subsidiaries, consultancy fees related to the building in conjunction with the listing exercise, the application fees for the SELO Licence, professional fees for the preparation of transfer pricing report.

However, the aforementioned increase in administrative expenses was partially offset by the following:

(i) decrease in management fees by approximately RM0.91 million following the termination and cessation of management service contract with Pan-Merchant Industries as at 31 December 2023; and

(ii) decrease in travelling, accommodation and transportation expenses by approximately RM0.66 million mainly attributable to the decrease in domestic and international travel for providing on-site installation supervision and commissioning of filters.

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12. FINANCIAL INFORMATION *(Cont'd)*

(vi) Other expenses

The table below sets out our Group's other expenses for the Financial Years Under Review:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Depreciation of property, plant and equipment	949	73.45	1,080	77.09	1,540	69.37	1,687	27.00
Depreciation of right-of-use assets	318	24.61	318	22.70	340	15.32	1,114	17.83
Property, plant and equipment written off	1	0.08	1	0.07	6	0.27	10	0.16
Unrealised loss on foreign exchange	24	1.86	2	0.14	-	-	1,085	17.37
Realised loss on foreign exchange	-	-	-	-	334	15.04	192	3.07
Listing expenses	-	-	-	-	-	-	2,160	34.57
Total	**1,292**	**100.00**	**1,401**	**100.00**	**2,220**	**100.00**	**6,248**	**100.00**

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12. FINANCIAL INFORMATION *(Cont'd)*

Commentaries on other expenses

Comparison between FYE 2021 and FYE 2022

Our Group's other expenses increased by RM0.11 million or 8.53% from approximately RM1.29 million for the FYE 2021 to approximately RM1.40 million for the FYE 2022.

The increase in other expenses was mainly due to the increase in depreciation of property, plant and equipment by approximately RM0.13 million as a result of the acquisition of motor vehicles and computers during the FYE 2022.

Comparison between FYE 2022 and FYE 2023

Our Group's other expenses increased by RM0.82 million or 58.57% from approximately RM1.40 million for the FYE 2022 to approximately RM2.22 million for the FYE 2023.

The increase in other expenses was mainly due to the following:

(i) increase in depreciation of property, plant and equipment by approximately RM0.46 million as a result of the renovation works for extension of assembly workspace at our Lahat Plant and office enhancement of the Headquarters as well as acquisition of computers during the FYE 2023; and

(ii) realised loss on foreign exchange of RM0.33 million recorded for the FYE 2023 (FYE 2022: nil) as a result of the settlement of our trade receivables and trade payables which were denominated in foreign currencies.

Comparison between FYE 2023 and FYE 2024

Our Group's other expenses increased by RM4.03 million or 181.53% from approximately RM2.22 million for the FYE 2023 to approximately RM6.25 million for the FYE 2024.

The increase in other expenses was mainly due to the following:

(i) listing expenses in conjunction with the IPO exercise amounting to RM2.16 million for the FYE 2024 (FYE 2023: nil);

(ii) unrealised loss on foreign exchange of RM1.09 million recorded (FYE 2023: nil) as a result of the difference in the EUR, USD, SGD and RMB exchange rate at the date of our outstanding invoices arising from trade transactions as compared to the exchange rate as at 31 December 2024; and

(iii) increase in depreciation of right-of-use assets by approximately RM0.77 million which was mainly due to the revaluation of our right-of-use assets during the end of FYE 2023.

12. FINANCIAL INFORMATION *(Cont'd)*

(vii) Finance costs

The table below sets out our Group's finance costs for the Financial Years Under Review:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Bank and letter of credit charges	112	7.37	104	6.38	130	7.10	56	2.95
Interest expenses on:								
- Bankers' acceptance	706	46.48	1,213	74.46	1,381	75.46	1,410	74.29
- Bank overdraft	74	4.87	40	2.46	25	1.37	31	1.63
- Hire purchase payables	90	5.92	92	5.65	127	6.94	238	12.54
- Invoice financing / revolving credit	356	23.44	91	5.59	94	5.14	23	1.21
- Term loan	181	11.92	89	5.46	64	3.50	22	1.16
- Lease liabilities	-	-	-	-	9	0.49	118	6.22
Total	**1,519**	**100.00**	**1,629**	**100.00**	**1,830**	**100.00**	**1,898**	**100.00**

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12. FINANCIAL INFORMATION *(Cont'd)*

Commentaries on finance costs

Comparison between FYE 2021 and FYE 2022

Our Group's finance costs increased by approximately RM0.11 million or 7.24% from approximately RM1.52 million for the FYE 2021 to approximately RM1.63 million for the FYE 2022. The increase in finance costs was mainly due to the increase in interest expenses on bankers' acceptance of approximately RM0.51 million as a result of drawdown of bankers' acceptance of approximately RM75.73 million for our working capital purposes, of which RM71.07 million was repaid during the FYE 2022. Further, the effective interest rate increased from 3.34% during FYE 2021 to 4.48% in FYE 2022.

The increase in finance costs was partially offset by the following:

(i) lower interest expense on invoice financing by approximately RM0.27 million as a result of lower utilisation of invoice financing facilities;

(ii) lower interest expense on term loan by approximately RM0.09 million as a result of reducing balances of term loans following the scheduled repayment; and

(iii) lower interest expenses on overdraft by approximately RM0.03 million as a result of lower utilisation of overdraft facilities and lower effective interest rates of 6.01% in FYE 2022 as compared to 6.80% in FYE 2021.

Comparison between FYE 2022 and FYE 2023

Our Group's finance costs increased by approximately RM0.20 million or 12.27% from approximately RM1.63 million for the FYE 2022 to approximately RM1.83 million for the FYE 2023. The increase in finance costs was mainly due to increase in interest expenses on bankers' acceptance of approximately RM0.17 million as a result of higher effective interest rate of 4.91% during FYE 2023 as compared to 4.48% during FYE 2022.

Comparison between FYE 2023 and FYE 2024

Our Group's finance costs increased by RM0.07 million or 3.83% from approximately RM1.83 million for the FYE 2023 to approximately RM1.90 million for the FYE 2024. The increase in finance costs was mainly due to the following:

(i) increase in interest expenses on lease liabilities by approximately RM0.11 million mainly due to the new rental agreements entered by foreign subsidiary in the FYE 2023 and FYE 2024; and

(ii) increase in interest expenses on hire purchase payables by approximately RM0.11 million mainly due to the drawdown of hire purchases for the acquisition of motor vehicle, computers and a laser cutting machine.

The increase in finance costs was partially offset by lower interest expenses on invoice financing/revolving credit and term loan following the repayment of borrowings.

12. FINANCIAL INFORMATION *(Cont'd)*

(viii) PBT and PBT margin

The table below sets out our Group's PBT and PBT margin for the Financial Years Under Review:

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
PBT (RM'000)	14,435	24,527	14,276	11,609
PBT margin (%)	13.70	15.89	10.31	8.20

Commentaries on PBT and PBT margin

Comparison between FYE 2021 and FYE 2022

Our Group's PBT increased by approximately RM10.09 million or 69.88% from approximately RM14.44 million for the FYE 2021 to approximately RM24.53 million for the FYE 2022. The increase in PBT was mainly attributable to the increase in GP and other income by approximately RM13.95 million and RM0.65 million respectively as compared to the FYE 2021. However, the increase in PBT was partially offset by the higher administrative expenses of approximately RM4.26 million as explained above.

As a result of above, our Group's PBT margin increased from approximately 13.70% for the FYE 2021 to approximately 15.89% for the FYE 2022.

Comparison between FYE 2022 and FYE 2023

Our Group's PBT decreased by approximately RM10.25 million or 41.79% from approximately RM24.53 million for the FYE 2022 to approximately RM14.28 million for the FYE 2023. The decrease in PBT was mainly due to the decrease in GP by approximately RM6.65 million, increase in administrative expenses and other expenses of approximately RM2.09 million and RM0.82 million respectively as explained above.

As a result of above, our Group's PBT margin decreased from approximately 15.89% for the FYE 2022 to approximately 10.31% for the FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our Group's PBT decreased by approximately RM2.67 million or 18.70% from approximately RM14.28 million for the FYE 2023 to RM11.61 million for the FYE 2024. The decrease in PBT was mainly due to the increase in administrative expenses and other expenses by approximately RM4.29 million and RM4.03 million respectively, which was partially offset by the higher GP by approximately RM5.88 million as explained above.

As a result of above, our Group's PBT margin decreased from approximately 10.31% for the FYE 2023 to approximate 8.20% for the FYE 2024.

After excluding the listing expenses of our IPO of RM2.16 million incurred during FYE 2024, our Group recorded an adjusted PBT of RM13.77 million and an adjusted PBT margin of 9.73% for the FYE 2024.

12. FINANCIAL INFORMATION *(Cont'd)*

(ix) Income tax expense

The table below sets out our Group's income tax expense together with the comparison between our Group's effective and statutory tax rates for the Financial Years Under Review:

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current tax				
- for the financial year	3,779	6,234	3,624	3,872
- (over)/under provision in previous financial year	(17)	(2)	-	172
	3,762	**6,234**	**3,624**	**4,044**
Deferred tax				
- origination of temporary differences	78	2	30	(438)
Total tax expenses	**3,840**	**6,236**	**3,654**	**3,606**
Statutory tax rate (%)	24.00	24.00	24.00	24.00
Effective tax rate (1) (%)	26.60	25.43	25.60	31.06

Notes:

(1) Effective tax rate is computed by dividing the total tax expense over PBT for the respective financial year.

(2) Less than RM1,000.

Commentaries on income tax expense

FYE 2021

Our Group's effective tax rate was at 26.60% for the FYE 2021. The effective tax rate was higher than the statutory tax rate of 24.00% mainly due to the tax effects of the non-deductible expenses of approximately RM0.55 million which include, amongst others, property, plant and equipment which cannot be claimed under capital allowances, staff related expenses, entertainment as well as penalties.

Notwithstanding the above, our Group's tax expenses were offset by the following tax effects of:

(i) differential in tax rate of foreign subsidiary of approximately RM0.09 million. For information, our foreign subsidiary is subject to income tax rate which ranges from 15.00% to 25.00%;

(ii) utilisation of tax incentives of approximately RM0.06 million in relation to the reinvestment allowances which were claimed on qualifying capital expenditure incurred on factory, plant and machinery used in Malaysia in accordance with the Income Tax Act 1967; and

(iii) overprovision of current tax in the previous financial year of RM0.02 million.

12. FINANCIAL INFORMATION *(Cont'd)*

FYE 2022

Our Group's effective tax rate was at 25.43% for the FYE 2022. The effective tax rate was higher than the statutory tax rate of 24.00% mainly due to the tax effects of the non-deductible expenses of approximately RM0.89 million which include, amongst others, property, plant and equipment which cannot be claimed under capital allowances, staff related expenses, entertainment, travelling and accommodation expenses as well as penalties in relation to the underestimation of tax for the year of assessment 2021.

Notwithstanding the above, our Group's tax expenses were partially offset by the following tax effects of:

(i) utilisation of tax incentives of approximately RM0.43 million in relation to the reinvestment allowances which were claimed on qualifying capital expenditure incurred on factory, plant and machinery used in Malaysia in accordance with the Income Tax Act 1967; and

(ii) differential in tax rate of a foreign subsidiary of approximately RM0.12 million. For information, our foreign subsidiary is subject to income tax rate which ranges from 15.00% to 25.80%.

FYE 2023

Our Group's effective tax rate was at 25.60% for the FYE 2023. The effective tax rate was higher than the statutory tax rate of 24.00% mainly due to the tax effects of the non-deductible expenses of approximately RM0.75 million which include, amongst others, property, plant and equipment which cannot be claimed under capital allowances, staff related expenses, entertainment, travelling and accommodation expenses as well as penalties in relation to the underestimation of tax for the year of assessment 2022.

Notwithstanding the above, our Group's tax expenses were offset by the following tax effects of:

(i) utilisation of tax incentives of approximately RM0.55 million on reinvestment allowances which were claimed on qualifying capital expenditure incurred on factory, plant and machinery used in Malaysia in accordance with the Income Tax Act 1967; and

(ii) differential in tax rate of a foreign subsidiary of approximately RM0.03 million. For information, our foreign subsidiary is subject to income tax rate which ranges from 19.00% to 25.80%.

FYE 2024

Our Group's effective tax rate was at 31.06% for the FYE 2024. The effective tax rate was higher than the statutory tax rate of 24.00% mainly due to the tax effects of non-deductible expenses of approximately RM1.11 million which include, amongst others, property, plant and equipment which cannot be claimed under capital allowances, professional fees in relation to listing expenses, unrealised loss on foreign exchange, staff related expenses, entertainment as well as travelling and accommodation expenses.

Notwithstanding the above, our Group's tax expenses were offset by the utilisation of tax incentives of approximately RM0.29 million in relation to the reinvestment allowances which were claimed on qualifying capital expenditure incurred on factory, plant and machinery used in Malaysia in accordance with the Income Tax Act 1967.

(x) PAT and PAT margin

The table below sets out our Group's PAT and PAT margin for the Financial Years Under Review:

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
PAT (RM'000)	10,595	18,291	10,622	8,003
PAT margin (%)	10.06	11.85	7.67	5.65

Commentaries on PAT and PAT margin

Comparison between FYE 2021 and FYE 2022

Our Group's PAT increased by approximately RM7.69 million or 72.55% from RM10.60 million for the FYE 2021 to RM18.29 million for the FYE 2022, which was mainly due to the reasons stated in Sections 12.3.3 (viii) and 12.3.3 (ix) of this Prospectus with regard to PBT and tax expenses. Correspondingly, our Group's PAT margin improved from 10.06% for the FYE 2021 to 11.85% for the FYE 2022.

Comparison between FYE 2022 and FYE 2023

Our Group's PAT decreased by approximately RM7.67 million or 41.94% from RM18.29 million for the FYE 2022 to RM10.62 million for the FYE 2023, which was consistent with the decrease in PBT. Correspondingly, our Group's PAT margin dropped from 11.85% for the FYE 2022 to 7.67% for the FYE 2023.

Assuming the entire penalty in relation to the underestimation of tax for the year of assessment 2022 was paid during the FYE 2023, the adjusted PAT for FYE 2023 without the impact of the underestimation penalty of RM0.22 million is RM10.84 million.

Comparison between FYE 2023 and FYE 2024

Our Group's PAT decreased by approximately RM2.62 million or 24.67% from RM10.62 million for the FYE 2023 to RM8.00 million for the FYE 2024, which was mainly due to the reasons described in Section 12.3.3(viii) of this Prospectus with regard to PBT above. Correspondingly, our Group's PAT margin dropped from 7.67% for the FYE 2023 to 5.65% for the FYE 2024.

After excluding the listing expenses of our IPO of RM2.16 million incurred during FYE 2024, our Group recorded an adjusted PAT of RM10.16 million and an adjusted PAT margin of 7.18% for the FYE 2024.

12. FINANCIAL INFORMATION *(Cont'd)*

(xi) PATNCI and PATNCI margin

PMIT Malaysia holds the following effective equity interest in the subsidiaries:

Name of subsidiary	Year of commencement of business	Equity interest held by its parent %	Effective equity interest held by Pan Merchant %	Effective equity interest held by non-controlling interest %	Principal activities
PMIT Holding NL	2023	60.10	60.10	39.90	Investment holding
PMIT Europe NL	2017	100.00	60.10	39.90	Solutions provider of solid liquid filtration equipment and technical support services
PMIT USA NL	2023	100.00	60.10	39.90	Trading of filtration equipment
PMIT US	2023	70.00	(1) 42.07	57.93	Trading of filtration equipment and technical support

Note:

(1) Computed based on Pan Merchant's indirect 60.10%-owned shareholding in PMIT Holding NL (the holding company of PMIT USA NL) and PMIT USA NL's direct 70%-owned shareholding in PMIT US. Please refer to the group structure of our Group as set out in Section 6.1.1 of this Prospectus.

We intend to grow beyond Asia to tap into other growth opportunities in Europe and the USA in end-industries such as soybean oil and hydrotreated vegetable oil (sustainable aviation fuel). Hence, we will need local support especially in those regions.

We own 60.10% equity interest in our Netherlands subsidiaries as part of a business arrangement whereby our Group's local partners based in the Netherlands will hold the remaining 39.90% equity interest. Our Group's local partners are in charge of the management and operations of businesses in the European and American regions. As such, this business arrangement ensures that the interests of such local partners are aligned with our Group's objectives.

All of our manufacturing work for the filtration equipment remains at our factories in Malaysia. The filtration equipment is then sold by PMIT Malaysia to the relevant overseas subsidiary based on our Group's transfer pricing policy. Subsequently, the relevant subsidiary will record the profits from sale of filtration equipment to their customers less the price charged by PMIT Malaysia.

We have structured our USA subsidiary company to report to our subsidiary companies located at the Netherlands due to the proximity to our customers in Europe and America and geographical differences. Further, we will review our transfer pricing policy on a yearly basis to ensure that it is in accordance with the relevant guidelines.

12. FINANCIAL INFORMATION *(Cont'd)*

The table below sets out our Group's PATNCI and PATNCI margin for the Financial Years Under Review:

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
PATNCI (RM'000)	10,231	17,853	10,542	7,678
PATNCI margin (%)	9.71	11.57	7.61	5.42

Commentaries on PATNCI and PATNCI margin

Comparison between FYE 2021 and FYE 2022

Our Group's PATNCI increased by approximately RM7.62 million or 74.49% from RM10.23 million for the FYE 2021 to RM17.85 million for the FYE 2022, which are consistent with the growth of PBT. Correspondingly, our Group's PATNCI margin improved from 9.71% for the FYE 2021 to 11.57% for the FYE 2022.

Comparison between FYE 2022 and FYE 2023

Our Group's PATNCI decreased by approximately RM7.31 million or 40.95% from RM17.85 million for the FYE 2022 to RM10.54 million for the FYE 2023, which are consistent with the decrease in PBT. Correspondingly, our Group's PATNCI margin dropped from 11.57% for the FYE 2022 to 7.61% for the FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our Group's PATNCI decreased by approximately RM2.86 million or 27.13% from RM10.54 million for the FYE 2023 to RM7.68 million for the FYE 2024, which was mainly due to the reasons described in Section 12.3.3 (viii) of this Prospectus with regard to PBT above.

Correspondingly, our Group's PATNCI margin dropped from 7.61% for the FYE 2023 to 5.42% for the FYE 2024.

After excluding the listing expenses of our IPO of RM2.16 million incurred during FYE 2024, our Group recorded an adjusted PATNCI of RM9.84 million and an adjusted PATNCI margin of 6.95% for the FYE 2024.

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12. FINANCIAL INFORMATION *(Cont'd)*

12.3.4 Impact of foreign exchange rates, interest rates, commodity prices, inflation and government/economic/fiscal/monetary policies on our Group's operations

(i) Impact of foreign exchange rates fluctuations

Our sales and purchases are primarily transacted in RM, EUR, USD, RMB, JPY, GBP and SGD. Further, we have subsidiaries located in the USA, Netherlands and Singapore where their accounting system and financial statements are denominated in their respective foreign currencies. As such, we are exposed to fluctuations in foreign exchange rates and any unfavourable movements between the RM and the relevant foreign currencies in the foreign exchange markets may have a negative impact on our financial performance and operating results.

Our sales and purchases in the respective currencies for the Financial Years Under Reviews are as follows:

	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Revenue denominated in:								
- RM	46,820	44.44	60,860	39.43	67,421	48.68	57,914	40.92
- EUR	27,060	25.69	48,269	31.27	48,240	34.83	52,167	36.86
- USD	29,341	27.85	45,009	29.16	22,056	15.93	31,171	22.02
- RMB	1,672	1.59	-	-	-	-	-	-
- SGD	458	0.43	218	0.14	776	0.56	289	0.20
Total revenue	**105,351**	**100.00**	**154,356**	**100.00**	**138,493**	**100.00**	**141,541**	**100.00**
Purchases denominated in:								
- RM	64,128	73.73	69,842	72.61	46,201	62.24	40,969	54.65
- EUR	19,658	22.60	22,536	23.43	21,334	28.74	24,738	33.00
- USD	3,142	3.61	2,250	2.34	5,527	7.44	9,106	12.15
- RMB	-	-	-	-	1,151	1.55	8	0.01
- JPY	-	-	1,555	1.62	-	-	26	0.03
- GBP	51	0.06	1	(1)	-	-	-	-
- SGD	-	-	-	-	20	0.03	123	0.16
Total purchases	**86,979**	**100.00**	**96,184**	**100.00**	**74,233**	**100.00**	**74,970**	**100.00**

Note:

(1) Negligible

12. FINANCIAL INFORMATION *(Cont'd)*

The foreign currency exchange rates used in our Group's consolidated financial statements for conversion of values denominated in foreign currencies to RM are summarised in the following table:

Closing exchange rate relative to the following foreign currencies	FYE 2021 RM	FYE 2022 RM	FYE 2023 RM	FYE 2024 RM
USD 1.00	-	-	4.5991	4.4755
EUR 1.00	4.7166	4.6908	5.0768	4.6626
SGD 1.00	-	-	3.4787	3.2878

The average exchange rate used for transactions during the Financial Years Under Review are summarised in the following table:

Average exchange rate relative to the following foreign currencies	FYE 2021 RM	FYE 2022 RM	FYE 2023 RM	FYE 2024 RM
EUR 1.00	4.9025	4.6202	4.8703	4.9431
USD 1.00	4.1517	4.3857	4.5304	4.5680
RMB 1.00	0.6429	-	0.6437	0.6272
JPY 1.00	-	0.0340	-	2.8462
GBP 1.00	5.7083	(1)	-	-
SGD 1.00	3.0866	3.1849	3.3650	3.4237

Note:

(1) Negligible

The impact of foreign exchange fluctuations on our financial performance during the Financial Years Under Review which mainly arises from the timing differences between our invoices or our suppliers' invoices and the actual receipt of payments from our foreign customers and actual payments to our suppliers, are as follows:

	Audited			
	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000
Realised gain/(loss) on foreign exchange	19	593	(334)	(192)
Unrealised (loss)/gain on foreign exchange	(24)	(2)	408	(1,085)
Net (loss)/gain on foreign exchange	**(5)**	**591**	**74**	**(1,277)**

Please refer to Note 37.1(a)(i) of the Accountants' Report in Section 13 of this Prospectus for further details of the sensitivity analysis to our Group on the change in the USD, EUR, SGD and RMB.

We closely monitor the fluctuations in foreign exchange rates against the RM to manage our foreign currency risks. We enter into currency forward hedging for certain transactions to mitigate the impact of foreign exchange fluctuations. As at 31 December 2024, our Group has hedged approximately RM0.94 million against EUR using foreign currency forward contract. In addition, we maintain foreign currency accounts whereby collections arising from our foreign sales are used to settle our payments in the same foreign currency. This would provide, to a certain extent, a natural hedge against the foreign exchange fluctuations.

(ii) Impact of interest rates fluctuations

Our exposure to interest rate fluctuations arises from our floating rate bank borrowings which is dependent on the prevailing interest rates as stipulated by our financial institutions. Our Group's total borrowings and the corresponding finance costs for the Financial Years Under Review are as follows:

	As at 31 December			
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total borrowings [(1)]	37,019	39,755	33,268	34,292
Finance costs	1,519	1,629	1,830	1,898
EBIT	15,849	25,957	15,848	13,227
Interest coverage ratio [(2)]	10.43	15.93	8.66	6.97

Notes:

(1) Excluding lease liabilities arising from right-of-use assets.

(2) Computed based on EBIT over finance costs for the Financial Years Under Review.

Our interest coverage ratio ranged from 6.97 times to 15.93 times for the Financial Years Under Review indicating our Group has been able to generate sufficient profits from operations to meet our interest servicing obligations.

Our interest coverage ratio decreased from 15.93 times for the FYE 2022 to 8.66 times for the FYE 2023 mainly due to the decrease in EBIT as a result of lower GP recorded for the FYE 2022 as well as the increase in administrative expenses and other expenses as explained in Sections 12.3.3(v) and (vi) of this Prospectus.

Our interest coverage ratio further decreased from 8.66 times for the FYE 2023 to 6.97 times for the FYE 2024 mainly due to the decrease in EBIT as a result of recognition of one-off listing expenses amounting to RM2.16 million.

As stated in Section 12.2 of this Prospectus, our Group's total unaudited borrowings (which excludes lease liabilities arising from right-of-use assets) stood at approximately RM28.11 million as at 7 April 2025.

Our Group's financial results for the Financial Years Under Review were not materially affected by fluctuations in interest rates. However, any significant increase in the interest rates of our bank borrowings will significantly raise our interest expenses, which in turn may have an adverse impact on our financial performance.

Our Group monitors interest rate movements to ensure that we secure the most competitive rates and where appropriate, we may seek to restructure or reduce our borrowing arrangements and interest-bearing instruments.

12. FINANCIAL INFORMATION *(Cont'd)*

(iii) Impact of commodity prices and availability

Steel materials such as mild/carbon steel and stainless steel, are the primary raw materials used in our manufacturing activities, which comprised 30.82%, 26.73%, 24.70% and 22.41% of our Group's total purchases in the FYE 2021, FYE 2022, FYE 2023 and FYE 2024, respectively.

The prices of steel materials are subject to fluctuations due to various factors, including global economic conditions, global demand and supply conditions and geographical events (e.g. uncertainties arising from the United States-China trade war or sanctions on Russia).

Any significant increase in steel prices may result in a substantial increase in our cost of sales, thus affecting our financial performance if we are unable to pass these increased costs to our customers. In addition, any sudden steel shortages may disrupt our business operations and there is no assurance that we will be able to procure steel from new suppliers in a timely manner or at reasonably acceptable prices that will not affect our profit margins.

For more details, please refer to Section 9.2.4 of this Prospectus.

(iv) Impact of inflation

Our business, financial condition or results of our operations for the Financial Years Under Review were not materially affected by the impact of inflation. Nevertheless, there can be no assurance that future inflation would not have an impact on our business and financial performance.

(v) Impact of government, economic, fiscal or monetary policies

We are subject to risks relating to government, economic, fiscal or monetary policies, regulatory risks, geopolitical events, as well as occurrence of force majeure events in the countries in which we, our customers and our suppliers operate in. As such, any unfavourable developments in such factors may materially affect our business operations, financial performance and industry prospects in which we operate. During the Financial Years Under Review, save for the geopolitical event and change in governmental policy as described in Sections 12.3.3(i) and 12.3.3(ii) of this Prospectus, our results were not adversely affected by any unfavourable developments relating to government, economic, fiscal or monetary policies, regulatory risks, geopolitical events or occurrence of force majeure events of the countries in which we, our customers and our suppliers operate in.

Risk relating to government, economic, fiscal or monetary policies or factors which may materially affect our operations are set out in Section 9.2.3 of this Prospectus.

12. FINANCIAL INFORMATION *(Cont'd)*

12.4 LIQUIDITY AND CAPITAL RESOURCES

12.4.1 Working capital

We finance our operations with cash generated from our operations, credit extended by trade creditors and/or financial institutions as well as existing cash and bank balances. Our facilities from financial institutions comprise, amongst others, term loans, bankers' acceptances, invoice financing, bank overdrafts and hire purchases.

The decision to utilise either internally generated funds or borrowings for our business operations depends on, among others, our cash and bank balances, expected cash inflows, future working capital requirements, future capital expenditure requirements and interest rates on borrowings. We carefully consider our cash position and ability to obtain further financing before making significant capital commitments.

As at the LPD, our unaudited consolidated working capital, calculated as current assets of RM75.64 million minus current liabilities of RM46.03 million, was RM29.61 million.

Our Board is confident that our working capital will be sufficient for our existing and foreseeable requirements for a period of 12 months from the date of this Prospectus, taking into consideration the following:

(a) our cash and short-term deposits of approximately RM19.15 million (including fixed deposit of RM11.26 million with a bank and deposits of RM9.16 million pledged as securities for banking facility granted) as at the LPD;

(b) proceeds expected to be raised and utilised for working capital from our Public Issue; and

(c) our total banking facilities limit as at the LPD of RM30.88 million, of which RM20.12 million have yet to be utilised.

At this juncture, we do not foresee any circumstances which may materially affect our liquidity.

12.4.2 Cash flows

The table below sets out the summary of our Group's historical consolidated statements of cash flows for the Financial Years Under Review:

	Audited			
	FYE 2021 RM'000	**FYE 2022 RM'000**	**FYE 2023 RM'000**	**FYE 2024 RM'000**
Net cash from operating activities	5,058	4,140	16,795	11,704
Net cash used in investing activities	(1,346)	(1,186)	(6,003)	(2,740)
Net cash (used in)/from financing activities	(2,038)	1,637	(10,991)	(2,081)
Net increase/(decrease) in cash and cash equivalents	**1,674**	**4,591**	**(199)**	**6,883**
Cash and cash equivalents at the beginning of the financial year	2,563	4,044	8,645	8,668
Effects of foreign exchange translation	(193)	10	222	(82)
Cash and cash equivalents at the end of the financial year	**4,044**	**8,645**	**8,668**	**15,469**

12. FINANCIAL INFORMATION *(Cont'd)*

Commentaries on cash flows

FYE 2021

Net cash from operating activities

For the FYE 2021, our Group's operating profit before changes in working capital was approximately RM17.34 million. After adjusting for the following key items, amongst others, our net cash from operating activities was approximately RM5.06 million, which was mainly due to the following:

(i) increase in trade and other payables and accruals of approximately RM16.68 million mainly due to higher trade payables as a result of higher purchases toward the end of the FYE 2021;

(ii) increase in inventories of approximately RM21.90 million mainly due to anticipated stock purchases for several large projects planned for the FYE 2022, including stock in transit from suppliers;

(iii) increase in trade and other receivables, deposits and prepayments of approximately RM11.21 million mainly due to higher trade receivables as a result of higher sales toward the end of the FYE 2021 and higher advances to suppliers; and

(iv) increase in contract liability of approximately RM11.34 million due to downpayments received from customers in the FYE 2021 for work not yet completed; and

(v) increase in contract assets of approximately RM4.57 million as a result of the recognition of revenue in the FYE 2021 based on the works performed for our customers, for which we had yet to issue the invoices for work performed.

Net cash used in investing activities

For the FYE 2021, our Group recorded net cash used in investing activities of approximately RM1.35 million which was mainly due to the following:

(i) acquisition of plant and machineries, motor vehicles, computers, office equipment, furniture and fittings as well as renovation costs for our Group's offices in Headquarters, Lahat Plant and Jelapang Plant 1 of approximately RM1.12 million; and

(ii) additions to pledged fixed deposits of approximately RM0.60 million.

This was, however, partially offset by proceeds from disposals of 3 unit of motor vehicles of approximately RM0.26 million.

Net cash used in financing activities

For the FYE 2021, our Group recorded net cash used in financing activities of approximately RM2.04 million which was mainly due to the following:

(i) repayment of borrowings of approximately RM87.66 million;

(ii) drawdown of borrowings of approximately RM87.03 million for working capital purposes; and

(iii) payment of interest of approximately RM1.41 million.

12. FINANCIAL INFORMATION *(Cont'd)*

FYE 2022

Net cash from operating activities

For the FYE 2022, our Group's operating profit before changes in working capital was approximately RM27.56 million. After adjusting for the following key items, amongst others, our net cash from operating activities was approximately RM4.14 million, which was mainly due to the following:

(i) decrease in trade and other payables and accruals of approximately RM14.05 million mainly due to lower trade payables as a result of a reduction in raw material purchases toward the end of the FYE 2022 and lower advances from customers;

(ii) decrease in inventories of approximately RM8.51 million mainly due to lower goods-in-transit towards the end of FYE 2022 and materials purchased have been utilised for several large projects during FYE 2022;

(iii) decrease in contract liabilities of approximately RM7.83 million mainly due to the progress of a project where revenue was recognised as work was completed during the FYE 2022, reflecting the completion of contractual obligations; and

(iv) payment of tax of approximately RM4.44 million.

Net cash used in investing activities

For the FYE 2022, our Group recorded net cash used in investing activities of approximately RM1.19 million which was mainly due to the following:

(i) additions of pledged fixed deposits of approximately RM0.72 million; and

(ii) acquisition of plant and machineries, computers and renovation costs for our Group's manufacturing plants of approximately RM0.72 million.

Net cash used in financing activities

For the FYE 2022, our Group recorded net cash used from financing activities of approximately RM1.64 million which was mainly due to the following:

(i) drawdown of borrowings of approximately RM88.24 million for our Group's working capital purposes;

(ii) repayment of borrowings of approximately RM85.08 million; and

(iii) payment of interest of approximately RM1.53 million.

12. FINANCIAL INFORMATION *(Cont'd)*

FYE 2023

Net cash from operating activities

For the FYE 2023, our Group's operating profit before changes in working capital was approximately RM17.86 million. After adjusting for the following key items, amongst others, our net cash from operating activities was approximately RM16.80 million, which was mainly due to the following:

(i) decrease in inventories of approximately RM9.42 million mainly due to the reduced manufacturing activity in FYE 2023;

(ii) decrease in trade and other receivables, deposits and prepayments of approximately RM5.02 million. The decrease was mainly due to lower trade receivables, which decreased in tandem with the reduction in revenue for FYE 2023 and lower advances to suppliers due to decreased purchases towards the end of FYE 2023;

(iii) payment of tax of approximately RM8.06 million;

(iv) decrease in amount owing to Pan-Merchant Industries, the former holding company, by approximately RM3.24 million mainly due to dividend declared by PMIT Malaysia which is to be paid to Pan-Merchant Industries, acquisition of properties by PMIT Malaysia from Pan-Merchant Industries, management fees and rental expenses which were set-off by the amount owing by Pan-Merchant Industries to PMIT Malaysia, further details as set out in Section 10.1.3 of this Prospectus; and

(v) decrease in trade and other payables and accruals of approximately RM4.62 million mainly due to lower trade payables as a result of a reduction in raw material purchases toward the end of the FYE 2023.

Net cash used in investing activities

For the FYE 2023, our Group recorded net cash used in investing activities of approximately RM6.00 million which was mainly due to renovation works for an extension of the assembly workspace at the Lahat Plant and office enhancement of the Headquarters, purchase of computers, motor vehicles as well as plant and machineries of approximately RM6.04 million.

Net cash used in financing activities

For the FYE 2023, our Group recorded net cash used in financing activities of approximately RM10.99 million which was mainly due to the following:

(i) repayment of borrowings of approximately RM83.76 million;

(ii) payment of interest of approximately RM1.70 million;

(iii) drawdown of borrowings of approximately RM74.49 million for working capital purposes; and

(iv) repayment of lease liabilities of RM0.02 million.

12. FINANCIAL INFORMATION *(Cont'd)*

FYE 2024

Net cash from operating activities

For the FYE 2024, our Group's operating profit before changes in working capital was approximately RM17.70 million. After adjusting for the following key items, our net cash from operating activities was approximately RM11.70 million, which was mainly due to the following:

(i) payment of tax of approximately RM5.57 million;

(ii) decrease in amount owing to related parties of approximately RM3.09 million which was mainly due to the payment of dividend declared during FYE 2023 was offset by expenses paid on behalf of Pan-Merchant Industries;

(iii) increase in trade and other receivables, deposits and prepayments of approximately RM2.57 million mainly due to more billings issued to our customers toward the end of the financial year;

(iv) increase in trade and other payables and accruals of approximately RM2.56 million mainly due to higher advances from our customers; and

(v) decrease in contract assets of approximately RM2.52 million following the issuance of invoices to our customers for work performed.

Net cash used in investing activities

For the FYE 2024, our Group recorded net cash for investing activities of approximately RM2.74 million which was mainly attributable to the acquisition of computers, plant and machineries, motor vehicle, installation of solar PV system as well as renovation works for the Lahat Plant.

Net cash used in financing activities

For the FYE 2024, our Group recorded net cash for financing activities of approximately RM2.08 million which was mainly due to the following:

(i) payment on interest of approximately RM1.84 million;

(ii) drawdown of borrowings of approximately RM80.45 million for working capital purposes;

(iii) repayment of borrowings of approximately RM80.40 million; and

(iv) repayment of lease liabilities of approximately RM0.29 million.

12. FINANCIAL INFORMATION *(Cont'd)*

12.4.3 Borrowings

All of our borrowings are interest-bearing and denominated in RM. Our total outstanding borrowings and indebtedness as at 31 December 2024 stood at RM34.29 million (excluding lease liabilities of approximately RM1.44 million arising from right-of-use assets), the details of which are set out below:

Type of borrowings	Purpose	Tenure	Effective rate per annum for FYE 2024	Facility limit	As at 31 December 2024		
					Payable within 12 months	Payable after 12 months	Total amount outstanding
			%	RM'000	RM'000	RM'000	RM'000
Term loan	To finance the refurbishment of the detached factory	12 years	5.26	1,500	86	-	86
Hire purchases [(1)]	Purchase of motor vehicles as well as machineries and equipment	3 - 5 years	5.89	5,210	1,155	2,879	4,034
Bankers' acceptances	Working capital	up to 180 days	4.81	48,500	29,775	-	29,775
Bank overdraft	Working capital	N/A	7.88	2,500	397	-	397
Total					**31,413**	**2,879**	**34,292**
Gearing ratio (times)							
Before IPO and utilisation of proceeds [(2)]							0.49
After IPO and utilisation of proceeds [(3)]							0.27

Notes:

(1) Fixed rate borrowings.

(2) Computed based on our pro forma consolidated equity attributable to the owners of the Company of RM70.22 million as stated in the pro forma consolidated statements of financial position after the Acquisition of PMIT Malaysia but before the IPO and utilisation of proceeds.

(3) Computed based on our pro forma consolidated equity attributable to the owners of the Company of RM128.08 million as stated in the pro forma consolidated statements of financial position after the IPO and utilisation of proceeds.

12. FINANCIAL INFORMATION *(Cont'd)*

As at the LPD, we do not have any borrowings which are non-interest bearing and/or in foreign currency.

We have not defaulted on any payments of principal sums and/or interests in respect of any of our borrowings throughout the Financial Years Under Review and up to the LPD. We also do not encounter any seasonality in our borrowings trend and there is no restriction on our committed borrowing facilities.

As at the LPD, neither our Company nor our subsidiaries are in breach of any terms, conditions or covenants associated with the credit arrangement or bank loans, which can materially affect our financial position and results or business operations or the investments by holders of our Shares.

During the Financial Years Under Review and up to the LPD, we did not experience any clawback or reduction in the facilities limit granted to us by our lenders.

12.4.4 Material capital commitments

As at the LPD, save as disclosed below, our Group does not have any other material capital commitments:

	RM'000
Capital expenditure in respect of purchase of property, plant and equipment	
Approved but not contracted for:	
- acquisition of machinery, equipment and tools	21,422
- renovation/enhancement of manufacturing plants and office	7,560
- upgrade of laboratory at Headquarters	1,400
- setting up filter leaf production line	2,103
Total	**32,485**

Save for the purchase of the solar PV system which will be funded through our internally generated funds, we expect to fund our other material capital commitments above through the proceeds to be raised from our Public Issue.

Please refer to Sections 4.7 and 7.22 of this Prospectus for the details on the utilisation of proceeds raised from our Public Issue and our future plans and strategies, respectively.

12.4.5 Material litigation and contingent liabilities

As at the LPD, we are not engaged in any material litigation, claim or arbitration either as plaintiff or defendant and there is no proceeding, pending or threatened, or any fact likely to give rise to any proceeding which might materially or adversely affect our Group's financial position or business.

As at the LPD, our Directors confirm that there are no material contingent liabilities incurred by our Group, which upon becoming enforceable may have a material effect on our Group's business, financial performance or position.

12. FINANCIAL INFORMATION *(Cont'd)*

12.4.6 Material investments and divestitures

Save as disclosed below, we have not undertaken any other material investments and divestitures during the Financial Years Under Review and up to the LPD:

	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	From 1 January 2025 up to the LPD RM'000
Material investments					
- Freehold lands	-	-	10,600	-	-
- Freehold buildings	-	-	2,072	105	-
- Electrical installation	-	-	574	85	-
- Computers	51	242	683	476	6
- Furniture and fittings	36	28	85	47	5
- Plant and machinery	436	324	1,729	2,142	-
- Motor vehicles	1,245	943	1,139	612	-
- Office equipment	43	67	108	62	3
- Renovation	252	73	3,286	662	128
Total	**2,063**	**1,677**	**20,276**	**4,191**	**142**
Material divestitures					
- Computers	-	-	-	-	2
- Motor vehicle	91	-	-	-	-
- Office equipment	-	2	-	-	-
Total	**91**	**2**	**-**	**-**	**2**

The above material investments were funded through a combination of internally generated funds and bank borrowings.

12.4.7 Key financial ratios

Our Group's key financial ratios for the Financial Years Under Review are as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Average trade receivables turnover period (days) (1)	90	74	81	77
Average trade payables turnover period (days) (2)	98	92	82	69
Average inventory turnover period (days) (3)	144	119	96	76
Current ratio (times) (4)	1.19	1.39	1.33	1.45
Gearing ratio (times) (5)	1.29	0.94	0.53	0.49

Notes:

(1) Trade receivables turnover period is computed based on average trade receivables over revenue for the respective financial year and multiplied by the number of days in the respective financial year.

12. FINANCIAL INFORMATION *(Cont'd)*

(2) Trade payables turnover period is computed based on average trade payables over total purchases for the respective financial year and multiplied by the number of days in the respective financial year.

(3) Inventory turnover period is computed based on average inventories over cost of sales for the respective financial year and multiplied by the number of days in the respective financial year.

(4) Current ratio is computed based on current assets over current liabilities as at the end of the respective financial year.

(5) Gearing ratio is computed based on total borrowings (excluding lease liabilities arising from right-of-use assets) over total equity attributable to the owners of the Company as at the end of the respective financial year.

(i) Trade receivables turnover period

Our trade receivables turnover period for the Financial Years Under Review is as follows:

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Opening trade receivables	21,776	30,181	32,493	28,700
Closing trade receivables	30,181	32,493	28,700	30,826
Average trade receivables	25,979	31,337	30,597	29,763
Revenue	105,351	154,356	138,493	141,541
Trade receivables turnover period [(1)] (days)	**90**	**74**	**81**	**77**

Note:

(1) Trade receivables turnover period is computed based on average trade receivables over revenue for the respective financial year and multiplied by the number of days in the respective financial year.

The credit terms granted to our customers generally range from 30 days to 60 days, but this may be extended in certain cases and assessed and approved on a case-by-case basis. Other credit terms are also assessed and approved on a case-by-case basis. We take into consideration various factors when determining the credit period granted to customers, including their background, creditworthiness, payment history, amount owing to us and length of relationship with us.

As part of our credit control process, our finance team closely monitors our ageing report and regularly assess the collectability of trade receivables on an individual customer basis to ensure prompt payment within the credit period granted. For any trade receivables which have exceeded the normal credit period granted to customers, we will follow up with calls and send reminders, and where appropriate, provide for specific impairment on those trade receivables where recoverability is uncertain based on our dealings with the customers.

During the Financial Years Under Review, the bad debts written off was in FYE 2023 and amounted to approximately RM0.003 million.

Our average trade receivables turnover period ranges from 74 days to 90 days for the Financial Years Under Review which exceeded the normal credit periods granted to our customers. This was mainly due to the extended credit terms which were granted to our long-term customers as part of our strategic approach to maintain our customer relationships.

12. FINANCIAL INFORMATION *(Cont'd)*

Our trade receivables turnover decreased from 90 days for the FYE 2021 to 74 days for the FYE 2022 mainly attributable to better collection of payments from trade receivables.

Our trade receivables turnover increased from 74 days for the FYE 2022 to 81 days for the FYE 2023 mainly due to slower collection from customers.

Our trade receivables turnover period decreased from 81 days for the FYE 2023 to 77 days for the FYE 2024, which was mainly due to improved collections from customers.

The ageing analysis of our trade receivables as at 31 December 2024 and the subsequent collections and balance of our trade receivables as at the LPD are set out below:

		Within credit period	**Exceeding credit period**				**Total**
			1 to 30 days	**31 to 60 days**	**61 to 90 days**	**More than 90 days**	
Trade receivables (RM'000)	A	17,428	2,977	128	636	9,657	30,826
% of total trade receivables		*56.54*	*9.66*	*0.41*	*2.06*	*31.33*	*100.00*
Subsequent collections up to the LPD (RM'000)	B	(4,749)	(2,434)	(109)	(635)	(8,512)	(16,439)
Outstanding trade receivables (RM'000)	**C = A - B**	**(1) 12,679**	**543**	**19**	**1**	**1,145**	**14,387**
% of total outstanding *trade receivables*		*88.13*	*3.77*	*0.13*	*0.01*	*7.96*	*100.00*

Note:

(1) Includes retention sum amounting to approximately RM4.53 million which will be obtained after delivery of the filtration equipment.

As at the LPD, we have collected RM16.44 million or 53.33% of the total trade receivables as at 31 December 2024. The remaining outstanding trade receivables as at the LPD is approximately RM14.39 million (which includes the retention sum of RM4.52 million) or 46.67% of the total trade receivables as at 31 December 2024.

A majority of our outstanding trade receivables more than 90 days as at the LPD are from our long-term customers. In view that they are our long-term customers, as part of our strategic approach to maintain our customer relationships, we have allowed our long-term customers a longer credit period to settle their outstanding invoices.

With respect to overdue trade receivables, our Board is of the view that these trade receivables are recoverable, taking into consideration our relationship with these customers, their payment history, their credentials, and we have not encountered any material disputes in respect of our trade receivables. We endeavour to recover the outstanding amount, including through follow-up calls, reminders and correspondences.

12. FINANCIAL INFORMATION *(Cont'd)*

If the trade receivables that our Group expects to receive are less than the total trade receivables that are due to our Group, our management would consider the need for impairment based on objective evidence, i.e. we would write off trade receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Nevertheless, in managing the credit risk of trade receivables, we will continuously manage and monitor our trade debtors and take appropriate actions (including but not limited to legal actions) to recover long overdue balances.

(ii) Trade payables turnover period

Our trade payables turnover period for the Financial Years Under Review is as follows:

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Opening trade payables	16,661	30,253	18,392	15,125
Closing trade payables	30,253	18,392	15,125	13,261
Average trade payables	23,457	24,323	16,759	14,193
Total purchases	86,979	96,184	74,233	74,970
Trade payables turnover period [(1)] (days)	**98**	**92**	**82**	**69**

Note:

(1) Trade payables turnover period is computed based on average trade payables over total purchases for the respective financial year and multiplied by the number of days in the respective financial year.

The normal trade payables turnover period granted by our suppliers generally ranges from 30 days to 120 days.

Our average trade payables turnover period for the Financial Years Under Review ranges from 69 days to 98 days. Our trade payables turnover periods have decreased from 98 days for the FYE 2021 to 92 days for FYE 2022 which was mainly due to improved payment to trade creditors and reduction in purchases of raw materials during FYE 2022.

Our trade payables turnover periods have decreased from 92 days for the FYE 2022 to 82 days for FYE 2023, mainly due to reduction in raw material purchases towards the end of FYE 2023.

Our trade payables turnover period decreased from 82 days for the FYE 2023 to 69 days for the FYE 2024, mainly due to reduction in raw material purchases towards the end of the FYE 2024.

12. FINANCIAL INFORMATION *(Cont'd)*

The ageing analysis of our trade payables as at 31 December 2024 is as follows:

		Within credit period	Exceeding credit period				Total
			1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	
Trade payables (RM'000)	A	5,108	2,631	2,977	1,435	1,110	13,261
% of total trade payables		*38.52*	*19.84*	*22.45*	*10.82*	*8.37*	*100.00*
Subsequent payments up to LPD (RM'000)	B	(3,906)	(2,291)	(2,977)	(1,435)	(1,081)	(11,690)
Outstanding trade payables (RM'000)	**C = A - B**	**1,202**	**340**	**-**	**-**	**29**	**1,571**
% of total outstanding trade payables		*76.51*	*21.64*	*-*	*-*	*1.85*	*100.00*

As at the LPD, we have paid RM11.69 million or 88.15% of the total trade payables as at 31 December 2024. The remaining outstanding trade payables as at the LPD is approximately RM1.57 million or 11.85% of the total trade payables as at 31 December 2024.

To maintain a good working relationship with our suppliers, we closely monitor the timing of our payment obligations and ensure that prompt payments are made to our suppliers. Should there be any anticipated delay in our payment, we will inform our suppliers in advance and seek their consent, if necessary. We also monitor and manage the timing of our payments to ensure that we capitalise on the credit terms granted to us by our suppliers.

As at the LPD, there are no material disputes in respect of our trade payables and no legal action has been initiated by our suppliers against us to demand for payment. Additionally, we do not expect any dispute or legal action to be initiated by our suppliers for any outstanding trade payables owing to them.

(iii) Inventory turnover period

Our average inventory turnover period for the Financial Years Under Review is as follows:

	Audited			
	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000
Opening inventories	15,999	37,988	29,504	20,143
Closing inventories	37,988	29,504	20,143	18,035
Average inventories	26,994	33,746	24,824	19,089
Cost of sales	68,292	103,342	94,137	91,305
Average inventory turnover period [(1)] (days)	**144**	**119**	**96**	**76**

12. FINANCIAL INFORMATION *(Cont'd)*

Note:

(1) Inventory turnover period is computed based on average inventories over cost of sales for the respective financial year and multiplied by the number of days in the respective financial year.

Our inventories mainly comprise raw materials, work in progress, goods in transit and finished goods. The normal inventory turnover period ranges from 60 days to 120 days. Our average inventory turnover period ranges from 76 days to 144 days for the Financial Years Under Review.

The inventory turnover period in FYE 2021 had exceeded the normal turnover period due to stocks purchased in advance for several large projects planned for the FYE 2022. Our inventory turnover period decreased from 144 days for the FYE 2021 to 119 days for the FYE 2022. This was mainly due to an increase in our Group's cost of sales which had increased in tandem with our Group's revenue growth, and a reduction of goods-in-transit to us towards the end of FYE 2022. This reduction was a result of the utilisation of inventories purchased towards the end of FYE 2021.

Our inventory turnover period decreased further from 119 days for the FYE 2022 to 96 days for the FYE 2023. This was mainly due to a decrease in inventories to align with our production requirement and inventory controls as a result of reduced manufacturing activity in the FYE 2023.

Our inventory turnover period decreased from 96 days for the FYE 2023 to 76 days for the FYE 2024. This was mainly attributable to our Group's effort to maintain optimal inventory levels aligned with our production requirements.

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(iv) Current ratio

Our current ratio for the Financial Years Under Review is as follows:

	Audited As at 31 December			
	2021 RM'000	**2022 RM'000**	**2023 RM'000**	**2024 RM'000**
Current assets	112,618	109,877	88,857	92,087
Current liabilities	94,924	79,075	66,597	63,574
Current ratio [(1)] (times)	**1.19**	**1.39**	**1.33**	**1.45**

Note:

(1) Current ratio is computed based on current assets over current liabilities as at the end of the respective financial year.

Our current ratio ranges from 1.19 times to 1.45 times for the Financial Years Under Review. This indicates that our Group can meet our current obligations as our current assets, such as trade receivables and inventories, which can be readily converted into cash, together with our cash and bank balances and fixed deposits with licensed banks, are sufficient to meet our immediate current liabilities.

Our current ratio improved to 1.39 times as at 31 December 2022 from 1.19 times as at 31 December 2021 mainly attributable to the following:

(i) lower trade payables recorded as at 31 December 2022 as a result of a reduction in raw material purchases toward the end of the FYE 2022;

(ii) lower contract liability recorded as at 31 December 2022 as a result of the progress of a project where revenue was recognised as work was completed during the FYE 2022, reflecting the completion of contractual obligations.

Our current ratio decreased to 1.33 times as at 31 December 2023 from 1.39 times as at 31 December 2022 mainly due to the following:

(i) lower inventories recorded as at 31 December 2023 mainly due to the reduced manufacturing activity in FYE 2023;

(ii) lower trade receivables recorded as at 31 December 2023 which decreased in tandem with the reduction in revenue for FYE 2023; and

(iii) lower other receivables, deposits and prepayment recorded as at 31 December 2023 as a result of lower advances to suppliers due to reduced manufacturing activities in FYE 2023.

Our current ratio increased to 1.45 times as at 31 December 2024 from 1.33 times as at 31 December 2023 mainly attributable to the following:

(i) higher cash and bank balances as explained in Section 12.4.2 above; and

(ii) lower amount owing to related parties mainly due to the amount owing to Pan-Merchant Industries which was fully repaid during FYE 2024.

(v) Gearing ratio

Our gearing ratio for the Financial Years Under Review is as follows:

	Audited			
	As at 31 December			
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total borrowings [(1)]	37,019	39,755	33,268	34,292
Total equity attributable to owners of the Company	28,609	42,466	62,978	70,313
Gearing ratio [(2)] (times)	**1.29**	**0.94**	**0.53**	**0.49**

Notes:

(1) Excluding lease liabilities arising from right-of-use assets.

(2) Gearing ratio is computed based on the total borrowings divided by the total equity attributable to the owners of the Company.

Our Group's gearing ratio decreased from 1.29 times as at 31 December 2021 to 0.94 times as at 31 December 2022 mainly due to the increase in our total equity attributable to owners of the Company by approximately RM13.86 million as a result of our PAT attributable to owners of the Company generated during the FYE 2022 of approximately RM17.85 million.

Our Group's gearing ratio decreased from 0.94 times as at 31 December 2022 to 0.53 times as at 31 December 2023 mainly due to increase in our total equity attributable to owners of the Company of approximately by RM20.51 million. This was, in turn, mainly due to our PAT attributable to owners of the Company generated during the FYE 2023 of approximately RM10.54 million and revaluation of our right-of-use assets of approximately RM10.60 million, coupled with a decrease in total borrowings following our repayment.

Our Group's gearing ratio decreased slightly from 0.53 times as at 31 December 2023 to 0.49 times as at 31 December 2024 mainly attributable to the increase in our total equity attributable to owners of the Company of approximately RM7.34 million as a result of our PAT attributable to owners of the Company generated during the FYE 2024 of approximately RM7.68 million.

12.4.8 Types of financial instruments used

As at the LPD, save for bank borrowings as disclosed in Section 12.4.3 of this Prospectus and foreign currency forward hedging facilities amounting to RM0.94 million, we do not have or use any other financial instruments.

Financial instruments which our Group uses in our ordinary course of business, from an accounting perspective, may include financial assets such as deposits with financial institutions, cash and cash equivalents, trade and other receivables, as well as financial liabilities such as trade and other payables, lease liabilities as well as borrowings. These are as shown in our audited consolidated statements of financial position.

12.4.9 Treasury policies and objectives

We finance our operations mainly through internally generated funds, such as cash generated from our operations and shareholders' funds, as well as external sources of funds such as credit extended by our suppliers and borrowings from financial institutions.

Our main treasury policy is to maintain sufficient working capital to finance our operations, coupled with adequate credit facilities to meet the estimated commitments arising from our operational expenditures and financial liabilities. Our principal sources of liquidity are our cash and bank balances, cash generated from our operations and external borrowings from financial institutions.

In our ordinary course of business, we deal with customers and suppliers from both local and overseas markets, where transactions are denominated in both local as well as foreign currencies. We maintain bank accounts in RM, EUR, USD, RMB and SGD, such that collections can be used to settle payments of the same currency (where possible). This provides, to a certain extent, a natural hedge against fluctuations in the foreign exchange rates and mitigates our exposure to foreign exchange risks. We may consider hedging instruments such as derivatives contracts available in the financial markets to hedge against foreign exchange risks should the need arise. As at the LPD, we have foreign currency forward hedging facilities amounting to RM0.94 million.

As at the LPD, our Group has not entered into any financial instrument to hedge against the interest rate fluctuations. We manage our exposure to interest rate fluctuations by maintaining a combination of fixed-rate and floating-rate borrowings.

We monitor and manage our Group's capital structure on an on-going basis. Our strategy is to maintain our Group's debt-to-equity ratio at an optimal level based on our business requirements and the prevailing economic conditions. Additionally, our Directors have the responsibility of identifying, quantifying, monitoring and controlling the key risks (credit, liquidity, currency and interest rate) associated with these activities.

12. FINANCIAL INFORMATION *(Cont'd)*

12.5 TREND INFORMATION

As at the LPD, after having made all reasonable enquiries, our Board confirms that our operations have not been and are not expected to be affected by any of the following:

(i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's financial performance, position, operations, liquidity and capital resources, save as disclosed in this section and Sections 7 and 9 of this Prospectus;

(ii) material commitments for capital expenditure save as disclosed in Section 12.4.4 of this Prospectus;

(iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group, save as disclosed in this section and Sections 7 and 9 of this Prospectus;

(iv) known trends, demands, commitments, events or uncertainties that have resulted in a substantial increase in our Group's revenue and/or profit, save as disclosed in this section and Sections 7 and 9 of this Prospectus; and

(v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical audited consolidated financial statements not necessarily indicative of the future financial performance and position, save as disclosed in this section and Sections 7 and 9 of this Prospectus.

However, our Board foresees certain risk factors as set out in Section 9 of this Prospectus that may affect our future financial condition and results of operations.

Our Board is optimistic about the future prospects of our Group after taking into consideration the outlook of the global solid liquid filtration industry as set out in the IMR Report in Section 8 of this Prospectus, our Group's competitive strengths as set out in Section 7.7 of this Prospectus and our Group's future plans and strategies as set out in Section 7.22 of this Prospectus.

12.6 SIGNIFICANT CHANGES

Save as disclosed in this Prospectus, there are no other significant changes that have occurred which may have a material effect on the financial position and results of our Group since 31 December 2024 up to the date of this Prospectus.

12.7 ORDER BOOK

Our Group's order book is based on the total amount of purchase orders secured, which has not been recognised as revenue as at the LPD.

As at the LPD, our Group's order book stood at approximately RM69.60 million, which consists of orders for filtration equipment, replacement parts and steel works and is expected to be recognised within the next 12 months.

12. FINANCIAL INFORMATION *(Cont'd)*

12.8 DIVIDEND POLICY

As our Company is an investment holding company, our income and therefore our ability to pay dividends is dependent upon the dividends we receive from our subsidiaries, present and future. The payment of dividends or other distributions by our subsidiaries will depend on their distributable profits, operating results, financial condition, working capital needs, capital expenditure plans, business expansion plans and other factors that their respective boards of directors deem relevant. Our subsidiaries may also require its financiers' consent (if any) as set out in the respective facility agreements to pay dividends to our Company. Save for compliance with the solvency requirement under the Act, which is applicable to all Malaysian companies, there are no other legal, financial, or economic restrictions on the ability of our existing subsidiaries to transfer funds in the form of cash dividends, loans or advances to us.

Dividend payments, capital gains and profits from dealing in our Shares will not be subject to Malaysian taxation other than the 2% dividend tax which has taken effect in the year of assessment 2025 on annual dividend income exceeding RM100,000 received by individual who is a shareholder of a company, either through direct shareholding or a nominee, which consists of dividend paid, credited or distributed, whether in monetary form or otherwise. No withholding tax is imposed on the dividends declared by us or our subsidiary companies save for a 5.00% withholding tax on any dividends to be declared by PMIT US to PMIT USA NL. Please refer to Section 15.4 of this Prospectus for details on the repatriation of capital, remittance of profit and taxation.

Our Group has the intention to target a dividend payout ratio in respect of each financial year of not less than 30% of our consolidated PATNCI. The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividends for the financial year may require our shareholders' approval. In addition to the factors above which may affect the ability of our subsidiaries to pay dividends to us, our Board will also take into consideration the following factors (which may not be exhaustive) in declaring or recommending dividends for the year:

(i) the availability of adequate reserves and cash flows;

(ii) our operating cash flow requirements and financing commitments;

(iii) our anticipated future operating conditions, as well as future expansion, capital expenditure and investment plans;

(iv) any banking or other funding covenants by which our Group is bound from time to time;

(v) our working capital requirements;

(vi) contractual obligations;

(vii) our Company is solvent as required under Section 132 of the Act;

(viii) any material impact of tax laws and other regulatory requirements; and

(ix) prior written consent from financial institutions, where required.

12. FINANCIAL INFORMATION *(Cont'd)*

The table below sets out the dividend declared and paid by our Group for the Financial Years Under Review and up to the LPD:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	1 January 2025 up to the LPD
Dividends declared by PMIT Malaysia (RM'000)	2,000	4,000	13,000	-	-
Dividends paid (RM'000)	(2)	(2)	(3)	(4)	-
Dividend payout ratio (%) (1)	19.55	22.41	123.32	-	-

Notes:

(1) Computed based on dividends paid over PATNCI for each financial year.

(2) The dividends declared were offset by the amount owing by Pan-Merchant Industries to PMIT Malaysia.

(3) The dividends declared in FYE 2023 were partially offset by the amount due from Pan-Merchant Industries to our Group amounting to RM9.67 million. Consequently, PMIT Malaysia owes Pan-Merchant Industries RM3.33 million as at 31 December 2023.

(4) The dividends declared in FYE 2023 were partially offset by expenses paid on behalf of Pan-Merchant Industries during FYE 2024 amounting to RM3.33 million. As at 31 December 2024, all amount outstanding to Pan-Merchant Industries have been fully settled. Please refer to Note (1) under Section 10.1.3 of this Prospectus for further details. No dividends were declared or paid in FYE 2024.

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12.9 REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Crowe

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants
Level 16, Tower C, Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Malaysia
Main +6 03 2788 9999
www.crowe.my

07 May 2025

The Board of Directors
Pan Merchant Berhad
Nos. 17 & 19, Jalan Pengacara U1/48,
Temasya Industrial Park,
40150 Shah Alam,
Selangor Darul Ehsan.

Dear Sirs,

PAN MERCHANT BERHAD ("Pan Merchant" or the "Company")
REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 INCLUDED IN A PROSPECTUS

We have completed our assurance engagement to report on the compilation of Pro Forma Consolidated Statements of Financial Position of Pan Merchant and its subsidiaries (collectively known as the "the Group" or "Pan Merchant Group") as at 31 December 2024 together with the accompanying notes thereon prepared by the Board of Directors of the Company, for which we have stamped for the purpose of identification.

The application criteria on the basis of which the Board of Directors of the Company have compiled the Pro Forma Consolidated Statements of Financial Position are described in the notes thereon to the Pro Forma Consolidated Statements of Financial Position, and is prepared in accordance with the requirements of the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and the Guidance Note for issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants ("Guidance Note").

The Pro Forma Consolidated Statements of Financial Position has been compiled by the Board of Directors to illustrate the impact of the transactions as set out in in the notes thereon to the Pro Forma Consolidated Statements of Financial Position as at 31 December 2024 as if the events has been in existence throughout the financial year. As part of this process, information about the financial position as at 31 December 2024 has been extracted by the Board of Directors of the Company from the Accountants' Report of PMI-Technology Sdn Bhd and its subsidiaries (collectively known as "PMI Group") for the financial year ended 31 December 2024.

THE BOARD OF DIRECTORS' RESPONSIBILITIES

The Board of Directors of the Company is responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis as described in notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines and Guidance Note.

Crowe Malaysia PLT is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Crowe Malaysia PLT and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Crowe Malaysia PLT.

Crowe

REPORTING ACCOUNTANTS' INDEPENDENCE AND QUALITY CONTROL

We are independent 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.

Our firm applies International Standard on Quality Management 1 (ISQM 1), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal regulatory requirements.

REPORTING ACCOUNTANTS' RESPONSIBILITIES

Our responsibility is to express an opinion, as required by the Prospectus Guidelines about whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, by the Board of Directors of the Company on the basis as described in notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

We conducted our engagement in accordance with the International Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagement to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards as adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma financial information on the basis of the applicable criteria.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinion on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position.

The purpose of Pro Forma Consolidated Statements of Financial Position included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

Crowe Malaysia PLT is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Crowe Malaysia PLT and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Crowe Malaysia PLT.

Crowe

REPORTING ACCOUNTANTS' RESPONSIBILITIES (CONT'D)

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, Pro Forma Consolidated Statements of Financial Position of the Group has been compiled, in all material respects, on the basis as described in notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

OTHER MATTER

This letter has been prepared solely for the purpose stated above, in connection with the listing of and quotation for the entire enlarged issued share capital of Pan Merchant on the ACE Market of Bursa Malaysia Securities Berhad. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Ho Yen Ling
03378/06/2026 J
Chartered Accountant

Kuala Lumpur

Crowe Malaysia PLT is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Crowe Malaysia PLT and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Crowe Malaysia PLT.



APPENDIX A

PAN MERCHANT BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	As at 31 December 2024* RM'000	Acquisition RM'000	Pro Forma I After the Acquisition RM'000	Public Issue RM'000	Pro Forma II After IPO RM'000	Utilisation of Proceeds RM'000	Pro Forma III After Pro Forma II and the Utilisation of IPO Proceeds RM'000
ASSETS								
NON-CURRENT ASSETS								
Property, plant and equipment	5.1	24,786	12	24,798	-	24,798	-	24,798
Right-of-use assets		25,365	-	25,365	-	25,365	-	25,365
Goodwill		815	-	815	-	815	-	815
		50,966	12	50,978	-	50,978	-	50,978
CURRENT ASSETS								
Inventories		18,035	-	18,035	-	18,035	-	18,035
Trade receivables		30,826	-	30,826	-	30,826	-	30,826
Other receivables, deposits and prepayments	5.2	2,552	(102)	2,450	-	2,450	(707)	1,743
Contract assets		15,671	-	15,671	-	15,671	-	15,671
Amount owing by a related party		156	-	156	-	156	-	156
Fixed deposits with licensed banks		11,070	-	11,070	-	11,070	-	11,070
Cash and bank balances	5.3	13,777	#	13,777	62,691	76,468	(4,125)	72,343
		92,087	(102)	91,985	62,691	154,676	(4,832)	149,844
Non-current assets held for sale		339	-	339	-	339	-	339
TOTAL ASSETS		143,392	(90)	143,302	62,691	205,993	(4,832)	201,161



APPENDIX A

PAN MERCHANT BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	As at 31 December 2024* RM'000	Acquisition RM'000	Pro Forma I After the Acquisition RM'000	Public Issue RM'000	Pro Forma II After IPO RM'000	Utilisation of Proceeds RM'000	Pro Forma III After Pro Forma II and the Utilisation of IPO Proceeds RM'000
EQUITY AND LIABILITIES								
EQUITY								
Share capital	5.4	14,200	54,181	68,381	62,691	131,072	(2,758)	128,314
Reserves	5.5	56,113	(54,276)	1,837	-	1,837	(2,074)	(237)
Equity attributable to owners of the Company		70,313	(95)	70,218	62,691	132,909	(4,832)	128,077
Non-controlling interests		1,763	-	1,763	-	1,763	-	1,763
TOTAL EQUITY		72,076	(95)	71,981	62,691	134,672	(4,832)	129,840
NON-CURRENT LIABILITIES								
Lease liabilities		1,120	-	1,120	-	1,120	-	1,120
Borrowings		2,879	-	2,879	-	2,879	-	2,879
Deferred tax liabilities		3,743	-	3,743	-	3,743	-	3,743
		7,742	-	7,742	-	7,742	-	7,742



APPENDIX A

PAN MERCHANT BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	As at 31 December 2024* RM'000	Acquisition RM'000	Pro Forma I After the Acquisition RM'000	Public Issue RM'000	Pro Forma II After IPO RM'000	Utilisation of Proceeds RM'000	Pro Forma III After Pro Forma II and the Utilisation of IPO Proceeds RM'000
CURRENT LIABILITIES								
Trade payables		13,261	-	13,261	-	13,261	-	13,261
Contract liabilities		8,063	-	8,063	-	8,063	-	8,063
Other payables and accruals	5.6	9,456	5	9,461	-	9,461	-	9,461
Amount owing to related parties		255	-	255	-	255	-	255
Lease liabilities		324	-	324	-	324	-	324
Borrowings		31,413	-	31,413	-	31,413	-	31,413
Current tax liabilities		802	-	802	-	802	-	802
		63,574	5	63,579	-	63,579	-	63,579
TOTAL LIABILITIES		71,316	5	71,321	-	71,321	-	71,321
TOTAL EQUITY AND LIABILITIES		143,392	(90)	143,302	62,691	205,993	(4,832)	201,161
Number of ordinary shares ('000)		14,200		683,812		916,000		916,000
NA @ (RM'000)		70,313		70,218		132,909		128,077
NA per share (RM)		4.95		0.10		0.15		0.14

Notes:-

* *Extracted from the Accountant's Report as at 31 December 2024.*

@ *Represents equity attributable to owners of the Company*

\# *Amount less than RM1,000*

APPENDIX A



PAN MERCHANT BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

1. ABBREVIATION

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report:-

Acquisition of PMIT Malaysia or Acquisition	:	Acquisition by Pan Merchant of the entire equity interest of PMIT Malaysia from PMIT Malaysia Vendors for a purchase consideration of RM68,381,200 which was wholly satisfied by the issuance of 683,812,000 new Shares at an issue price of RM0.10 per share
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Eligible Persons	:	Collectively, the eligible Director(s) and employee(s) and persons who have contributed to the success of our Group
FYE	:	Financial year ended 31 December
Group	:	Pan Merchant and its Subsidiaries, collectively
Headquarters	:	The headquarters of Pan Merchant located at Nos. 17 & 19, Jalan Pengacara U1/48, Temasya Industrial Park, 40150 Shah Alam, Selangor
IPO	:	Initial public offering comprising the Public Issue and the Offer for Sale
IPO Price	:	The IPO price of RM0.27 per Share under our Public Issue and Offer for Sale
Issue Share(s)	:	232,187,900 new Share(s) to be issued pursuant to Public Issue
Jelapang Plant 1	:	Refers to the factory located at No. 3, Hala Jati 10, Taman Meru Industrial Estate, 30020 Jelapang, Ipoh, Perak
Jelapang Plant 2	:	Refers to the factory located at Lot 2, Kawasan Perindustrian Taman Meru 3B, Jalan Jelapang, 30020 Jelapang, Ipoh, Perak
Lahat Plant	:	Refers to the factory located at Lot 11004, 4¾ Miles, Jalan Lahat, 31500 Lahat, Perak
Listing	:	The admission of Pan Merchant to the Official List and the listing of and quotation for Pan Merchant's entire enlarged issued share capital of RM131,071,943 comprising 916,000,000 Shares on the ACE Market
Malaysian Public	:	Malaysian citizens and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia and as defined to be 'public' in the Listing Requirements
MITI	:	Ministry of Investment, Trade and Industry, Malaysia
NA	:	Equity attributable to the owners of the Company
Offer Share(s)	:	Existing Shares to be offered by the Selling Shareholder pursuant to the Offer for Sale

APPENDIX A



PAN MERCHANT BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

1. ABBREVIATION (CONT'D)

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report (Cont'd):-

Official List	:	A list specifying all securities which have been admitted for listing on the ACE Market and have not been removed from Bursa Securities
Offer for Sale	:	Offer for sale of 18,000,000 Offer Shares by our Selling Shareholder at our IPO Price
Pan Merchant or Company	:	Pan Merchant Berhad (Registration No. 202401010821 (1556671-D))
PMIT Malaysia Vendors	:	Collectively, Wong Voon Ten, Wong Voon Yoong, Wong Voon Shek, Wong Nyeon Thiat, Lee Cheng Ngee and Budhi Sentoso Rachmat
PMI Group	:	PMIT Malaysia and its subsidiaries
PMIT Malaysia's subsidiaries	:	PMIT Singapore, PMI Holding NL, PMIT Holding NL, PMIT Europe NL, PMIT USA NL, and PMIT US, collectively
PMIT Malaysia	:	PMI-Technology Sdn Bhd (Registration No.: 200201000399 (568062-K))
PMIT Singapore	:	PMI-Technology (SG) Pte Ltd (Singapore Company No. 202207963K)
PMI Holding NL	:	PMI Holding B.V. (Netherlands Company No. 91669669)
PMIT Holding NL	:	PMI-Tech Holding B.V. (Netherlands Company No. 91671477)
PMIT Europe NL	:	PMI-Tech (Europe) B.V. (Netherlands Company No. 68173016)
PMIT USA NL	:	PMI-Tech (USA) B.V. (Netherlands Company No. 91673496)
PMIT US		PMI-Tech NA Inc (US Company No. 2551718)
Public Issue	:	Public issue of 232,187,900 Issue Shares at the IPO Price
RM	:	Ringgit Malaysia
Subsidiaries	:	PMIT Malaysia, PMIT Singapore, PMI Holding NL, PMIT Holding NL, PMIT Europe NL, PMIT USA NL, and PMIT US, collectively
Share(s)	:	Ordinary share(s) in the Company
Selling Shareholder	:	The selling shareholder pursuant to the Offer for Sale is Budhi Sentoso Rachmat, being the substantial shareholder of Pan Merchant upon completion of the Acquisition

APPENDIX A

For Identification Only
Crowe
Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

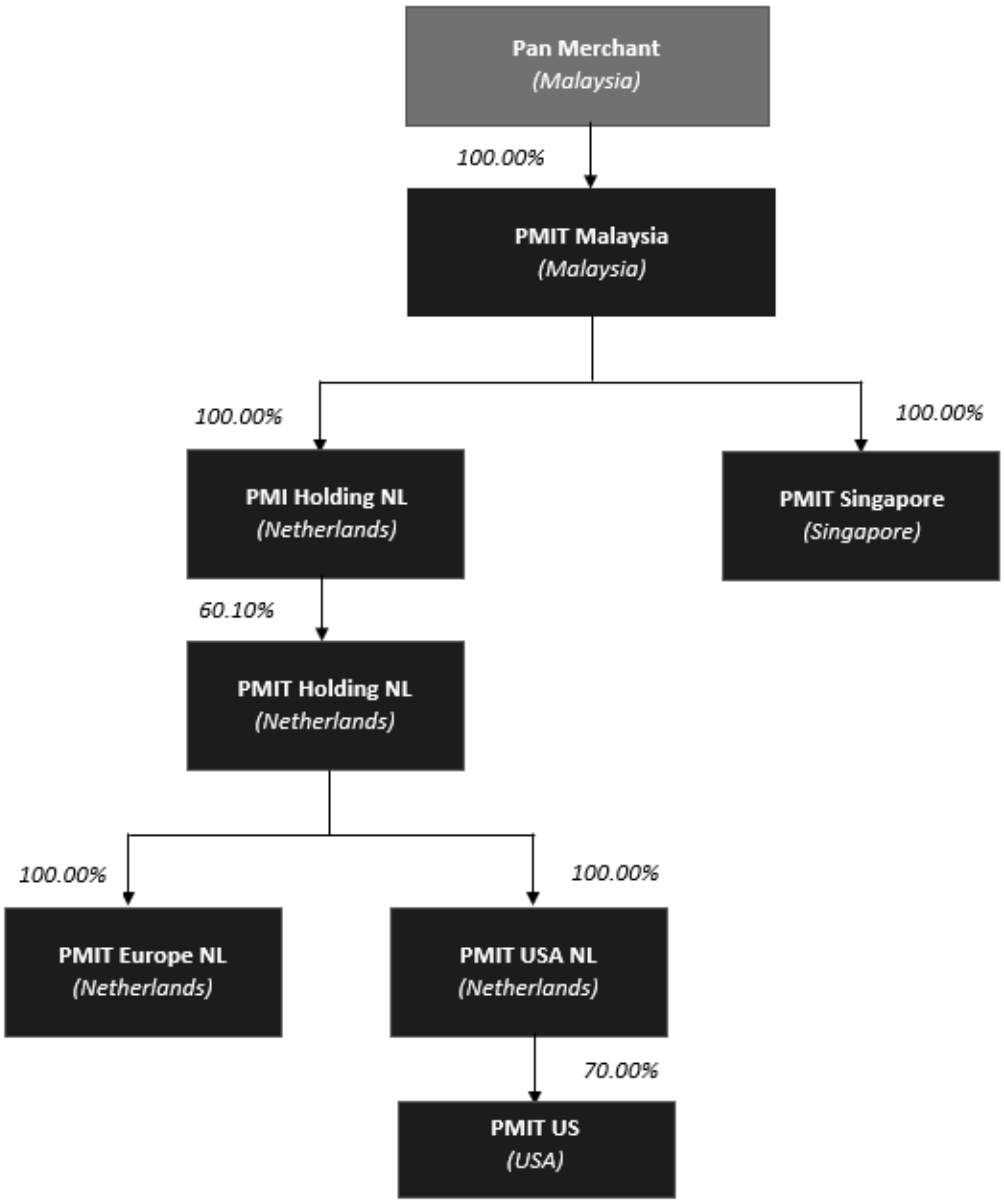
PAN MERCHANT BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

2. BASIS OF PREPARATION

2.1 Pro Forma Group

The Pro Forma corporate structure of the Group, pursuant to the completion of the Acquisition are as follows:-



APPENDIX A



PAN MERCHANT BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of Preparation

The Pro Forma Consolidated Statements of Financial Position of the Group are prepared based on the Accountant's Report of PMI Group for the financial year ended 31 December 2024 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards, and in a manner consistent with the format of the financial statements and accounting policies of the Group.

The Accountant's Report used in the preparation of these Pro Forma Statements of Financial Position were not subject to any audit qualification, modification or disclaimer of opinion.

The Pro Forma Consolidated Statements of Financial Position together with the accompanying notes thereon, have been prepared solely to illustrate the effect on the financial position of the Group as at 31 December 2024 as if events and transactions as set out in Note 3.1 and Note 3.2 herein been implemented on 31 December 2024. The Pro Forma Consolidated Statements of Financial Position are not necessarily indicative of the financial position that would have been attained had the Listing actually occurred at the respective dates.

For the purpose of accounting for the Acquisition, the Group has applied reorganisation scheme as it does not result in any change in economic substance whereby it is a continuation of the acquired entity and the assets and liabilities of the acquired entity are stated at their existing carrying amounts. Under reorganisation scheme, the difference between cost of investment recorded by the Company and the share capital of PMIT Malaysia is accounted for as restructuring reserve or restructuring deficit.

3. LISTING SCHEME

In conjunction with and as an integral part of the Listing, the Company had undertaken the following:-

3.1 Acquisition of PMIT Malaysia

The Company had entered into a conditional share sale agreement on 23 August 2024 and its supplemental agreement dated 5 December 2024 with PMIT Malaysia Vendors for the acquisition of PMIT Malaysia's entire issued share capital of RM14,200,000, comprising 14,200,000 ordinary shares. The purchase consideration was entirely satisfied by the issuance of 683,812,000 new Shares at an issue price of RM0.10 per Share to the PMIT Malaysia Vendors.

The purchase consideration of RM68,381,200 was arrived at on a willing buyer-willing seller basis after taking into consideration the audited consolidated NA attributable to the owners of PMIT Malaysia as at 30 June 2024 of RM67,821,213 and adjusting for a revaluation surplus of RM560,000 (being the increase in market value of RM800,000 of the Headquarters and net of deferred tax arising from real property gains tax of RM240,000).

APPENDIX A



PAN MERCHANT BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

3. LISTING SCHEME (CONT'D)

3.1 Acquisition of PMIT Malaysia (Cont'd)

The Acquisition is conditional upon, among others, the approval from Bursa Securities for the IPO. Upon completion of the Acquisition, PMIT Malaysia will become a wholly-owned subsidiary of Pan Merchant and will form the enlarged Group.

The acquisition of PMIT Malaysia was completed on 2 May 2025.

3.2 IPO

(a) Public Issue

A total of 232,187,900 Issue Shares, representing approximately 25.35% of the Company's enlarged issued share capital are offered at the IPO Price. The Issue Shares shall be allocated in the following manner:-

(i) Malaysian Public

45,800,000 Issue Shares, representing approximately 5.00% of the Company's enlarged issued share capital, are reserved for application by the Malaysian Public, to be allocated via balloting process.

(ii) Eligible Persons

14,603,000 Issue Shares, representing approximately 1.60% of the Company's enlarged issued share capital, are reserved for the Company's Eligible Persons.

(iii) Private placement to selected investors

57,284,900 Issue Shares, representing approximately 6.25% of the Company's enlarged issued share capital, are reserved for private placement to selected investors.

(iv) Private placement to Bumiputera investors approved by MITI

114,500,000 Issue Shares, representing approximately 12.50% of the Company's enlarged issued share capital, are reserved for private placement to Bumiputera investors approved by MITI.

APPENDIX A



PAN MERCHANT BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

3. LISTING SCHEME (CONT'D)

3.2 IPO (Cont'd)

(b) Offer for Sale

A total of 18,000,000 Offer Shares, representing 1.96% of the Company's enlarged issued share capital, are offered by our Selling Shareholder.

Upon completion of the Acquisition and IPO and before deducting the estimated listing expenses directly attributable to the issuance of new Shares of approximately RM2,758,000, the share capital has increased from RM14,200,000 comprising 14,200,000 Shares to approximately RM131,072,000 comprising 916,000,000 Shares.

Upon completion of the IPO, the Company shall be admitted to the Official List and the entire enlarged share capital of approximately RM128,314,000 (after deducting the estimated listing expenses directly attributable to the issuance of new Shares of approximately RM2,758,000) comprising 916,000,000 Shares shall be listed and quoted on the ACE Market of Bursa Securities.

4. PRO FORMA ADJUSTMENTS TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The Pro Forma consolidated statements of financial position as at 31 December 2024 has been prepared solely for illustrative purposes only to show the effects of the following transactions based on the assumptions that they had been effected on 31 December 2024:

4.1 Pro Forma I

After incorporated the Pro Forma effects of the Acquisition as set out in Section 3.1 above.

4.2 Pro Forma II

After incorporated the cumulative effects of Pro Forma I and the IPO as set out in Section 3.2 above.



APPENDIX A

PAN MERCHANT BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

4. PRO FORMA ADJUSTMENTS TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

4.3 Pro Forma III

After incorporated the cumulative effects of Pro Forma II and the utilisation of the proceeds from the IPO.

4.3.1 Utilisation of Proceeds

The estimated gross proceeds from our Public Issue of RM62.69 million will accrue entirely to the Company and are planned to be utilised in the following manner:-

		Amount of proceeds		Estimated timeframe for utilisation upon Listing
Utilisation of proceeds	**Note**	**RM'000**	**%**	
Capital expenditure on manufacturing plants:				
(i) Acquisition of machinery, equipment and tools	(a)	20,000	31.90	Within 36 months
(ii) Renovation of manufacturing plants	(b)	8,000	12.76	Within 36 months
		28,000	44.66	
Product development	(c)	7,000	11.17	Within 24 months
Business expansion	(d)	6,000	9.57	Within 24 months
Working capital	(e)	14,691	23.43	Within 12 months
Estimated expenses for the Proposed Listing	(f)	7,000	11.17	Within 1 month
Total		**62,691**	**100.00**	

Notes:-

(a) Acquisition of machinery, equipment and tools

The Group intends to invest in new machinery, equipment, and tools to enhance its manufacturing capabilities, including setting up an additional filter leaf production line to cater to increasing orders locally and internationally.

Based on the latest practicable date of the prospectus, there are no supportable purchase orders, sale and purchase agreements or contractual binding agreements in relation to the utilisation of proceeds for acquisition of machinery, equipment and tools. Hence, such utilisation of proceeds will not be illustrated in this Pro Forma.



APPENDIX A

PAN MERCHANT BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

4. PRO FORMA ADJUSTMENT TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

4.3 Pro Forma III (Cont'd)

4.3.1 Utilisation of Proceeds (Cont'd)

Notes (Cont'd):-

(b) Renovation of manufacturing plants

The Group intends to renovate Jelapang Plant 1, Jelapang Plant 2 and Lahat Plant to improve overall workflow and efficiency and enhance its corporate profiling.

Based on the latest practicable date of the prospectus, there are no supportable purchase orders, sale and purchase agreements or contractual binding agreements in relation to the utilisation of proceeds for renovation of manufacturing plants. Hence, such utilisation of proceeds will not be illustrated in this Pro Forma.

(c) Product development

The Group intends to undertake product development activities, including customising filters for the mining industry, enhancing existing filters and supporting equipment with the development of complementary products, designing and manufacturing filters in modular form, and designing replacement parts in-house.

Based on the latest practicable date of the prospectus, there are no supportable purchase orders, sale and purchase agreements or contractual binding agreements in relation to the utilisation of proceeds for product development. Hence, such utilisation of proceeds will not be illustrated in this Pro Forma.

(d) Business expansion

The Group intends to renovate and expand the office and workshop space at the Netherlands office and set up a new filter leaf production line to manufacture replacement parts for hermetic filters. Besides, the Group intends to invest in sales and marketing activities, including intensify its participation as exhibitors or attendees in international exhibitions and updating its website and marketing materials.

Based on the latest practicable date of the prospectus, there are no supportable purchase orders, sale and purchase agreements or contractual binding agreements in relation to the utilisation of proceeds for business expansion. Hence, such utilisation of proceeds will not be illustrated in this Pro Forma.



APPENDIX A

PAN MERCHANT BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

4. PRO FORMA ADJUSTMENT TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

4.3 Pro Forma III (Cont'd)

4.3.1 Utilisation of Proceeds (Cont'd)

Notes (Cont'd):-

(e) Working capital

To enhance the Group's cash flow position and will enable the Group to conduct its operations and expansion efficaciously and without being overly dependent on external sources of funding.

(f) Estimated listing expenses

Description	**RM'000**
Professional fees	4,953
Underwriting, placement and brokerage fees	1,498
Fees to authorities	99
Printing, advertising fee and contingencies	450
Total	**7,000**

From the total estimated listing expenses of RM7 million, a total of approximately RM2.76 million is assumed to be directly attributable to the issuance of new Shares and therefore will be set off against the share capital. The remaining expenses of approximately RM4.24 million are assumed to be attributable to the listing and therefore will be charged to the statements of profit or loss and other comprehensive income. As at 31 December 2024, the listing expenses of RM2.88 million had been paid and the Group had recognised approximately RM2.17 million in profit or loss and approximately RM0.71 million as prepayments.

APPENDIX A



PAN MERCHANT BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

5. EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

5.1 Property, plant and equipment

	Note	RM'000
As at 31 December 2024		24,786
Pursuant to the Acquisition:	3.1	
- Acquisition by Pan Merchant		12
As per Pro Forma I, II and III		24,798

5.2 Other receivables, deposits and prepayments

	Note	RM'000
As at 31 December 2024		2,552
Pursuant to the Acquisition:		
- Acquisition by Pan Merchant	3.1	(102)
As per Pro Forma I and II		2,450
Pursuant the utilisation of proceeds from the IPO:	4.3.1	
- Estimated listing expenses		(707)
As per Pro Forma III		1,743

5.3 Cash and bank balances

	Note	RM'000
As at 31 December 2024		13,777
Pursuant to the Acquisition:		
- Acquisition by Pan Merchant	3.1	#
As per Pro Forma I		13,777
Pursuant to Public Issue	3.2	62,691
As per Pro Forma II		76,468
Pursuant the utilisation of proceeds from the IPO:	4.3.1	
- Estimated listing expenses		(4,125)
As per Pro Forma III		72,343

Note:-
 # Amount less than RM1,000

APPENDIX A



PAN MERCHANT BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

5. EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

5.4 Share capital

	Note	Number of Ordinary Shares '000	Amount of Share Capital RM'000
As at 31 December 2024		14,200	14,200
Pursuant to the Acquisition:	3.1		
- Ordinary shares issued		683,812	68,381
- Acquisition of subsidiaries		(14,200)	(14,200)
- Acquisition by Pan Merchant		#	#
As per Pro Forma I		683,812	68,381
Pursuant to the Public Issue:	3.2		
- Issuance of ordinary shares		232,188	62,691
As per Pro Forma II		916,000	131,072
Pursuant to utilisation of proceeds from the IPO:	4.3.1		
- Estimated listing expenses		-	(2,758)
As per Pro Forma III		916,000	128,314

Note:-
 # Amount less than RM1,000

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PAN MERCHANT BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

5. EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

5.5 Reserves

	Note	Retained profits/ (Accumulated loss) RM'000	Reorganisation deficit RM'000	Foreign exchange translation reserve RM'000	Revaluation reserve RM'000	Reserves RM'000
As at 31 December 2024		45,733	-	(217)	10,597	56,113
Pursuant to the Acquisition	3.1	(95)	(54,181)	-	-	(54,276)
As per Pro Forma I and II		45,638	(54,181)	(217)	10,597	1,837
Pursuant to utilisation of proceeds from the IPO:	4.3.1					
- Estimated listing expenses		(2,074)	-	-	-	(2,074)
As per Pro Forma III		43,564	(54,181)	(217)	10,597	(237)

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PAN MERCHANT BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

5. EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

5.6 Other payables and accruals

	Note	RM'000
As at 31 December 2024		9,456
Pursuant to the Acquisition:	3.1	
- Acquisition by Pan Merchant		5
As per Pro Forma I, II and III		9,461

12. FINANCIAL INFORMATION *(Cont'd)*

APPENDIX A



PAN MERCHANT BERHAD

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated 07 MAY 2025

On behalf of the Board of Directors,

Wong Voon Ten
Director

Wong Nyeon Thiat
Director

13. ACCOUNTANTS' REPORT

Crowe

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants
Level 16, Tower C, Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Malaysia
Main +6 03 2788 9999
www.crowe.my

07 MAY 2025

The Board of Directors
Pan Merchant Berhad
Nos. 17 & 19, Jalan Pengacara U1/48,
Temasya Industrial Park,
40150 Shah Alam,
Selangor Darul Ehsan.

Dear Sirs

REPORTING ACCOUNTANTS' OPINION ON THE FINANCIAL INFORMATION CONTAINED IN THE ACCOUNTANTS' REPORT OF PAN MERCHANT BERHAD

OPINION

We have audited the consolidated financial information of PMI-Technology Sdn. Bhd., and its subsidiaries (collectively known as the "the Group" or "PMI Group") which comprise the consolidated statements of financial position as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for each of the financial years ended 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, and notes to the financial information, including a summary of material accounting policy information as set out on pages 4 to 86.

This historical financial information has been prepared for inclusion in the prospectus of Pan Merchant Berhad in connection with the listing of and quotation for enlarged issued ordinary shares of Pan Merchant Berhad on the ACE Market of Bursa Malaysia Securities Berhad. This report is required by the Prospectus Guidelines issued by the Securities Commission Malaysia (the "Prospectus Guidelines") and is given for the purpose of complying with Chapter 10 of the Prospectus Guidelines and for no other purpose.

In our opinion, the consolidated financial information gives a true and fair view of the financial position of the Group as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, and of their financial performance and their cash flows for each of the financial years ended 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountant's Responsibilities for the Audit of the financial information* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Crowe Malaysia PLT is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Crowe Malaysia PLT and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Crowe Malaysia PLT.

Crowe

BASIS FOR OPINION (CONT'D)

Independence and Other Ethical Responsibilities

We are independent of the Group 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.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION

The Directors of the Group are responsible for the preparation of the consolidated financial information of the Group that gives a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial information that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial information of the Group, the Directors are responsible for assessing the Group'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 to cease operations, or have no realistic alternative but to do so.

REPORTING ACCOUNTANT'S RESPONSIBILITY FOR THE AUDIT OF FINANCIAL INFORMATION

Our objectives are to obtain reasonable assurance about whether the consolidated financial information of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 International Standards on Auditing 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 information.

As a part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial information of the Group, 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 internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Crowe Malaysia PLT is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Crowe Malaysia PLT and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Crowe Malaysia PLT.

Crowe

REPORTING ACCOUNTANT'S RESPONSIBILITY FOR THE AUDIT OF FINANCIAL INFORMATION (CONT'D)

As a part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (Cont'd):

- Conclude on the appropriateness of the 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial information of the Group 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 report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial information of the Group, including the disclosures, and whether the consolidated financial information of the Group represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the financial information 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 communicate 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 identify during our audit.

RESTRICTION ON DISTRIBUTION AND USE

This report is made solely to the Group for inclusion in the prospectus to be issued in relation to the listing of and quotation for the entire enlarged issued shares of Pan Merchant Berhad on the ACE Market of Bursa Malaysia Securities Berhad. As such, this report should not be used for any other purpose without our prior written consent. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Ho Yen Ling
03378/06/2026 J
Chartered Accountant

Crowe Malaysia PLT is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Crowe Malaysia PLT and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Crowe Malaysia PLT.

PAN MERCHANT BERHAD

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		PMI Group			
		<---------- Audited ---------->			
		<---------- As at 31 December---------->			
		2021	**2022**	**2023**	**2024**
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	4	4,346	4,587	22,824	24,786
Right-of-use assets	5	11,532	11,214	26,162	25,365
Goodwill	6	-	-	815	815
		15,878	15,801	49,801	50,966
CURRENT ASSETS					
Inventories	7	37,988	29,504	20,143	18,035
Trade receivables	8	30,181	32,493	28,700	30,826
Other receivables, deposits and prepayments	9	10,769	8,054	3,306	2,552
Contract assets	10	14,792	18,693	18,191	15,671
Amount owing by holding company	11	5,465	3,609	-	-
Amount owing by a related party	12	379	546	135	156
Fixed deposits with licensed banks	13	6,935	9,678	10,329	11,070
Cash and bank balances		6,109	7,300	8,053	13,777
		112,618	109,877	88,857	92,087
Non-current assets held for sale	14	-	-	-	339
TOTAL ASSETS		128,496	125,678	138,658	143,392

PAN MERCHANT BERHAD

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

		PMI Group			
		<---------- Audited ---------->			
		<---------- As at 31 December---------->			
		2021	**2022**	**2023**	**2024**
	Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	2,000	2,000	14,200	14,200
Reserves	16	26,609	40,466	48,778	56,113
Equity attributable to owners of the Company		28,609	42,466	62,978	70,313
Non-controlling interests		826	1,266	1,452	1,763
TOTAL EQUITY		29,435	43,732	64,430	72,076
Non-current liabilities					
Lease liabilities	17	-	-	1,100	1,120
Borrowings	18	2,673	2,067	2,350	2,879
Deferred tax liabilities	19	802	804	4,181	3,743
Current tax liabilities		662	-	-	-
		4,137	2,871	7,631	7,742
CURRENT LIABILITIES					
Trade payables	20	30,253	18,392	15,125	13,261
Contract liabilities	10	18,231	10,404	9,906	8,063
Other payables and accruals	21	8,020	5,866	4,762	9,456
Amount owing to related parties	12	784	976	3,333	255
Lease liabilities	17	-	-	227	324
Borrowings	18	34,346	37,688	30,918	31,413
Current tax liabilities		3,290	5,749	2,326	802
		94,924	79,075	66,597	63,574
TOTAL LIABILITIES		99,061	81,946	74,228	71,316
TOTAL EQUITY AND LIABILITIES		128,496	125,678	138,658	143,392

13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		PMI Group			
		<---------- Audited ---------->			
		<---------- As at 31 December---------->			
		2021	**2022**	**2023**	**2024**
	Note	RM'000	RM'000	RM'000	RM'000
REVENUE	23	105,351	154,356	138,493	141,541
COST OF SALES		(68,292)	(103,342)	(94,137)	(91,305)
GROSS PROFIT		37,059	51,014	44,356	50,236
OTHER INCOME		408	1,055	843	621
		37,467	52,069	45,199	50,857
ADMINISTRATIVE EXPENSES		(20,221)	(24,512)	(26,597)	(30,889)
OTHER EXPENSES		(1,292)	(1,401)	(2,220)	(6,248)
FINANCE COSTS		(1,519)	(1,629)	(1,830)	(1,898)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	24	-	-	(276)	(213)
PROFIT BEFORE TAXATION	25	14,435	24,527	14,276	11,609
INCOME TAX EXPENSE	26	(3,840)	(6,236)	(3,654)	(3,606)
PROFIT AFTER TAXATION		10,595	18,291	10,622	8,003

PAN MERCHANT BERHAD

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

		PMI Group			
		<---------- Audited ---------->			
		<---------- As at 31 December---------->			
		2021	**2022**	**2023**	**2024**
	Note	RM'000	RM'000	RM'000	RM'000
PROFIT AFTER TAXATION (CONT'D)		10,595	18,291	10,622	8,003
OTHER COMPREHENSIVE (LOSS)/INCOME	27				
Items that Will Not be Reclassified Subsequently to Profit or Loss					
Foreign currency translation difference		(73)	6	173	(357)
Revaluation of right-of-use assets		-	-	10,597	-
TOTAL OTHER COMPREHENSIVE (LOSS)/INCOME		(73)	6	10,770	(357)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		10,522	18,297	21,392	7,646
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		10,231	17,853	10,542	7,678
Non-controlling interests		364	438	80	325
		10,595	18,291	10,622	8,003
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		10,187	17,857	21,312	7,335
Non-controlling interests		335	440	80	311
		10,522	18,297	21,392	7,646
EARNINGS PER SHARE (RM)	28				
Basic		5.12	8.93	3.49	0.54
Diluted		5.12	8.93	3.49	0.54

13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Share Capital RM'000	Non-distributable Foreign Exchange Translation Reserve RM'000	Distributable Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
PMI Group							
Balance at 1.1.2021		2,000	(7)	18,429	20,422	491	20,913
Profit after taxation for the financial year		-	-	10,231	10,231	364	10,595
Other comprehensive loss for the financial year:							
- foreign currency translation differences		-	(44)	-	(44)	(29)	(73)
Total comprehensive (loss)/income for the financial year		-	(44)	10,231	10,187	335	10,522
Dividends:							
- by the Company	30	-	-	(2,000)	(2,000)	-	(2,000)
Balance at 31.12.2021/1.1.2022		2,000	(51)	26,660	28,609	826	29,435

13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Note	Share Capital RM'000	Non-distributable Foreign Exchange Translation Reserve RM'000	Distributable Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
PMI Group							
Balance at 31.12.2021/1.1.2022		2,000	(51)	26,660	28,609	826	29,435
Profit after taxation for the financial year		-	-	17,853	17,853	438	18,291
Other comprehensive income for the financial year:							
- foreign currency translation differences		-	4	-	4	2	6
Total comprehensive income for the financial year		-	4	17,853	17,857	440	18,297
Dividends:							
- by the Company	30	-	-	(4,000)	(4,000)	-	(4,000)
Balance at 31.12.2022/1.1.2023		2,000	(47)	40,513	42,466	1,266	43,732

13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

		<-------- Non-distributable -------->			Distributable			
	Note	Share Capital RM'000	Revaluation Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
PMI Group								
Balance at 31.12.2022/1.1.2023		2,000	-	(47)	40,513	42,466	1,266	43,732
Profit after taxation for the financial year		-	-	-	10,542	10,542	80	10,622
Other comprehensive income for the financial year:								
- foreign currency translation differences		-	-	173	-	173	-	173
- revaluation of right-of-use assets		-	10,597	-	-	10,597	-	10,597
Total comprehensive income for the financial year		-	10,597	173	10,542	21,312	80	21,392
Issuance of shares	15	12,200	-	-	-	12,200	-	12,200
Dividends:								
- by the Company	30	-	-	-	(13,000)	(13,000)	-	(13,000)
Total contribution by and distributions to owners		12,200	-	-	(13,000)	(800)	-	(800)
Acquisition of subsidiaries		-	-	-	-	-	106	106
Balance at 31.12.2023/1.1.2024		14,200	10,597	126	38,055	62,978	1,452	64,430

13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

		<-------- Non-distributable -------->			Distributable			
	Note	Share Capital RM'000	Revaluation Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
PMI Group								
Balance at 31.12.2023/1.1.2024		14,200	10,597	126	38,055	62,978	1,452	64,430
Profit after taxation for the financial year		-	-	-	7,678	7,678	325	8,003
Other comprehensive loss for the financial year:								
- foreign currency translation differences		-	-	(343)	-	(343)	(14)	(357)
Total comprehensive (loss)/income for the financial year		-	-	(343)	7,678	7,335	311	7,646
Balance at 31.12.2024		14,200	10,597	(217)	45,733	70,313	1,763	72,076

13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

CONSOLIDATED STATEMENTS OF CASH FLOWS

		PMI Group			
		<---------- Audited ---------->			
		<----------FYE 31 December---------->			
		2021	2022	2023	2024
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		14,435	24,527	14,276	11,609
Adjustments for:-					
Bad debts written off		-	-	3	-
Depreciation:					
- property, plant and equipment		1,436	1,432	2,045	2,208
- right-of-use assets		318	318	340	1,114
Interest expense on lease liabilities		-	-	9	118
Interest expense		1,407	1,525	1,691	1,724
Impairment losses of trade receivables		-	-	276	213
Property, plant and equipment written off		1	1	6	10
Unrealised loss/(gain) on foreign exchange		24	2	(408)	1,085
Gain on disposal of property, plant and equipment		(172)	(49)	(120)	(100)
Interest income		(105)	(199)	(258)	(280)
Operating profit before working capital changes		17,344	27,557	17,860	17,701
(Increase)/Decrease in inventories		(21,895)	8,511	9,417	1,992
(Increase)/Decrease in trade and other receivables, deposits and prepayments		(11,206)	393	5,018	(2,569)
(Increase)/Decrease in contract assets		(4,565)	(3,901)	502	2,520
Increase in amount owing by holding company		(1,577)	(2,144)	-	-
(Increase)/Decrease in amount owing by a related party		(238)	(159)	424	8
(Decrease)/Increase in amount owing to related parties		(318)	192	(3,241)	(3,093)
Increase/(Decrease) trade and other payables and accruals		16,677	(14,045)	(4,624)	2,556
Increase/(Decrease) in contract liabilities		11,343	(7,827)	(498)	(1,843)
CASH FROM OPERATIONS		5,565	8,577	24,858	17,272
Income tax paid		(507)	(4,437)	(8,063)	(5,568)
NET CASH FROM OPERATING ACTIVITIES		5,058	4,140	16,795	11,704

13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

		PMI Group			
		<---------- Audited ---------->			
		<----------FYE 31 December---------->			
		2021	2022	2023	2024
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FOR INVESTING ACTIVITIES					
Acquisition of non-controlling interests		-	-	106	-
Acquisition of a subsidiary, net of cash and cash equivalents acquired	29	-	-	184	-
Additions of pledged fixed deposits		(596)	(719)	(635)	(692)
Addition to rights-of-use assets	31(a)	-	-	-	(240)
Interest income received		105	199	258	280
Proceeds from disposal of property, plant and equipment		263	51	120	100
Purchase of property, plant and equipment	31(a)	(1,118)	(717)	(6,036)	(2,188)
NET CASH FOR INVESTING ACTIVITIES		(1,346)	(1,186)	(6,003)	(2,740)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Interest paid		(1,407)	(1,525)	(1,700)	(1,842)
Net drawdown/(repayment) of bankers' acceptances	31(b)	8,696	4,655	(4,246)	3,021
Net (repayment)/drawdown of invoice financing and revolving credit	31(b)	(7,750)	30	(3,472)	(1,107)
Repayment of hire purchase payables	31(b)	(773)	(747)	(755)	(1,075)
Repayment of lease liabilities	31(b)	-	-	(18)	(288)
Repayment of term loans	31(b)	(804)	(776)	(800)	(790)
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(2,038)	1,637	(10,991)	(2,081)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,674	4,591	(199)	6,883
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		2,563	4,044	8,645	8,668
EFFECTS ON FOREIGN EXCHANGE TRANSLATION		(193)	10	222	(82)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	31(d)	4,044	8,645	8,668	15,469

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Pan Merchant Berhad ("Pan Merchant") was incorporated in Malaysia under the Companies Act 2016 on 18 March 2024, as a private limited liability company and is principally engaged in the business of investment holding. Pan Merchant is embarking on the listing of and quotation for its enlarged share capital on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

Pan Merchant was incorporated with a total paid-up share capital of RM0.10 comprising 100 ordinary shares.

Pan Merchant was incorporated for the purpose of acquiring the consolidated entity, PMI-Technology Sdn. Bhd., and its subsidiaries pursuant to the listing exercise as disclosed in Notes 38 and 39 to the consolidated financial statements.

On 28 May 2024, the Company converted from a private company to a public company limited by shares and assumed its present name of Pan Merchant Berhad.

The information of the entities within the consolidated financial statements is as follows:-

(a) PMI-Technology Sdn. Bhd. ("PMIT Malaysia") was incorporated on 7 January 2002 in Malaysia, as a private limited liability company and is principally engaged in the business of solutions provider of solid liquid filtration equipment, fabrication of steelworks and technical support services.

(b) PMI-Technology (SG) Pte. Ltd. ("PMIT Singapore") was incorporated on 7 March 2022 in Singapore, as a private limited liability company and is principally engaged in trading of filtration equipment. On 20 November 2023, PMIT Singapore became a wholly-owned subsidiary of PMIT Malaysia.

(c) PMI Holding B.V. ("PMI Holding NL") was incorporated on 12 October 2023 in Netherlands, as a private limited liability company and is principally engaged in investment holding. On 12 October 2023, PMI Holding NL became a wholly-owned subsidiary of PMIT Malaysia.

(d) PMI-Tech Holding B.V. ("PMIT Holding NL") was incorporated on 12 October 2023 in Netherlands, as a private limited liability company and is principally engaged in investment holding. On 12 October 2023, PMIT Holding NL became a 60.1% equity interest subsidiary of PMI Holding NL.

(e) PMI-Tech (Europe) B.V. ("PMIT Europe NL") was incorporated on 27 February 2017 in Netherlands, as a private limited liability company and is principally engaged in the business of solutions provider of solid liquid filtration equipment and technical support services. On 12 October 2023, PMIT Europe NL became a wholly-owned subsidiary of PMIT Holding NL.

(f) PMI-Tech (USA) B.V. ("PMIT USA NL") was incorporated on 12 October 2023 in Netherlands, as a private limited liability company and is principally engaged in trading of filtration equipment. On 12 October 2023, PMIT USA NL became a wholly-owned subsidiary of PMIT Holding NL.

(g) PMI-Tech NA, Inc. ("PMIT US") was incorporated on 27 October 2023 in the United States, as a private limited liability company and is principally engaged in trading of filtration equipment and technical support. On 27 October 2023, PMIT US became a 70% equity interest subsidiary of PMIT USA NL.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

1. GENERAL INFORMATION (CONT'D)

The information of the entities within the consolidated financial statements is as follows (Cont'd):-

(h) The registered office and principal place of business of Pan Merchant are as follows:-

Registered office	: B-25-2, Block B Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan.
Principal place of business	: Nos. 17 & 19, Jalan Pengacara, U1/48, Temasya Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan.

Notes:-

PMI-Technology Sdn. Bhd.	*- PMIT Malaysia*
PMI-Technology (SG) Pte. Ltd.	*- PMIT Singapore*
PMI Holding B.V.	*- PMI Holding NL*
PMI-Tech Holding B.V.	*- PMIT Holding NL*
PMI-Tech (Europe) B.V.	*- PMIT Europe NL*
PMI-Tech (USA) B.V.	*- PMIT USA NL*
PMI-Tech NA, Inc.	*- PMIT US*

(Collectively defined as "the Group")

2. BASIS OF PREPARATION

2.1 Our basis of preparation for the consolidated financial statements for the FYE 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 are prepared based on the separate financial statements of PMI-Technology Sdn. Bhd., and its subsidiaries (collectively known as "the Group" or "PMI Group").

The consolidated financial statements of the Group have been prepared based on the financial statements of PMI Group in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.2 The financial statements of the Group is prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards.

2.3 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	**Effective Date**
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon its initial application except as follow:-.

MFRS 18 Presentation and Disclosure of Financial Statements

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment and Right-of-use Assets

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment and right-of-use assets are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and the Company anticipate that the residual values of its property, plant and equipment and right-of-use assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Notes 4 and 5 to the financial statements respectively.

(b) Property, Plant and Equipment and Right-of-use Assets under Revaluation

Certain properties of the Group are reported at revalued amounts which are based on valuations performed by independent professional valuers by reference to the selling prices of recent transactions and asking prices of similar properties of nearby location and where necessary, adjusting for tenure, location, size and market trends. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuations. The carrying amounts of property, plant and equipment and right-of-use assets measured at revaluation as at the reporting date are disclosed in Notes 4 and 5 to the financial statements respectively.

(c) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date is disclosed in Note 6 to the financial statements.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING INFORMATION POLICY (CONT'D)

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(d) Impairment of Property, Plant and Equipment and Right-of-use Assets

The Group determines whether an item of its property, plant and equipment and right-of-use assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Notes 4 and 5 to the financial statements respectively.

(e) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 7 to the financial statements.

(f) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 8 and 10 to the financial statements respectively.

(g) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amount owing by holding company as at the reporting date are disclosed in Notes 9 and 11 to the financial statements respectively.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(h) Revenue Recognition for Contracts with Customers

The Group recognises contract revenue by reference to the progress using the input method, determined based on the proportion of contract costs incurred for work performed to date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 10 to the financial statements.

(i) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amounts of current tax liabilities of the Group as at the reporting date is RM802,000 (2021 - RM3,952,000, 2022 - RM5,749,000 and 2023 - RM2,326,000).

(j) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies (Cont'd)

(b) Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business.

3.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

Financial Assets Through Other Comprehensive Income

The Group has elected to designate the equity instruments as financial assets through other comprehensive income at initial recognition.

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.2 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

Financial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

(d) Derivatives

Derivatives are initially measured at fair value. Subsequent to the initial recognition, the derivatives are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss.

3.3 GOODWILL

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.4 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and building are stated at revalued amounts based on periodic valuations, at least once in every 3 or 5 years, less subsequent depreciation for building. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss. The Group makes an annual transfer of the revaluation reserve to retained profits at an amount equal to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on its original cost, net of tax.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Freehold buildings	2%
Computers	20%
Electrical installation	10%
Furniture and fittings	8%
Motor vehicles	18% - 20%
Office equipment	10%
Plant and machinery	10% - 18%
Renovation	10%

3.5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group applies the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(b) Right-of-use Assets

Leasehold land, factory buildings and workers' accommodation are stated at revalued amount less accumulated depreciation and impairment losses recognised after the date of the revaluation.

Leasehold land, factory buildings and workers' accommodation are revalued periodically, at least once in every 3 or 5 years. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss. The Group makes an annual transfer of the revaluation reserve to retained profits at an amount equal to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on its original cost, net of tax.

Office premises under lease period are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

In the current financial period, right-of-use assets are stated at revalued amounts based on periodic valuations, at least once in every 3 or 5 years, less subsequent depreciation for building. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

3.6 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT

	At 1.1.2021 RM'000	Additions RM'000	Disposal RM'000	Written Off RM'000	Depreciation Charges RM'000	Foreign Exchange Adjustments RM'000	At 31.12.2021 RM'000
Audited 2021							
Carrying Amount							
Computers	94	51	-	-	(42)	-	103
Electrical installation	73	-	-	-	(64)	-	9
Furniture and fittings	235	36	-	#	(45)	-	226
Motor vehicles	939	1,245	(91)	-	(630)	#	1,463
Office equipment	209	43	-	(1)	(73)	-	178
Plant and machinery	1,853	436	-	-	(487)	#	1,802
Renovation	408	252	-	-	(95)	-	565
	3,811	2,063	(91)	(1)	(1,436)	#	4,346

Note:
 # - Amount less than RM1,000.

13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

	At 1.1.2022 RM'000	Additions RM'000	Disposal RM'000	Written Off RM'000	Depreciation Charges RM'000	Foreign Exchange Adjustments RM'000	At 31.12.2022 RM'000
Audited 2022							
Carrying Amount							
Computers	103	242	-	-	(89)	-	256
Electrical installation	9	-	-	-	(7)	-	2
Furniture and fittings	226	28	-	-	(47)	-	207
Motor vehicles	1,463	943	-	-	(791)	(1)	1,614
Office equipment	178	67	(2)	(1)	(47)	-	195
Plant and machinery	1,802	324	-	-	(352)	#	1,774
Renovation	565	73	-	-	(99)	-	539
	4,346	1,677	(2)	(1)	(1,432)	(1)	4,587

Note:
 # - Amount less than RM1,000.

13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

	At 1.1.2023 RM'000	Additions RM'000	Acquisition of A Subsidiary RM'000	Written Off RM'000	Depreciation Charges RM'000	Foreign Exchange Adjustments RM'000	At 31.12.2023 RM'000
Audited 2023							
Carrying Amount							
Freehold lands	-	10,600	-	-	-	-	10,600
Freehold buildings	-	2,072	-	-	-	-	2,072
Computers	256	683	1	(1)	(214)	-	725
Electrical installation	2	574	-	-	(60)	-	516
Furniture and fittings	207	85	-	-	(52)	-	240
Motor vehicles	1,614	1,139	-	-	(739)	10	2,024
Office equipment	195	108	1	(1)	(52)	#	251
Plant and machinery	1,774	1,729	-	(3)	(505)	#	2,995
Renovation	539	3,286	-	(1)	(423)	-	3,401
	4,587	20,276	2	(6)	(2,045)	10	22,824

Note:
 # - Amount less than RM1,000.

13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

	At 1.1.2024 RM'000	Additions RM'000	Written Off RM'000	Depreciation Charges RM'000	Foreign Exchange Adjustments RM'000	At 31.12.2024 RM'000
Audited 2024						
Carrying Amount						
Freehold lands	10,600	-	-	-	-	10,600
Freehold buildings	2,072	105	-	(44)	-	2,133
Computers	725	476	(5)	(273)	-	923
Electrical installation	516	85	-	(60)	-	541
Furniture and fittings	240	47	-	(45)	-	242
Motor vehicles	2,024	612	-	(778)	(9)	1,849
Office equipment	251	62	(1)	(46)	8	274
Plant and machinery	2,995	2,142	(4)	(522)	(10)	4,601
Renovation	3,401	662	-	(440)	-	3,623
	22,824	4,191	(10)	(2,208)	(11)	24,786

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
Audited 2021			
Computers	879	(776)	103
Electrical installation	947	(938)	9
Furniture and fittings	648	(422)	226
Motor vehicles	5,130	(3,667)	1,463
Office equipment	929	(751)	178
Plant and machinery	8,475	(6,673)	1,802
Renovation	1,012	(447)	565
	18,020	(13,674)	4,346
Audited 2022			
Computers	1,083	(827)	256
Electrical installation	947	(945)	2
Furniture and fittings	675	(468)	207
Motor vehicles	5,712	(4,098)	1,614
Office equipment	980	(785)	195
Plant and machinery	8,799	(7,025)	1,774
Renovation	1,085	(546)	539
	19,281	(14,694)	4,587

	At Cost RM'000	At Valuation RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
Audited 2023				
Freehold lands	-	10,600	-	10,600
Freehold buildings	-	2,072	-	2,072
Computers	1,632	-	(907)	725
Electrical installation	1,520	-	(1,004)	516
Furniture and fittings	760	-	(520)	240
Motor vehicles	6,377	-	(4,353)	2,024
Office equipment	1,084	-	(833)	251
Plant and machinery	10,509	-	(7,514)	2,995
Renovation	4,356	-	(955)	3,401
	26,238	12,672	(16,086)	22,824

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

	At Cost RM'000	At Valuation RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
Audited 2024				
Freehold lands	-	10,600	-	10,600
Freehold buildings	-	2,177	(44)	2,133
Computers	2,103	-	(1,180)	923
Electrical installation	1,606	-	(1,065)	541
Furniture and fittings	808	-	(566)	242
Motor vehicles	6,971	-	(5,122)	1,849
Office equipment	1,155	-	(881)	274
Plant and machinery	12,632	-	(8,031)	4,601
Renovation	5,018	-	(1,395)	3,623
	30,293	12,777	(18,284)	24,786

The freehold lands and buildings of the Group has been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 18 to the financial statements.

5. RIGHT-OF-USE ASSETS

	At 1.1.2021 RM'000	Depreciation Charges RM'000	At 31.12.2021 RM'000
Audited 2021			
Carrying Amount			
Leasehold lands	3,593	(101)	3,492
Factory buildings	8,217	(216)	8,001
Workers' accommodation	40	(1)	39
	11,850	(318)	11,532

	At 1.1.2022 RM'000	Depreciation Charges RM'000	At 31.12.2022 RM'000
Audited 2022			
Carrying Amount			
Leasehold lands	3,492	(101)	3,391
Factory buildings	8,001	(216)	7,785
Workers' accommodation	39	(1)	38
	11,532	(318)	11,214

13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

5. RIGHT-OF-USE ASSETS (CONT'D)

	At 1.1.2023 RM'000	Additions RM'000	Revaluation Surplus RM'000	Depreciation Charges RM'000	Foreign Exchange Adjustments RM'000	At 31.12.2023 RM'000
Audited 2023						
Carrying Amount						
Leasehold lands	3,391	-	6,329	(100)	-	9,620
Factory buildings	7,785	-	7,532	(217)	-	15,100
Workers' accommodation	38	-	83	(1)	-	120
Office premises	-	1,345	-	(22)	(1)	1,322
	11,214	1,345	13,944	(340)	(1)	26,162

	At 1.1.2024 RM'000	Additions RM'000	Classified As Held for Sale RM'000	Depreciation Charges RM'000	Foreign Exchange Adjustments RM'000	At 31.12.2024 RM'000
Audited 2024						
Carrying Amount						
Leasehold lands	9,620	-	(219)	(305)	-	9,096
Factory buildings	15,100	-	-	(463)	-	14,637
Workers' accommodation	120	240	(120)	(1)	-	239
Office premises	1,322	441	-	(345)	(25)	1,393
	26,162	681	(339)	(1,114)	(25)	25,365

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

5. RIGHT-OF-USE ASSETS (CONT'D)

(a) The Group leases certain pieces of leasehold lands, factory buildings, workers' accommodation and office premises of which the leasing activities are summarised below:-

(i)	Leasehold lands	The Group has entered into 5 (2021, 2022 and 2023 - 5) non-cancellable operating lease agreements for the use of lands, respectively. The leases are for a period of 60 to 99 (2021, 2022 and 2023 - 60 to 99) years with no renewal or purchase option included in the agreements. The leasehold lands cannot be transferred, sub-leased or encumbered without the approval from relevant authority.
(ii)	Factory buildings	The Group has entered into 3 (2021, 2022 and 2023 - 3) non-cancellable operating lease agreements for the use of premises, respectively. The leases are for a period of 60 to 99 (2021, 2022 and 2023 - 60 to 99) years with no renewal or purchase option included in the agreements.
(iii)	Workers' accommodation	The Group has entered into 2 (2021, 2022 and 2023 - 2) non-cancellable operating lease agreements for the use of premises, respectively. The leases are for 99 (2021, 2022 and 2023 - 99) years with no renewal or purchase option included in the agreements. The leases do not allow the Group to assign, transfer or sublease the whole or any part of the premises.
(iv)	Office premises	The Group has entered into 2 (2023 - 1) leased office premises for a period of 5 (2023 - 5) years. 1 lease with renewable option included in the agreement while 1 with no option to renew (2023 - no option to renew).

(b) The Group also has leased with lease terms of 12 months or less and leased of office premises, workers' accommodation and office equipment with low value. The Group has applied the 'short-term lease' and 'lease of low-value-assets' recognition exemption for these leases.

(c) Certain leasehold lands and factory buildings of the Group has been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 18 to the financial statements.

(d) On 31 December 2023, the Group's leasehold lands, factory buildings and workers' accommodation were revalued by independent professional valuers. The surpluses arising from the revaluations, net of deferred taxation, have been credited to other comprehensive income as disclosed in Note 27 to the financial statements and accumulated in equity under the revaluation reserve.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

5. RIGHT-OF-USE ASSETS (CONT'D)

(e) The details of the Group's rights-of-use assets carried at fair value are analysed as follows:-

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Audited				
2023				
Leasehold lands	-	9,620	-	9,620
Factory buildings	-	-	15,100	15,100
Workers' accommodation	-	120	-	120
	-	9,740	15,100	24,840
2024				
Leasehold lands	-	9,096	-	9,096
Factory buildings	-	-	14,637	14,637
Workers' accommodation	-	239	-	239
	-	9,335	14,637	23,972

The level 2 fair values have been determined based on the market comparison approach that reflects recent transaction prices for similar properties. The most significant input into this valuation approach is the price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

The level 3 fair values have been determined based on existing use method that makes reference to the indicative market value of similar properties in the vicinity on a price per square foot basis.

There were no transfers between level 1, level 2 and level 3 during the financial year.

The fair value measurements of the leasehold lands, factory buildings and workers' accommodation are based on the highest and best use which does not differ from their actual use.

(f) If the leasehold lands, factory buildings and workers' accommodation were measured using the cost model, the carrying amounts would be as follows:-

	2023 RM'000	**2024** RM'000
Cost	15,220	15,087
Accumulated depreciation	(4,323)	(4,614)
	10,897	10,473

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

6. GOODWILL

	<---------- Audited ---------->			
	<---------- As at 31 December---------->			
	2021 RM'000	**2022** RM'000	**2023** RM'000	**2024** RM'000
Cost:-				
At 1 January	-	-	-	815
Acquisition of a subsidiary	-	-	817	-
Foreign exchange adjustments	-	-	(2)	-
At 31 December	-	-	815	815

7. INVENTORIES

	<---------- Audited ---------->			
	<---------- As at 31 December---------->			
	2021 RM'000	**2022** RM'000	**2023** RM'000	**2024** RM'000
Raw materials	22,277	23,605	15,740	13,128
Work-in-progress	2,883	3,622	2,883	2,883
Goods-in-transits	10,402	2,156	1,192	1,812
Finished goods	2,426	121	328	212
	37,988	29,504	20,143	18,035
Recognised in profit or loss:-				
Inventories recognised as cost of sales	58,142	92,430	82,367	77,369

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

8. TRADE RECEIVABLES

	<---------- Audited ---------->			
	<---------- As at 31 December---------->			
	2021 RM'000	**2022** RM'000	**2023** RM'000	**2024** RM'000
Third parties	30,181	32,493	28,977	31,310
Allowance for impairment losses	-	-	(276)	(484)
Foreign exchange adjustments	-	-	(1)	-
	30,181	32,493	28,700	30,826

(a) The Group's normal trade credit term ranging from 30 to 60 (2021, 2022 and 2023 - 30 to 60) days. Other credit terms are assessed and approved on a case-by-case basis.

(b) Included in the Group's trade receivables are retention sums amounting to RM4,523,000 (2021 - RM3,661,000, 2022 - RM4,490,000 and 2023 - RM4,623,000) which are expected to be recovered within 1 year.

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<---------- Audited ---------->			
	<---------- As at 31 December---------->			
	2021 RM'000	**2022** RM'000	**2023** RM'000	**2024** RM'000
Other receivables:-				
Third parties	5,938	4,820	257	439
Advances to suppliers	3,270	2,783	1,807	436
Sales tax recoverable	1,322	105	265	78
	10,530	7,708	2,329	953
Deposits	54	47	100	176
Prepayments	185	299	877	1,423
	10,769	8,054	3,306	2,552

(a) The advances to suppliers are unsecured and interest-free. The amount owing will be offset against future purchases from the suppliers.

(b) Included in other receivables is a Special Remuneration Reward Fund to reward the Group's long service directors and key management personnel amounting to Nil (2021 - RM5,593,000, 2022 - RM3,793,000 and 2023 - Nil) undertaken by former holding company.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

10. CONTRACT ASSETS/(LIABILITIES)

	<---------- Audited ---------->			
	<---------- As at 31 December---------->			
	2021	**2022**	**2023**	**2024**
	RM'000	RM'000	RM'000	RM'000
Contract Assets				
Contract assets relating to contracts	14,792	18,693	18,191	15,671
Contract Liabilities				
Contract liabilities relating to contracts	(18,231)	(10,404)	(9,906)	(8,063)

(a) The contract assets primarily relate to the Group's right to consideration for work completed but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.

(b) The contract liabilities primarily relate to advances received from customers for contract services. The amount will be recognised as revenue when the performance obligations are satisfied.

(c) The changes to contract assets and contract liabilities balances during the financial year are summarised below:-

	<---------- Audited ---------->			
	<---------- As at 31 December---------->			
	2021	**2022**	**2023**	**2024**
	RM'000	RM'000	RM'000	RM'000
At 1 January	3,340	(3,439)	8,289	8,285
Performance obligations performed	85,087	125,622	119,465	101,654
Transfer to trade receivables	(91,866)	(113,894)	(119,469)	(102,331)
At 31 December	(3,439)	8,289	8,285	7,608
Represented by:-				
Contract assets	14,792	18,693	18,191	15,671
Contract liabilities	(18,231)	(10,404)	(9,906)	(8,063)
	(3,439)	8,289	8,285	7,608

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

11. AMOUNT OWING BY HOLDING COMPANY

In the previous financial year, the amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amounts owing is to be settled in cash.

12. AMOUNTS OWING BY/(TO) RELATED PARTIES

	<---------- Audited ---------->			
	<---------- As at 31 December---------->			
	2021 RM'000	**2022** RM'000	**2023** RM'000	**2024** RM'000
Amount Owing by a Related Party				
Trade balances	379	546	135	161
Allowance for impairment losses	-	-	-	(5)
	379	546	135	156
Amount Owing to Related Parties				
Trade balances	-	-	-	227
Non-trade balances	784	976	3,333	28
	784	976	3,333	255

(a) The amount owing by is trade in nature. The Group's normal trade credit terms ranging from 30 to 60 (2021, 2022 and 2023 - 30 to 60) days.

(b) The amounts owing to are trade in nature. The Group's normal trade credit terms ranging from 30 to 60 (2021, 2022 and 2023 - 30 to 60) days.

(c) The amount owing to is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

(d) Included in the amount owing to a related party at the end of the reporting period was an amount of Nil (2021 - Nil, 2022 - Nil and 2023 - RM3,333,000) which related to amount owing to former holding company.

13. FIXED DEPOSITS WITH LICENSED BANKS

(a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore on an effective interest rate ranging from 2.40% to 2.80% (2021 - 1.56%, 2022 - 2.03% and 2023 - 2.10% to 3.00%) per annum respectively. The fixed deposits have maturity periods ranging from 30 to 365 (2021, 2022 and 2023 - 30 to 365) days for the Group.

(b) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period were an amount of RM8,981,000 (2021 - RM6,935,000, 2022 - RM7,654,000 and 2023 - RM8,289,000) which has been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 18 to the financial statements.

13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

14. NON-CURRENT ASSETS HELD FOR SALE

The Group decided to dispose of two of its workers' accommodation and started to source for potential buyers. Accordingly, the workers' accommodation have been presented in the statement of financial position as "Non-current assets held for sale", measured at its fair value before it was reclassified as held for sale.

15. SHARE CAPITAL

	<---------- Audited ---------->							
	<---------- As at 31 December---------->							
	2021	**2022**	**2023**	**2024**	**2021**	**2022**	**2023**	**2024**
	Number Of Shares				**RM'000**	**RM'000**	**RM'000**	**RM'000**
Issued and Fully Paid-Up								
Ordinary Shares								
At 1 January	2,000	2,000	2,000	14,200	2,000	2,000	2,000	14,200
Issuance of new shares for cash	-	-	12,200	-	-	-	12,200	-
At 31 December	2,000	2,000	14,200	14,200	2,000	2,000	14,200	14,200

(a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Group and are entitled to one vote per ordinary share at meetings of the Group. The ordinary shares have no par value.

(b) In financial year ended 2023, the Group increased its issued and paid-up share capital from RM2,000,000 to RM14,200,000 by way of issuance of 12,200,000 new ordinary shares by capitalising the amount owing to former holding company of RM12,200,000.

The new ordinary shares issued rank equally in all respect with the existing ordinary shares of the Group.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

16. RESERVES

		<---------- Audited ---------->			
		<---------- As at 31 December---------->			
		2021 RM'000	**2022** RM'000	**2023** RM'000	**2024** RM'000
Retained profits		26,660	40,513	38,055	45,733
Foreign exchange translation reserve	(a)	(51)	(47)	126	(217)
Revaluation reserve	(b)	-	-	10,597	10,597
		26,609	40,466	48,778	56,113

(a) Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

(b) Revaluation Reserve

The revaluation reserve represents the increase in the fair value of leasehold lands, factory buildings and workers' accommodations of the Group (net of deferred tax, where applicable) presented under right-of-use assets.

17. LEASE LIABILITIES

	<---------- Audited ---------->			
	<---------- As at 31 December---------->			
	2021 RM'000	**2022** RM'000	**2023** RM'000	**2024** RM'000
At 1 January	-	-	-	1,327
Additions	-	-	1,345	441
Interest expense recognised in profit or loss	-	-	9	118
Repayment of principal	-	-	(18)	(288)
Repayment of interest expense	-	-	(9)	(118)
Foreign exchange adjustments	-	-	-	(36)
At 31 December	-	-	1,327	1,444
Analysed by:-				
Current liabilities	-	-	227	324
Non-current liabilities	-	-	1,100	1,120
	-	-	1,327	1,444

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

18. BORROWINGS

		<---------- Audited ---------->			
		<---------- As at 31 December---------->			
		2021	**2022**	**2023**	**2024**
		RM'000	RM'000	RM'000	RM'000
Non-current					
Secured					
Term loans	(a)	1,693	876	86	-
Hire purchase payables		980	1,191	2,264	2,879
		2,673	2,067	2,350	2,879
Current					
Secured					
Term loans	(a)	759	800	790	86
Hire purchase payables		628	630	842	1,155
Bankers' acceptances	(a)	26,345	31,000	26,754	29,775
Invoice financing	(a)	4,223	4,579	1,107	-
Revolving credit	(a)	326	-	-	-
Bank overdrafts	(a)	2,065	679	1,425	397
		34,346	37,688	30,918	31,413
Total		37,019	39,755	33,268	34,292

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13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

18. BORROWINGS (CONT'D)

(a) Term loans, bankers' acceptances, invoice financing, revolving credit and bank overdraft.

Details of the repayment terms for term loans are as follows:-

Term loans	Number of Monthly Instalments	Monthly Instalment Amount RM'000	Commencement Date of Repayment	<---------- Audited ----------> < ---------- As at 31 December ---------- > 2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
1	144	58	April 2012	544	396	245	-
2	144	14	December 2012	1,908	1,280	631	86
				2,452	1,676	876	86

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

18. BORROWINGS (CONT'D)

(a) Term loans, bankers' acceptances, invoice financing, revolving credit and bank overdraft (Cont'd)

The borrowings of the Group are secured by:-

(i) a corporate guarantee by a related party, Pan-Merchant Industries Sdn. Bhd.;

(ii) joint and several guarantee by certain directors of the Group;

(iii) a cash deposit agreement;

(iv) a deed of assignment of contract proceeds;

(v) a legal charge over the freehold lands and buildings of the Group as disclosed in Note 4 to the financial statements;

(vi) a legal charge over leasehold lands and factory buildings of the Group as disclosed in Note 5 to the financial statements;

(vii) a legal charge over the fixed deposits with licensed banks of the Group as disclosed in Note 13 to the financial statements; and

(viii) an assignment of life insurance policy of the director of the Group.

In connection with certain borrowings, the Group has to comply with the following significant covenants:-

(i) for term loan and short-term borrowings, gearing ratio of not more than 3.0 times in PMIT Malaysia and 4.0 times in Group levels;

(ii) advances to subsidiaries, directors, shareholders and related party not more than RM10,000,000 for Company level and RM13,000,000 for Group level; and

(iii) tangible net worth of not less than RM60,000,000 for Group.

The Group has complied with the loan covenants.

(b) The interest rate profile of the borrowings of the Group are summarised below:-

	<---------- Audited ---------->			
	< ---------- As at 31 December ---------- >			
	2021	**2022**	**2023**	**2024**
Effective Interest Rates				
Term loans	4.01%	4.43%	5.10%	5.26%
Hire purchase payables	4.93%	4.93%	4.39%	5.89%
Bankers' acceptances	3.34%	4.48%	4.91%	4.81%
Invoice financing	2.63%	3.80%	4.95%	-
Revolving credit	3.40%	-	-	-
Bank overdrafts	6.80%	6.01%	8.00%	7.88%

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

19. DEFERRED TAX LIABILITIES

	At 1.1.2021 RM'000	Recognised In Profit or Loss RM'000	At 31.12.2021 RM'000
Audited 2021			
Property, plant and equipment	724	78	802

	At 1.1.2022 RM'000	Recognised In Profit or Loss RM'000	At 31.12.2022 RM'000
Audited 2022			
Property, plant and equipment	802	2	804

	At 1.1.2023 RM'000	Recognised In Profit or Loss RM'000	Recognised In Other Comprehensive Income RM'000	At 31.12.2023 RM'000
Audited 2023				
Property, plant and equipment	804	30	-	834
Right-of-use assets	-	-	3,347	3,347
	804	30	3,347	4,181

	At 1.1.2024 RM'000	Recognised In Profit or Loss RM'000	At 31.12.2024 RM'000
Audited 2024			
Property, plant and equipment	834	(438)	396
Right-of-use assets	3,347	-	3,347
	4,181	(438)	3,743

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

20. TRADE PAYABLES

(a) The normal trade credit terms granted to the Group ranging from 30 to 120 (2021, 2022 and 2023 - 30 to 120) days.

(b) Included in the Group's trade payables is amounts due to the subsidiary's related party, amounting to Nil (2021 - RM111,000, 2022 - RM55,000 and 2023 - RM76,000).

21. OTHER PAYABLES AND ACCRUALS

	<---------- Audited ---------->			
	< ---------- As at 31 December ---------- >			
	2021 RM'000	**2022** RM'000	**2023** RM'000	**2024** RM'000
Other payables:-				
Third parties	1,331	847	1,719	867
Advances from customers	4,884	2,766	883	6,095
	6,215	3,613	2,602	6,962
Accruals	1,805	2,253	2,160	2,494
	8,020	5,866	4,762	9,456

22. DERIVATIVE LIABILITY

	<---------- Audited ---------->			
	< ---------- As at 31 December ---------- >			
	2021 RM'000	**2022** RM'000	**2023** RM'000	**2024** RM'000
Contract/Notional Amount				
Forward currency contracts	2,484	909	1,018	944

	2021 RM'000	**2022** RM'000	**2023** RM'000	**2024** RM'000
Forward currency contracts	-	-	-	-

The Group does not apply hedge accounting.

Forward currency contracts are used to hedge the Group's purchases denominated in Euro ("EUR") (2021 - United States Dollar ("USD"), 2022 - Euro ("EUR") and 2023 - Euro ("EUR")) for which firm commitments existed at the end of the reporting period. The settlement dates on forward currency contracts of 35 (2021 - 7 to 10, 2022 - 83 and 2023 - 53) days after the end of the reporting period.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

23. REVENUE

	<---------- Audited ---------->			
	< ---------- As at 31 December ---------- >			
	2021	**2022**	**2023**	**2024**
	RM'000	RM'000	RM'000	RM'000
Recognised over time				
Contracts with customers	85,087	125,622	119,465	101,654
Recognised at a point in time				
Sales of goods	19,852	28,329	18,725	38,872
Rendering of services	412	405	303	1,015
	20,264	28,734	19,028	39,887
	105,351	154,356	138,493	141,541

(a) The information on the disaggregation of revenue by geographical market is disclosed in Note 34.1 to the financial statements.

(b) The information about the performance obligations in contracts with customers is summarised below:-

Nature of Goods or Services	Timing and Method of Revenue Recognition	Significant Payment Terms	Variable Considerations	Warranty and Obligation for Returns or Refunds
Contracts with customers	When services are rendered using the cost incurred method.	Based agreed milestones under the agreement. The credit period is 30 days from the invoice date.	Not applicable.	Assurance warranties of 12-18 months are given to customers.
Sales of spare parts	When goods are delivered and accepted by customers.	Credit period of 30 days from the invoice date.	Not applicable.	Not applicable.
Rendering of inspection and repair services	When services are rendered.	Credit period of 30 days from the invoice date.	Not applicable.	Not applicable.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

24. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	<---------- Audited ---------->			
	< ---------- As at 31 December ---------- >			
	2021	**2022**	**2023**	**2024**
	RM'000	RM'000	RM'000	RM'000
Impairment losses:				
- trade receivables	-	-	276	235
- related party	-	-	-	5
Reversal of impairment losses:				
- trade receivables	-	-	-	(27)
	-	-	276	213

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PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

25. PROFIT BEFORE TAXATION

	<----------Audited---------->			
	<---------- FYE 31 December---------->			
	2021	**2022**	**2023**	**2024**
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees:				
- current year	23	23	70	100
- underprovision in the previous financial year	-	-	2	-
- non-audit fees:				
- underprovision in the previous financial year	-	-	-	110
Directors' remuneration	2,163	3,015	1,679	3,098
Material Expenses/(Income):				
Bad debts written off	-	-	3	-
Depreciation:				
- property, plant and equipment	1,436	1,432	2,045	2,208
- right-of-use assets	318	318	340	1,114
Lease expenses:				
- short-term leases	577	710	697	447
Property, plant and equipment written off	1	1	6	10
(Gain)/Loss on foreign exchange:				
- realised	(19)	(593)	334	192
- unrealised	24	2	(408)	1,085
Staff costs:				
- short-term employee benefits	13,737	21,193	17,443	23,489
- defined contribution plan	1,252	1,866	1,619	1,866
Interest expenses on financial liabilities that are not at fair value through profit or loss:				
- term loans	181	89	64	22
- bank overdrafts	74	40	25	31
- bankers' acceptances	706	1,213	1,381	1,410
- invoice financing/revolving credit	356	91	94	23
- hire purchase payables	90	92	127	238
Interest expense on lease liabilities	-	-	9	118
Gain on disposal of property, plant and equipment	(172)	(49)	(120)	(100)
Total interest income on financial assets measured at amortised cost	(105)	(199)	(258)	(280)

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

26. INCOME TAX EXPENSE

(a) Income Tax Expenses Recognised in Profit or Loss

	<----------Audited---------->			
	<---------- FYE 31 December---------->			
	2021	**2022**	**2023**	**2024**
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- for the financial year	3,779	6,234	3,624	3,872
- (over)/underprovision in previous financial year	(17)	(#)	-	172
	3,762	6,234	3,624	4,044
Deferred tax:				
- origination of temporary differences	78	2	30	(438)
	3,840	6,236	3,654	3,606

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group is as follows:-

	<----------Audited---------->			
	<---------- FYE 31 December---------->			
	2021	**2022**	**2023**	**2024**
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	14,435	24,527	14,276	11,609
Tax at statutory tax rate of 24%	3,464	5,886	3,426	2,786
Tax effects of:-				
Non-taxable income	-	-	-	(24)
Non-deductible expenses	548	892	745	1,114
Utilisation of tax incentives	(61)	(426)	(551)	(291)
Differential in tax rate of foreign subsidiaries	(94)	(116)	34	(151)
(Over)//Underprovision of current tax in the previous financial year	(17)	(#)	-	172
	3,840	6,236	3,654	3,606

Note:
 # - Amount less than RM1,000.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

26. INCOME TAX EXPENSE (CONT'D)

(a) Income Tax Expenses Recognised in Profit or Loss (Cont'd)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021, 2022 and 2023 - 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

(b) Income Tax Expenses Recognised in Other Comprehensive Income

	<----------Audited---------->			
	<---------- FYE 31 December---------->			
	2021	**2022**	**2023**	**2024**
	RM'000	RM'000	RM'000	RM'000
Deferred tax on revaluation of right-of-use assets	-	-	(3,347)	-

27. OTHER COMPREHENSIVE (LOSS)/INCOME

	<----------Audited---------->			
	<---------- FYE 31 December---------->			
	2021	**2022**	**2023**	**2024**
	RM'000	RM'000	RM'000	RM'000
Items that Will Not be Reclassified Subsequently to Profit or Loss				
Revaluation of right-of-use assets	-	-	13,944	-
Less: Deferred taxation	-	-	(3,347)	-
	-	-	10,597	-
Foreign currency translation:				
- changes during the financial year	(73)	6	173	(357)
	(73)	6	10,770	(357)

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

28. EARNINGS PER SHARE

	<----------Audited----------> <---------- FYE 31 December---------->			
	2021	**2022**	**2023**	**2024**
Profit attributable to owners of the Company (RM'000)	10,231	17,853	10,542	7,678
Weighted average number of ordinary shares ('000)	2,000	2,000	3,017	14,200
Basic earnings per share (RM)	5.12	8.93	3.49	0.54

The Group has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

29. ACQUISITION OF A SUBSIDIARY

On 20 November 2023, the Group acquired 100% equity interest in PMI-Technology (SG) Pte. Ltd. for a cash consideration of RM1,087,627 (SGD310,000).

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:-

	2023 RM'000
Property, plant and equipment	2
Trade receivables	13
Cash and bank balances	1,271
Current tax liabilities	(1,016)
Net identifiable assets acquired	270
Add: Goodwill on acquisition	817
Total purchase consideration, to be settled by cash	1,087
Less: Cash and bank balances of subsidiary acquired	(1,271)
Net cash inflow from the acquisition of a subsidiary	(184)

The goodwill is attributable mainly to the control premium paid. In addition, the purchase consideration also included benefits derived from the expected revenue growth of the subsidiary, its future market development as well as a customer list. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill is not deductible for tax purposes.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30. DIVIDENDS

	<----------Audited---------->			
	<---------- FYE 31 December---------->			
	2021 RM'000	**2022** RM'000	**2023** RM'000	**2024** RM'000
A single tier interim dividend of RM1 per ordinary share in respect of the financial year ended 31 December 2021	2,000	-	-	-
A single tier interim dividend of RM2 per ordinary share in respect of the financial year ended 31 December 2022	-	4,000	-	-
A single tier interim dividend of RM0.915 per ordinary share in respect of the financial year ended 31 December 2023	-	-	13,000	-
	2,000	4,000	13,000	-

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13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

31. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	<----------Audited---------->			
	<---------- FYE 31 December---------->			
	2021	**2022**	**2023**	**2024**
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment				
Cost of property, plant and equipment purchased	2,063	1,677	20,276	4,191
Less: Acquired through hire purchase arrangements	(945)	(960)	(2,040)	(2,003)
Less: Amount owing by former holding company	-	-	(12,200)	-
	1,118	717	6,036	2,188
Right-of-use assets				
Cost of right-of-use assets acquired	-	-	1,345	681
Less: Additions of new lease liabilities	-	-	(1,345)	(441)
	-	-	-	240

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

31. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

Audited	Term Loans RM'000	Hire Purchase Payables RM'000	Bankers' Acceptances RM'000	Invoice Financing/ Revolving Credit RM'000	Total RM'000
2021					
At 1 January	3,256	1,436	17,649	12,299	34,640
Changes in Financing Cash Flows					
Proceeds from drawdown	-	-	51,900	35,128	87,028
Repayment of principal	(804)	(773)	(43,204)	(42,878)	(87,659)
Repayment of interests	(181)	(90)	(706)	(356)	(1,333)
	(985)	(863)	7,990	(8,106)	(1,964)
Other Changes					
Acquisition of new leases	-	945	-	-	945
Interest expense recognised in profit or loss	181	90	706	356	1,333
	181	1,035	706	356	2,278
At 31 December	2,452	1,608	26,345	4,549	34,954

13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

31. CASH FLOW INFORMATIO/N (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

Audited	Term Loans RM'000	Hire Purchase Payables RM'000	Bankers' Acceptances RM'000	Invoice Financing/ Revolving Credit RM'000	Total RM'000
2022					
At 1 January	2,452	1,608	26,345	4,549	34,954
Changes in Financing Cash Flows					
Proceeds from drawdown	-	-	75,727	12,516	88,243
Repayment of principal	(776)	(747)	(71,072)	(12,486)	(85,081)
Repayment of interests	(89)	(92)	(1,213)	(91)	(1,485)
	(865)	(839)	3,442	(61)	1,677
Other Changes					
Acquisition of new leases	-	960	-	-	960
Interest expense recognised in profit or loss	89	92	1,213	91	1,485
	89	1,052	1,213	91	2,445
At 31 December	1,676	1,821	31,000	4,579	39,076

13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

31. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

Audited	Lease Liabilities RM'000	Term Loans RM'000	Hire Purchase Payables RM'000	Bankers' Acceptances RM'000	Invoice Financing RM'000	Total RM'000
2023						
At 1 January	-	1,676	1,821	31,000	4,579	39,076
Changes in Financing Cash Flows						
Proceeds from drawdown	-	-	-	56,724	17,762	74,486
Repayment of principal	(18)	(800)	(755)	(60,970)	(21,234)	(83,777)
Repayment of interests	(9)	(64)	(127)	(1,381)	(94)	(1,675)
	(27)	(864)	(882)	(5,627)	(3,566)	(10,966)
Other Changes						
Acquisition of new leases	1,345	-	2,040	-	-	3,385
Interest expense recognised in profit or loss	9	64	127	1,381	94	1,675
	1,354	64	2,167	1,381	94	5,060
At 31 December	1,327	876	3,106	26,754	1,107	33,170

13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

31. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

Audited	Lease Liabilities RM'000	Term Loans RM'000	Hire Purchase Payables RM'000	Bankers' Acceptances RM'000	Invoice Financing RM'000	Total RM'000
2024						
At 1 January	1,327	876	3,106	26,754	1,107	33,170
Changes in Financing Cash Flows						
Proceeds from drawdown	-	-	-	79,204	1,249	80,453
Repayment of principal	(288)	(790)	(1,075)	(76,183)	(2,356)	(80,692)
Repayment of interests	(118)	(22)	(238)	(1,410)	(23)	(1,811)
	(406)	(812)	(1,313)	1,611	(1,130)	(2,050)
Other Changes						
Acquisition of new leases	441	-	2,003	-	-	2,444
Interest expense recognised in profit or loss	118	22	238	1,410	23	1,811
Foreign exchange adjustments	(36)	-	-	-	-	(36)
	523	22	2,241	1,410	23	4,219
At 31 December	1,444	86	4,034	29,775	-	35,339

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

31. CASH FLOW INFORMATION (CONT'D)

(c) The total cash outflows for leases as a lessee are as follows:-

	<----------Audited---------->			
	<---------- FYE 31 December---------->			
	2021	**2022**	**2023**	**2024**
	RM'000	RM'000	RM'000	RM'000
Payment of short-term leases	577	710	697	369
Interest paid on lease liabilities	-	-	9	118
Payment of lease liabilities	-	-	18	288
	577	710	724	775

(d) The cash and cash equivalents comprise the following:-

	<----------Audited---------->			
	<---------- FYE 31 December---------->			
	2021	**2022**	**2023**	**2024**
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed banks	6,935	9,678	10,329	11,070
Cash and bank balances	6,109	7,300	8,053	13,777
Bank overdrafts	(2,065)	(679)	(1,425)	(397)
	10,979	16,299	16,957	24,450
Less: Fixed deposits pledged to licensed banks	(6,935)	(7,654)	(8,289)	(8,981)
	4,044	8,645	8,668	15,469

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PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

32. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group include directors of the Company and of the subsidiaries.

The key management personnel compensation during the financial year are as follows:-

	<----------Audited---------->			
	<---------- FYE 31 December---------->			
	2021	**2022**	**2023**	**2024**
	RM'000	RM'000	RM'000	RM'000
Directors				
Directors of the Company				
Salaries, bonuses and other benefits	2,108	2,958	1,620	2,890
Defined contribution benefits	55	57	59	208
	2,163	3,015	1,679	3,098
Directors of the Subsidiary				
Salaries, bonuses and other benefits	-	-	183	1,139
Defined contribution benefits	-	-	-	36
	-	-	183	1,175
	2,163	3,015	1,862	4,273

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PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

33. RELATED PARTY DISCLOSURES

Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group also carried out the following significant transactions with the related parties during the financial year:-

	<----------Audited---------->			
	<---------- FYE 31 December---------->			
	2021	**2022**	**2023**	**2024**
	RM'000	RM'000	RM'000	RM'000
Acquisition of properties from a related party	-	-	12,200	-
Sales to related parties	1,993	3,559	2,012	4,849
Provision of support services by a related party	(9)	(42)	(10)	(13)
Purchases from a related party	(2,324)	(1,374)	(731)	(1,671)
Administration costs charged by related parties	(192)	(244)	(30)	(56)
Labour cost charged to/(by) a related party	-	-	37	(282)
Management fee charged by related parties	(1,107)	(1,099)	(1,108)	(198)
Rental of office, manufacturing facility and warehouse charged by related parties	(455)	(467)	(453)	(104)

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

34. OPERATING SEGMENTS

The Group operates predominantly in one business segment i.e. business of solutions provider of solid liquid filtration equipment, fabrication of steelworks and technical support services in Malaysia. Accordingly, the information by business segment is not presented.

34.1 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

	<----------Audited---------->			
	<---------- FYE 31 December---------->			
	2021	**2022**	**2023**	**2024**
	RM'000	RM'000	RM'000	RM'000
Represented by geographical market:-				
Europe	8,982	12,653	13,820	17,496
Indonesia	40,494	65,733	79,591	54,217
Malaysia	27,274	23,522	19,034	14,992
Africa	1,339	4,783	3,228	3,421
America	13,385	32,942	2,026	27,706
Asia (excluding Malaysia and Indonesia)	13,877	14,723	20,794	23,709
	105,351	154,356	138,493	141,541

The geographical information for non-current assets is not presented as the Group operates primarily in Malaysia during the reporting period.

34.2 MAJOR CUSTOMERS

The following are the major customers with revenue equal to or more than 10% of the Group's revenue:-

	<----------Audited---------->			
	<---------- FYE 31 December---------->			
	2021	**2022**	**2023**	**2024**
	RM'000	RM'000	RM'000	RM'000
Customer 1	42,138	38,879	36,114	45,105
Customer 2	12,097	29,844	31,456	22,671
Customer 3	11,673	19,637	*	*

** Less than 10%*

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

35. FOREIGN EXCHANGE RATE

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent) for the translation of the foreign currency balances at the end of the reporting period are as follows:-

	<----------Audited---------->			
	<---------- FYE 31 December---------->			
	2021	**2022**	**2023**	**2024**
	RM	RM	RM	RM
United States Dollar	-	-	4.5991	4.4755
Euro	4.7166	4.6908	5.0768	4.6626
Singapore Dollar	-	-	3.4787	3.2878

36. CAPITAL COMMITMENTS

	<----------Audited---------->			
	<---------- FYE 31 December---------->			
	2021	**2022**	**2023**	**2024**
	RM'000	RM'000	RM'000	RM'000
Purchase of property, plant and equipment	-	-	810	-

37. FINANCIAL INSTRUMENTS

The activities of the Group are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

37.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Renminbi ("RMB"), Singapore Dollar ("SGD"), Euro ("EUR") and Indonesia Rupiah ("IDR"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

	United States Dollar	Renminbi	Singapore Dollar	Euro	Ringgit Malaysia	Total
	<----------RM'000---------->					
Audited 2021						
Financial Assets						
Trade receivables	646	147	207	12,907	16,274	30,181
Other receivables	-	-	-	8	5,930	5,938
Amount owing by holding company	-	-	-	-	5,465	5,465
Amount owing by a related party	-	-	-	379	-	379
Fixed deposits with licensed banks	-	-	-	-	6,935	6,935
Cash and bank balances	1,300	-	294	3,384	1,131	6,109
	1,946	147	501	16,678	35,735	55,007

13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

	United States Dollar	Renminbi	Singapore Dollar	Euro	Ringgit Malaysia	Total
	<----------RM'000---------->					
Audited 2021						
Financial Liabilities						
Trade payables	818	-	-	8,350	21,085	30,253
Other payables and accruals	-	-	-	4,646	3,374	8,020
Amount owing to a related party	-	-	-	-	784	784
Borrowings	-	-	-	-	37,019	37,019
	818	-	-	12,996	62,262	76,076
Net financial assets/(liabilities)	1,128	147	501	3,682	(26,527)	(21,069)
Less: Net financial liabilities denominated in the entity's functional currency	-	-	-	-	26,527	26,527
Less: Forward foreign currency contracts (contracted notional principal)	(848)	-	-	(1,636)	-	(2,484)
Currency exposure	280	147	501	2,046	-	2,974

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

	United States Dollar	Renminbi	Singapore Dollar	Euro	Ringgit Malaysia	Total
	<----------RM'000---------->					
Audited 2022						
Financial Assets						
Trade receivables	1,872	106	-	17,707	12,808	32,493
Other receivables	-	-	-	68	4,752	4,820
Amount owing by holding company	-	-	-	-	3,609	3,609
Amount owing by a related party	-	-	-	546	-	546
Fixed deposits with licensed banks	-	-	-	-	9,678	9,678
Cash and bank balances	1,026	13	305	1,723	4,233	7,300
	2,898	119	305	20,044	35,080	58,446
Financial Liabilities						
Trade payables	870	-	-	2,438	15,084	18,392
Other payables and accruals	-	-	-	2,200	3,666	5,866
Amount owing to a related party	-	-	-	-	976	976
Borrowings	-	-	-	-	39,755	39,755
	870	-	-	4,638	59,481	64,989

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

	United States Dollar	Renminbi	Singapore Dollar	Euro	Ringgit Malaysia	Total
	<----------RM'000---------->					
Audited 2022						
Net financial assets/(liabilities)	2,028	119	305	15,406	(24,401)	(6,543)
Less: Net financial liabilities denominated in the entity's functional currency	-	-	-	-	24,401	24,401
Less: Forward foreign currency contracts (contracted notional principal)	-	-	-	(909)	-	(909)
Currency exposure	2,028	119	305	14,497	-	16,949
Audited 2023						
Financial Assets						
Trade receivables	610	-	-	20,354	7,736	28,700
Other receivables	-	-	-	#	257	257
Amount owing by a related party	-	-	-	-	135	135
Fixed deposits with licensed banks	-	-	-	-	10,329	10,329
Cash and bank balances	2,869	-	639	2,641	1,904	8,053
	3,479	-	639	22,995	20,361	47,474

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

	United States Dollar	Renminbi	Singapore Dollar	Euro	Ringgit Malaysia	Total
	<----------RM'000---------->					
Audited 2023						
Financial Liabilities						
Trade payables	2	682	-	2,467	11,974	15,125
Other payables and accruals	67	-	49	534	4,112	4,762
Amount owing to a related party	-	-	-	-	3,333	3,333
Borrowings	-	-	-	-	33,268	33,268
	69	682	49	3,001	52,687	56,488
Net financial assets/(liabilities)	3,410	(682)	590	19,994	(32,326)	(9,014)
Less: Net financial liabilities denominated in the entity's functional currency	-	-	-	-	32,326	32,326
Less: Forward foreign currency contracts (contracted notional principal)	-	-	-	(1,018)	-	(1,018)
Currency exposure	3,410	(682)	590	18,976	-	22,294

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

	United States Dollar	Indonesian Rupiah	Singapore Dollar	Euro	Ringgit Malaysia	Total
	<----------RM'000---------->					
Audited 2024						
Financial Assets						
Trade receivables	2,374	-	32	9,930	18,490	30,826
Other receivables	-	-	-	-	439	439
Amount owing by a related party	-	-	-	156	-	156
Fixed deposits with licensed banks	-	-	-	-	11,070	11,070
Cash and bank balances	1,642	-	270	7,395	4,470	13,777
	4,016	-	302	17,481	34,469	56,268

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

	United States Dollar	Indonesian Rupiah	Singapore Dollar	Euro	Ringgit Malaysia	Total
	<----------RM'000---------->					
Audited 2024						
Financial Liabilities						
Trade payables	199	8	-	3,218	9,836	13,261
Other payables and accruals	3,541	-	10	2,754	3,151	9,456
Amount owing to related parties	-	-	-	255	-	255
Borrowings	-	-	-	-	34,292	34,292
	3,740	8	10	6,227	47,279	57,264
Net financial assets/(liabilities)	276	(8)	292	11,254	(12,810)	(996)
Less: Net financial liabilities denominated in the entity's functional currency	-	-	-	-	12,810	12,810
Less: Forward foreign currency contracts (contracted notional principal)	-	-	-	(944)	-	(944)
Currency exposure	276	(8)	292	10,310	-	10,870

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	<----------Audited ---------->			
	<----------FYE 31 December---------->			
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Effect on Profit After Taxation				
USD/RM				
- strengthened by 5%	11	77	130	10
- weakened by 5%	(11)	(77)	(130)	(10)
EUR/RM				
- strengthened by 5%	78	551	721	392
- weakened by 5%	(78)	(551)	(721)	(392)
SGD/RM				
- strengthened by 5%	19	12	22	11
- weakened by 5%	(19)	(12)	(22)	(11)
RMB/RM				
- strengthened by 5%	6	5	(26)	-
- weakened by 5%	(6)	(5)	26	-
IDR/RM				
- strengthened by 5%	-	-	-	(#)
- weakened by 5%	-	-	-	#

Note:
 # - Amount less than RM1,000.

There is no impact on the Group's equity.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variables rates. The Group adopts a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group is not subject to interest rate risk since neither carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 18 to the financial statements.

Interest Rate Risk Sensitivity Analysis

Any reasonable possible change in the interest rates of floating rate term loans at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

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PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

(i) Credit Risk Concentration Profile

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by 2 (2021, 2022 and 2023 - 3) customers which constituted approximately 61% (2021 - 74%, 2022 - 76% and 2023 - 78%) of its trade receivables.

(ii) Maximum exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group evaluates whether any of the financial assets at amortised cost, contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate. The Group uses a more lagging past due criterion for trade receivables when it is more appropriate to reflect their loss patterns.

Trade Receivables and Contract Assets

The Group applied the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on an individual basis.

The expected loss rates are based on the payment profiles of sales over 12 (2021, 2022 and 2023 - 12) months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the unemployment rate, Gross Domestic Product (GDP) and inflation rate as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

For contracts, the Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments as there are only a few customers. All of these customers have a low risk of default as they have a strong capacity to meet their debts.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses

The reconciliations of allowance for impairment losses are as follows:-

The Group	Credit Impaired RM'000	Total RM'000
Trade Receivables		
Balance at 1.1.2022	-	-
Additions	-	-
Balance at 31.12.2022/1.1.2023	-	-
Additions	276	276
Balance at 31.12.2023/1.1.2024	276	276
Additions	235	235
Reversals	(27)	(27)
Foreign exchange adjustments	#	#
Balance at 31.12.2024	484	484

Note:
 # - Amount less than RM1,000

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:-

	Gross Amount RM'000	Lifetime Individual Allowance RM'000	Lifetime Collective Allowance RM'000	Carrying Amount RM'000
Audited 2021				
Current (not past due)	20,299	-	-	20,299
1 to 30 days past due	2,607	-	-	2,607
31 to 365 days past due	5,388	-	-	5,388
More than 1 year past due	1,887	-	-	1,887
Trade receivables	30,181	-	-	30,181
Contract assets	14,792	-	-	14,792
	44,973	-	-	44,973
Audited 2022				
Current (not past due)	18,925	-	-	18,925
1 to 30 days past due	6,790	-	-	6,790
31 to 365 days past due	3,989	-	-	3,989
More than 1 year past due	2,789	-	-	2,789
Trade receivables	32,493	-	-	32,493
Contract assets	18,693	-	-	18,693
	51,186	-	-	51,186

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

	Gross Amount RM'000	Lifetime Individual Allowance RM'000	Lifetime Collective Allowance RM'000	Carrying Amount RM'000
Audited 2023				
Current (not past due)	10,421	-	-	10,421
1 to 30 days past due	7,232	-	-	7,232
31 to 365 days past due	10,626	-	-	10,626
More than 1 year past due	421	-	-	421
Credit impaired	276	(276)	-	-
Trade receivables	28,976	(276)	-	28,700
Contract assets	18,191	-	-	18,191
	47,167	(276)	-	46,891
Audited 2024				
Current (not past due)	17,428	-	-	17,428
1 to 30 days past due	2,977	-	-	2,977
31 to 365 days past due	10,364	-	-	10,364
More than 1 year past due	57	-	-	57
Credit impaired	484	(484)	-	-
Trade receivables	31,310	(484)	-	30,826
Contract assets	15,671	-	-	15,671
	46,981	(484)	-	46,497

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Trade receivables and contract assets that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

Trade receivables and contract assets that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

There has not been any significant change in the gross amounts of trade receivables and contract assets that impacted the allowance for impairment losses.

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by related parties.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

No expected credit loss is recognised on other receivables as it is negligible.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Effective Interest Rate %	Carrying Amount RM'000	Contracted Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
Audited 2021						
Non-derivative Financial Liabilities						
Trade payables	-	30,253	30,253	30,253	-	-
Other payables and accruals	-	8,020	8,020	8,020	-	-
Amount owing to a related party	-	784	784	784	-	-
Bankers' acceptances	3.34	26,345	26,345	26,345	-	-
Invoice financing	2.63	4,223	4,223	4,223	-	-
Revolving credit	3.40	326	326	326	-	-
Bank overdrafts	6.80	2,065	2,065	2,065	-	-
Term loans	4.01	2,452	3,321	903	2,418	-
Hire purchase payables	4.93	1,608	1,880	788	1,092	-
		76,076	77,217	73,707	3,510	-

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Effective Interest Rate %	Carrying Amount RM'000	Contracted Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
Audited 2022						
Non-derivative Financial Liabilities						
Trade payables	-	18,392	18,392	18,392	-	-
Other payables and accruals	-	5,866	5,866	5,866	-	-
Amount owing to a related party	-	976	976	976	-	-
Bankers' acceptances	4.48	31,000	31,000	31,000	-	-
Invoice financing	3.80	4,579	4,579	4,579	-	-
Bank overdrafts	6.01	679	679	679	-	-
Term loans	4.43	1,676	1,757	864	893	-
Hire purchase payables	4.93	1,821	2,020	737	1,283	-
		64,989	65,269	63,093	2,176	-

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Effective Interest Rate %	Carrying Amount RM'000	Contracted Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
Audited 2023						
Non-derivative Financial Liabilities						
Trade payables	-	15,125	15,125	15,125	-	-
Other payables and accruals	-	4,762	4,762	4,762	-	-
Amount owing to a related party	-	3,333	3,333	3,333	-	-
Bankers' acceptances	4.91	26,754	26,754	26,754	-	-
Invoice financing	4.95	1,107	1,107	1,107	-	-
Bank overdrafts	8.00	1,425	1,425	1,425	-	-
Term loans	5.10	876	896	810	86	-
Hire purchase payables	4.39	3,106	3,498	1,007	2,491	-
Lease liabilities	8.50	1,327	1,628	331	1,297	-
		57,815	58,528	54,654	3,874	-

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Effective Interest Rate %	Carrying Amount RM'000	Contracted Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
Audited 2024						
Non-derivative Financial Liabilities						
Trade payables	-	13,261	13,261	13,261	-	-
Other payables and accruals	-	9,456	9,456	9,456	-	-
Amount owing to related parties	-	255	255	255	-	-
Bankers' acceptances	4.81	29,775	29,775	29,775	-	-
Bank overdrafts	7.88	397	397	397	-	-
Term loans	5.26	86	87	87	-	-
Hire purchase payables	5.89	4,034	4,509	1,373	3,136	-
Lease liabilities	7.38	1,444	1,670	420	1,250	-
		58,708	59,410	55,024	4,386	-

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.2 CAPITAL RISK MANAGEMENT

The Group manage its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, interest bearing loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period are as follows:-

	<----------Audited ---------->			
	<---------- As at 31 December---------->			
	2021	**2022**	**2023**	**2024**
	RM'000	RM'000	RM'000	RM'000
Lease liabilities	-	-	1,327	1,444
Borrowings	37,019	39,755	33,268	34,292
	37,019	39,755	34,595	35,736
Less: Cash and cash equivalents	(4,044)	(8,645)	(8,668)	(15,469)
Total debt	32,975	31,110	25,927	20,267
Total equity	29,435	43,732	64,430	72,076
Debt-to-equity ratio	1.12	0.71	0.40	0.28

There was no change in the approach to capital management during the financial year.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	<----------Audited ---------->			
	<---------- As at 31 December---------->			
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Financial Asset				
Amortised Cost				
Trade receivables	30,181	32,493	28,700	30,826
Other receivables	5,938	4,820	257	439
Amount owing by holding company	5,465	3,609	-	-
Amount owing by a related party	379	546	135	156
Fixed deposits with licensed banks	6,935	9,678	10,329	11,070
Cash and bank balances	6,109	7,300	8,053	13,777
	55,007	58,446	47,474	56,268
Financial Liability				
Amortised Cost				
Trade payables	30,253	18,392	15,125	13,261
Other payables and accruals	8,020	5,866	4,762	9,456
Amount owing to related parties	784	976	3,333	255
Bankers' acceptances	26,345	31,000	26,754	29,775
Bank overdrafts	2,065	679	1,425	397
Invoice financing	4,223	4,579	1,107	-
Term loans	2,452	1,676	876	86
Revolving credit	326	-	-	-
Hire purchase payables	1,608	1,821	3,106	4,034
	76,076	64,989	56,488	57,264

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	<----------Audited ----------> <---------- As at 31 December---------->			
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Financial Asset				
Amortised Cost				
Net (gains)/losses recognised in profit or loss	(105)	(199)	21	(67)
Financial Liability				
Amortised Cost				
Net losses recognised in profit or loss	1,407	1,525	1,691	1,724

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PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period:-

	Fair Value Of Financial Instruments Not Carried At Fair Value			**Total Fair Value**	**Carrying Amount**
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
Audited 2021					
Financial Liability					
Term loans	-	2,452	-	2,452	2,452
Audited 2022					
Financial Liability					
Term loans	-	1,676	-	1,676	1,676

13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.5 FAIR VALUE INFORMATION (CONT'D)

	Fair Value Of Financial Instruments Not Carried At Fair Value			**Total Fair Value**	**Carrying Amount**
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
Audited 2023					
Financial Liability					
Term loans	-	876	-	876	876
Audited 2024					
Financial Liability					
Term loans	-	86	-	86	86

Fair Value of Financial Instruments Not Carried at Fair Value

The fair value of the term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

PAN MERCHANT BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

38. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

In conjunction with and as an integral part of the listing exercise, the Company had entered into a conditional share sale agreement with the vendors of PMIT Malaysia on 23 August 2024 and supplemental share sale agreement dated 5 December 2024 for the acquisition of PMIT Malaysia's entire issued share capital of RM14,200,000, comprising 14,200,000 ordinary shares. The purchase consideration will be entirely satisfied by the issuance of 683,812,000 new Shares at an issue price of RM0.10 per Share.

39. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The Company had entered into a conditional share sale agreement and supplemental share sale agreement for the acquisition of entire issued share capital of PMIT Malaysia of RM14,200,000, comprising 14,200,000 ordinary shares from the shareholders of PMIT Malaysia for a total purchase consideration of RM68,381,200 was completed on 2 May 2025. The purchase consideration was entirely satisfied by the issuance and allotment of 683,812,000 new Shares at an issue price of RM0.10 per Share to the shareholders of PMIT Malaysia.

13. ACCOUNTANTS' REPORT *(Cont'd)*

PAN MERCHANT BERHAD

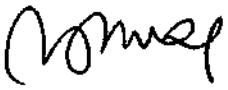
STATEMENT BY DIRECTORS

We, Wong Voon Ten and Wong Nyeon Thiat, being two of the directors of Pan Merchant Berhad., state that, in the opinion of the directors, the consolidated financial statements set out on pages 4 to 86 are drawn up in accordance with Malaysia Financial Reporting Standards, International Financial Reporting Standards and Prospectus Guidelines so as to give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, and of its consolidated financial performance and cash flows for the financial year ended 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024.

Signed in accordance with a resolution of the directors dated 07 MAY 2025



Wong Voon Ten



Wong Nyeon Thiat

14. VALUATION CERTIFICATE

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)
(formerly known as C H Williams Talhar & Wong Sdn Bhd)
30-01 30th Floor
Menara Multi-Purpose
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W www.cbre-wtw.com.my

Report and Valuation

Our Ref: WTW/01/V/003033A/24/IVAN

3rd June 2025

PRIVATE & CONFIDENTIAL

PMI-TECHNOLOGY SDN. BHD.
No. 17 & 19, Jalan Pengacara U1/48
Temasya Industrial Park
40150 Shah Alam
Selangor

Dear Sirs,

VALUATION OF
LOT NOS. PT 16076 & PT 16077
MUKIM OF DAMANSARA
DISTRICT OF PETALING, SELANGOR
FOR SUBMISSION TO BURSA MALAYSIA SECURITIES BERHAD
(Unit Nos. 17 & 19, Jalan Pengacara U1/48, Seksyen U1, 40150 Shah Alam, Selangor)

We refer to our Report & Valuation and Certificate of Valuation Reference No. WTW/01/V/003033A/24/IVAN dated 16th October 2024 on the above captioned property addressed to PMI-TECNOLOGY SDN. BHD.

We have re-inspected the subject property on 30th May 2025 and we are of the opinion that the market value remains unchanged as reported in our valuation report dated 16th October 2024. Further to our due diligence and analysis, we noted that the present market conditions remain stable, no changes in terms of physical conditions and legal status of the subject property.

PARTICULARS OF TITLE

Based on the particulars of title of the subject property as extracted from the Selangor Registry of Land Titles on 30th May 2025 revealed that all details and endorsements remained unchanged.

14. VALUATION CERTIFICATE *(Cont'd)*

CBRE | WTW

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

Our Ref: WTW /01/V /003033A/24/IVAN
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PHYSICAL CONDITIONS

We would like to confirm that the physical state of the subject property remained unchanged since our last date of valuation.

Based on the Temporary Building Permit issued by Majlis Bandaraya Shah Alam (MBSA) via letter bearing reference no. MBSA/BGN/KB/600/SEK:U1/176-2024 dated 10th July 2024, we noted that Majlis Bandaraya Shah Alam (MBSA) has granted an approval for the extension and temporary structure from the period of 4th July 2024 to 3rd July 2025. The permit is subject to renewal, which must be applied at least three months prior to its expiry. We were given to understand that the client has submitted an application to renew the Temporary Building Permit. As of 30th May 2025, Majlis Bandaraya Shah Alam (MBSA) have yet to grant any approval on the said application.

Given the temporary nature of the approval, these buildings/structures have been excluded from our valuation.

MARKET CONDITIONS

The property market, particularly the industrial sector, has experienced steady growth over the years. However, in the period under review, the market conditions in Glenmarie locality remain stable.

14. VALUATION CERTIFICATE *(Cont'd)*

CBRE | WTW

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

Our Ref: WTW /01/V /003033A/24/IVAN
Page 3

EVIDENCE OF VALUE

As of 30th May 2025, there are several new transactions of similar semi-detached factories within the vicinity, as follows:-

Details	Comparable 1	Comparable 2
Source	Valuation and Property Services Department (JPPH)	
Scheme	Temasya Industrial Park	
Title No.	HS(D) 102199	HS(D) 102277
Lot No.	PT 16012	PT 16091
Town/Mukim	Damansara	
District	Petaling	
State	Selangor	
Address	No. 30, Jalan Kartunis U1/47	No. 34, Jalan Pemberita U1/49
Land Area	892.00 square metres (approximately 9,601 square feet)	892.00 square metres (approximately 9,601 square feet)
Type	Two-and-a-half (2½)-storey semi-detached factory	
Tenure	Term in perpetuity (Freehold)	
Date	10/12/2024	12/9/2024
Vendor	PANACOM HOLDING SDN BHD	KESAMA SDN. BHD.
Purchaser	THAM KIEN WAI	TRANSWATER TENAGA SDN BHD
Purchase Consideration	RM6,850,000/-	RM6,400,000/-

We have conducted our due diligence and analyse the above transactions in arriving to our opinion of value. Based on the data available and present market conditions, we are of the view that the market value of the subject property remains unchanged as per our report dated 16th October 2024.

Yours faithfully
for and on behalf of
CBRE WTW Valuation & Advisory Sdn Bhd
(formerly known as C H Williams Talhar & Wong Sdn Bhd)

Sr UNGKU MOHD ISKANDAR UNGKU ISMAIL
BSc. (Hons) Property Management
MRICS, MRISM, MPEPS, MMIPFM
Registered Valuer (V-855)

14. VALUATION CERTIFICATE *(Cont'd)*

CBRE | WTW

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)
(formerly known as C H Williams Talhar & Wong Sdn Bhd)
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Report and Valuation

Our Ref: WTW/01/V/003033A/24/IVAN

16 October 2024

PRIVATE & CONFIDENTIAL

PMI-Technology Sdn. Bhd.
No. 17 & 19, Jalan Pengacara U1/48
Temasya Industrial Park
40150 Shah Alam
Selangor

Dear Sir,

CERTIFICATE OF VALUATION
LOT NOS. PT 16076 & PT 16077
MUKIM OF DAMANSARA
DISTRICT OF PETALING, SELANGOR
FOR SUBMISSION TO BURSA MALAYSIA SECURITIES BERHAD
(Unit Nos. 17 & 19, Jalan Pengacara U1/48, Seksyen U1, 40150 Shah Alam, Selangor)

We thank you for your instructions to carry out a formal valuation on the above-mentioned property in providing our opinion of the Market Value of the property for the purpose of submission to Bursa Malaysia Securities Berhad ("Bursa Securities") in relation to the proposed listing of Pan Merchant Berhad on the ACE Market of Bursa Securities ("Proposed Listing).

This Certificate of Valuation is prepared for inclusion in the prospectus in relation to the listing of Pan Merchant Berhad on the ACE Market of Bursa Securities ("Proposed Listing).

We have prepared and provided this Valuation Certificate which outlines key factors that have been considered in arriving at our opinion of Market Value and reflects all information known by us and based on present market conditions.

The valuation has been prepared in accordance with the requirements stipulated in the Asset Valuation Guidelines issued by the Securities Commission Malaysia and Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

For all intents and purposes, this Certificate of Valuation should be read in conjunction with the full Report and Valuation.

The basis of the valuation is Market Value which is defined by the Malaysian Valuation Standards (MVS) to be "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 where the parties had each acted knowledgeably, prudently and without compulsion".

We have inspected the subject property and the material date of valuation is taken as 30 July 2024.

14. VALUATION CERTIFICATE *(Cont'd)*

CBRE | WTW

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

Our Ref: WTW/01/V/003033A/24/IVAN
Page 2

TERMS OF REFERENCE

To assess the market value of the above-mentioned property for the purpose of submission to Bursa Malaysia Securities Berhad in relation in relation to the proposed listing of Pan Merchant Berhad on the ACE Market of Bursa Securities.

PROPERTY IDENTIFICATION

The Property : Two (2) adjoining units of two-and-a-half (2½)-storey semi-detached factory

Address : Unit Nos. 17 & 19, Jalan Pengacara U1/48, Seksyen U1, 40150 Shah Alam, Selangor

Unit Nos./ Title Nos./ Lot Nos./ Land Area :

Unit No.	Title No.	Lot No.	Land Area (square metres)
No. 17	HSD 102262	PT 16076	892 (approximately 9,601 square feet)
No. 19	HSD 102263	PT 16077	892 (approximately 9,601 square feet)

All within Mukim of Damansara, District of Petaling, Selangor

Age of Building : Approximately 24 years old

Gross Floor Area :

Unit Nos.	Gross Floor Area
No. 17	714.50 square metres (approximately 7,691 square feet)
No. 19	714.50 square metres (approximately 7,691 square feet)

Tenure : Term in Perpetuity (Freehold)

Registered Owner : PMI-TECHNOLOGY SDN BHD

Encumbrances : PT 16076
Charged four (4) times by PAN MERCHANT INDUSTRIES SDN. BHD. to UNITED OVERSEAS BANK (MALAYSIA) BHD

PT 16077
Charged four (4) times by MAXZ CONCEPT (M) SDN. BHD. to UNITED OVERSEAS BANK (MALAYSIA) BHD

Category of Land Use : "Industri"

Express Condition : "Perusahaan"

Method of Valuation : Comparison Method and Income Approach (Investment Method)

Date of Valuation : 30 July 2024

14. VALUATION CERTIFICATE *(Cont'd)*

GENERAL DESCRIPTION

The subject property comprises two (2) adjoining units of two-and-a-half (2½)-storey semi-detached factory.

Site

The site, an intermediate lot each, rectangular in shape, generally flat in terrain and lies at the same level with the existing frontage metalled road, Jalan Pengacara U1/48.

Building

Based on our site inspection and the BOMBA Plan bearing File No. LS/LO/-1/ 101 HJ.A/1292/ to LS/LO/-1/ 105 HJ.A/1292/ (inclusive), the subject site includes the following buildings/structures:

Unit No. 17 (PT 16076)
1. A two-and-a-half (2½)-storey semi-detached factory
2. Refuse Chamber

Unit No. 19 (PT 16077)
1. A two-and-a-half (2½)-storey semi-detached factory
2. Refuse Chamber

The total gross floor area for each of the subject building is 714.50 square metres.

Temporary Building Permit issued by Majlis Bandaraya Shah Alam (MBSA) dated 10 July 2024, we noted that Majlis Bandaraya Shah Alam (MBSA) has granted an approval for the extension and temporary structure from the period 4 July 2024 to 3 July 2025. Due to the nature of the yearly permit, we have excluded these buildings/structures from our valuation.

REPAIRS AND MAINTENANCE

At the time of our inspection, the subject property was in fair state of repair and maintenance.

During our inspection, we noted that part of the party wall at ground floor and first floor had been taken down which connects Unit Nos. 17 and 19.

Both Unit Nos. 17 and 19 have been issued with Certificate of Fitness for Occupation (CFO) under the subject scheme dated 28 February 2000 by Majlis Perbandaran Shah Alam.

OCCUPATION

At the time of our inspection, the subject property was owner occupied.

14. VALUATION CERTIFICATE *(Cont'd)*

PLANNING PROVISIONS

The subject property is designated for industrial use as per the Express Condition in the document of titles.

METHOD OF VALUATION

In arriving at the market value of the subject property, we have adopted the Comparison Approach as the primary approach for this valuation exercise and Income Approach (Investment Method) as a secondary approach.

VALUE CONSIDERATION

I) Comparison Approach

Land Value

In arriving at the market value of the subject property based on Comparison Approach, we have considered transaction of two-and-a-half (2½)-storey semi-detached factory within the vicinity are as follows :-

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Name	Temasya Industrial Park		
Title No.	HS(D) Kekal 102235	HS(D) Kekal 102292	HS(D) Kekal 102283
Lot No.	PT 16049	PT 16106	PT 16097
Town/Mukim	Damansara		
District	Petaling		
State	Selangor		
Address	38, Jalan Pengacara U1/48	4, Jalan Pemberita U1/49	22, Jalan Pemberita U1/49
Land Area	892.00 square metres (Approximately 9,601 square feet)	892.00 square metres (Approximately 9,601 square feet)	892.00 square metres (Approximately 9,601 square feet)
Type	Two-and-a-half (2½)-storey semi-detached factory		
Tenure	Term in perpetuity (Freehold)		
Date	9/10/2023	28/07/2023	21/07/2023
Vendor	BENALEC SDN. BHD.	PANACOM SALES & SERVICES (HQ) SDN BHD	SINGARMAS SDN BHD
Purchaser	LOO TEONG GHEE +1	BANTING STAR SDN BHD	SEO AIK LEONG
Consideration	RM6,300,000/-	RM6,390,000/-	RM6,000,000/-
Land Value Analysis (RM per square foot)	RM570/-	RM580/-	RM539/-
Adjustments	Adjustment is made on time adjustment.		
Adjusted Land Value (RM psf)	RM587/-	RM596/-	RM555/-

From the above analysis, the adjusted land value ranges from RM555 per square foot to RM596 per square foot.

14. VALUATION CERTIFICATE *(Cont'd)*

VALUE CONSIDERATION (Cont'd)

We have adopted Comparable 1 and 2 as the most appropriate comparable, with Comparable 1 being situated on the same road as the subject property and Comparable 2 transacted within a similar period of time. Therefore, we have adopted an average rounded value of RM590 per square foot for the land in our valuation.

Based on the Sale and Purchase Agreement dated 30 November 2023 for PT 16076 and PT 16077, the subject property was transacted at a total consideration of RM12,200,000/- between PAN-MERCHANT INDUSTRIES SDN BHD (Vendor) and PMI-TECHNOLOGY SDN BHD (Purchaser). We noted that the transaction is a related party transaction by virtue of the common shareholders between both companies. Therefore, we have not considered this as a transaction and this sale will not impact our valuation.

Building Value

Based on the JUBM Group Construction Cost Handbook Malaysia 2024, the construction cost for industrial premises is as follows:-

Industrial Building	RM per square foot
Light duty flatted factories	RM151 – RM179
Heavy duty flatted factories and warehouses	RM183 – RM217
Single storey conventional factory of structural steelwork	RM137 – RM194
Owner operated factories, low rise	RM182 – RM231

Making reference to the above, the building values adopted for respective factory inclusive of profits and financial elements from our research for the subject building are as follows:-

Description	Building Value (RM per square foot)
Two-and-a-half (2½)-storey semi-detached factory	RM220
Refuse Chamber	RM100

Depreciation

Depreciation adjustments are made considering the obsolescence of the physical, functional and economical use of the building. The depreciation rate is based on a 50-year useful life span, the building's age as at the date of the valuation, and its obsolescence. The building age, as per Certificate of Fitness for Occupation (CFO), is about 24 years. Thus, we have adopted a depreciation of 50%.

The building value is derived at RM819,175/- each and we have allowed an estimated reinstatement cost for the party wall at RM10,972.35 each.

The summary of the market value per unit of the subject property based on Comparison Approach is summarised as follows:-

Item	Market Value
Land Value	RM5,664,590.00
Building Value	RM808,202.65
Total	RM6,472,792.65
Market Value, Say	**RM6,500,000.00**

Hence, the market value derived from Comparison Approach for each unit is **RM6,500,000/-**.

14. VALUATION CERTIFICATE *(Cont'd)*

B. Income Approach (Investment Method)

As a check, we have adopted the income Approach (Investment Method).

Description	Parameters	Remarks
Average Reversionary Gross Rental	RM2.90 psf	Considered the concluded rentals of similar buildings.
Monthly Outgoings	RM0.28 psf	Considered the current outgoings of the subject property with reference to the Quit Rent, Assessment, Fire Insurance, estimated general maintenance of the property as well as Capital Expenditure (CAPEX) allowance.
Void	5.00%	We have adopted the void for rent-free period and risk of vacancy and uncertainty.
Capitalisation Rate	3.70%	Based on the recent transaction of two-and-a-half (2½)-storey semi-detached factory within the scheme, the net yield ranges from 3.56% to 3.79%. Taking into consideration the location, building specification and building age of the subject property, we have adopted net reversionary yield at 3.75%.

Notes:"psf" denotes per square foot

The market value derived from Income Approach (Investment Method) for each unit is **RM6,100,000/-**.

Reconciliation of Value

The market value for each unit derived from both Comparison Approach and Income Approach (Investment Method) are shown as follows:-

Comparison Approach - RM6,500,000/-

Income Approach
(Investment Method) - RM6,100,000/-

We have adopted the market value derived from Comparison Approach as a fair representation of the market value of the subject property in view that there is adequate amount of transaction available within the vicinity.

14. VALUATION CERTIFICATE *(Cont'd)*

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VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property free from all encumbrances as follows:-

Unit Nos.	Lot No.	Market Value
Unit No. 17	**PT 16076**	**RM6,500,000/-**
Unit No. 19	**PT 16077**	**RM6,500,000/-**
Total		**RM13,000,000/-**

Yours faithfully
for and on behalf of
CBRE WTW Valuation & Advisory Sdn Bhd
(formerly known as C H Williams Talhar & Wong Sdn Bhd)

Sr UNGKU MOHD ISKANDAR UNGKU ISMAIL
BSc. (Hons) Property Management
MRICS, MRISM, MPEPS, MMIPFM
Registered Valuer (V-855)

15. ADDITIONAL INFORMATION

15.1. EXTRACT OF OUR CONSTITUTION

The following provisions are extracted from our Company's Constitution which complies with the Listing Requirements, the Act and the Rules.

The words and expressions appearing in the following provisions shall bear the same meanings used in our Company's Constitution unless they are otherwise defined or the context otherwise requires:

(i) Remuneration, voting and borrowing powers of Directors

(a) Directors' Remuneration

Clause 105 – Directors' Remuneration

The Directors shall be paid by way of remuneration for their services, such fees and any other benefits payable to such Directors (if any) be subject to annual shareholders' approval at General Meeting and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine, PROVIDED ALWAYS that:

(a) save as provided in Clause 105(a) hereof, an Executive Director shall, subject to the terms and any agreement (if any) entered into any particular case, receive such remuneration (whether by way of salary, commission or participation in profits or partly in one way and partly in another) as the Directors may determine. All remuneration, other than the fees provided for in Clause 105(a) hereof, payable to the Non-Executive Directors shall be determined by a resolution of the Company in General Meeting;

(b) fees payable to Non-Executive Directors shall be a fixed sum, and not by a commission on or percentage of profits or turnover;

(c) salaries payable to Executive Directors may not include a commission on or percentage of turnover; and

(d) fees payable to Directors shall not be increased except pursuant to resolution passed at a General Meeting, where notice of the proposed increase has been given in the notice convening the meeting.

Clause 106 – Reimbursement of expenses

The Directors shall be paid all their travelling and other expenses properly and necessary expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board of Directors' Meeting or General Meeting of the Company.

Clause 149 – Remuneration of Managing Director

The remuneration of the Managing Director shall, subject to the terms of any agreement entered into in any particular case, be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement.

15. ADDITIONAL INFORMATION *(Cont'd)*

(b) Voting and borrowing powers of Directors

Clause 77 – Chairman to have casting vote

In the case of an equality, if votes whether on a show of hands or a poll the Chairman of the General Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

Clauses 112 and 113 – Directors' borrowing power and issue debentures

The Director may exercise all the powers of the Company to borrow and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other Securities whether outright or as security for any debt, liability or obligation of any person or persons or of any company, whether or not having objects or engaged or intending to engage in business similar to those of the Company, including (without limitation) any company which is for the time being associated or allied with the Company in business or which is the holding company or a subsidiary (as defined in Section 4 of the Act) or an associated company.

The Directors may borrow or raise any such money as aforesaid upon or by the issue or sale of any bonds, debentures, debenture stock or securities, and upon such terms as to time of repayment, rate of interest, price of issue or sale, payment of bonus upon redemption or repayment or otherwise as they may think proper. The Company may in General Meeting grant a right for the holders of bonds, debentures, debenture stock or securities to exchange the same for Shares in the Company or any class authorised to be issued.

Clause 129 – Chairman to have casting vote at meeting of Directors

Subject to the Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote except where the quorum is made up of only two (2) Directors or where only two (2) Directors are competent to vote on the question at issue.

Clause 133 – Restriction on voting

A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest. Without prejudice to the generality of the foregoing, a Director shall also not vote in regard to any contract or proposed contract or arrangement with any other company in which he is interested either as an officer of that other company or as a holder of shares or other securities in that other company.

15. ADDITIONAL INFORMATION *(Cont'd)*

Clause 134 –Director may vote on the giving of security or indemnity where he is interested

Subject to Clause 133, a Director may vote in respect of:

(a) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or

(b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by a deposit of security.

By Ordinary Resolution of the Company, the provisions of this Clause may at any time be suspended or relaxed to any extent and either generally or in respect of any particular contract, arrangement or transaction, and any particular contract, arrangement or transaction carried out in contravention of this Clause may be ratified.

(ii) Alteration of Capital

Clause 52 – Alteration of Capital

The Company may alter its share capital in any one or more of the following ways by passing an Ordinary Resolution:

(a) to consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided Share shall be the same as it was in the case of the Share from which the subdivided Share is derived;

(b) to convert all or any of its paid-up Shares into stock and may reconvert that stock into paid-up Shares;

(c) to subdivide its share capital or any part thereof, whatever is in the subdivision, the proportions between the amount paid and the amount, if any, unpaid on each subdivided Share shall be the same as it was in the case of the Shares from which the subdivided Share is derived; or

(d) to cancel any Shares which at the date of the passing of the resolution which have been forfeited and diminish the amount of its share capital by the amount of the Shares so cancelled.

15. ADDITIONAL INFORMATION *(Cont'd)*

Clause 14 - Offer of Unissued Original Securities

In accordance with Paragraph 7.08 of the Listing Requirements, subject to any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible Securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled (hereinafter referred to as the "Pre-emptive Rights"). The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or Securities bear to the shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.

Clause 15 – Issue of new Shares

Subject to the Act, Central Depositories Act, Rules and/or Listing Requirements and notwithstanding the existence of a resolution pursuant to Section 76 of the Act, the Company must ensure that it shall not issue any Shares or convertible Securities if the total number of those Shares or convertible Securities, when aggregated with the total number of any such Shares or convertible Securities issued during the preceding twelve (12) months exceeds ten per centum (10%) of the total number of issued Shares (excluding treasury shares) of the Company, except where the Shares or convertible Securities are issued with the prior approval of the shareholders in General Meeting of the precise terms and conditions of the issue. In working out the number of Shares or convertible Securities that may be issued by the Company, if the security is a convertible security, each such security is counted as the maximum number of Shares into which it can be converted or exercised.

Clause 53 – Power to reduce capital

Notwithstanding any other authorisation and consent that may be required by the provisions of the Act, the Company may reduce its share capital by:

(a) Special Resolution and confirmation by the Court in accordance with Section 116 of the Act; or

(b) Special Resolution supported by a solvency statement in accordance with Section 117 of the Act.

(iii) Transfer of securities

Clause 37 – Transfer of Securities

The transfer of any listed Security or class of listed Security in the Company shall be by way of book entry by Bursa Depository in accordance with the Rules and notwithstanding Sections 105, 106 or 110 of the Act, subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed Securities.

15. ADDITIONAL INFORMATION *(Cont'd)*

Clause 39 – Refusal to register

The Bursa Depository may refuse to register any transfer of Deposited Security that does not comply with the Central Depositories Act and the Rules. No Securities shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

(iv) Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights

Clause 5 – Allotment of Shares and power to issue Shares

Without prejudice to any special rights previously conferred on the holders of authority of any existing shares or class of shares, and subject to the Act and to the conditions, restrictions and limitations expressed in this Constitution, the Directors may allot shares or grant rights to subscribe for or otherwise dispose of the unissued Shares in the Company to such persons, at such time and on such terms and conditions, with such preferred or deferred or other special rights or such restrictions whether in regard to dividend, voting, return of capital or otherwise as the Directors deem fit, subject to any Ordinary Resolution of the Company and the requirements of the Act, PROVIDED ALWAYS THAT:

(a) no Shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the members in a General Meeting;

(b) every issue of Shares or options to employees and/or Directors of the Company and its subsidiaries under Share Issuance Scheme shall be approved by the members in a General Meeting;

(c) the rights attaching to the Shares of a class other than ordinary shares be stated at the time of issue; and

(d) the Company shall have the power to issue preference capital ranking equally with, or in priority to, preference shares already issued.

Clause 9 – Rights of Preference Shareholders

Preference shareholders shall have the same rights as ordinary shareholders with regards to receiving notices, reports and audited financial statements and attending General Meetings of the Company and shall also have the right to vote at any meeting in each of the following circumstances:

(a) when the dividend or part of the dividend on the preference shares are in arrears for more than six (6) months;

(b) on a proposal to reduce the Company's issued share capital;

(c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;

(d) on a proposal that affects the rights attached to the preference shares;

(e) on a proposal to wind up the Company; and

(f) during the winding-up of the Company.

15. ADDITIONAL INFORMATION *(Cont'd)*

Clause 50 – Modification of class rights

If at any time, the share capital by reason of the issue of preference shares or otherwise is divided into different classes the repayment of such preferred capital or all or any of the rights and privileges attached to each class may be subject to the provisions of the Act be varied, modified, commuted, affected, abrogated or dealt with by a written consent representing not less than seventy-five per centum (75%) of the total voting rights of the preference shareholders or by Special Resolution passed by the holders at least seventy-five per centum (75%) of the total voting rights at a separate General Meeting of the holders of that class and all the provisions hereinafter contained as to General Meetings shall equally apply to every such meeting except that the quorum hereof shall be members holding or representing by proxy at least three-fourths (3/4) of the issued Shares of the class. Provided however that in the event of the necessary majority for such a Special Resolution not having been obtained in the manner aforesaid consent in writing may be secured from members holding at least seventy-five per centum (75%) of the total voting rights and such consent if obtained within two (2) months from the date of the separate general meeting shall have the force and validity of a resolution duly carried by a vote in person or by proxy.

Clause 51 – Ranking of class rights

The right conferred upon the holders of Shares of any class shall not, unless otherwise expressly provided by the terms of issue of further Shares ranking as regards participation in the profits or assets of the Company in some or in all respect *pari passu* therewith.

Clause 44 - Death of holder of Shares

Any person becoming entitled to a Share which is a Deposited Security in consequence of the death or bankruptcy of a member may apply to the Bursa Depository to transfer the Shares into his Securities Account supported by the relevant documents and in accordance with the Central Depositories Act and/or the Rules. The said person shall deliver or send to the Company and the Bursa Depository a written notice signed by him expressing his aforesaid intention provided that notice in writing thereof has been given to the Company. Subject to the Act, the Central Depositories Act and the Rules, a person becoming entitled to Securities by reason of the death or bankruptcy of the holder thereof shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Securities, except that he shall not before being registered as a member in respect of the Share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided further always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Securities and if the notice is not complied with within ninety (90) days, the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Securities until the requirements of the notice have been complied with.

Clause 46 - Rights of stock holders' participation in dividends and profits

The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards dividends, participation in assets on a winding-up, voting at meetings of the Company and other matters as would have been conferred by the Shares from which the stock arose, but so that none of such right, privileges or advantages (except participation in dividends and profits of the Company and in assets on a winding-up) shall be conferred by an amount of the stock which would not, if existing in Shares, have conferred such right, privilege or advantage.

15. ADDITIONAL INFORMATION *(Cont'd)*

Clause 160 – Dividends in proportion to amounts paid

Subject to the rights of persons (if any) entitled to Shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the Shares in respect whereof the dividend is paid, but no amount paid up on a Share in advance of a call shall be treated for the purposes of this Clause as paid up on the Share. All dividends shall be apportioned and paid pro-rata according to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid except that if any Share is issued on terms providing that it shall rank for dividend as if paid-up (in whole or in part) as from a particular date, such Share shall rank for dividend accordingly.

15.2. SHARE CAPITAL

(i) No Shares will be allotted, issued or offered on the basis of this Prospectus later than 6 months after the date of the issue of this Prospectus.

(ii) There is no founder, management or deferred shares in our Company. As at the date of this Prospectus, we only have 1 class of shares, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.

(iii) Save as set out in Section 6.2.4(c) of this Prospectus (in relation to PMIT Holding NL) and 6.2.7(c) of this Prospectus (in relation to PMIT US), none of our Group's capital is under any option or agreed conditionally or unconditionally to be put under any option as at the date of this Prospectus.

(iv) No person has been or is entitled to be given an option to subscribe for any share, stock, debenture or other security of our Group, except for the Pink Form Allocations.

(v) There is no scheme involving our employees in the capital of our Group, except for the Pink Form Allocations.

(vi) The details of the share capital of our Company and our subsidiaries together with their respective changes for the Financial Years Under Review and up to the LPD are disclosed in Section 6 of this Prospectus respectively.

(vii) Save as disclosed in Section 6 of this Prospectus, no more than 10% of share capital of our Company or our subsidiaries has been paid for with assets other than cash, within the past 3 years from the LPD.

(viii) Save as disclosed in Sections 4 and 6 of this Prospectus, no shares, outstanding warrants, options, convertible securities or uncalled capital of our Group have been or are proposed to be issued as fully or partly paid-up, in cash or otherwise than in cash, for the Financial Years Under Review and up to the LPD.

(ix) As at the date of this Prospectus, our Group does not have any outstanding convertible debt securities, options, warrants or uncalled capital.

15. ADDITIONAL INFORMATION *(Cont'd)*

15.3. LIMITATION ON THE RIGHT TO OWN SECURITIES AND/OR EXERCISE VOTING RIGHTS

Save for the clauses below which have been reproduced from our Company's Constitution, there is no limitation on the right to own securities, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on our Shares:

Clause 61

Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations, 1996 (where applicable) and notwithstanding any provisions in the Act, a Depositor shall not be regarded as a member entitled to attend any General Meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.

Clause 83(c)

Subject to Clauses 59, 60 and 61 above, a member of the Company shall be entitled to be present and to vote at any General Meeting in respect of any Shares upon which all calls due to the Company have been paid. No person shall be entitled to be present or to vote on any resolution either as a member or otherwise as a proxy, or attorney, or representative at any General Meeting or demand a poll or be reckoned in the quorum in respect of any Shares upon which calls are due and unpaid.

15.4. REPATRIATION OF CAPITAL, REMITTANCE OF PROFIT AND TAXATION

15.4.1. Malaysia

All corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single-tier dividend are not taxable other than the 2% dividend tax which has taken effect in the year of assessment 2025 on annual dividend income exceeding RM100,000 received by individual who is a shareholder of a company, either through direct shareholding or a nominee, which consists of dividend paid, credited or distributed, whether in monetary form or otherwise. Further, the Government does not levy withholding tax on dividend payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian resident companies. There is no Malaysian capital gains tax arising from the disposal of listed shares.

15.4.2. Singapore

Since 1 January 2003, Singapore has adopted a one-tier corporate tax system. The tax paid by a company on its chargeable income is a final tax and all dividends paid by a company are exempted from further Singaporean taxation in relation to the shareholder. Singapore does not impose withholding tax on dividends as well. Further, Singapore does not tax capital gains derived from the sale of capital assets unless the capital assets are offshore assets earned by a company in Singapore whose financial results must be consolidated with those of a foreign affiliate based on international financial reporting standards and the capital gains are received or deemed received in Singapore on or after 1 January 2024, in which case the capital gains concerned are taxable at the prevailing corporate income tax rate of 17%. However, an exemption of the capital gains tax applies if PMIT Singapore has sufficient economic substance in Singapore.

As at the LPD, there are no Singaporean governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and the remittance of profits by our foreign subsidiary, PMIT Singapore, to our Company so long as our Company is not a shareholder who is subject to any financial sanctions or other restrictions imposed by the Monetary Authority of Singapore or other regulatory authorities of Singapore.

15. ADDITIONAL INFORMATION *(Cont'd)*

Dividend paid by PMIT Singapore to our Company will be exempted from payment of Malaysian income tax until 31 December 2026 subject to the conditions that either the dividend income has been subjected to income tax in Singapore and the highest corporate tax rate in Singapore in the year the dividend is taxed is not less than 15% or that the Company has sufficient economic substance in Malaysia, as specified in the guidelines on tax treatment in relation to income which is received from abroad issued by the IRB.

15.4.3. Netherlands

Based on the Dutch dividend withholding tax rules the entity that distributes dividend is obliged to withhold 15% Dutch dividend withholding tax. This is however subject to tax treaty application or application of the domestic exemption from Dutch dividend withholding tax (**"WHT Exemption"**). The conditions for the WHT Exemption are as follows:

(i) The dividend receiving company is a company that (according to local tax legislation) is resident in another European Union (EU)/European Entrepreneurial Region (EER) member state or in a non-EU/EER state that concluded a tax treaty with the Netherlands including a dividend article.

(ii) The dividend receiving company holds a share of interest of at least 5% in the dividend paying company;

(iii) The dividend receiving company does not qualify as a resident of a third state for local tax treaty purposes (third state in this context being a non-EU/EER state that has not concluded a tax treaty with the Netherlands);

(iv) The dividend receiving company should not have a function comparable to a tax-exempt investment fund;

(v) The dividend receiving company should qualify as beneficial owner of the dividend;

(vi) The dividend receiving company does not fall within the criteria of the Dutch general anti-abuse rule (GAAR).

If all of the above requirements are fulfilled the Dutch entity can distribute the dividend without application of Dutch dividend withholding tax.

Under the tax treaty between the Netherlands and Malaysia, Malaysia has the initial right to levy tax on received dividend distributions. However, if the ultimate beneficial owners of the dividend is a company that directly or indirectly holds less than 25% of the capital of the entity paying the dividend, the Netherlands is also permitted to levy tax. Assuming that the Malaysian receiving entity is the 100% shareholder of the Dutch entity, this means that the Netherlands is not allowed to levy tax based on the provisions of the tax treaty, unless disallowed under the relevant tax provisions.

Following the above, any dividends can be distributed free from Dutch dividend withholding tax in a case where it can be substantiated that our Malaysian group company is an essential link in the corporate structure and not a company that is artificially interposed for Dutch dividend withholding tax avoidance motives. For example, our Malaysian group company should carry on an active business enterprise itself and the interest in the Dutch entities can be attributed to this active business (i.e. Malaysia entity manages the Dutch entity).

15. ADDITIONAL INFORMATION *(Cont'd)*

15.4.4. USA

Dividend payments are not deductible for US tax purposes and are subject to US income tax withholding. Outbound dividend payments are in principle subject to 30% U.S. income tax withholding unless a lower rate is available pursuant to the applicable treaty between US and The Netherlands (presently The Convention Between The United States Of America And The Kingdom Of The Netherlands For The Avoidance Of Double Taxation And The Prevention Of Fiscal Evasion With Respect To Taxes On Income ("**Treaty**")). Provided that PMIT USA NL is engaged in the active conduct of a trade or business in the Netherlands, a 5% withholding rate would apply.

Capital gains resulting from the sale of capital assets by a non-US person are not subject to withholding tax provided that the non-US person is not engaged in a US trade or business.

15.5. PUBLIC TAKE-OVERS

None of the following has occurred during the last financial year and up to the LPD:

(i) public take-over offers by third parties in respect of our Group's shares; and

(ii) public take-over offers by us in respect of other company's shares.

15.6. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, we are not engaged in any material litigation, claims and/or arbitration, either as plaintiff or defendant, which has a material effect on our financial position, and our Directors confirm that there are no proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect our financial position or business.

15.7. MATERIAL CONTRACTS

Save as disclosed below, we have not entered into any contracts which are material (not being contracts entered into in the ordinary course of business) within the period covered by the historical financial information as disclosed in this Prospectus up to the date of this Prospectus:

(i) a sale and purchase agreement dated 30 November 2023 between Pan-Merchant Industries (as vendor) and PMIT Malaysia (as purchaser) in respect of the acquisition by PMIT Malaysia for two (2) properties held under:

  (a) HS(D) 102262 PT16076, Mukim Damansara Daerah Petaling, Negeri Selangor Darul Ehsan, with the address of 17 Jalan Pengacara U1/48, Temasya Industrial Park, 40150 Shah Alam, Selangor; and

  (b) HS(D) 102263 PT16077, Mukim Damansara Daerah Petaling, Negeri Selangor Darul Ehsan, with addresses of 19, Jalan Pengacara U1/48, Temasya Industrial Park, 40150 Shah Alam, Selangor,

  for a total cash consideration of RM12.20 million. The sale and purchase agreement for this transaction was completed on 31 December 2023;

(ii) a shareholders' agreement dated 11 July 2024 between PMIT US and its shareholders namely PMIT USA NL and Ryan Christopher Boyd;

(iii) the SSA dated 23 August 2024 and Supplemental SSA dated 5 December 2024 in relation to the Acquisition of PMIT Malaysia. The SSA was completed on 2 May 2025. Please refer to Section 4.3.1.1 of this Prospectus for further details;

15. ADDITIONAL INFORMATION *(Cont'd)*

(iv) a shareholders' agreement dated 28 August 2024 between PMIT Holding NL and its shareholders namely PMI Holding NL, F.G. Veldkamp Beheer B.V., Lupé Beheer B.V., EMMAX Beheer B.V., and Jasper Johannes Vreeman; and

(v) the Underwriting Agreement.

15.8. CONSENTS

(i) The written consents of our Principal Adviser, Sponsor, Sole Placement Agent and Sole Underwriter, Solicitors to our Company, Internal Control Consultant, Tax Consultant, Share Registrar, Issuing House and Company Secretaries for the inclusion in this Prospectus of their names and all references in the form and context in which their names appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

(ii) The written consent of our Auditors and Reporting Accountants for the inclusion in this Prospectus of their name, the Accountants' Report and the Reporting Accountants' Report on the Pro Forma Consolidated Statements of Financial Position as at 31 December 2024 and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

(iii) The written consent of the IMR for the inclusion in this Prospectus of its name and IMR Report and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

(iv) The written consent of the Valuer for the inclusion in this Prospectus of its name and the Valuation Certificate and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

15.9. RESPONSIBILITY STATEMENTS

(i) This Prospectus has been seen and approved by our Directors and Promoters and Selling Shareholder. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

(ii) Affin Hwang IB as the Principal Adviser, Sponsor, Sole Placement Agent and Sole Underwriter acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts relating to our IPO.

15. ADDITIONAL INFORMATION *(Cont'd)*

15.10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office during office hours for a period of 6 months from the date of this Prospectus:

(i) our Constitution;

(ii) the IMR Report referred to in Section 8 of this Prospectus;

(iii) the Reporting Accountants' Report on the Pro Forma Consolidated Statements of Financial Position of our Group as at 31 December 2024 referred to in Section 12.9 of this Prospectus;

(iv) the Accountants' Report as included in Section 13 of this Prospectus;

(v) the Valuation Certificate as included in Section 14 of this Prospectus;

(vi) the material contracts referred to in Section 15.7 of this Prospectus;

(vii) the letters of consent referred to in Section 15.8 of this Prospectus;

(viii) the audited financial statements for Pan Merchant for the financial period from 18 March 2024 up to 31 December 2024; and

(ix) the audited financial statements of PMIT Malaysia for the Financial Years Under Review.

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16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT OUR ISSUING HOUSE, FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus. Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

16.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD : 10:00 A.M., 6 JUNE 2025

CLOSING OF THE APPLICATION PERIOD : 5:00 P.M., 17 JUNE 2025

In the event of any change to the dates stated above, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia newspapers within Malaysia and make an announcement on Bursa Securities' website. The dates for the balloting of the applications of the IPO Shares, the allotment of our IPO Shares and our Listing would then be extended accordingly.

Late Applications will not be accepted.

16.2 METHODS OF APPLICATIONS

16.2.1 Application for our IPO Shares by the Malaysian Public and Eligible Persons

Application must accord with this Prospectus and our Constitution. You agree to be bound by our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investors	Application method
Applications by the Malaysian Public:	
(a) Individuals	**WHITE** Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	**WHITE** Application Form only
Applications by the Eligible Persons	**PINK** Application Form only

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

16.2.2 Application by selected investors via private placement

Types of Application	Application method
Applications by:	
(a) Selected investors	Our Sole Placement Agent will contact the selected investors directly. They should follow the Sole Placement Agent's instructions.
(b) Bumiputera investors approved by MITI	MITI will contact the Bumiputera investors directly. They should follow the MITI's instructions.

Selected investors may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

16.3 ELIGIBILITY

16.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. **Invalid, nominee or third party** CDS accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

AN APPLICANT WHO WISHES TO SUBMIT APPLICATIONS USING A JOINT BANK ACCOUNT MUST CONTACT THE FINANCIAL INSTITUTION HANDLING THE APPLICATIONS TO ENSURE THAT THE NAME ON THE JOINT BANK ACCOUNT MATCHES THE NAME ON THEIR CDS ACCOUNT. THIS STEP MINIMIZES THE RISK OF REJECTION OF IPO APPLICATIONS DUE TO NAME DISCREPANCIES. OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUES ARISING THEREAFTER.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

16.3.2 Applications by Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

(i) You must be one of the following:

(a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or

(b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

(c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.

(ii) You must not be a director or employee of our Issuing House or an immediate family member of a director or employee of Issuing House; and

(iii) You must submit Applications by using only one of the following methods:

(a) White Application Form;

(b) Electronic Share Application; or

(c) Internet Share Application.

16.3.3 Application by Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated IPO Shares. The Eligible Persons must follow the notes and instructions in the said document and where relevant, in this Prospectus. All duly completed Pink Application Forms should be submitted to our Group through the Human Resources or Finance Department.

The Eligible Persons may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, Issuing House, Affin Hwang IB, participating organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

16.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.27 for each IPO Share.

Payment must be made out in favour of **"MIH SHARE ISSUE ACCOUNT NO. 673"** and crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name and address.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

The method below is relevant for White Form Application Form only whereas for Pink Application Form, kindly direct the submission of the form to our Company, through the Human Resources or Finance Department.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

(i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

MALAYSIAN ISSUING HOUSE SDN BHD
(Registration No.199301003608 (258345-X))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

or

P.O. Box 00010
Pejabat Pos Jalan Sultan
46700 Petaling Jaya
Selangor Darul Ehsan

(ii) **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan,

so as to arrive not later than 5:00 p.m. on 17 June 2025 or by such other time and date specified in any change to the date and time for closing of the applications for our IPO Shares.

We, together with our Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Forms to our Issuing House.

16.5 PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only **Malaysian individuals** may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

16.6 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only **Malaysian individuals** may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions or Participating Securities Firms, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn Bhd (*formerly known as CGS-CIMB Securities Sdn Bhd*), Malacca Securities Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn Bhd, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions or Participating Securities Firms.

16.7 AUTHORITY OF OUR BOARD AND ISSUING HOUSE

The Issuing House on the authority of our Board reserves the right to:

(i) reject Applications which:

  (a) do not conform to the instructions of this Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

  (b) are illegible, incomplete or inaccurate; or

  (c) are accompanied by an improperly drawn up, or improper form of, remittance; or

(ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 16.9 of this Prospectus.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of our Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

16.8 OVER/UNDER SUBSCRIPTION

In the event of over-subscription, our Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of IPO Shares and the balloting results in connection therewith will be furnished by our Issuing House to the SC, Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on our Issuing House's website at www.mih.com.my within 1 market day after the balloting event.

Pursuant to the Listing Requirements, we are required to have a minimum of 25% of our Company's total number of issued Shares to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest or any share of revenue or benefits arising therefrom) and if such monies are not returned in full within 14 days after our Company becomes liable to do so, the provision of Section 243(2) of the CMSA shall apply accordingly.

In the event of an under-subscription of our IPO Shares, subject to the underwriting arrangements and reallocation as set out in Section 4.3.1.2 of our Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Sole Underwriter based on the terms of the Underwriting Agreement.

16.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

16.9.1 For applications by way of Application Forms

(i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.

(ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the national registration identity card (NRIC) or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by our Issuing House as per items (i) and (ii) above (as the case may be).

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

(iv) Our Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

16.9.2 For applications by way of Electronic Share Applications and Internet Share Applications

(i) Our Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the application monies or the balance of it will be credited without interest into your account with the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from our Issuing House.

(ii) You may check your account on the 5th Market Day from the balloting date.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by our Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot.

(iv) For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will credit the application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from our Issuing House.

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16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

16.10 SUCCESSFUL APPLICANTS

If you are successful in your Application:

(i) our IPO Shares allotted to you will be credited into your CDS account.

(ii) a notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(iii) in accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. As such, our IPO Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules.

(iv) In accordance with Section 29 of the SICDA, all dealings in our IPO Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

16.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	**Parties to direct the enquiries**
Application Form	Issuing House Enquiry Services at telephone no. [+603-7890 4700]
Electronic Share Application	The relevant Participating Financial Institution
Internet Share Application	The relevant Internet Participating Financial Institution or Participating Securities Firms and Authorised Financial Institution

You may also check the status of your Application at the Issuing House's website at www.mih.com.my, by entering your CDS Account Number on the site after the allotment date. The status of your Application will be available by 3:00 PM. Alternatively, you may contact any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.

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DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF PAN MERCHANT BERHAD ("PAN MERCHANT" OR THE "COMPANY") DATED 6 JUNE 2025 ("PROSPECTUS").

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

1. Opening and closing of Applications

Opening of the application period: 10.00 a.m., 6 June 2025

Closing of the application period: 5.00 p.m., 17 June 2025

Applications for our IPO Shares will open and close at the times and dates stated above. If there are any changes to this timetable, we will advertise a notice of the changes in a widely circulated English and Bahasa Malaysia newspaper within Malaysia.

Late Applications will not be accepted.

2. Methods of Application

2.1 Application for our IPO Shares by the Malaysian Public and Eligible Persons

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that your Application will succeed. You agree to be bound by our Constitution.

Types of Application and category of investors	Application Method
Applications by the Malaysian Public:	
(a) Individuals	• White Application Form; or • Electronic Share Application; or • Internet Share Application
(b) Non-individuals	White Application Form only
Applications by the Eligible Persons	PINK Application Form only

2.2 Application by selected investors via private placement

Types of Application	Application method
Applications by:	
(a) Selected investors	Our Sole Placement Agent will contact the selected investors directly. They should follow the Sole Placement Agent's instructions.
(b) Bumiputera investors approved by MITI	MITI will contact the Bumiputera investors directly. They should follow MITI's instructions.

Selected investors may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

3. Eligibility

3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in **Section 11** of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

AN APPLICANT WHO WISHES TO SUBMIT APPLICATIONS USING A JOINT BANK ACCOUNT MUST CONTACT THE FINANCIAL INSTITUTION HANDLING THE APPLICATIONS TO ENSURE THAT THE NAME ON THE JOINT BANK ACCOUNT MATCHES THE NAME ON THEIR CDS ACCOUNT. THIS STEP MINIMISES THE RISK OF REJECTION OF IPO APPLICATIONS DUE TO NAME DISCREPANCIES. OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUES ARISING THEREAFTER.

3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following: -

(i) You must be one of the following: -

(a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or

(b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the IPO share capital, excluding preference share capital, is held by Malaysian citizens; or

(c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.

(ii) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and

(iii) You must submit an Application by using only one of the following methods: -

(a) White Application Form; or

(b) Electronic Share Application; or

(c) Internet Share Application.

3.3 Application by Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated IPO shares. Applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus. All duly completed Pink Application Forms should be submitted to our Group through the Human Resources or Finance Department.

4. Procedures for Application by way of Application Forms

Each application for our IPO Shares must be made using the correct type of Application Form. The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted. The Malaysian Public must follow the following procedures in making their applications through the **White Application Form**: -

(i) Obtain the relevant Application Form together with the Official "A" and "B" envelopes and our Prospectus.

The **White Application Form** together with our Prospectus, can be obtained subject to availability from Affin Hwang IB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association, the Issuing House and our Company.

(ii) In accordance with Section 232(2) of the CMSA, the **White Application Form** is accompanied by our Prospectus. You are advised to read and understand our Prospectus before making your Application.

(iii) Complete the **White Application Form** legibly and **STRICTLY** in accordance with the notes and instructions printed on it and in our Prospectus, including: -

(a) ensuring that your personal particulars submitted in your Application are identical with the records maintained by Bursa Depository. You are required to inform Bursa Depository promptly of any change to your personal particulars as the notification letter of successful allocation will be sent to your registered or correspondence address last maintained with Bursa Depository;

(b) stating your CDS Account number in the space provided in the **White Application Form**. Invalid or nominee or third-party CDS Accounts will **not** be accepted;

(c) Stating the details of your payment in the appropriate boxes provided in the **White Application Form**; and

(d) Stating the number of shares applied. Applications must be for at least 100 IPO Shares or multiples of 100 IPO Shares.

(iv) Prepare the appropriate form of payment in RM for the FULL amount payable based on the IPO Price of RM0.27 for each IPO Share.

Method below is relevant for White Form Application Form only whereas for Pink Application Form, kindly direct the submission of the form to our Company, through the Human Resources or Finance Department.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Payment must be made out in favour of "**MIH SHARE ISSUE ACCOUNT NO. 673**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address.

Only Banker's Draft or Cashier's Order drawn on a bank in Kuala Lumpur, Money or Postal Orders (for applicants from Sabah and Sarawak only) and Guaranteed Giro Order from Bank Simpanan Nasional Malaysia Berhad will be accepted.

We will not accept Applications with excess or insufficient remittances or inappropriate forms of payment. Remittances must be completed in the appropriate boxes provided in the **White Application Form**.

(v) Insert the **White Application Form** together with payment and a legible photocopy of your identification document (national registration identity card ("**NRIC**") or official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) or certificate of incorporation or the certificate of change of name for corporate or institutional applicant (where applicable)) into the Official "A" envelope and seal it. You must write your name and address on the outside of the Official "A" and "B" envelopes.

Affix an RM1.50 stamp on the Official "A" envelope and insert the Official "A" envelope into the Official "B" envelope.

The name and address written must be identical to your name and address as in your NRIC or any official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) for individual applicant; or certificate of incorporation or the certificate of change of name for corporate or institutional applicant (where applicable).

(vi) Each completed **White Application Form**, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods: -

1. despatched by **ORDINARY POST** in the official envelopes provided to the following address: -

   Malaysian Issuing House Sdn Bhd
   (Registration No. 199301003608 (258345-X))
   11th Floor, Menara Symphony
   No. 5, Jalan Prof. Khoo Kay Kim
   Seksyen 13
   46200 Petaling Jaya
   Selangor Darul Ehsan

   or

   P.O. Box 00010
   Pejabat Pos Jalan Sultan
   46700 Petaling Jaya
   Selangor Darul Ehsan

2. **DELIVERED BY HAND AND DEPOSITED** in the Drop-in Boxes provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan so as to arrive not later than **5.00 p.m.** on **17 June 2025** or by such other time and date specified in any change to the date or time for closing. We will not accept late Applications.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your **White Application Form** or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

Application by way of Electronic Share Application

4.1 Participating Financial Institutions

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public through the ATMs of the following Participating Financial Institutions and their branches. The following processing fee for each Electronic Share Application will be charged by the respective Participating Financial Institutions (unless waived) as follows: -

Participating Financial Institutions	Charges
Affin Bank Berhad	Free
Alliance Bank Malaysia Berhad	RM1.00
AmBank (M) Berhad	RM1.00
CIMB Bank Berhad	RM2.50
Malayan Banking Berhad	RM1.00
Public Bank Berhad	RM2.00
RHB Bank Berhad	RM2.50

Please note that these processing fees may be varied or waived from time to time at the discretion of the respective Participating Financial Institutions. Please contact the relevant Participating Financial Institutions for further enquiries.

4.2 Procedures for Electronic Share Application

The procedures for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions.

PLEASE READ THE TERMS OF OUR PROSPECTUS, THE TERMS AND CONDITIONS AND PROCEDURES FOR ELECTRONIC SHARE APPLICATIONS SET OUT BELOW AND AT THE RESPECTIVE ATMS CAREFULLY PRIOR TO MAKING AN ELECTRONIC SHARE APPLICATION.

If you encounter any problems in your Application, you may refer to the respective Participating Financial Institutions.

You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for our IPO Shares at an ATM belonging to other Participating Financial Institutions.

You are to submit at least the following information through the ATM, where the instructions on the ATM screen require you to do so: -

- Personal Identification Number ("**PIN**");
- MIH Share Issue Account No. 673;

- Your CDS Account number;
- Number of IPO Shares applied for and the RM amount to be debited from the account; and
- Confirmation of several mandatory statements as set out in **Section 4.3** below. Upon the completion of your Electronic Share Application transaction at the ATM, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or the Issuing House. The Transaction Record is for your record~~s~~ and should not be submitted with any Application Form.

4.3 Terms and conditions for Electronic Share Application

You must have a CDS Account to be eligible to use the Electronic Share Application. Invalid, nominee or third-party CDS Accounts will not be accepted.

YOU MUST ENSURE THAT YOU USE YOUR OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. IF YOU OPERATE A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION, YOU MUST ENSURE THAT YOU ENTER YOUR OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE ABOVE.

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below: -

(i) The Electronic Share Application shall be made in relation to and subject to the terms of our Prospectus and our Company's Constitution.

(ii) You are required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct: -

(a) You are at least 18 years old as at the date of the application for our IPO Shares;

(b) You are a Malaysian citizen residing in Malaysia;

(c) You have read our Prospectus and understood and agreed with the terms and conditions of the Application;

(d) The Electronic Share Application is the only application that you are submitting for our IPO Shares offered to the Malaysian Public; and

(e) You give consent to the disclosure by the relevant Participating Financial Institution and/or Bursa Depository, as the case may be, of your information, your Electronic Share Application or your account with the Participating Financial Institution and Bursa Depository, to the Issuing House and other relevant authorities.

Your Application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institutions. By doing so, it is considered that you have confirmed each of the above statements as well as given consent in accordance with the relevant laws of Malaysia (including but not limited to Sections 133 and 134 of the Financial Services Act, 2013 and Section 45 of SICDA) to the disclosure by the relevant Participating Financial Institutions and/or Bursa Depository, as the case may be, of your information to the Issuing House or any relevant authority.

(iii) You confirm that you are not applying for our IPO Shares offered to the Malaysian Public as a nominee of any other person and your Electronic Share Application is made in your name, as the beneficial owner. You shall only make one Electronic Share Application and shall not make any other application for our IPO Shares offered to the Malaysian Public.

(iv) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time the Electronic Share Application, to cover and pay for our IPO Shares and the relating processing fees, charges and expenses, if any, to be incurred, failing which your Electronic Share Application will not be deemed complete. Any Electronic Share Application which does not conform strictly to the instructions set out in our Prospectus or any instruction displayed on the screens of the ATM through which the Electronic Share Application is being made, will be rejected.

(v) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated in the Transaction Record or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate a lesser number of such IPO Shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation of the number of IPO Shares applied for (by your action of pressing the designated keys or buttons on the ATM keyboard) shall be deemed to signify, and shall be treated as,

   (a) your acceptance of the number of IPO Shares that may be allotted or allocated to you in the event that your Electronic Share Application is successful or successful in part, as the case may be; and

   (b) your agreement to be bound by our Constitution.

(vi) The Issuing House, on the authority of our Board, reserves the right to reject any Electronic Share Application or accept any Electronic Share Application in whole or in part only without the need to give any reason. Due consideration will be given to the desirability of allotting or allocating our IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.

(vii) You request and authorise us:-

   (a) to credit our IPO Shares allotted or allocated to you into your CDS Account; and

   (b) to issue share certificate(s) representing such IPO Shares or jumbo certificates which represent, amongst others, such IPO Shares, allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

(viii) You acknowledge that your Electronic Share Application is subject to risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond our control or the control of the Issuing House, Bursa Depository or the Participating Financial Institution, and irrevocably agree that if: -

(a) our Company or the Issuing House does not receive your Electronic Share Application and/or payment; or

(b) any data relating to your Electronic Share Application is wholly or partially lost, corrupted, or otherwise inaccessible, or not transmitted or communicated to our Company or the Issuing House,

you will be deemed not to have made an Electronic Share Application and will not make any claim whatsoever against our Company, the Issuing House and/or the relevant Participating Financial Institution for our IPO Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.

(ix) All of your particulars in the records of the relevant Participating Financial Institution at the time of making the Electronic Share Application shall be deemed to be true and correct, and our Company, the Issuing House and the relevant Participating Financial Institution, and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information, shall be entitled to rely on the accuracy thereof.

(x) You must ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Share Application will be rejected. You must inform Bursa Depository promptly of any change in your address, failing which the notification letter of successful allotment will be sent to your registered or correspondence address last maintained with Bursa Depository.

(xi) By making and completing an Electronic Share Application, you agree that: -

(a) in consideration of us agreeing to allow and accept the application for our IPO Shares through the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;

(b) we, the Participating Financial Institutions, Bursa Depository and the Issuing House shall not be liable for any delay, failure or inaccuracy in the processing of data relating to your Electronic Share Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our or the control of any of them;

(c) notwithstanding the receipt of any payment by or on behalf of our Company, the acceptance of your offer to subscribe for and purchase our IPO Shares for which the Electronic Share Application has been successfully completed shall be constituted by the issue of notices of allotment in respect of the said IPO Shares;

(d) you irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renouncee any instrument of transfer and other documents required for the issue or transfer of our IPO Shares allotted or allocated to you; and

(e) you agree that in relation to any legal action, proceedings or disputes arising out of or in relation to the contract between the parties and/or the Electronic Share Application and/or any terms of our Prospectus, all rights, obligations and liabilities of the parties shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies of Malaysia and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

(xii) the Issuing House, acting on the authority of our Board, reserves the right to reject Applications which do not conform to these instructions.

5. Application by way of Internet Share Application

5.1 Internet Participating Financial Institutions or Participating Securities Firms

Applications for our IPO Shares by the Malaysian Public Individuals may be made through the Internet financial services website of the Internet Participating Financial Institutions or Participating Securities Firms.

The following processing fee for each Internet Share Application will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) as follows:

YOU ARE ADVISED NOT TO APPLY FOR OUR IPO SHARES THROUGH ANY WEBSITE OTHER THAN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS.

Internet Participating Financial Institution	Website address	Fees charged
Affin Bank Berhad	https://rib.affinalways.com	Free
Alliance Bank Malaysia Berhad	www.allianceonline.com.my	RM1.00
CGS International Securities Malaysia Sdn Bhd *(formerly known as CGS-CIMB Securities Sdn Bhd)*	eipo.cgsi.com.my	RM2.00 for payment through CIMB Bank Berhad or Malayan Banking Berhad
Malacca Securities Sdn Bhd	https://eipo.mplusonline.com	Free
Malayan Banking Berhad	www.maybank2u.com.my	RM1.00
Moomoo Securities Malaysia Sdn. Bhd.	https://www.moomoo.com/my	Free
Public Bank Berhad	www.pbebank.com	RM2.00
RHB Bank Berhad	https://www.rhbgroup.com/index.html	RM2.50

Please note that these fees may be varied or waived from time to time at the discretion of the respective Internet Participating Financial Institutions or Participating Securities Firms. Please contact the relevant Internet Participating Financial Institutions or Participating Securities Firms for further enquiries.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

PLEASE READ THE TERMS OF OUR PROSPECTUS, THE TERMS AND CONDITIONS AND PROCEDURES FOR INTERNET SHARE APPLICATIONS SET OUT BELOW AND AT THE INTERNET FINANCIAL SERVICES WEBSITE OF THE RESPECTIVE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS CAREFULLY PRIOR TO MAKING AN INTERNET SHARE APPLICATION.

If you encounter any problems in your Application, you may refer to the respective Internet Participating Financial Institutions or Participating Securities Firms.

5.2 Terms and conditions for Internet Share Application

PLEASE NOTE THAT THE ACTUAL TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE RESPECTIVE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS.

An Internet Share Application shall be made on and subject to the following terms and conditions: -

(i) You can make an Internet Share Application if you fulfill all of the following: -

(a) You are an individual with a CDS Account and in the case of a joint account, an individual CDS Account registered in your name which is to be used for the purpose of the application if you are making the application instead of a CDS Account registered in the joint account holder's name;

(b) You have an existing account with access to Internet financial services facilities with an Internet Participating Financial Institution or Participating Securities Firms. You must have your user identification ("**User ID**") and Personal Identification Numbers ("**PIN**")/password for the relevant Internet financial services facilities; and

(c) You are a Malaysian citizen and have a mailing address in Malaysia.

You are advised to note that a User ID and PIN/password issued by one of the Internet Participating Financial Institutions or Participating Securities Firms cannot be used to apply for our IPO Shares at Internet financial service websites of other Internet Participating Financial Institutions or Participating Securities Firms.

(ii) An Internet Share Application shall be made on and subject to the terms of our Prospectus and our Company's Constitution.

(iii) You are required to confirm the following statements (by selecting the designated hyperlink on the relevant screen of the Internet financial services website of the Internet Participating Financial Institution or Participating Securities Firms) and to undertake that the following information given are true and correct: -

(a) You are at least 18 years old as at the date of the application for our IPO Shares;

(b) You are a Malaysian citizen residing in Malaysia;

(c) You have read our Prospectus and understood and agreed with the terms and conditions of the Application;

(d) The Internet Share Application is the only application that you are submitting for our IPO Shares offered to the Malaysian Public;

(e) You authorise the Internet Participating Financial Institution or Participating Securities Firms or the Authorised Financial Institution to deduct the full amount payable for our IPO Shares from your account with the Internet Participating Financial Institution or Participating Securities Firms or the Authorised Financial Institution;

(f) You give consent in accordance with the relevant laws of Malaysia (including but not limited to Sections 133 and 134 of the Financial Service Act, 2013 and Section 45 of SICDA) to the disclosure by the relevant Internet Participating Financial Institution or Participating Securities Firms, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of your information, your Internet Share Application or your account with the Internet Participating Financial Institution or Participating Securities Firms, to the Issuing House the Authorised Financial Institution, and any other relevant authorities;

(g) You are not applying for our IPO Shares offered to the Malaysian Public as a nominee of any other person and your Internet Share Application is made in your own name, as the beneficial owner and subject to the risks referred to in our Prospectus; and

(h) You authorise the Internet Participating Financial Institution or Participating Securities Firms to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, our Company, Bursa Securities or other relevant parties in connection with our IPO, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution or Participating Securities Firms, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with our IPO. Further, the Internet Participating Financial Institution or Participating Securities Firms will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution or Participating Securities Firms in connection with the use of the Internet Share Application services.

(iv) Your Application will not be successfully completed and cannot be recorded as a completed application unless you have paid for our IPO Shares through the website of the Authorised Financial Institution and completed all relevant application steps and procedures for the Internet Share Application which would result in the Internet financial services website displaying the Confirmation Screen.

For the purposes of our Prospectus, "**Confirmation Screen**" shall mean the screen which appears or is displayed on the Internet financial services website, which confirms that your Internet Share Application has been completed and states the details of your Internet Share Application, including the number of IPO Shares applied for which you can print out for your records.

Upon the display of the Confirmation Screen, you will be deemed to have confirmed the truth of the statements set out in **Section 5.2(iii)** above. The Confirmation Screen is only a record of the completed transaction with an Internet Participating Financial Institution or Participating Securities Firms and not a record of the receipt of the Internet Share Application or any data relating to such an Internet Share Application by our Company or the Issuing House. The Confirmation Screen is for your record and should not be submitted with any Application Form.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

(v) You must have sufficient funds in your account with the relevant Internet Participating Financial Institution or Participating Securities Firms or the Authorised Financial Institution at the time of making your Internet Share Application, to cover and pay for our IPO Shares and the related processing fees, charges and expenses, if any, to be incurred, failing which your Internet Share Application will not be deemed complete, notwithstanding the display of the Confirmation Screen. Any Internet Share Application which does not conform strictly to the instructions set out in our Prospectus or any instructions displayed on the screens of the Internet financial services website through which the Internet Share Application is made will be rejected.

(vi) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated on the Confirmation Screen or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Internet Share Application. In the event that we decide to allot or allocate lesser number of such Shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision as final.

In the course of completing your Internet Share Application on the website of the Internet Participating Financial Institution or Participating Securities Firms, your confirmation of the number of IPO Shares applied for (by way of your action of clicking the designated hyperlink on the relevant screen of the website) shall be deemed to signify and shall be treated as:-

(a) Your acceptance of the number of IPO Shares that may be allotted or allocated to you in the event that your Internet Share Application is successful or successful in part, as the case may be; and

(b) Your agreement to be bound by the Constitution.

(vii) You are fully aware that multiple or suspected multiple Internet Share Applications for our IPO Shares will be rejected. **A PERSON WHO SUBMITS MULTIPLE INTERNET SHARE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA**. Our Company reserves the right to reject any Internet Share Application or accept any Internet Share Application in whole or in part only without the need to give any reason. Due consideration will be given to the desirability of allotting or allocating our IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.

(viii) An Internet Share Application is deemed to be received only upon its completion, which is when the Confirmation Screen is displayed on the Internet financial services website. You are advised to print out and retain a copy of the Confirmation Screen for reference and record purposes. Late Internet Share Applications will not be accepted.

(ix) You acknowledge that your Internet Share Application is subject to risk of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, and other events beyond our control or the control of the Internet Participating Financial Institution or Participating Securities Firms, the Authorised Financial Institution, the Issuing House, Bursa Depository and our Company and irrevocably agree that if:-

(a) our Company, the Issuing House, the Internet Participating Financial Institution or Participating Securities Firms and/or the Authorised Financial Institution do not receive your Internet Share Application and/or payment; and

(b) any data relating to your Internet Share Application or the tape or any other devices containing such data and/or payment is wholly or partly lost, corrupted, destroyed or otherwise not accessible, and for any reason whatsoever,

you will be deemed not to have made an Internet Share Application and you will not make any claim whatsoever against our Company, the Issuing House, the Internet Participating Financial Institution or Participating Securities Firms and/or the Authorised Financial Institution for our IPO Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.

(x) All of your particulars in the records of the relevant Internet Participating Financial Institution or Participating Securities Firms at the time of making your Internet Share Application shall be deemed to be true and correct, and our Company, the Issuing House, the relevant Internet Participating Financial Institutions or Participating Securities Firms and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information, shall be entitled to rely on the accuracy thereof.

(xi) You must ensure that your personal particulars as recorded by both Bursa Depository and the Internet Participating Financial Institution or Participating Securities Firms are correct and identical. Otherwise, your Internet Share Application will be rejected. You must inform Bursa Depository promptly of any change in your address, failing which the notification letter on successful allotment will be sent to your registered or correspondence address last maintained with Bursa Depository.

6. Authority of our Board and Issuing House

Your Application will be selected in a manner to be determined by our Board. Due consideration will be given to the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares. The Issuing House, on the authority of our Board, reserves the right to:-

(i) reject Applications which: -

(a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

(b) are illegible, incomplete or inaccurate; or

(c) are accompanied by an improperly drawn up, or improper form of remittance; or

(ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), by: -

(a) ordinary post through the self-addressed and stamped Official "A" envelope which you have provided to the Issuing House;

(b) crediting into your bank account for the purposes of cash dividend/distribution if you have provided such bank account information to Bursa Depository; or

(c) ordinary/registered post to your registered or correspondence address last maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

7. Over/under-subscription

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by our Issuing House to the SC, Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on our Issuing House's website www.mih.com.my within 1 market day after the balloting event.

Pursuant to the Listing Requirements we are required to have a minimum of 25% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation provisions as set out in **Section 4.3.1.2** of our Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Sole Underwriter based on the terms of the Underwriting Agreement.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

8. Unsuccessful/partially successful applicants

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner:-

8.1 For applications by way of Application Form

(i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your registered or correspondence address last maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.

(ii) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the NRIC or official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).

(iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by ordinary/registered post to your registered or correspondence address last maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

8.2 For applications by way of Electronic Share Application and Internet Share Application

(i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited (without interest) into your account with the Participating Financial Institution or Internet Participating Financial Institution or Participating Securities Firms (or arranged with the Authorised Financial Institution) within 2 Market Days after the receipt of confirmation from the Issuing House.

(ii) You may check your account on the 5th Market Day from the balloting date.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

9. Successful applicants

If you are successful in your Application: -

(i) Our IPO Shares allotted to you will be credited into your CDS Account.

(ii) A notice of allotment will be despatched to you at your registered or correspondence address last maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. As such, our IPO Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

(iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

10. Enquiries

Enquiries in respect of your Applications may be directed as follows: -

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services Telephone at telephone no. +603-7890 4700
Electronic Share Application	The relevant Participating Financial Institution
Internet Share Application	The relevant Internet Participating Financial Institution or Participating Securities Firms and Authorised Financial Institution

You may also check the status of your Application at the Issuing House's website at www.mih.com.my, by entering your CDS Account Number on the site after the allotment date. The status of your Application will be available by 3:00 PM. Alternatively, you may contact any of the ADAs set out in Section 11 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

11. List of ADAs

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows: -

Name	Address and telephone number	Broker Code
KUALA LUMPUR		
AFFIN HWANG INVESTMENT BANK BERHAD	Level 19, Menara Affin Lingkaran TRX, Tun Razak Exchange 55188 Kuala Lumpur Tel No.: 03 – 8230 5555	068-018
AFFIN HWANG INVESTMENT BANK BERHAD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No : 03 - 7710 6688	068-019
AFFIN HWANG INVESTMENT BANK BERHAD	Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : 03 – 2143 8668	068-018
AFFIN HWANG INVESTMENT BANK BERHAD	38A & 40A, Jalan Midah 1 Taman Midah 56000 Cheras Kuala Lumpur Tel No : 03 – 9130 8803	068-018
AMINVESTMENT BANK BERHAD	8-9, 11-18, 21-25th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No. : 03 – 2031 0102	086-001
BIMB SECURITIES SDN BHD	Level 34, Menara Bank Islam 22, Jalan Perak Kuala Lumpur 50450 Kuala Lumpur Tel No : 03 – 2613 1700	024-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	3rd Floor 2 & 4 Jalan Mutiara Timur Satu Taman Mutiara Cheras 56100 Kuala Lumpur Tel. No. : 03 – 9132 7424/7428/7429	065-001
CIMB SECURITIES SDN BHD (formerly known as Kaf Equities Sdn Bhd)	14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : 03 – 2171 0216	053-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
KUALA LUMPUR (cont'd)		
FA SECURITIES SDN BHD	A-10-1 & A-10-17 Level 10, Menara UOA Bangsar No. 5, Jalan Bangsar Utama 1 59000 Kuala Lumpur Tel No : 03 – 2288 1676	021-001
HONG LEONG INVESTMENT BANK BERHAD	Mezzanine Floor Level 3A, Block B, HP Towers No. 12, Jalan Gelenggang 60000 Kuala Lumpur Tel No : 03 – 2080 8777	066-002
HONG LEONG INVESTMENT BANK BERHAD	Level 27 & 28, Menara Hong Leong No. 6, Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur Tel No : 03 – 2083 1800	066-008
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No : 03 – 2117 1888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, 7-0-8, Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Tel No : 03 – 7984 7796	054-003
INTER-PACIFIC SECURITIES SDN BHD	No. 33-1 (First Floor) Jalan Radin Bagus Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No : 03 – 9056 2922	054-007
KENANGA INVESTMENT BANK BERHAD	Level 17, Kenanga Tower, 237 Jalan Tun Razak 50400 Kuala Lumpur Tel No : 03 – 2172 2888	073-001
M & A SECURITIES SDN BHD	Level 1-3, No. 45 & 47 and 43-6 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel. No. : 03-2282 1820	057-002
M & A SECURITIES SDN BHD	22A-1 Jalan Kuchai Maju 1 Kuchai Entrepreneurs' Park Off Jalan Kuchai Lama 58200 Kuala Lumpur Tel. No. : 03-7983 9890	057-004

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
KUALA LUMPUR (cont'd)		
MALACCA SECURITIES SDN BHD	No 76-1, Jalan Wangsa Maju Delima 6 Pusat Bandar Wangsa Maju (KLSC) Setapak 53300, Kuala Lumpur Tel No: 03 – 4144 2565	012-001
MALACCA SECURITIES SDN BHD	B-M-10, Block B Plaza Arkadia Jalan Intisari Perdana Desa Park City 52200 Kuala Lumpur Tel No : 03-2733 9782	012-001
MALACCA SECURITIES SDN BHD	B01-A-13A Level 13A, Menara 2 No.3, Jalan Bangsar KL ECO City 59200 Kuala Lumpur Tel No : 03-2201 2100	012-001
MAYBANK INVESTMENT BANK BERHAD	Level 5, Tower C Dataran Maybank No.1, Jalan Maarof 59000 Kuala Lumpur Tel No : 03-2297 8888	098-001
MAYBANK INVESTMENT BANK BERHAD	27, 31 to 33 Floor Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Tel No : 03-2059 1888	098-007
MERCURY SECURITIES SDN BHD	L-7-2, No. 2 Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Tel No : 03 -6203 7227	093-002
MOOMOO SECURITIES MALAYSIA SDN BHD (formerly known as Futu Malaysia Sdn Bhd)	Level 9, Menara Khuan Choo 75A Jalan Raja Chulan Bukit Bintang 50200 Kuala Lumpur Tel No.: 03-9212 0718	062-001
PHILLIP CAPITAL SDN BHD (formerly known as Alliance Investment Bank Berhad)	B-3-6, Block B, Level 3 Megan Avenue II No.12, Jalan Yap Kwan Seng 50450 Kuala Lumpur Tel. No. :03-2783 0361	076-001
NEWPARADIGM SECURITIES SDN BHD (formerly known as PM Securities Sdn Bhd)	Level 12, EXSIM Tower (Block D) Millerz Square @ Old Klang Road Megan Legasi, No. 357, Jalan Klang Lama 58000 Kuala Lumpur Tel. No. : 03-2054 8000	064-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
KUALA LUMPUR (cont'd)		
PUBLIC INVESTMENT BANK BERHAD	27th Floor, Menara Public Bank 2 No. 78, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03 – 2268 3000	051-001
RHB INVESTMENT BANK BERHAD	Level 1, Tower 3 RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel. No. : 03-9280 2233/2354	087-001
RHB INVESTMENT BANK BERHAD	Level 5, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel. No. : 03-9280 2453	087-001
RHB INVESTMENT BANK BERHAD	No. 62, 62-1, 64 & 64-1, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel No : 03 – 6257 5869	087-028
RHB INVESTMENT BANK BERHAD	No. 5 & 7 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel No : 03 – 4280 4798	087-054
RHB INVESTMENT BANK BERHAD	Ground Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No : 03 – 9058 7222	087-058
TA SECURITIES HOLDINGS BERHAD	Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No : 03 – 2072 1277	058-003
UOB KAY HIAN SECURITIES (M) SDN BHD	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No : 03 – 6205 6000	078-004
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 19th Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No : 03 – 2147 1888	078-010

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
SELANGOR DARUL EHSAN		
AFFIN HWANG INVESTMENT BANK BERHAD	Suite B 3A1, East Wing 3Ath Floor Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03 – 5635 6688	068-019
AFFIN HWANG INVESTMENT BANK BERHAD	4th Floor, Wisma Meru 1 Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : 03 – 3343 9999	068-019
AFFIN HWANG INVESTMENT BANK BERHAD	No.79-1, Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No : 03 – 3322 1999	068-019
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03 – 7710 6613	086-001
APEX SECURITIES BERHAD (formerly known as JF Apex Securities Berhad)	Level 5, Menara UAC No.12, Jalan PJU7/5, Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel. No.03 7890 8899 ext 2012/2007	079-001
APEX SECURITIES BERHAD (formerly known as JF Apex Securities Berhad)	16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No : 03 – 7620 1118	079-002
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	No. A-07-01 & A-07-02 Empire Office Tower Empire Subang Jalan SS16/1 47500 Subang Jaya Selangor Darul Ehsan Tel. No. : 03-5631 7934/7892	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	1st Floor (No. 11A) Jalan Kenari 1 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel. No. : 03-5891 6852	065-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
SELANGOR DARUL EHSAN (cont'd)		
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	1st Floor, No. 26A(F), 26A(M) & 26A(B) Jalan SJ6, Taman Selayang Jaya 68100 Batu Caves Selangor Darul Ehsan Tel. No.: 03-6137 1680	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	2nd Floor (No. 26-2) Lorong Batu Nilam 4B Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel. No. : 03-3325 7105/7106	065-001
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No. : 03 – 7725 9095	073-001
KENANGA INVESTMENT BANK BERHAD	Level 1 East Wing Wisma Consplant 2 No. 7 Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No. : 03 – 5621 2118	073-001
KENANGA INVESTMENT BANK BERHAD	35 (Ground, 1st & 2nd Floor) Jalan Tiara 3, Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No. : 03 – 3348 8080	073-001
MALACCA SECURITIES SDN BHD	BO1-A-13A, Level 13A, Menara 2 No.3 Jalan Bangsar, KL Eco City, Bangsar 59200 Kuala Lumpur Wilayah Persekutuan Tel No : 03 – 5636 1533	012-001
MALACCA SECURITIES SDN BHD	No. 54M, Mezzanine Floor Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan Tel No : 03 – 7876 1533	012-001
MAYBANK INVESTMENT BANK BERHAD	Wisma Bentley Music Level 1, No. 3, Jalan PJU 7/2 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03 – 7718 8888	098-004

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
SELANGOR DARUL EHSAN (cont'd)		
MAYBANK INVESTMENT BANK BERHAD	Suite 8.02, Level 8, Menara Trend Intan Millennium Square No. 68, Jalan Batai Laut 4 Taman Intan, 41300 Klang Selangor Darul Ehsan Tel No : 03 – 3050 8888	098-003
MIDF AMANAH INVESTMENT BANK BERHAD	Level 21, Menara MBSB Bank, PJ Sentral Lot 12, Persiaran Barat, Seksyen 52 46200 Petaling Jaya Selangor Darul Ehsan Tel No : 03 – 2173 8888	026-001
NEWPARADIGM SECURITIES SDN BHD (formerly known as PM Securities Sdn Bhd)	1st Floor, 157- A, Jalan Kenari 23A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No : 03 – 8070 0773	064-003
NEWPARADIGM SECURITIES SDN BHD (formerly known as PM Securities Sdn Bhd)	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No : 03 – 3341 5300	064-007
RHB INVESTMENT BANK BERHAD	1,3 & 5, Tingkat 2 Jalan 52/18 New Town Centre 46200 Petaling Jaya Selangor Darul Ehsan Tel No : 03 – 7873 6366 / 7875 8428	087-011
RHB INVESTMENT BANK BERHAD	First Floor, 10 & 11 Jalan Maxwell 48000, Rawang Selangor Darul Ehsan Tel No :03 – 6092 8916	087-047
RHB INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : 03 – 3343 9180	087-048
RHB INVESTMENT BANK BERHAD	Unit 1B, 2B & 3B Jalan USJ 10/1J USJ 10, 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No : 03 – 8022 1888	087-059

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
SELANGOR DARUL EHSAN (cont'd)		
SJ SECURITIES SDN BHD	26, Jalan Pendaftar U1/54 Temasya Glenmarie 40150 Shah Alam Selangor Darul Ehsan Tel No : 03 – 5567 3000	096-001
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T, Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No : 03 – 8025 1880	058-005
TA SECURITIES HOLDINGS BERHAD	2nd Floor, Wisma TA 1A Jalan SS20/1, Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03 – 7729 5713	058-007
MELAKA		
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	Ground, 1st & 2nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No : 06 – 289 8800	065-001
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang 75250 Melaka Tel No : 06 – 337 1533	012-001
MERCURY SECURITIES SDN BHD	81, 81A & 81B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06 – 2921 898	093-003
KENANGA INVESTMENT BANK BERHAD	71 (Ground, A&B) & 73 (Ground, A&B) Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06 – 2881 720	073-001
NEWPARADIGM SECURITIES SDN BHD (formerly known as PM Securities Sdn Bhd)	No 6-1, Jalan Lagenda 2, Taman 1 Lagenda, 75400 Melaka Tel No : 06 – 288 0050	064-006

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
MELAKA (cont'd)		
RHB INVESTMENT BANK BERHAD	579, 580 & 581, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06 – 282 5211	087-026
TA SECURITIES HOLDINGS BERHAD	59, 59A, 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06 – 286 2618	058-003
UOB KAY HIAN SECURITIES (M) SDN BHD	7-2 Jalan PPM8 Malim Business Park 75250 Melaka Tel No : 06 – 335 2511	078-014
PERAK DARUL RIDZUAN		
AFFIN HWANG INVESTMENT BANK BERHAD	21, Jalan Stesen Ground Floor, 1, 2 & 3 34000 Taiping Perak Darul Ridzuan Tel No : 05 – 806 6688	068-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	Ground, 1st, 2nd & 3rd Floor No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : 05 – 208 8688	065-001
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05 – 2530 888	066-003
KENANGA INVESTMENT BANK BERHAD	Ground, 1st, 2nd & 4th Floor No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05 – 242 2828	073-022
M & A SECURITIES SDN BHD	5th and 6th Floor and Unit 8A M&A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No : 05 – 241 9800	057-001
MALACCA SECURITIES SDN BHD	No 3, 1st Floor, Persiaran Greenhill 30450, Ipoh Perak Darul Ridzuan Tel No: 012-618 4998	012-013

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
PERAK DARUL RIDZUAN (cont'd)		
MAYBANK INVESTMENT BANK BERHAD	No. 47, Hala Pusat Perdagangan Canning I Pusat Perdagangan Canning II 30350, Ipoh, Perak Tel No : 05 - 245 3457	098-002
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 17, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05 – 623 6498	087-014
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No : 05 – 692 1228	087-016
RHB INVESTMENT BANK BERHAD	Unit E-2-2A, E-3-2A, E-4-2A & E-5-2A SOHO Ipoh 2, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel. No. : 05-241 5100	087-023
RHB INVESTMENT BANK BERHAD	Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No : 05 – 808 8229	087-034
RHB INVESTMENT BANK BERHAD	No 1&3, 1st Floor Jalan Wawasan Satu Taman Wawasan Jaya 34200 Parit Buntar Perak Darul Ridzuan Tel No : 05 – 717 0888	087-052
TA SECURITIES HOLDINGS BERHAD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No : 05 – 253 1313	058-001
UOB KAY HIAN SECURITIES (M) SDN BHD	153A Jalan Raja Musa Aziz 30300 Ipoh Perak Darul Ridzuan Tel No : 05 – 241 1290	078-002

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
PULAU PINANG		
AFFIN HWANG INVESTMENT BANK BERHAD	Level 2, 3, 4, 5, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No : 04-2636996	068-001
AFFIN HWANG INVESTMENT BANK BERHAD	1st, 2nd & 3rd Floor No. 2 & 4, Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5372882	068-001
AMINVESTMENT BANK BERHAD	3rd Floor, Menara Liang Court 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2261818	086-001
APEX SECURITIES BERHAD (formerly known as JF Apex Securities Berhad)	368-2-5 Jalan Burmah Belissa Row 10350 Pulau Tikus Pulau Pinang Tel No : 04-2289118	079-005
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	Level 2, Menara BHL, 51, Jalan Sultan Ahmad Shah, 10050 Pulau Pinang Tel No : 04-2385900	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	No. 20-1 & 20-2 Persiaran Bayan Indah Bayan Bay, Sungai Nibong 11900 Nayan Lepas Pulau Pinang Tel No : 04-6412 881	065-001
MALACCA SECURITIES SDN BHD	28, Lorong Tangling Indah 3 Taman Tangling Indah 14100 Simpang Ampat Pulau Pinang Tel. No. : 04-506 0967	012-001
MALACCA SECURITIES SDN BHD	No.62 1st Floor, Jalan Mayang Pasir 1 Mukim 12 Bandar Bayan Lepas 11950 Bayan Lepas Pulau Pinang Tel. No. : 04-642 1533	012-001
MAYBANK INVESTMENT BANK BERHAD	Ground Floor, Bangunan KWSP No. 38, Jalan Sultan Ahmad Shah 10050 Georgetown, Pulau Pinang Tel No : 04 – 219 6888	098-006

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
PULAU PINANG (cont'd)		
MERCURY SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth, Seberang Perai Pulau Pinang Tel No : 04 – 332 2123	093-001
MERCURY SECURITIES SDN BHD	2nd Floor, Standard Chartered Bank Chambers 2, Lebuh Pantai 10300 Pulau Pinang Tel No : 04 – 263 9118	093-004
MERCURY SECURITIES SDN BHD	D'Piazza Mall 70-1-22 Jalan Mahsuri 11900 Bandar Bayan Baru Pulau Pinang Tel No : 04 – 640 0822	093-006
INTER-PACIFIC SECURITIES SDN BHD	Canton Square Level 2 (Unit 1) & Level 3 No. 56, Cantontment Road 10250 Pulau Pinang Tel. No. : 04-226 8288	054-002
KENANGA INVESTMENT BANK BERHAD	7th, 8th & 16th Floor Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel.No.: 04-228 3355	073-023
PHILLIP CAPITAL SDN BHD (formerly known as Alliance Investment Bank Berhad)	29A, Ground Floor Beach Street 10300 Pulau Pinang Tel No : 04-261 6363	076-015
NEWPARADIGM SECURITIES SDN BHD (formerly known as PM Securities Sdn Bhd)	56B. 1st Floor Jalan Perak, Perak Plaza 10150 Pulau Pinang Tel. No.: 04-2273 000	064-004
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Pulau Pinang Tel No : 04 – 390 0022	087-005
RHB INVESTMENT BANK BERHAD	64 & 64-D Ground Floor-3rd Floor & 5th-8th Floor Lebuh Bishop 10200 Pulau Pinang Tel No : 04 – 263 4222	087-033

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
PULAU PINANG (cont'd)		
RHB INVESTMENT BANK BERHAD	1st Floor No. 15-1-5, 15-1-6, 15-2-5, 15-2-6 & 15-2-24 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel No : 04 – 640 4888	087-042
TA SECURITIES HOLDINGS BERHAD	3rd Floor, Bangunan Heng Guan No. 171, Jalan Burmah 10050 Pulau Pinang Tel No : 04 – 227 2339	058-010
UOB KAY HIAN SECURITIES (M) SDN BHD	1st Floor, Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Tel No : 04 – 229 9318	078-002
UOB KAY HIAN SECURITIES (M) SDN BHD	21Jalan Bayu Mutiara 2 Taman Bayu Mutiara 14000 Bukit Mertajam Pulau Pinang Tel No : 04 – 504 7313 / 7316	078-003
PAHANG DARUL MAKMUR		
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	Ground, 1st & 2nd Floor No. A-27, Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No : 09 – 505 7800	065-001
KENANGA INVESTMENT BANK BERHAD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No : 09 – 517 1698	073-001
MALACCA SECURITIES SDN BHD	P11-3, Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No : 09 – 222 0993	012-001
PHILLIP CAPITAL SDN BHD (formerly known as Alliance Investment Bank Berhad)	Ground, Mezzanine & 1st Floor B400, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel No : 09 – 566 0800	076-002
RHB INVESTMENT BANK BERHAD	No. 12 Ground Floor, 1st and 2nd Floor Jalan Putra Square 1 Putra Square 25300 Pahang Darul Makmur Tel. No. : 09-517 3811	087-007

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
KELANTAN DARUL NAIM		
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	Level 4 Wisma TCH (formerly known as Wisma Square Point) Jalan Pengkalan Chepa 15400 Kota Bharu Kelantan Darul Naim Tel. No. : 09-741 9050/9051/9052/9053	065-001
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No : 09 – 743 0077	087-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No : 09 – 7432 288 / 3388	058-004
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground &1st Floor Lot 712, Sek 9, PT 62 Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No : 09 – 747 3906	078-004
TERENGGANU DARUL IMAN		
PHILLIP CAPITAL SDN BHD (formerly known as Alliance Investment Bank Berhad)	No. 46, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Tel.No.: 09-6317 922	076-009
RHB INVESTMENT BANK BERHAD	1st Floor, 59 Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No : 09 – 626 1816	087-055
UOB KAY HIAN SECURITIES (M) SDN BHD	37-B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No : 09 – 622 4766	078-016
KEDAH DARUL AMAN		
AFFIN HWANG INVESTMENT BANK BERHAD	No. 70 & 70A, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : 04 – 425 6666	068-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
KEDAH DARUL AMAN (cont'd)		
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	2nd Floor, No. 102 Kompleks Persiaran Sultan Abdul Hamid Jalan Pegawai 05050 Alor Setar Kedah Darul Aman Tel. No. : 04-777 4400/4401	065-001
MALACCA SECURITIES SDN BHD	No. 9, First Floor Kompleks Perniagaan LITC Jalan Putra Mergong 05150 Alor Setar Kedah Darul Aman Tel No : 04 – 735 0888	012-001
PHILLIP CAPITAL SDN BHD (formerly known as Alliance Investment Bank Berhad)	Lot T-30, 2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No : 04 – 731 7088 / 8270	076-004
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor, 214-A, 214-B, 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : 04 – 720 9888	087-021
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 4, 5 & 5A, 1st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : 04 – 732 2111	078-007
NEGERI SEMBILAN DARUL KHUSUS		
AFFIN HWANG INVESTMENT BANK BERHAD	No. 26-2, Jalan S2 B16 Pusat Dagangan Seremban 2 70300 Seremban Negeri Sembilan Darul Khusus Tel. No. : 06-603 7408	068-019
AFFIN HWANG INVESTMENT BANK BERHAD	6, Upper Level, Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No : 06 – 455 3188	068-019
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	1st Floor, No 21, Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel. No. : 06-455 3166/3266	065-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
NEGERI SEMBILAN DARUL KHUSUS (cont'd)		
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	2nd Floor, Lot 3110 Jalan Besar, Lukut 71010 Port Dickson Negeri Sembilan Darul Khusus Tel. No. : 06-651 5385	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	No. 38, 1st Floor Jalan S2 B18 Biz Avenue Seremban 2 70300 Seremban Negeri Sembilan Darul Khusus Tel. No. : 06-761 4651	065-001
KENANGA INVESTMENT BANK BERHAD	1C & 1D, Ground & 1st Floor Jalan Tunku Munawir 70000 Seremban, Negeri Sembilan Tel No : 06 – 765 5998	073-001
MAYBANK INVESTMENT BANK BERHAD	Wisma HM No. 43, Jalan Dr Krishnan 70000 Seremban Negeri Sembilan Tel No : 06 – 766 9555	098-005
NEWPARADIGM SECURITIES SDN BHD (formerly known as PM Securities Sdn Bhd)	1st-3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06 – 762 3131	064-002
NEWPARADIGM SECURITIES SDN BHD (formerly known as PM Securities Sdn Bhd)	Ground & 1st Floor No. 3, Jalan Dato Abdullah 71200 Kuala Klawang Negeri Sembilan Darul Khusus Tel No : 06 – 613 7767	064-002
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 32 & 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06 – 764 1641	087-024
JOHOR DARUL TAKZIM		
AFFIN HWANG INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No : 07 – 222 2692	068-004

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
JOHOR DARUL TAKZIM (cont'd)		
AFFIN HWANG INVESTMENT BANK BERHAD	2nd Floor, No 11 & 12 BP Avenue Jalan Abdul Rahman Bandar Penggaram 83000 Batu Pahat Johor Darul Takzim Tel No.: 07 – 431 1081	068-004
AMINVESTMENT BANK BERHAD	2nd & 3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No : 07 - 434 2282	086-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	No 73, Ground Floor No 73A & 79A, First Floor Jalan Kuning Dua, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07 – 340 5888	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	1st Floor, No. 384A Jalan Simbang, Taman Perling 81200 Johor Bahru Johor Darul Takzim Tel. No. : 07-232 9673	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	2nd Floor, 113 & 114 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel. No. : 07-931 1509/1523	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	1st Floor, 101 Jalan Gambir 8 Bandar Baru Bukit Gambir 84800 Muar Johor Darul Takzim Tel. No. : 06-976 4559/4560	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	1st Floor No. 8A Jalan Dedap 20 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel. No. : 07-353 7669/7959	065-001
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No : 07 – 223 1211	054-004

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
JOHOR DARUL TAKZIM (cont'd)		
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07 – 333 3600	073-004
KENANGA INVESTMENT BANK BERHAD	57, 59 and 61 Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06 – 953 1222	073-001
M & A SECURITIES SDN BHD	Suite 5.3A, Level 5, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07 – 338 1233	057-003
MALACCA SECURITIES SDN BHD	No. 40A, Jalan Perang Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07 335 1533	012-001
MALACCA SECURITIES SDN BHD	1735-B, Jalan Sri Putri 4 Taman Putri Kulai 81000 Kulaijaya Johor Darul Takzim Tel: 07 – 663 8877	012-001
MALACCA SECURITIES SDN BHD	Lot 880, 3 ½ Mile Jalan Salleh 84000 Muar Johor Darul Takzim Tel: 06 – 9536 948	012-001
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07 – 331 6992	093-005
PHILLIP CAPITAL SDN BHD (formerly known as Alliance Investment Bank Berhad)	No. 73, 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No : 07 – 771 7922	076-006
NEWPARADIGM SECURITIES SDN BHD (formerly known as PM Securities Sdn Bhd)	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No : 07 – 433 3608	064-008

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
JOHOR DARUL TAKZIM (cont'd)		
RHB INVESTMENT BANK BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No : 07 – 438 0288	087-009
RHB INVESTMENT BANK BERHAD	No. 33-1, 1st & 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06 – 953 8262	087-025
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No : 07 – 557 7628	087-029
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No : 07 – 932 1543	087-030
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 40 Jalan Haji Manan 86000 Kluang Johor Darul Takzim Tel No : 07 – 776 9655	087-031
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No : 07 – 662 6288	087-035
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor, No. 21 & 23 Jalan Molek 1/30, Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No : 07 -352 2293	087-043
TA SECURITIES HOLDINGS BERHAD	7A, Jalan Genuang Perdana Taman Genuang Perdana 85000 Segamat Johor Darul Takzim Tel No : 07 – 943 5278	058-009

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
JOHOR DARUL TAKZIM (cont'd)		
TA SECURITIES HOLDINGS BERHAD	15, Jalan Molek 1/5A Taman Molek 81000 Johor Bahru Tel No: 07 – 364 7388	058-011
TA SECURITIES HOLDINGS BERHAD	No. 29-03, Jalan Sri Pelangi Taman Pelangi 80400 Johor Bahru Tel No: 07-3364672	058-013
UOB KAY HIAN SECURITIES (M) SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No : 07 – 333 2000	078-001
UOB KAY HIAN SECURITIES (M) SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No : 07 – 663 5651	078-001
SARAWAK		
AFFIN HWANG INVESTMENT BANK BERHAD	2nd Floor, Lot No. 27, NBX 2 The Northbank Off Kucing-Samarahan Expressway 93350 Kuching Sarawak Tel No : 082 – 50 1007	068-005
AMINVESTMENT BANK BERHAD	1st , 2nd, & 3rd Floor, No. 162, 164, 166 & 168 Jalan Abell 93100 Kuching Sarawak Tel No : 082 – 24 4791	086-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Tel No : 084 – 367 700	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	Level 1 (North), Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No : 082 – 35 8688	065-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
SARAWAK (cont'd)		
KENANGA INVESTMENT BANK BERHAD	Lot 1866, Jalan MS 2/5 Marina Square 2 Marina Parkcity 98000 Miri Sarawak Tel No : 085 – 43 5577	073-001
KENANGA INVESTMENT BANK BERHAD	Level 2-4, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No : 082 – 33 8000	073-001
KENANGA INVESTMENT BANK BERHAD	11-12, Ground & 1st Floor Lorong Kampung Datu 3 96000 Sibu Sarawak Tel No : 084 – 31 3855	073-001
MERCURY SECURITIES SDN BHD	1st Floor 16, Jalan Getah 96100 Sarikei Sarawak Tel No : 084 – 65 6281	093-001
RHB INVESTMENT BANK BERHAD	Tingkat Bawah dan Tingkat 1 No. 221, Parkcity Commerce Square Phase III Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel. No. : 086-31 7678	087-053
RHB INVESTMENT BANK BERHAD	Yung Kong Abell Units No. 1-10, 2nd Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel. No. : 082-250 888	087-008
RHB INVESTMENT BANK BERHAD	No. 102, Pusat Pedada Jalan Dr Wong Soon Kai 96000 Sibu Sarawak Tel No : 084 – 32 9100	087-008
TA SECURITIES HOLDINGS BERHAD	12G, H & I Jalan Kampong Datu 96000 Sibu Sarawak Tel No : 084 – 31 9998	058-002

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Name	Address and telephone number	Broker Code
SARAWAK (cont'd)		
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 1265, 1st Floor Centre Point Commercial Centre Jalan Melayu 98000, Miri Sarawak Tel: 085 – 32 4128	078-017
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1st Floor No 16, Lorong Intan 6 96000 Sibu Sarawak Tel: 084 – 25 2737	078-018
SABAH		
AFFIN HWANG INVESTMENT BANK BERHAD	No. 2 M3 Block A Level 2, Luyang Commersial Centre Damai Plaza PH3 Jalan Damai88300 Kota Kinabalu Sabah Tel No : 088 – 31 1688	068-005
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	1st & 2nd Floor Central Building No. 28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No : 088 – 32 8878	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD (formerly known as CGS-CIMB Securities Malaysia Sdn Bhd)	1st Floor, Lot 12 Block A3, Phase 2 Utama Place Mile 6, Northern Road 90000 Sandakan Sabah Tel. No. : 089-21 5578	065-001
KENANGA INVESTMENT BANK BERHAD	Level 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No : 088 – 23 6188	073-032
RHB INVESTMENT BANK BERHAD	2nd Floor 81 & 83, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No : 088 – 26 9788	087-010
UOB KAY HIAN SECURITIES (M) SDN BHD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No : 088 – 23 4099	078-004