

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has perused the contents of this Circular to Shareholders ("**Circular**") on a limited review basis pursuant to Rule 4.1(c) of Guidance Note 22 of the ACE Market Listing Requirements of Bursa Securities ("**Listing Requirements**") prior to its issuance.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

Affin Hwang Investment Bank Berhad ("**Affin Hwang IB**"), the Sponsor of the Company has reviewed this Circular pursuant to Rule 4.27 of the Listing Requirements to the issuance of this Circular. The admission of Pan Merchant Berhad to the ACE Market of Bursa Securities was advised and sponsored by Affin Hwang IB.



PAN MERCHANT BERHAD
(Registration No.202401010821 (1556671-D))

**CIRCULAR TO SHAREHOLDERS
IN RELATION TO**

**PROPOSED SHAREHOLDERS' RATIFICATION FOR RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' RATIFICATION");**

AND

**PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS'
MANDATE")**

The ordinary resolution in respect of Proposed Shareholders' Ratification and the Proposed New Shareholders' Mandate will be tabled as Special Business at our Company's Second Annual General Meeting ("**2nd AGM**") to be held at Level 26, Auditorium, Menara Affin, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur on Thursday, 4 June 2026 at 10.30 a.m. or any adjournment thereof.

The Notice of the 2nd AGM of our Company together with the Form of Proxy are enclosed in our Company's 2025 Annual Report.

The Form of Proxy should be completed and lodged at the Registered Office of the Company at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan not later than forty-eight (48) hours before the time and date set for the AGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 2 June 2026 at 10.30 a.m.

This Circular is dated 30 April 2026

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

2 nd AGM	:	Our Company's forthcoming Second Annual General Meeting to be held on Thursday, 4 June 2026 or any adjournment thereof
AGM	:	Annual General Meeting
Board	:	The Board of Directors of Pan Merchant
Bursa Securities	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
Director(s)	:	The director(s) of Pan Merchant and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and shall include any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or chief executive of Pan Merchant Group
FYE	:	Financial year ended/ ending, as the case may be
Interested Parties	:	The Interested Directors and Interested Major Shareholder, collectively
Listing Date	:	26 June 2025, the date Pan Merchant was admitted to the Official List of ACE Market of Bursa Securities and the listing of and quotation for our entire 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
LPD	:	1 April 2026, being the latest practicable date prior to the printing and dispatch of this Circular
Major Shareholder(s)	:	A person who has an interest or interests in one (1) or more voting shares in the Company and the number or aggregate number of those shares, is: a) 10% or more of the total number of voting shares in the Company; or b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.

This includes any person who is or was within the preceding six (6) months of the date on which the terms of the RRPTs were agreed upon, a major shareholder of Pan Merchant as defined above or any other company which is a subsidiary or holding company of Pan Merchant.

For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act.

Mandate Period	:	<p>The period during which the RRPTs are to be entered into for which the Proposed New Shareholders' Mandate is being sought. This period shall commence immediately upon passing of the ordinary resolution for the Proposed New Shareholders' Mandate during the forthcoming AGM or any adjournment thereof until:</p> <p>(a) The conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time the authority will lapse, unless renewed by a resolution passed at the meeting, either unconditionally or subject to condition; or</p> <p>(b) The expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or</p> <p>(c) Revoked or varied by resolution passed by the shareholders of the Company in a general meeting,</p> <p style="text-align: center;">whichever is the earlier</p>
NA	:	Net assets attributable to ordinary equity holders of the Company
Pan Merchant or Company	:	Pan Merchant Berhad [Registration No. 202401010821 (1556671-D)]
Pan Merchant Group or Group	:	Pan Merchant and our subsidiaries, collectively
Pan Merchant Share(s) or Share(s)	:	Ordinary share(s) in Pan Merchant
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)
Persons Connected	:	Shall have the same meaning given in Rule 1.01 of the Listing Requirements

Proposals	:	Collectively, the Proposed Shareholders' Ratification and the Proposed New Shareholders' Mandate
Proposed New Shareholders' Mandate	:	Proposed new shareholders' mandate for Pan Merchant Group to enter into RRPTs during the Mandate Period
Proposed Shareholders' Ratification	:	Proposed shareholders' ratification from the shareholders of the Company for the period commencing from the Listing Date to the date of the 2 nd AGM
Related Party(ies)	:	Director(s), Major Shareholder(s) and/or Persons Connected with such Director(s) or Major Shareholder(s) or Persons Connected with such Director or Major Shareholder who are interested in the Proposals. For the purpose of this definition, "Director" and "Major Shareholder" includes any person who is or was within the preceding six (6) months of the date on which the terms of transaction were agreed upon, a Director or Major Shareholder or Persons Connected with such Director or Major Shareholder of the Group
RM	:	Ringgit Malaysia and sen respectively
RRPTs	:	Related party transaction(s) which is/are recurrent, of a revenue and/or trading nature and which is/are necessary for the day-to-day operations and in the ordinary course of business of the Pan Merchant Group
Subsidiaries	:	PMIT Malaysia, PMIT Singapore, PMI Holding NL, PMIT Holding NL, PMIT Europe NL, PMIT USA NL, and PMIT US, collectively

Words denoting the singular shall, where applicable, include the plural and vice-versa and words denoting the masculine gender shall, where applicable, include the feminine gender, neuter gender and vice versa. Reference to persons shall include corporations.

Any reference to a time of day shall be a reference to Malaysian time, unless otherwise stated.

Any reference to any statute is a reference to that statute as for the time being amended or re-enacted and any subsequent amendment thereof.

All references to "you" and "your" in this Circular are to the shareholders of the Company.

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TABLE OF CONTENTS

CIRCULAR TO SHAREHOLDERS PERTAINING TO THE PROPOSAL

1.	INTRODUCTION	1-2
2.	DETAILS OF THE PROPOSAL	
2.1 & 2.2	PROVISIONS UNDER THE LISTING REQUIREMENTS	3
2.3 & 2.4	VALIDITY OF THE PROPOSED NEW SHAREHOLDERS' MANDATE	4
2.5	PRINCIPAL ACTIVITIES OF THE GROUP, VIMABO METAL INDUSTRY B.V., LUPE BEHEER B.V. AND PT PRIMA EGA TEKNINDO	5
2.6	CLASSES OF RELATED PARTIES	6-7
2.7	NATURE OF THE RRPTS CONTEMPLATED UNDER THE PROPOSALS	8-11
2.8	DETAILS OF AMOUNT DUE AND OWING TO PAN MERCHANT GROUP BY THE RELATED PARTIES	12
2.9	REVIEW PROCEDURES FOR THE RRPTs	12
2.10	DISCLOSURE IN ANNUAL REPORT	13
2.11	STATEMENT BY AUDIT AND RISK MANAGEMENT COMMITTEE	13
3.	RATIONALE FOR AND BENEFITS OF THE PROPOSALS	14
4.	EFFECTS OF THE PROPOSALS	14
5.	APPROVAL REQUIRED	14
6.	INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM	15
7.	DIRECTORS' STATEMENT AND RECOMMENDATION	15
8.	2 ND AGM	16
9.	FURTHER INFORMATION	16

APPENDIX I – FURTHER INFORMATION

1.	DIRECTORS' RESPONSIBILITY STATEMENT
2.	MATERIAL LITIGATIONS
3.	MATERIAL CONTRACTS
4.	DOCUMENTS FOR INSPECTION

APPENDIX II – EXTRACT OF NOTICE OF THE 2ND ANNUAL GENERAL MEETING



PAN MERCHANT BERHAD
(Registration No.202401010821 (1556671-D))

Registered Office:

B-25-2, Block B, Jaya One,
No. 72A Jalan Prof Diraja Ungku Aziz
46200 Petaling Jaya
Selangor Darul Ehsan

30 April 2026

Board of Directors:

Datuk Tan Leh Kiah (Independent Non-Executive Chairman)
Wong Voon Ten (Managing Director)
Wong Nyeon Thiat (Executive Director)
Wong Voon Yoong (Executive Director)
Wong Voon Shek (Executive Director)
Lee Cheng Ngee (Executive Director)
Datuk Seri Nurmala binti Abd Rahim (Senior Independent Non-Executive Director)
Datin Ooi Swee Lian (Independent Non-Executive Director)
Fong Kit Chiu (Independent Non-Executive Director)
Ir. Viyasan K Krishnan (Independent Non-Executive Director)

To: The Shareholders of Pan Merchant Berhad

Dear Sir/ Madam,

- (I) PROPOSED SHAREHOLDERS' RATIFICATION; AND**
- (II) PROPOSED NEW SHAREHOLDERS' MANDATE**

1. INTRODUCTION

Bursa Securities has via its letter dated 3 July 2025 granted Pan Merchant an extension of time to obtain shareholders' ratification for the RRPTs that the Company will enter or had entered into with the Related Parties since the Listing Date up to the date of the Company's 2nd AGM.

On 22 April 2026, the Board announced that the Company proposed to seek shareholders' approval on the Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate for the RRPTs.

Further details of the Proposals are set out in the ensuing sections.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS AND TO SEEK YOUR APPROVAL ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING AGM OR ANY ADJOURNMENT THEREOF. THE NOTICE OF THE 2nd AGM AND THE FORM OF PROXY ARE SET OUT IN THE 2025 ANNUAL REPORT OF THE COMPANY.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION BY WAY OF POLL TO GIVE EFFECT TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING AGM OR ANY ADJOURNMENT THEREOF.

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2. DETAILS OF THE PROPOSALS

2.1 Provisions under the Listing Requirements

Pursuant to Rule 10.09(2) of the Listing Requirements, a listed issuer may seek its shareholders' mandate in respect of RRPTs which are made on an arm's length basis and are necessary for its day-to-day operations subject to, amongst others, the following:

- (a) the RRPTs are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of the RRPTs conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the prescribed threshold as follows:

"in relation to a listed issuer with a share capital of RM60 million and above:

- (i) the consideration, value of the assets, capital outlay or costs of the RRPTs is RM1 million or more; or
- (ii) the percentage ratio of such RRPTs is 1% or more,

whichever is the higher";

- (c) the listed issuer's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities;
- (d) in a meeting to obtain shareholders' mandate, the interested Directors, Major Shareholders and Persons Connected with a Director or Major Shareholder, and where it involves the interest of an interested Persons Connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution approving the RRPTs. An interested Director or Major Shareholder must also ensure that Persons Connected with them abstain from voting on the resolution approving the RRPTs; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where a listed issuer has procured a shareholders' mandate in respect of the RRPTs, the provisions under Rule 10.08 of the Listing Requirements will not apply to the transactions which are comprise in the said mandate.

- ### **2.2**
- Pan Merchant Group has, in the ordinary course of its business, entered into RRPTs and is anticipated to continue to enter into such transactions with the Related Parties, the details of which are set out in Section 2.6 herein. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

- 2.3** Accordingly, the Board proposes to seek for the shareholders' approval for the Proposed Shareholders' Ratification and the Proposed New Shareholders' Mandate for future RRPTs to be entered into during the Mandate Period.

These RRPTs which are necessary for the day-to-day operations of Pan Merchant Group, will be based on normal commercial terms, at arms' length, and have been/will be transacted on terms that are not more favourable to the Related Parties than those generally available to the public, and are not detrimental to the interest of minority shareholders of the Company.

2.4 Validity of the Proposed New Shareholders' Mandate

The Proposed New Shareholders' Mandate, if approved by the shareholders of the Company at the forthcoming AGM or any adjournment thereof, will take effect from the date of the passing of the ordinary resolution at the forthcoming AGM or any adjournment thereof and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the forthcoming AGM at which the ordinary resolution for the Proposed New Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM;
- (b) the expiration of the period within the next AGM of the Company after the date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is the earlier.

Thereafter, the approval of the shareholders of the Company will be sought for the renewal and/or new shareholders' mandate at each subsequent AGM of the Company.

2.5 Principal Activities of the Group, Vimabo Metal Industry B.V., Lupe Beheer B.V. and PT Prima Ega Teknindo

2.5.1 The principal activities of the Company are investment holding. 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. As at the LPD, the principal activities of our subsidiaries are as follows:

Company	Effective Equity Interest (%)	Principal Activities
PMIT Malaysia	100.00	Solutions provider of solid liquid filtration equipment, fabrication of steel works and technical support services
PMIT Singapore	100.00	Trading of filtration equipment
PMI Holding NL	100.00	Investment holding
PMIT Holding NL	60.10	Investment holding
PMIT Europe NL	60.10	Solutions provider of solid liquid filtration equipment and technical support services
PMIT USA NL	60.10	Trading of filtration equipment
PMIT US	42.07	Trading of filtration equipment and technical support services

2.5.2 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.

2.5.3 Lupé Beheer B.V. is not involved in similar nature of business as our Group as it is a financial holding company.

2.5.4 PT Prima Ega Teknindo is principally engaged in marketing and selling our Group's filtration equipment in Indonesia. Budhi Sentoso Rachmat is a substantial shareholder of Pan Merchant and the largest shareholder (48% equity interest) in PT Prima Ega Teknindo.

2.6 Classes of Related Parties

The Proposed New Shareholders' Mandate will apply to transactions with the following Related Parties:

	Related Party	Transacting Party	Relationship of Related Party with our Group
(i)	PMIT Europe NL	Vimabo Metal Industry B.V.	<p>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.</p> <p>Marcel Nicolaas Lupé is the sole shareholder of Lupé Beheer B.V., and 50.00% shareholder in Vimabo Metal Industry B.V..</p> <p>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.</p>
(ii)	PMIT Europe NL	Lupé Beheer B.V.	<p>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.</p> <p>Marcel Nicolaas Lupé is the sole shareholder of Lupé Beheer B.V. and 50.00% shareholder in Vimabo Metal Industry B.V..</p> <p>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.</p>
(iii)	PMIT USA NL	Vimabo Metal Industry B.V.	<p>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.</p> <p>Marcel Nicolaas Lupé is the sole shareholder of Lupé Beheer B.V. and 50.00% shareholder in Vimabo Metal Industry B.V..</p>

2.6 Classes of Related Parties (cont'd)

	Related Party	Transacting Party	Relationship of Related Party with Pan Merchant group
			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.
(iv)	PMIT US	Vimabo Metal Industry B.V.	<p>Lupé Beheer B.V. is a 10.00% shareholder in PMIT Holding NL. PMIT US is a 70%-owned subsidiary of PMIT USA NL.</p> <p>Marcel Nicolaas Lupé is the sole shareholder of Lupé Beheer B.V. and 50.00% shareholder in Vimabo Metal Industry B.V..</p>
(v)	PMIT Malaysia	PT Prima Ega Teknindo	Budhi Sentoso Rachmat is a 12.97% shareholder of Pan Merchant and he is also a director and major shareholder of PT Prima Ega Teknindo.

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2.7 Nature of the RRPTs contemplated under the Proposals

The nature and details of the RRPTs entered/to be entered into by the Group under the Proposals are as follows:

Transacting Parties	Interested Related Party	Nature of RRPTs	Proposed Shareholders' Ratification		Proposed New Shareholders' Mandate
			Listing Date up to the LPD	Estimated value from LPD up to the forthcoming 2 nd AGM	
PMIT Europe NL	Vimabo Metal Industry B.V. Interested Director: Marcel Nicolaas Lupé ⁽ⁱ⁾⁽ⁱⁱ⁾	Rental of Helmkamp 48, 7091 HR Dinxperlo, Netherlands by PMIT Europe NL from Vimabo Metal Industry B.V. Administration costs incurred by PMIT Europe NL which is payable to Vimabo Metal Industry B.V. comprising amongst others, telephone, internet, office supplies, and reimbursement of travelling costs Provision of labour services by Vimabo Metal Industry B.V. to produce candles, handles or leaves for PMIT Europe NL Procurement and fabrication of workshop and production equipment by Vimabo Metal Industry B.V. to PMIT Europe NL	RM'000	RM'000	RM'000
			-	-	10
			36	3	30
			546	214	1,300
			-	-	500

Transacting Parties	Interested Related Party	Nature of RRPTs	Proposed Shareholders' Ratification		Proposed New Shareholders' Mandate
			Listing Date up to the LPD	Estimated value from LPD up to the forthcoming 2 nd AGM	
PMIT Europe NL	Lupé Beheer B.V. <u>Interested Director:</u> Marcel Nicolaas Lupé (i)(ii)	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	RM'000	RM'000	RM'000
			159	33	400
PMIT USA NL	Vimabo Metal Industry B.V. <u>Interested Director:</u> Marcel Nicolaas Lupé (i)(ii)	Provision of labour services by Vimabo Metal Industry B.V. to produce candles, handles or leaves for PMIT USA NL			
			35	-	200
PMIT US	Vimabo Metal Industry B.V. <u>Interested Director:</u> Marcel Nicolaas Lupé (i)(ii)	Procurement and fabrication of workshop and production equipment by Vimabo Metal Industry B.V. to PMIT US			
			-	-	300

Transacting Parties	Interested Related Party	Nature of RRP/TPs	Proposed Shareholders' Ratification		Proposed New Shareholders' Mandate
			Listing Date up to the LPD	Estimated value from LPD up to the forthcoming 2 nd AGM	
PMIT Malaysia	PT Prima Ega Teknindo <u>Interested Shareholder:</u> Budhi Sentoso Rachmat (iii)	Sales of replacement parts from PMIT Malaysia to PT Prima Ega Teknindo Provision of support services by PT Prima Ega Teknindo to supply mechanic engineer on behalf of PMIT Malaysia to provide services in relation to PMIT Malaysia's products in Indonesia	RM'000	RM'000	RM'000
			6,545	1,084	7,300
			144	10	100

Notes:

- i. Marcel Nicolaas Lupé is a director of PMIT Europe NL, Lupé Beheer B.V. and Vimabo Metal Industry B.V. PMIT Holding NL is the director of PMIT USA NL, PMIT Europe NL and PMIT USA NL are wholly-owned subsidiaries of PMIT Holding NL.
- ii. Marcel Nicolaas Lupé is the sole shareholder of Lupé Beheer B.V. and 50.00% shareholder in Vimabo Metal Industry B.V.
- iii. Budhi Sentoso Rachmat is a 12.97% shareholder of Pan Merchant and he is also a director and major shareholder of PT Prima Ega Teknindo.

iv. 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. Vimabo Metal Industry B.V. will sub-lease additional 100 sq. m. of the premise to PMIT Europe NL (consisting of workshop space, office space, demonstration room, reception area and storage space). The Group will expand the office and workshop space of the current Netherland office. The salient terms of the lease agreement will be set out below:

Tenancy period: commencing from 1 January 2027 to 28 February 2029

Frequency of payment of the rentals: Monthly basis

v. All the figures provided are up to LPD.

vi. The estimated aggregate value of the RRPTs is based on management's best estimates taking into account historical trends, projected business volume, prevailing market conditions and internal forecasts. These estimates are subject to changes due to, among others, variations in market prices, operational needs and business activities. As such, the actual value of the RRPTs may differ from the estimated values disclosed above.

vii. The aggregate value of the RRPT entered into, as set out in the table for the Proposed Shareholders' Ratification, exceeds 5% of the Group's latest audited net assets.

2.8 Details of Amount Due and Owing to Pan Merchant Group by the Related Parties

As at the LPD, there is no amount due from and owing by Related Parties to Pan Merchant Group arising from the RRPTs which has exceeded the normal credit terms of the Pan Merchant Group.

2.9 Review Procedures for the RRPTs

Pan Merchant had established various guidelines and procedures to ensure that the RRPTs are undertaken on an arm's length basis, on transaction prices and terms not more favourable to the Related Parties involved than those generally available to the public and not detrimental to the minority shareholders of the Company.

The Group shall review the RRPTs based on the following parameters/procedures:

- (i) The definition of related party, list of related parties and the review procedures will be circulated and/or updated within the Group;
- (ii) The review of RRPTs falls within the scope of the Audit and Risk Management Committee ("**ARMC**");
- (iii) Records will be maintained to record all RRPTs which are/will be entered into, which will be available for review by, among others, the auditors and ARMC, on an annual basis. Any member of the ARMC may as he/she deems fit, request for additional information pertaining to RRPTs from independent sources or advisers;
- (iv) The pricing, terms and conditions of the RRPTs shall be consistent with the Group's usual business practice and determined with due consideration to, amongst others, the demand and supply of the products, quality, level of service, credit terms and reliability of supply, where relevant, practical and feasible. At least two other contemporaneous transactions with unrelated third parties for similar products and/or services and/or quantities will be used as comparison, wherever available or possible, to determine whether the price and terms offered to and/or by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products and/or services and/or quantities.

In the event that quotations or comparative pricing from unrelated third parties cannot be obtained for the proposed RRPTs, the management will rely on their usual business practices and their market knowledge of prevailing industry norms bearing in mind the urgency and efficiency of services to be provided or required to ensure that the RRPTs are not detrimental to the Company and/or the Group;

- (v) The ARMC shall continue to review the above established procedures periodically in cases of need, with at least one review conducted on an annual basis with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate;
- (vi) Where any Director or Persons Connected to him/ her or the Board member or ARMC member has an interest (direct or indirect) in any RRPTs, he/ she will abstain from voting on any matter relating to any decision making by the Board or the ARMC in respect of such transactions;
- (vii) The said interested Director shall undertake that he/ she will ensure that Persons Connected abstain from voting on the resolution deliberating or approving the RRPTs at a general meeting;

- (viii) Any individual RRPT which is RM1.0 million and above or 1% of any percentage ratios whichever is higher shall be reviewed and approved by the ARMC and the Board before the transaction is entered into; and
- (ix) The ARMC shall review all the RRPTs entered into by the Group generally on a yearly basis but subject to the requirement as and when necessary.

2.10 Disclosure in Annual Report

Disclosure will be made in the Company's Annual Report in accordance with Rule 3.1.5 of Guidance Note 8 of the Listing Requirements on the breakdown of the aggregate value of the RRPTs entered during the financial year, amongst others, based on the following information:

- (i) The types of RRPTs made; and
- (ii) The names of the Related Parties involved in each type of the RRPTs and their relationship with the Group.

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed New Shareholders' Mandate has been approved and renewed.

In addition, if the actual value of the RRPT(s) entered into by the Group exceeds the estimated value of the RRPT(s) disclosed in the circular to the shareholders on the Proposed New Shareholders' Mandate by 10% or more, the Company will make an immediate announcement to Bursa Securities.

2.11 Statement by Audit and Risk Management Committee

The ARMC has seen and reviewed the guidelines and procedures set out in Section 2.9 above and is of the view that there are sufficient procedures in place to ensure that the RRPTs will be carried out at arm's length and on normal commercial terms which are not more favourable to the Related Parties involved than those generally available to the public and not detrimental to the interest of the Company and its minority shareholders.

The ARMC is of the view that the Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner. The ARMC shall review these procedures and processes at least once a year. This is to ensure that the RRPTs are not detrimental or prejudicial to the minority shareholders of the Company.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSALS

The Proposed Shareholders' Ratification serves to ratify the RRPTs entered into by the Group since its Listing Date up to the date of the forthcoming 2nd AGM. Given that Pan Merchant is in its first year of listing, ratification of the RRPTs entered from the Listing Date up to its AGM allows the Company to coincide the Proposed Shareholders' Ratification and the Proposed New Shareholders' Mandate with its forthcoming 2nd AGM.

The RRPTs entered into or to be entered into from time to time by Pan Merchant Group with the Related Parties are in their ordinary course of business. They are recurring transactions of a revenue or trading nature which provides business opportunities and increase the order book of the Group and are likely to occur with some degree of frequency and arise at any time and from time to time. These RRPTs may be constrained by their time-sensitive nature and confidentiality, and it may be impractical to seek shareholders' approval on a case-to-case basis before entering into such RRPTs. As such, the Company is seeking its shareholders' approval for the Proposed New Shareholders' Mandate pursuant to Paragraph Rule 10.09(2) of the Listing Requirements to allow the Group to enter or continue to enter into the RRPTs.

The Proposed New Shareholders' Mandate is to ensure continuing day-to-day operations of the Group. By obtaining the shareholders' mandate on an annual basis, this will reduce substantial administrative time and expenses associated with the convening of general meetings from time to time to seek shareholders' approval of each transaction while still maintaining the objective of keeping shareholders informed of the extent of the RRPTs occurring within the Group.

It should also be emphasised that the Related Party is not under any obligation to enter into transactions with the Group and vice versa. Ultimately, all business transactions are entered into with the intention of profiting from market situations within normal trade practices. Therefore, external market prices and conditions are important factors that determine transaction prices between the Group and the Related Parties. The Related Parties have been a reliable supplier and/or customer of Pan Merchant Group. The RRPTs entered into by Pan Merchant Group as detailed in Section 2.7 of this Circular will meet Pan Merchant Group's business needs at the best possible terms and are in the best interest of Pan Merchant Group.

4. EFFECT OF THE PROPOSALS

The Proposals are not expected to have any material impact on the share capital, substantial shareholders' shareholdings, earnings, gearing and NA of the Group.

5. APPROVAL REQUIRED

The Proposals are subject to the approval being obtained from the shareholders of the Company at the forthcoming 2nd AGM or any adjournment thereof.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the other Directors, Major Shareholders or Person(s) Connected has any interest, direct and/or indirect, in the Proposals:

Interested Director / Major Shareholder in Pan Merchant	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Marcel Nicolaas Lupé (i)(ii)	222,400	0.02	-	-
Budhi Sentoso Rachmat (iii)	118,762,420	12.97	-	-

Notes:

- (i) Marcel Nicolaas Lupé is a director of PMIT Europe NL, Lupé Beheer B.V. and Vimabo Metal Industry B.V. PMIT Holding NL is the director of PMIT USA NL. PMIT Europe NL and PMIT USA NL are wholly-owned subsidiaries of PMIT Holding NL.
- (ii) Marcel Nicolaas Lupé is the sole shareholder of Lupé Beheer B.V. and 50.00% shareholder in Vimabo Metal Industry B.V.
- (iii) Budhi Sentoso Rachmat is a 12.97% shareholder of Pan Merchant and he is also a director and major shareholder of PT Prima Ega Teknindo

The interested Director, Marcel Nicolaas Lupé has abstained and will continue to abstain from all Board deliberations and voting in respect of the Proposals in subsidiary level. The interested Director, Marcel Nicolaas Lupé and the interested Major Shareholder, Budhi Sentoso Rachmat will abstain from voting in respect of their direct and/or indirect interests on the resolution approving the Proposals at the forthcoming AGM. They have also undertaken to ensure that the Persons Connected, if any, will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the resolution approving the Proposals at the forthcoming AGM.

7. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, having considered all aspects of the Proposals, is of the opinion that the Proposals are in the best interest of the Group.

Accordingly, our Board recommends that you vote in favour of the Ordinary Resolution pertaining to the Proposals to be tabled at the forthcoming AGM or any adjournment thereof of the Company.

8. 2nd AGM

The ordinary resolution pertaining to the Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate for RRPTs is set out as special business in the notice of 2nd AGM contained in the 2025 Annual Report of the Company, which was sent to you together with this Circular. The 2nd AGM of Pan Merchant will be held at Level 26, Auditorium, Menara Affin, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur on Thursday, 4 June 2026 at 10.30 a.m. or any adjournment thereof.

If you are unable to attend, participate, speak and vote in person at the 2nd AGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, to be deposited at the registered office of the Company at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the stipulated time for holding the AGM. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking and voting in person at the AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

You are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board
PAN MERCHANT BERHAD

Datuk Tan Leh Kiah
Independent Non-Executive Chairman

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy and completeness of the information given herein and confirm that after making all reasonable enquiries, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. MATERIAL LITIGATION

As at the LPD, Pan Merchant Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board is not aware of any proceedings, pending or threatened, against the Group or any facts likely to give rise to any proceedings which may materially affect the financial position and/or business of the Group.

3. MATERIAL CONTRACTS

Save as disclosed below, the Group has not entered into any material contracts during the past two (2) years preceding the date of this Circular (other than contracts entered into the ordinary course of business):

- (i) a shareholders' agreement dated 11 July 2024 between PMIT US and its shareholders namely PMIT USA NL and Ryan Christopher Boyd;
- (ii) the share sale agreement ("**SSA**") dated 23 August 2024 and supplemental SSA dated 5 December 2024 in relation to the acquisition by Pan Merchant of the entire issued share capital of PMIT Malaysia for a total purchase consideration of RM68,381,200. The SSA was completed on 2 May 2025;
- (iii) 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
- (iv) Underwriting Agreement dated 7 May 2025 entered into between Pan Merchant and Affin Hwang IB for the underwriting of 60,403,000 new Pan Merchant Shares issued pursuant to its initial public offering.

4. DOCUMENTS FOR INSPECTION

The following documents are available for inspection during normal business hours (except public holidays) at the Registered Office of the Company located at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan from the date of this Circular up to and including the date of the forthcoming AGM:

- (a) the Constitution of the Company;
- (b) the Audited Financial Statements of Pan Merchant for the past 2 FYEs 31 December 2024 and 2025; and
- (c) material contracts referred to in Section 3 of this appendix.

EXTRACT OF NOTICE OF THE 2nd ANNUAL GENERAL MEETING

To consider and, if thought fit, with or without any modifications, to pass the following Ordinary Resolution:

8. **ORDINARY RESOLUTION** (Resolution 8)
PROPOSED SHAREHOLDERS' RATIFICATION AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPTS")

"THAT subject always to the provisions of the ACE Market Listing Requirements of Bursa Securities and other relevant statutory and/or regulatory requirements, the Company and/or its subsidiaries be authorised, to the fullest extent permitted by law, to enter into and to give effect to the specified RRPTS with the Related Parties as set in the Circular to Shareholders dated 30 April 2026 which are necessary for its day-to-day operations in the ordinary course of business, to be entered into by the Company and/or its subsidiaries on the basis that these RRPTS are entered into on transaction prices and terms which are not more favourable to the Related Parties than generally available to the public and are not detrimental to the minority shareholders of the Company;

THAT such authority is subject to annual renewal and shall only continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the general meeting at which such mandate was passed, at which time the authority will lapse unless renewed by a resolution passed at the meeting, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("**Act**") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

THAT all RRPTS entered into by the Related Parties from 26 June 2025, being the date of listing of the Company on the ACE Market of Bursa Securities, up to the date of this Ordinary Resolution, particulars which are set out in Section 2.7 of the Circular to Shareholders dated 30 April 2026 be and are hereby approved, confirmed and ratified;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

