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PANSAR BERHAD

Registration No. 197401002551 (18904-M)
(INCORPORATED IN MALAYSIA)

PART A

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN SHARES BY THE COMPANY

("Proposed Share Buy-Back")

PART B

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

("Proposed Shareholders' Mandate")

The above proposals will be tabled at the Forty-Sixth (46th) Annual General Meeting of the Company to be held at Tanahmas Hotel, Jalan Kampung Nyabor, Sibul, Sarawak, on Wednesday, 9 September 2020 at 10:00 a.m.

The Form of Proxy should be completed and lodged with the Registered Office of the Company at 4th Floor, Wisma Pansar, 23-27, Jalan Bengkel, 96000 Sibul, Sarawak, on or before 10:00 a.m. on Monday, 7 September 2020. 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.

DEFINITIONS

For the purpose of this Statement/Circular, except where the context otherwise requires, the following definitions will apply:

AGM

Annual General Meeting

Annual Report 2020

Annual Report of the Company for the financial year ended 31 March 2020

Board

The Board of Directors of Pansar

Bursa Malaysia

Bursa Malaysia Securities Berhad (635998-W)

Director(s)

A director for the time being of Pansar and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of Pansar or any other company which is its subsidiary or holding company or chief executive of Pansar, its subsidiary or holding company.

EPS

Earnings per Share

FYE

Financial year(s) end/ended/ending

LPD

15 July 2020, being the last practicable date prior to the printing of this Statement/Circular.

Listing Requirements

The Main Market Listing Requirements of Bursa Malaysia and practice notes issued thereunder including any amendments in respect thereof from time to time.

Major Shareholder(s)

A person who has an interest or interests in one or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:

- 10% or more of the total number of voting shares in the corporation; or
- 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.

This includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of Pansar or any other corporation which is a subsidiary of the holding company.

Pansar or Company

Pansar Berhad [Registration No. 197401002551 (18904-M)]

Pansar Group or Group

Collectively, Pansar, PCSB, PESSB, PSPL and PHE

PCSB

Pansar Company Sdn Bhd [Registration No. 196501000061 (50977-M)], a wholly-owned subsidiary company of Pansar

Person(s) Connected

This shall have the same meaning as in Paragraph 1.01 of the Listing Requirements.

PESSB

Pansar Engineering Services Sdn Bhd [Registration No. 199601032924 (405276-T)], a wholly-owned subsidiary company of Pansar.

PHE

Pansar Heavy Equipment Sdn Bhd [Registration No. 198801008199 (175555-A)], a wholly-owned subsidiary company of Pansar.

Proposed Share Buy-Back

Proposed renewal of authority to purchase its own shares by the Company

Proposed Shareholders' Mandate

Proposed renewal of existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature

PSPL

Pansar Singapore Pte. Ltd. (Registration No. 201510836Z)

Related Party/Parties

A Director, Major Shareholder or Person Connected with such Director or Major Shareholder

RM and Sen

Ringgit Malaysia and sen respectively

RRPT(s)

A related party transaction(s) which is recurrent, of a revenue or trading nature and which is necessary for the day-to-day operations of Pansar Group and which has been made or will be made by Pansar Group at least once in three (3) years in the ordinary course of business of Pansar Group.

Shareholders' Mandate

Shareholders' mandate pursuant to Paragraph 10.09 of the Listing Requirements for recurrent related party transactions entered into from the date of the last AGM convened on 16 August 2019 to the date of this forthcoming AGM to be held on 9 September 2020.

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PART B

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Part

A

**STATEMENT TO SHAREHOLDERS
IN RELATION TO THE PROPOSED RENEWAL
OF AUTHORITY TO PURCHASE
ITS OWN SHARES BY THE COMPANY**

("Proposed Share Buy-Back")

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN SHARES BY THE COMPANY ("PROPOSED SHARE BUY-BACK")

1. INTRODUCTION

At our Forty-Fifth (45th) AGM held on 16 August 2019, we had obtained approval from our shareholders for the renewal of authority to purchase up to ten percent (10%) of the total issued share capital of the Company through Bursa Malaysia. In accordance with the Listing Requirements, this authority will, unless revoked or varied by the Company in a general meeting, expire at the next AGM of the Company.

On 27 July 2020, the Company announced our intention to seek the approval from our shareholders for the Proposed Share Buy-Back at the forthcoming AGM of the Company which will be held on 9 September 2020.

The purpose of this statement is to provide you with the relevant information on the Proposed Share Buy-Back and to seek your approval for the ordinary resolution pertaining to the renewal of authority to undertake the Proposed Share Buy-Back, which will be tabled at the forthcoming AGM.

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

The Proposed Share Buy-Back is subject to compliance with the Companies Act, 2016, Bursa Malaysia Listing Requirements and any prevailing laws and relevant regulations, rules and guidelines as may be issued by the relevant authorities at the time of purchases.

The Board of Directors proposes to seek your approval for the renewal of authority to enable the Company to purchase its own shares up to ten percent (10%) of the issued share capital of the Company as quoted on Bursa Malaysia at the point of purchase.

As at the LPD, the total issued share capital of the Company before adjusting the 4,023,150 Pansar shares already held as treasury shares was 462,000,000 ordinary shares. The maximum number of Pansar Shares that may be purchased including the treasury shares held should not exceed 10% of the total number of the issued shares of the Company at any one time.

The renewal of authority for the Proposed Share Buy-Back will be effective immediately upon the passing of the ordinary resolution at the forthcoming AGM and will continue to be in force until:

- (i) the conclusion of our next AGM at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which our next AGM after that date is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by our shareholders in a general meeting; whichever occurs first.

In accordance with Section 127(4) and (7) of the Companies Act, 2016, the shares so purchased may be dealt with by the Directors in the following manner:

- (i) to cancel the shares so purchased; or
- (ii) to retain the shares so purchased as treasury shares; or
- (iii) to retain part of the shares so purchased as treasury shares and cancel the remainder; or
- (iv) to distribute the treasury shares as dividends to its shareholders; or
- (v) to resell the treasury shares on the market of Bursa Malaysia, in accordance with the relevant rules of Bursa Malaysia.

An appropriate announcement will be made to Bursa Malaysia in respect of the intention of the Directors in dealing with the shares so purchased in whichever manner above, together with the rationale.

3. PRICING

In accordance with the Listing Requirements, the Company may only purchase its own shares on the market of Bursa Malaysia at a price which is not more than 15% above the weighted average market price for the shares for the 5 market days immediately before the purchase.

The Company may only resell treasury shares on the Exchange or transfer treasury shares pursuant to section 127(7) of the Companies Act, at -

- (a) a price which is not less than the weighted average market price for the shares for the 5 market days immediately before the resale or transfer; or
- (b) a discounted price of not more than 5% to the weighted average market price for the shares for the 5 market days immediately before the resale or transfer provided that –
 - (i) the resale or transfer takes place not earlier than 30 days from the date of purchase; and
 - (ii) the resale or transfer price is not less than the cost of purchase of the shares being resold or transferred.

4. FUNDING

The Proposed Share Buy-Back is expected to be funded from internally generated funds of the Company. The maximum amount of funds allocated for the purchase of the Company's shares shall not exceed the latest audited retained earnings of the Company. Based on the audited financial statements as at 31 March 2020, the retained profits of the Company is RM3,768,951. In the event that the Proposed Share Buy-Back is to be partly financed by external borrowings, the Company expects that it will be capable of repaying such borrowings and that such funding will not have a material effect on the cash flows of the Company.

The actual number of shares to be purchased, the total amount of funds to be utilised and the timing of the purchase(s) will depend on inter-alia, the market conditions and sentiments of the stock market as well as the availability of financial resources of the Company and the availability of its retained profits.

5. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back, if exercised, is expected to potentially benefit the Company and our shareholders in the following manner:

- 5.1 enables the Company to stabilise the supply and demand of our shares in the open market and hence support the fundamental values of Pansar shares;
- 5.2 the Proposed Share Buy-Back may enhance value for our shareholders from the resultant reduction in the liquidity of its shares in the market;
- 5.3 the shares, if bought back and retained as treasury shares, may be distributed as dividends to reward our shareholders, or the Company may have the opportunity to realise a potential gain if the purchased shares are resold on Bursa Malaysia at a higher share price;
- 5.4 enhance the EPS and consequently the market price of Pansar shares if the purchased shares are cancelled, as our shareholders may enjoy an increase in the value of their investment in the Company due to the increase in the net EPS as a result of a reduction in the issued and paid-up share capital of the Company upon the cancellation of the shares.

6. RISK ASSESSMENT OF THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back will:

- 6.1 reduce the financial resources of the Pansar Group and may result in the Group having to forego other investment opportunities that may emerge in the future;
- 6.2 result in the reduction of financial resources available for distribution in the form of cash dividends to our shareholders; and
- 6.3 reduce the liquidity of Pansar shares as the public shareholding spread will be reduced from the buy-back.

Nevertheless, the Proposed Share Buy-Back is not expected to cause any potential material disadvantage to the Company or our shareholders, as any share buy-back exercise will only be undertaken after an in-depth consideration of the financial resources of the Company and of the resultant impact on our shareholders.

7. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

Based on the assumption that the Proposed Share Buy-Back is carried out in full, the effects on share capital, EPS, net assets and working capital are illustrated below:

7.1 On Share Capital

The Proposed Share Buy-Back will have no effect on the total issued ordinary share capital of the Company if all the shares purchased by the Company are retained as treasury shares, resold or distributed to its shareholders.

In the event that the maximum number of shares representing ten percent (10%) of the issued and paid-up share capital are purchased in full and cancelled, the impact on the share capital of the Company will be as follows-

		No. of Shares
Total issued ordinary share capital as at LPD before adjusting the treasury shares		462,000,000
Less :	Shares purchased and cancelled (Assuming maximum shares purchased and cancelled)	(46,200,000)
Resultant share capital after cancellation		415,800,000

7.2 On Earnings

Depending on the quantum of shares purchased, the purchase prices of the shares and the effective funding costs thereon, the Proposed Share Buy-Back may increase the EPS of the Pansar Group. Similarly, where the shares so purchased are treated as treasury shares and resold, the extent of the effect on the earnings of the Pansar Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or interest savings arising thereon.

7.3 On Net Assets

The effect of the Proposed Share Buy-Back on the Net Assets per Share of the Company and the Pansar Group is dependent on the quantum of shares which the Company buys back and the purchase price of the shares in comparison to the Net Assets per Share of the Company at the time of purchase.

The Proposed Share Buy-Back will reduce the Net Assets per Share of the Company and the Pansar Group if the purchase price exceeds the Net Assets per Share of the Company at the time of purchase; and will increase the Net Assets per Share if the purchase price is less than the Net Assets per Share at the relevant point in time.

7.4 On Working Capital

The Proposed Share Buy-Back will reduce the working capital of the Pansar Group, the quantum of which will depend on the number of shares purchased and the purchase prices of the shares. The extent of the reduction in cash flow of the Pansar Group will be relative to the number of shares purchased and the purchase prices of the shares.

The working capital and cash flow of the Pansar Group will increase upon the resale of the treasury shares, the quantum of which will depend on the actual selling prices of the treasury shares and the number of treasury shares resold.

7.5 On Shareholdings of Substantial Shareholders and Directors

Based on the Record of Depositors as at LPD, the effect of the Proposed Share Buy-Back on the shareholdings of the substantial shareholders and Directors of the Company for the purpose of illustration will be as follows:

(a) Substantial Shareholders' Shareholdings

SUBSTANTIAL SHAREHOLDERS	BEFORE THE PROPOSED SHARE BUY-BACK				AFTER THE PROPOSED SHARE BUY-BACK			
	Direct		Indirect		Direct		Indirect	
Pan Sarawak Holdings Sdn Bhd	301,500,003	65.26%	-	-	301,500,003	72.51%	-	-
Tai Sing Chii & Sons Sdn Bhd	-	-	301,500,003	65.26% (a)	-	-	301,500,003	72.51% (a)
Inplaced Capital Sdn Bhd	-	-	301,500,003	65.26% (a)	-	-	301,500,003	72.51% (a)
Puan Sri Datin Sri Ling Lah Kiong	-	-	301,500,003	65.26% (b)	-	-	301,500,003	72.51% (b)
David Tai Wei	-	-	301,500,003	65.26% (c)	-	-	301,500,003	72.51% (c)

(b) Directors' Shareholdings

DIRECTORS	BEFORE THE PROPOSED SHARE BUY-BACK				AFTER THE PROPOSED SHARE BUY-BACK			
	Direct		Indirect		Direct		Indirect	
Dato' James Tai Cheong @ Tai Chiong	-	-	302,007,253	65.37% (d)	-	-	302,007,253	72.63% (d)
Datuk Tai Hee	-	-	301,768,303	65.32% (e)	-	-	301,768,303	72.58% (e)
Ling Lee Chuon @ James Ling Chung	-	-	1,904,550	0.41% (f)	-	-	1,904,550	0.46% (f)
Ting Ing Horh @ Ting Ing Ho	-	-	-	-	-	-	-	-
Fong Yoo Kaw @ Fong Yee Kow	-	-	-	-	-	-	-	-
Azman Bin Bujang	-	-	-	-	-	-	-	-

Notes:

- Deemed interested by virtue of its substantial interests in Pan Sarawak Holdings Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 ("the Act")
- Deemed interested by virtue of her substantial interests in Tai Sing Chii & Sons Sdn Bhd pursuant to Section 8 of the Act
- Deemed interested by virtue of his substantial interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act
- Deemed interested by virtue of his substantial interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act as well as his spouse and children's shareholding in the Company
- Deemed interested by virtue of his substantial interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act as well as his spouse's shareholding in the Company
- Deemed interested by virtue of his spouse and children's shareholdings in the Company

7.6 On Dividends

Assuming the Proposed Share Buy-Back is implemented in full, the Proposed Share Buy-Back will reduce the cash available which may otherwise be used for cash dividend payments.

However, we do not expect the Proposed Share Buy-Back to have any material impact on our policy in recommending dividends to our shareholders. Notwithstanding that, the treasury shares purchased may be distributed as dividends to our shareholders, if the Company so decides.

8. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Under the Listing Requirements, any purchase by the Company of its own shares and/or resale of its treasury shares can only be effected in the open market. Hence, save for the proportionate increase in the percentage shareholdings and/or voting rights of our shareholders as a result of the Proposed Share Buy-Back, none of our Directors and substantial shareholders of the Company and/or Persons Connected with them has or will have any interest, direct or indirect, in the Proposed Share Buy-Back.

9. IMPLICATIONS OF THE TAKE-OVER AND MERGERS CODE 2010 ("THE CODE")

The Proposed Share Buy-Back will not trigger any obligation to undertake a mandatory general offer under the Code.

10. PURCHASE, RESALE AND CANCELLATION OF SHARES DURING THE PRECEDING 12 MONTHS

There was no purchase of its own shares made by the Company during the financial year ended 31 March 2020 pursuant to the existing authority.

As at LPD, a total of 4,023,150 shares were held as treasury shares. The company has not resold, transferred, cancelled and/or distributed any treasury shares as dividends in the preceding twelve (12) months.

11. PUBLIC SHAREHOLDING SPREAD

The Board of Directors is mindful of the requirement by Bursa Malaysia that the number of shares in the hands of the public must not at any one time, fall below 25% of the issued and paid-up share capital of the Company. In the event of implementing the Proposed Share Buy-Back, the Directors will ensure that the minimum public shareholding spread is maintained and will not purchase shares if the buy-back will result in the public shareholding spread requirement not being met. Based on the Record of Depositors as at LPD, the public shareholding spread of the Company is 33.58%.

12. HISTORICAL SHARE PRICE

The table below sets out the monthly highest and lowest prices of Pansar shares as transacted on Bursa Malaysia for the preceding 12 months :

2019	HIGH (RM)	LOW (RM)
July	0.500	0.440
August	0.460	0.430
September	0.610	0.445
October	0.625	0.550
November	0.605	0.555
December	0.655	0.575

2020	HIGH (RM)	LOW (RM)
January	0.665	0.615
February	0.690	0.615
March	0.665	0.545
April	0.720	0.620
May	0.850	0.710
June	0.950	0.855

The last transacted price of Pansar Shares as at the LPD was RM1.01.

(Source: Bloomberg Finance L.P.)

13. DIRECTORS' STATEMENT AND RECOMMENDATIONS

The Board of Directors, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is in the best interests of the Company and our shareholders.

Accordingly, the Board of Directors recommends that you vote in favour of the ordinary resolution for the renewal of authority for the Proposed Share Buy-Back which will be tabled at the forthcoming AGM of the Company.

14. ACTION TO BE TAKEN BY THE SHAREHOLDERS

The proposed renewal of authority for the Proposed Share Buy-Back is subject to the approval of the shareholders of the Company at the forthcoming AGM which will be held at Tanahmas Hotel, Jalan Kampung Nyabor, Sibul, Sarawak, on Wednesday, 9 September 2020 at 10:00 a.m.

If you are unable to attend and vote in person at the AGM, you should complete, sign and return the Form of Proxy to reach the office of Pansar at 4th Floor, Wisma Pansar, 23-27, Jalan Bengkel, 96000 Sibul, Sarawak, as soon as possible and in any event not later than 48 hours before the time set for the forthcoming AGM. The completion and lodgment of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently decide to do so.

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Part

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**CIRCULAR TO SHAREHOLDERS IN RELATION TO
THE PROPOSED RENEWAL OF EXISTING
SHAREHOLDERS' MANDATE FOR RECURRENT
RELATED PARTY TRANSACTIONS OF A REVENUE
OR TRADING NATURE**

("Proposed Shareholders' Mandate")

Registered Office

4th Floor, Wisma Pansar
23-27, Jalan Bengkel
96000 Sibul, Sarawak

11 August 2020

Board of Directors

Dato' James Tai Cheong @ Tai Chiong	<i>(Chairman/Non-Independent Non-Executive Director)</i>
Datuk Tai Hee	<i>(Managing Director)</i>
Ling Lee Chuon @ James Ling Chung	<i>(Non-Independent Non-Executive Director)</i>
Ting Ing Horh @ Ting Ing Ho	<i>(Non-Independent Non-Executive Director)</i>
Fong Yoo Kaw @ Fong Yee Kow	<i>(Independent Non-Executive Director)</i>
Azman Bin Bujang	<i>(Independent Non-Executive Director)</i>

To: The Shareholders of Pansar

Dear Sir/Madam,

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

1. INTRODUCTION

At the AGM of the Company convened on 16 August 2019, we had obtained the Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature. The said Shareholders' Mandate, in accordance with the Listing Requirements, will lapse at the conclusion of the forthcoming AGM of the Company to be held on 9 September 2020, unless the authority for its renewal is obtained from you at the forthcoming AGM.

On 27 July 2020, the Company announced to Bursa Malaysia of its intention to seek your approval for the proposed renewal of the existing Shareholders' Mandate (the "Proposed Shareholders' Mandate") for recurrent related party transactions of a revenue or trading nature which are necessary for its day-to-day operations in compliance with Part E Paragraph 10.09 of the Listing Requirements.

The purpose of this Circular is to provide you with the relevant details pertaining to this Proposed Shareholders' Mandate and to seek your approval for the ordinary resolution which will be tabled at the forthcoming AGM of the Company.

2. PROVISIONS UNDER THE LISTING REQUIREMENTS IN RELATION TO RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

Part E Paragraph 10.09 and Practice Note 12 of the Listing Requirements state that for related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations, a listed issuer may seek a shareholders' mandate, subject to the following:

- a) the transactions 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 breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- c) issuance by the Company of a Circular to Shareholders for the shareholders' mandate which include information as may be prescribed by Bursa Malaysia;
- d) in a meeting to obtain the shareholders' mandate, the interested Director, interested Major Shareholder or interested Person Connected with a Director or Major Shareholder; and where it involves the interest of an interested Person Connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution to approve the transactions. An interested Director or interested Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the transactions; and
- e) the Company immediately announces to Bursa Malaysia when the actual value of an RRPT entered into by the Company exceeds the estimated value of the RRPT disclosed in the Circular by 10% or more and to include the information as may be prescribed by Bursa Malaysia in its announcement.

Where the Company has procured a shareholders' mandate pursuant to Paragraph 10.09(2) of the Listing Requirements, the provisions of Paragraph 10.08 will not apply.

3. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

a) Principal Activities of Pansar Group

The principal activity of the Company is that of investment holding whilst the principal activities of its subsidiaries are as follows:

NAME OF SUBSIDIARY	EFFECTIVE EQUITY INTEREST (%)	PRINCIPAL ACTIVITY
Pansar Company Sdn Bhd ("PCSB")	100	Sales and distribution of building materials, marine and industrial products, wood engineering equipment and supplies, electrical products and office automation and ventilation, plumbing and fire protection systems.
Pansar Engineering Services Sdn Bhd ("PESSB")	100	General trading and installation of air conditioning and ventilation, plumbing and fire protection systems.
Pansar Singapore Pte Ltd ("PSPL")	100	Sales and distribution of various building materials, marine and industrial products, wood engineering equipment and supplies, electrical products and office automation and supplies.
Pansar Heavy Equipment Sdn Bhd ("PHE")	100	Sales and distribution of construction equipment which includes backhoe loaders, heavy excavators, compact excavator and telehandlers.

b) Details of RRPTs of a Revenue or Trading Nature

The Board of Directors of the Company is seeking approval from our shareholders for the Proposed Shareholders' Mandate to allow the Pansar Group in their normal course of business, to enter into transactions of a revenue or trading nature which are necessary for its day-to-day operations between the companies in the Group and the Related Parties.

The names of the companies, details of the nature of the RRPT to be entered into, the estimated value of each RRPT as disclosed in the preceding year's Circular to Shareholders, the actual value transacted, and the estimated aggregate value contemplated under this Proposed Shareholders' Mandate as well as the names of the Related Parties with information on the names of interested Directors, Major Shareholders and Person(s) Connected as well as their nature of interest are outlined in Attachment 1 – Recurrent Related Party Transactions and Related Parties.

c) Conditions of the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate, if approved at the forthcoming AGM, will continue to be in force until-

- i) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
- iii) revoked or varied by resolution passed by our shareholders in a general meeting; whichever is the earlier.

Disclosure of the aggregate value of the RRPTs conducted during the financial year pursuant to the Proposed Shareholders' Mandate will be made in the Annual Report of the Company, amongst others, based on the following information-

- i) the types of recurrent transactions made; and
- ii) the names of the Related Parties involved in each type of the recurrent transactions made and their relationship with the Company.

d) Reason for the Deviation in Actual Value by/or exceeding 10% of the Estimated Value

As at LPD, there was no RRPT entered into by the Company where the actual value transacted exceeded by 10% of the estimated transaction value of the RRPT as disclosed in the Circular to Shareholders of the preceding year.

e) Guidelines and Review Procedures for RRPT

Transactions with Related Parties will only be entered into under similar commercial terms for transactions with third parties, which depend on the demand and supply of the products and services, as well as their availability and pricing, level and quality of products and services.

The Pansar Group has put in place its related parties internal control policies and procedures to ensure that transactions with Related Parties are undertaken on transaction prices and terms which are not more preferential to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders of the Company.

To supplement the existing internal control procedures, the Audit Committee is tasked with the review of the procedures of such transactions. These guidelines and review procedures include the following-

- i) The Board and the Audit Committee will review the policies and procedures as and when necessary, with the authority to sub-delegate to other committees or individuals within the Company as they deem appropriate.
- ii) A list of the Related Parties will be maintained by the Chief Financial Officer and circulated to all members of the RPT Committee which includes the heads of business units for them to monitor and report on all RRPTs. This list is promptly updated for any additional/new

- Related Party. The RPT Committee members will identify and monitor transactions with the Related Parties in a timely and orderly manner to ensure that these transactions arising from the normal day-to-day business operations are undertaken at arm's length.
- iii) The Related Parties and the interested Directors will be advised that they are subject to the shareholders' mandate which is subject to annual renewal and informed of the review and disclosure procedures.
 - iv) The transaction prices, terms and conditions of purchases and sales will be determined by market forces, under similar commercial terms for transactions with third parties which depend on the demand and supply of the products or services and subject to the availability of the products/services in the market. Where possible or practical, at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison to determine whether the prices and terms offered to/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/services and/or quantities.
 - v) In the event that the quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined based on Pansar Group's normal business practices and policies (such as benchmarking analyses on reasonableness of the profit margin in relation to the transactions) which is consistent with normal trade practices to ensure that the RRPT is not detrimental to the Pansar Group.
 - vi) Proper records will be maintained by each company within the Pansar Group to capture all transactions with Related Parties which are entered into pursuant to the Shareholders' Mandate. These records of transactions will also be made available to the internal and external auditors for their periodic reviews.
 - vii) Disclosures will be made in the Annual Report of the aggregate value of transactions pursuant to the Shareholders' Mandate during the financial year.
 - viii) The RPT Committee will meet on a quarterly basis to review all these transactions undertaken with the Related Parties and to seek further clarification where necessary, before its submission to the Audit Committee.
 - ix) All RPTs including the minutes of meetings of the RPT Committee will be tabled to the Audit Committee for review on a quarterly basis to ensure due procedures are complied with and these transactions are carried out on normal commercial terms not more favourable to the Related Party than those generally available to third parties dealing at arm's length and not to the detriment of the Company's minority shareholders. All reviews by the Audit Committee will be reported to the Board.
 - x) The Board will maintain its overall responsibility for the determination of the RRPT procedures. If the Board and Audit Committee are of the view that the review procedures are no longer sufficient to ensure that the RRPTs are transacted at arms' length basis, they will have the discretion to discharge, vary and/or modify or implement new and/or additional procedures and guidelines.
 - xi) If a member of the Board and/or the Audit Committee has an interest (direct or indirect) in any of the transactions, he will declare the nature of his interest and abstain from deliberation and any decision-making by the Board and the Audit Committee in respect of that transaction.
 - xii) Periodic reviews of RRPTs will be conducted by Internal Audit to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to.
 - xiii) The Pansar group has in place authority limit matrices to govern its business transactions including approval thresholds for varying types of transactions and business units undertaking the transactions. The thresholds for the approval of RRPT within the Pansar Group are as follows-

TRADING SALES		TRADING PURCHASES	
Authority Limit	Approving Authority	Authority Limit	Approving Authority
≤ RM100,000	Branch Manager	≤ RM2,000	Branch Manager
≤ RM1,000,000	Regional Manager/Divisional Manager/General Manager	≤ RM100,000	Regional Manager
Above RM1,000,000	General Manager – Business Divisions/Managing Director	≤ RM300,000	Divisional Manager
		≤ RM1,000,000	General Manager/General Manager – Business Divisions
		Above RM1,000,000	Managing Director

f) Statement by Audit Committee

The Audit Committee of the Company has reviewed the procedures stated above and is of the view that-

- i) the procedures are sufficient to ensure that the RRPTs are conducted at arm's length and in accordance with the Pansar Group's normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not prejudicial to the interests of the shareholders and not detrimental to the interests of the minority shareholders; and
- ii) the Pansar Group has in place adequate procedures and processes to identify, monitor and track the RRPTs in a timely and orderly manner and such procedures and processes are reviewed whenever the need arises.

g) Outstanding Related Party Receivables

The Group's receivables from the Related Parties pursuant to the RRPTs which exceeded the credit term as at the financial year ended 31 March 2020 are as follows:

PERIOD EXCEEDED CREDIT TERM	OUTSTANDING RELATED PARTY RECEIVABLES (RM'000)
≤ 1 year	4,825
> 1 year ≤ 3 years	1,199
> 3 years ≤ 5 years	-
> 5 years	-

The Group monitors all collections very closely and engages in constant discussions with our customers for expeditious settlement of the outstanding payments. The Group does not impose interest and late payment charges on the overdue amounts owing by the Related Parties as they have continuously given their business support to the Group.

Given the close monitoring and follow-up actions taken on all due collections, the Board is of the opinion that the amounts due from the Related Parties are recoverable as they are long standing business partners and have proven to be credit-worthy debtors with no history of default.

4. RATIONALE AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE

It is envisaged that in the ordinary course of business, the Pansar Group will enter into transactions with parties for the provision of goods and services at the best possible terms to meet the business

needs of the Pansar Group. It is therefore reasonable for the Pansar Group to engage with the Related Parties rather than with other parties, to be assured of the availability and quality of the goods and services as well as prompt delivery.

The Pansar Group and the Related Parties have close co-operation and good understanding of each other's business needs and as such, provide a platform where all parties can enjoy synergistic benefits from entering into the RRPTs, which will be transacted at arm's length and on normal commercial terms.

By obtaining the shareholders' approval for the Proposed Shareholders' Mandate and its renewal on an annual basis, this will eliminate the need for the Company to convene separate general meetings on each occasion to seek shareholders' approval for the Pansar Group to enter into an RRPT. This will substantially reduce the costs associated with convening such general meetings, improve administrative efficiency and allow more time to be channelled towards attaining the corporate objectives of the Company. This will ultimately benefit the Pansar Group and our shareholders by enhancing the profitability and returns on shareholders' funds.

5. FINANCIAL EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate is not expected to have any effect on the issued and paid-up share capital of the Company and on the net assets and earnings of the Pansar Group.

6. INTERESTS OF THE DIRECTORS AND MAJOR SHAREHOLDERS

PARTICULARS	DIRECT		INDIRECT	
	No. of Shares	%	No. of Shares	%
Interested Major Shareholders				
Pan Sarawak Holdings Sdn Bhd	301,500,003	65.26%	-	-
Tai Sing Chii & Sons Sdn Bhd	-	-	301,500,003 ^(a)	65.26%
Inplaced Capital Sdn Bhd	-	-	301,500,003 ^(a)	65.26%
Puan Sri Datin Sri Ling Lah Kiong	-	-	301,500,003 ^(b)	65.26%
David Tai Wei	-	-	301,500,003 ^(c)	65.26%
Interested Directors of the Company				
Dato' James Tai Cheong @ Tai Chiong	-	-	302,007,253 ^(d)	65.37%
Datuk Tai Hee	-	-	301,768,303 ^(e)	65.32%
Ting Ing Horh @ Ting Ing Ho	-	-	-	-
Ling Lee Chuon @ James Ling Chung	-	-	1,904,550 ^(f)	0.41%
Interested Directors of subsidiaries				
Ting Lina @ Ding Lina	-	-	-	-
Person Connected				
Dato' Tiong Ing ¹	427,000 ⁽¹⁾	0.092%	-	-
Samuel James Tai Huei ²	26,000 ⁽²⁾	0.006%	-	-
Daniel James Tai Hann ²	26,000 ⁽²⁾	0.006%	-	-
Deborah Elaine Tai Hwe-Lan ²	28,250 ⁽²⁾	0.006%	-	-
Yow King Hong ³	319,500 ⁽³⁾	0.069%	-	-
Christine Ling Mei Hui ⁴	300,000 ⁽⁴⁾	0.065%	-	-
Joanna Ling Mei Chiing ⁴	301,650 ⁽⁴⁾	0.065%	-	-
Ronald Ling Ing Han ⁴	303,600 ⁽⁴⁾	0.066%	-	-
Laura Ling Mei Ling ⁴	360,000 ⁽⁴⁾	0.078%	-	-
Lisa Ling Mei Sing ⁴	319,800 ⁽⁴⁾	0.069%	-	-
Datin Ding Kho Nee ⁵	268,300 ⁽⁵⁾	0.058%	-	-

Note:

1 Spouse of Dato' James Tai Cheong @ Tai Chiong

- 2 *Children of Dato' James Tai Cheong @ Tai Chiong*
- 3 *Spouse of Ling Lee Chuon @ James Ling Chung*
- 4 *Children of Ling Lee Chuon @ James Ling Chung*
- 5 *Spouse of Datuk Tai Hee*
- (a) *Deemed interested by virtue of its substantial interests in Pan Sarawak Holdings Sdn Bhd pursuant to Section 8 of the Act.*
- (b) *Deemed interested by virtue of her substantial interests in Tai Sing Chii & Sons Sdn Bhd pursuant to Section 8 of the Act.*
- (c) *Deemed interested by virtue of his substantial interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act*
- (d) *Deemed interested by virtue of his substantial interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act and his spouse and children's shareholding in the Company*
- (e) *Deemed interested by virtue of his substantial interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act and his spouse's shareholding in the Company*
- (f) *Deemed interested by virtue of his spouse and children's shareholdings in the Company.*

The interested Directors, namely Dato' James Tai Cheong @ Tai Chiong, Datuk Tai Hee, Mr. Ling Lee Chuon @ James Ling Chung and Mr. Ting Ing Horh @ Ting Ing Ho, have abstained and will continue to abstain from deliberations and voting at the relevant meetings of the Board on the resolution in relation to the Proposed Shareholders' Mandate.

The interested Directors and the interested Major Shareholders, namely Pan Sarawak Holdings Sdn Bhd, Tai Sing Chii & Sons Sdn Bhd, Inplaced Capital Sdn Bhd, Puan Sri Datin Sri Ling Lah Kiong and David Tai Wei, will abstain and will ensure that Persons Connected to them will also abstain from voting in respect of their direct and/or indirect shareholdings on the resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming AGM.

Save as disclosed above, none of the other Directors, Major Shareholders and/or Persons Connected with them have any interest, direct and/or indirect, in the Proposed Shareholders' Mandate.

7. APPROVAL REQUIRED

The Proposed Shareholders' Mandate is subject to the approval of our shareholders at the forthcoming AGM of the Company.

8. RECOMMENDATION BY DIRECTORS

The Directors, other than the interested Directors, namely Dato' James Tai Cheong @ Tai Chiong, Datuk Tai Hee, Mr. Ling Lee Chuon @ James Ling Chung and Mr. Ting Ing Horh @ Ting Ing Ho, who have abstained from giving an opinion and recommendation, having considered all aspects of the said Proposed Shareholders' Mandate, are of the opinion that it is in the best interest of the Company and our shareholders and accordingly recommend that you vote in favour of this ordinary resolution at the forthcoming AGM.

9. ANNUAL GENERAL MEETING

The AGM of the Company will be held at Tanahmas Hotel, Jalan Kampung Nyabor, Sibul, Sarawak, on Wednesday, 9 September 2020 at 10:00 a.m. and any adjournment thereof for the purpose of, inter alia, considering and, if thought fit, approving the ordinary resolution on the Proposed Shareholders' Mandate as set out in the Notice of the AGM.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

If you are unable to attend and vote in person at the forthcoming AGM, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions therein as soon as possible and in any event to arrive at the Registered Office of the Company not less than 48 hours before the time set for the forthcoming AGM. The completion and return of the Form of Proxy will not preclude you from attending and voting in person should you subsequently decide to do so.

11. FURTHER INFORMATION

You are requested to refer to Appendix A for further information.

Yours faithfully,
For and on behalf of the Board of
PANSAR BERHAD

FONG YOO KAW @ FONG YEE KOW
Independent Non-Executive Director

ATTACHMENT 1 – RECURRENT RELATED PARTY TRANSACTIONS AND RELATED PARTIES - NATURE AND TERMS OF RRPT AND THEIR ESTIMATED VALUE

1. RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE

SUBSIDIARY INVOLVED	NATURE OF TRANSACTION	RELATED PARTY	NAME OF INTERESTED DIRECTORS, MAJOR SHAREHOLDERS AND PERSON(S) CONNECTED TO PANSAR GROUP			ESTIMATED TRANSACTION VALUE PER LAST MANDATE DISCLOSED IN THE CIRCULAR TO SHAREHOLDERS DATED 18 JULY 2019	ACTUAL TRANSACTED VALUE FROM 17 AUGUST 2019 TO LPD	ESTIMATED TRANSACTION VALUE FOR THE VALIDITY PERIOD OF THE PROPOSED SHAREHOLDERS’ MANDATE **
			Interested Directors	Major Shareholders	Person(s) Connected	(RM'000)	(RM'000)	(RM'000)
1. PCSB	Rental of office and store premises to PCSB by PHSB (Refer Attachment 2(a) – Rental of Premises)	Pan Sarawak Holdings Sdn Bhd (“PHSB”)	<ul style="list-style-type: none"> Dato’ James Tai Cheong @ Tai Chiong (3) Datuk Tai Hee (1) Ling Lee Chuon @ James Ling Chung (2) Ting Ing Horh @ Ting Ing Ho (3) Ting Lina @ Ding Lina (3) David Tai Wei (4) 	<ul style="list-style-type: none"> Tai Sing Chii & Sons Sdn Bhd (7) Inplaced Capital Sdn Bhd (7) Puan Sri Datin Sri Ling Lah Kiong (7) 	<ul style="list-style-type: none"> Dato’ Tiong Ing (10) Christine Ling Mei Hui (11) Joanna Ling Mei Chiing (11) Ronald Ling Ing Han (11) Laura Ling Mei Ling (11) Lisa Ling Mei Sing (11) Yow King Hong (13) Datin Ding Kho Nee (14) Samuel James Tai Huei (15) Daniel James Tai Hann (15) Deborah Elaine Tai Hwe-Lan (15) 	2,700	2,115	2,400
2. PESSB	Rental of office and store premises to PESSB by PHSB (Refer Attachment 2(a) – Rental of Premises)							
3. PHE	Rental of office and store premises to PHE by PHSB (Refer Attachment 2(a) – Rental of Premises)							
4. PCSB	Rental of office premises to PCSB (Refer Attachment 2(b) – Rental of Premises)	Tai Sing Chii & Sons Sdn Bhd	<ul style="list-style-type: none"> Dato’ James Tai Cheong @ Tai Chiong (3) Datuk Tai Hee (1) David Tai Wei (4) 	<ul style="list-style-type: none"> PHSB (8) Inplaced Capital Sdn Bhd (7) Puan Sri Datin Sri Ling Lah Kiong (7) 	<ul style="list-style-type: none"> Dato’ Tiong Ing (10) Datin Ding Kho Nee (14) Samuel James Tai Huei (15) Daniel James Tai Hann (15) Deborah Elaine Tai Hwe-Lan (15) 	200	98	150
5. PESSB	Rental of office premises to PESSB (Refer Attachment 2(b) – Rental of Premises)							
6. PCSB	Rental of office premises by PCSB (Refer Attachment 2(c) – Rental of Premises)	Intra Malaysia Agencies Sdn Bhd (A)	<ul style="list-style-type: none"> David Tai Wei (4) 					
7. PESSB	Rental of office premises by PESSB (Refer Attachment 2(c) – Rental of Premises)	Pantulu Sdn Bhd (A)	<ul style="list-style-type: none"> Datuk Tai Hee (1) 	<ul style="list-style-type: none"> PHSB (8) Tai Sing Chii & Sons Sdn Bhd (7) Inplaced Capital Sdn Bhd (7) Puan Sri Datin Sri Ling Lah Kiong (7) 	<ul style="list-style-type: none"> Datin Ding Kho Nee (14) 			

SUBSIDIARY INVOLVED	NATURE OF TRANSACTION	RELATED PARTY	NAME OF INTERESTED DIRECTORS, MAJOR SHAREHOLDERS AND PERSON(S) CONNECTED TO PANSAR GROUP			ESTIMATED TRANSACTION VALUE PER LAST MANDATE DISCLOSED IN THE CIRCULAR TO SHAREHOLDERS DATED 18 JULY 2019	ACTUAL TRANSACTED VALUE FROM 17 AUGUST 2019 TO LPD	ESTIMATED TRANSACTION VALUE FOR THE VALIDITY PERIOD OF THE PROPOSED SHAREHOLDERS' MANDATE **
			Interested Directors	Major Shareholders	Person(s) Connected	(RM'000)	(RM'000)	(RM'000)
8. PCSB	Purchase of structural products, steel trusses, roofing and accessories by PCSB	NS Bluescope Lysaght (Sarawak) Sdn Bhd (A)	<ul style="list-style-type: none"> Datuk Tai Hee (1) 	<ul style="list-style-type: none"> PHSB (8) Tai Sing Chii & Sons Sdn Bhd (7) Inplaced Capital Sdn Bhd (7) Puan Sri Datin Sri Ling Lah Kiong (7) David Tai Wei (7) 	<ul style="list-style-type: none"> Datin Ding Kho Nee (14) 	18,000	4,902	15,000
	Sale of building products by PCSB					52		
9. PCSB	Sale of cement, steel bars and water proofing products by PCSB	eQo Asia Sdn Bhd (A)				2,000	-	2,000
10. PCSB	Sale of Davey, Deutz and Yanmar engines and spares by PCSB	Pansar Company Sdn Bhd (Brunei) (A)				4,000	572	3,500
	Purchase of saw-doctoring accessories and equipment and building products by PCSB					32		
11. PCSB	Sale of building products and provision of contract works by PCSB mainly related to the supply, installation and fabrication of steel structure, truss and roofing systems, water-proofing system and accessories by PCSB	Perritech Sdn Bhd (A)	<ul style="list-style-type: none"> Datuk Tai Hee (5) 			6,000	114	4,000
12. PCSB	Sale of Yanmar spares, lubricants, wood engineering & building products by PCSB	Empire Plantation Sdn Bhd	<ul style="list-style-type: none"> Dato' James Tai Cheong @ Tai Chiong (3) 		<ul style="list-style-type: none"> Dato' Tiong Ing (10) Samuel James Tai Huei (15) Daniel James Tai Hann (15) Deborah Elaine Tai Hwe-Lan (15) 	7,000	4,708	7,000
13. PCSB	Sale of decorative interior furnishing products, Deutz packaged products, Davey pump, wood working machineries, marine and industrial and building products by PCSB	Unique Palm Oil Mill Sdn Bhd				2,000	468	2,000
14. PCSB	Sale of fertilisers, insecticides, herbicides, harvesting tools and accessories, as well as lubricants, Yanmar engines, spares, Sonalika tractors, building products, electrical and office automation products by PCSB	Karisma Plantations Sdn Bhd (A)	<ul style="list-style-type: none"> Dato' James Tai Cheong @ Tai Chiong (3) Datuk Tai Hee (1) 	<ul style="list-style-type: none"> PHSB (8) Tai Sing Chii & Sons Sdn Bhd (7) Inplaced Capital Sdn Bhd (7) Puan Sri Datin Sri Ling Lah Kiong (7) David Tai Wei (7) 	<ul style="list-style-type: none"> Dato' Tiong Ing (10) Datin Ding Kho Nee (14) Samuel James Tai Huei (15) Daniel James Tai Hann (15) Deborah Elaine Tai Hwe-Lan (15) 	4,000	152	4,000

SUBSIDIARY INVOLVED	NATURE OF TRANSACTION	RELATED PARTY	NAME OF INTERESTED DIRECTORS, MAJOR SHAREHOLDERS AND PERSON(S) CONNECTED TO PANSAR GROUP			ESTIMATED TRANSACTION VALUE PER LAST MANDATE DISCLOSED IN THE CIRCULAR TO SHAREHOLDERS DATED 18 JULY 2019	ACTUAL TRANSACTED VALUE FROM 17 AUGUST 2019 TO LPD	ESTIMATED TRANSACTION VALUE FOR THE VALIDITY PERIOD OF THE PROPOSED SHAREHOLDERS' MANDATE **
			Interested Directors	Major Shareholders	Person(s) Connected	(RM'000)	(RM'000)	(RM'000)
15. PCSB	Sale of building products and provision of contract works mainly related to the supply and installation of truss and roofing systems as well as pre-engineering systems by PCSB	Perbena Emas Sdn Bhd (B)	<ul style="list-style-type: none"> • Datuk Tai Hee (1) • Ling Lee Chuon @James Ling Chung (6) • David Tai Wei (4) 	<ul style="list-style-type: none"> • PHSB (9) • Tai Sing Chii & Sons Sdn Bhd (7) • Inplaced Capital Sdn Bhd (7) • Puan Sri Datin Sri Ling Lah Kiong (7) 	<ul style="list-style-type: none"> • Christine Ling Mei Hui (12) • Joanna Ling Mei Chiing (12) • Ronald Ling Ing Han (12) • Laura Ling Mei Ling (12) • Lisa Ling Mei Sing (12) • Yow King Hong (13) • Datin Ding Kho Nee (14) 	20,000	2,259	25,000
16. PESSB	Sale of air-conditioners and provision of mechanical and electrical contract works by PESSB Project consultancy service rendered to PESSB	Perbena Emas Sdn Bhd (B)				9,500	1,287	15,000
17. PCSB	Sales of steel bars and piping products by PCSB	Advance Geotechnical Engineering Sdn Bhd (B)				3,000	316	3,000

** The estimated transaction values for the period from the date of the forthcoming AGM up to the date of the next AGM are based on information, budgets and forecasts available at the point of estimation. The estimated value may therefore vary and subject to changes.

Note :

(A) A subsidiary company of PHSB

(B) An associated company of PHSB

(1) A Director of Pansar, PCSB, PESSB and PHE, he is deemed interested by virtue of his directorship and indirect shareholdings in these companies

(2) A Director of Pansar, PSHB and PHE, he is deemed interested by virtue of his direct shareholdings in this company

(3) A Director of PHSB and PCSB, he/she is deemed interested by virtue of his/her directorship and indirect shareholdings in this company

(4) A Director of PESSB and PHE, he is deemed interested by virtue of his indirect shareholdings in this company

(5) He is deemed interested by virtue of his indirect shareholdings in this company

(6) He is deemed interested by virtue of his directorship and indirect shareholdings in this company

(7) They are deemed interested by virtue of their substantial direct/indirect shareholdings in PHSB

(8) PHSB, the major shareholder of Pansar, is deemed interested by virtue of its substantial direct interests in these companies

(9) PHSB is deemed interested by virtue of its substantial indirect interests in this company

(10) She is deemed interested by virtue of her spouse, Dato' James Tai Cheong @ Tai Chiong's indirect shareholdings in this company

(11) They are deemed interested by virtue of their father, Ling Lee Chuon @ James Ling Chung's direct shareholdings in this company

(12) They are deemed interested by virtue of their father, Ling Lee Chuon @ James Ling Chung's indirect shareholdings in this company

(13) She is deemed interested by virtue of her spouse, Ling Lee Chuon @ James Ling Chung's direct shareholdings in PHSB and indirect shareholdings in Perbena Emas Group

(14) She is deemed interested by virtue of her spouse, Datuk Tai Hee's indirect shareholdings in these companies

(15) She is deemed interested by virtue of her father, Dato' James Tai Cheong @ Tai Chiong's indirect shareholdings in this company

ATTACHMENT 2 – RENTAL OF PREMISES

	LANDLORD	TENANT	ADDRESS	SIZE OF RENTED PREMISE (in Sq M)	RENTAL PER MONTH (RM)	FREQUENCY OF PAYMENT
(a)	Rental of office and store premises by PHSB to PCSB, PESSB & PHE					
1.	PHSB	PCSB, Sibü	Lot 285, Sibü Town District, 96000 Sibü	2,134	42,000	Monthly
2.	PHSB	PCSB, Sibü	Lot 437, Sibü Town District, 96000 Sibü	1,639	12,000	Monthly
3.	PHSB	PCSB, Sibü	Lot 1369, Sibü Town District, 96000 Sibü	551	5,300	Monthly
4.	PHSB	PCSB, Sibü	Lot 327, Sungai Merah, 96000 Sibü	318	2,500	Monthly
5.	PHSB	PCSB, Sibü	Lot 325, Sungai Merah, 96000 Sibü	318	2,500	Monthly
6.	PHSB	PCSB, Sibü	Lot 326, Sungai Merah, 96000 Sibü	318	2,500	Monthly
7.	PHSB	PCSB, Kuching	Grd floor, Lot 228-230 & 1 st floor, Lot 229, Section 49, KTL D, Jalan Tunku Abdul Rahman, 93100 Kuching	674	16,300	Monthly
8.	PHSB	PCSB, Kuching	Lot 2501, Section 66, KTL D, 93450 Kuching	1,504	15,000	Monthly
9.	PHSB	PCSB, Miri	Lot 295, Miri Concession Land District, 98000 Miri	471	6,200	Monthly
10.	PHSB	PCSB, Miri	Lot 296, Miri Concession Land District, 98000 Miri	277	5,000	Monthly
11.	PHSB	PCSB, Miri	Lot 2042, Miri Concession Land District, 98000 Miri	7,244	3,600	Monthly
12.	PHSB	PCSB, Bintulu	Lot 969, Kemena Commercial Centre, 97000 Bintulu	614	8,600	Monthly
13.	PHSB	PCSB, Bintulu	Lot 1017-1018, Kidurong Light Industrial Estate, 97000 Bintulu	789	8,000	Monthly
14.	PHSB	PCSB, Sandakan	Lot 19 and 20, Mile 1½, North Road, 90000 Sandakan	757	4,300	Monthly
15.	PHSB	PCSB, Sandakan	Lot 7 and 8, Block 7, Bandar Indah, Mile 4, North Road, 90000 Sandakan	624	9,200	Monthly
16.	PHSB	PCSB, Tawau	Tawau Town Lease No. 107520927, Jalan Habib Husin, 91000 Tawau	563	5,500	Monthly
17.	PHSB	PCSB, Tawau	Grd & 1 st floors, 2140 Jalan Habib Husin, 91000 Tawau	320	4,500	Monthly
18.	PHSB	PCSB, Tawau	Lot 22, T.L. 105334450, Mile 2, Kuhara Road, 91000 Tawau	361	3,000	Monthly
19.	PHSB	PCSB, Kuala Lumpur	No. 7, Jalan Astaka U8/84, Bukit Jelutong Industrial Park, Seksyen U8, 40150 Shah Alam, Selangor Darul Ehsan	1,225	28,000	Monthly
20.	PHSB	PESSB, Kuching	1 st floor, Lot 228, Section 49, KTL D, Jalan Tunku Abdul Rahman, 93100 Kuching	147	1,750	Monthly
21.	PHSB	PHE, Sibü	Lot 285, Sibü Town District, 96000 Sibü	84	1,500	Monthly
22.	PHSB	PHE, Sibü	Lot 2501, Section 66, KTL D, 93450 Kuching	280	5,000	Monthly
			<i>Sub-Total</i>		192,250	
(b)	Rental of office premises by Related Party (Tai Sing Chii & Sons Sdn Bhd) to PCSB & PESSB					
23.	Tai Sing Chii & Sons Sdn Bhd	PCSB, Bintulu	Ground floor, Lot 959, Kemena Commercial Centre, 97000 Bintulu	236	4,200	Monthly
24.	Tai Sing Chii & Sons Sdn Bhd	PESSB, Bintulu	1 st floor, Lot 959, Kemena Commercial Centre, 97000 Bintulu	297	1,800	Monthly
			<i>Sub-Total</i>		6,000	
(c)	Rental of office premises by PCSB & PESSB to Related Parties					
25.	PCSB	Intra Malaysia Agencies Sdn Bhd (IMA), Miri	Ground floor, Lot 296, Miri Concession Land District	40	1,500	Monthly
26.	PCSB	IMA, Bintulu	Ground floor, Lot 969, Kemena Commercial Centre	84	1,200	Monthly
27.	PESSB	Pantulu Sdn Bhd	1 st floor, Lot 969, Kemena Commercial Centre	33	200	Monthly
			<i>Sub-Total</i>		2,900	
	TOTAL				201,150	

APPENDIX A - FURTHER INFORMATION

1. Responsibility Statement

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

2. Material Litigation, Claims or Arbitration

As at the LPD, save as disclosed below, neither the Company nor its subsidiary companies are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company and/or the Group, and the Board is not aware of any proceedings pending or threatened against Pansar Group or any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Company and/or the Group:

- (i) Plaintiff : : Pansar Engineering Services Sdn. Bhd. ("PESSB")
Defendant : : Chieng Chuang Construction Sdn. Bhd. ("CCCSB")

PESSB, a wholly-owned company of Pansar, brought an action against CCCSB via a Writ of Summons on 10 June 2013 (Suit No. KCH-22-45/6-2013) for specific performance of a contract between PESSB and CCCSB amounting to RM1,920,000.00 for the sale of chillers to CCCSB, as well as damages and cost.

On 20 January 2017, a judgment was obtained in favour of PESSB for the specific performance of the contract of sale of the chillers at the price of RM1,920,000, the sum of RM63,000 as storage charges from January 2012 up to August 2014, storage charges amounting to RM3,000 per month from September 2014 until full and final settlement, interest of 5% on the sum of RM1,920,000 from 9 November 2012 until full settlement, and cost of RM10,000.

CCCSB then filed an appeal to the Court of Appeal which was heard on 9 February 2018, however the appeal was dismissed.

A statutory notice of demand was issued to CCCSB on 5 June 2018 demanding the storage charges in the sum of RM63,000 from January 2012 up to August 2014, storage charges of RM3,000 per month from September 2014 until full and final settlement, and cost of RM10,000.

CCCSB failed to comply with the said notice and PESSB filed a Petition for Companies (Winding-Up) No. BTU-28NCC-3/8-2018 (HC) on 7 August 2018. CCCSB then filed an application to strike out the petition and to stay the winding up proceedings. The Court dismissed both applications on 19 June 2019.

CCCSB had again on 7 August 2019 applied for a stay of the winding up proceedings and the same was struck out by the Court on 9 October 2019. The Petition was fixed for hearing on 17 December 2019.

CCCSB had through its advocates' letter dated 22 November 2019 furnished 4 cheques totaling RM262,000.00 as payment of the amount demanded under the statutory notice.

PESSB had on 2 December 2019 arranged delivery of the chillers to CCCSB but CCCSB refused to accept the chillers delivered to their premise.

CCCSB paid another RM3,000 in January 2020 being the storage charges for December 2019, RM6,000 in February 2020 being the storage charges for January and February 2020, and RM6,000 in May 2020 being the storage charges for March and April 2020.

The Court had on 29 April 2020 dismissed the Petition with no order as to costs on the ground that CCCSB had fully settled the amount demanded in the statutory notice of demand.

Despite the above, the Board is of the view that the abovementioned case has no material adverse impact on the financial position or business of the Company and/or the Group.

- (ii) Plaintiff : PCSB (*formerly known as Pan Sarawak Co. Sdn Bhd*)
Defendants : Chu Vui Fai @ Daniel Chu ("**Daniel Chu**") and Chu Kiam Fah @ Chu Vui Phin (both trading under the name and style of Yun Siong Construction Co.), and Chu Su Ken @ Kelvin ("**Kelvin**")

Via a writ dated 4 October 2005, PCSB brought an action (Suit No. K22-145 of 2005) against the defendants for debt owed to PCSB for goods sold and delivered, in the sum of RM3,783,875.

PCSB obtained a Judgment in Default of Appearance against the defendants for RM3,783,875 on 27 October 2005, whereby the defendants are ordered to pay PCSB the sum of RM3,783,875.

Subsequently, PCSB negotiated with Daniel Chu and Kelvin to pay RM1,450,000 and another RM878,800 by way of contra of 6 units of apartments. PCSB had not enforced the court judgement after the partial settlement of RM1,450,000 and RM878,800, thus leaving a balance of RM1,455,075 ("**Balance Sum**"). PCSB is currently in the midst of settling with Daniel Chu and Kelvin on the Balance Sum.

Despite the above, the Board is of the view that the abovementioned case has no material adverse impact on the financial position or business of the Company and/or the Group.

3. Material Contracts

There are no other material contracts (including contracts not reduced into writing), not being contracts entered into in the ordinary course of business which have been entered into by the Pansar Group within the two (2) years preceding the date of this Circular.

4. Documents Available For Inspection

Copies of the following documents are available for inspection at the registered office of the Company during business hours from 8:00 a.m. to 5:00 p.m. (Monday to Friday except Public Holidays) from the date of this Circular up to and including the date of the AGM:-

- (a) Constitution of Pansar;
- (b) Audited financial statements of the Pansar Group for the past two (2) FYE 31 March 2019 and 31 March 2020;
- (c) Unaudited quarterly results for the three (3) months period ended 30 June 2020; and
- (d) Relevant cause papers in respect of material litigation referred to in Section 2.



PANSAR BERHAD

Registration No. 197401002551 (18904-M)
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