

## **PENTAMASTER CORPORATION BERHAD ("PCB" OR THE "COMPANY")**

**Proposed subscription for 225,451 new fully paid up ordinary shares in Pingspace Sdn Bhd ("Pingspace") by Pentamaster Innoteq Sdn Bhd ("PISB"), a wholly owned subsidiary of Pentamaster Corporation Berhad ("PCB") representing 6.8% of the total enlarged issued shares in Pingspace for a total consideration of RM5,000,000 ("Proposed Investment")**

*For consistency purposes, the abbreviations and definitions used throughout this announcement shall have the same meanings as those previously defined in the Company's announcement dated 8 July 2022 in relation to the Proposed Investment.*

With reference to Bursa Malaysia Securities Berhad's letter dated 13 July 2022 in relation to the Company's announcement on the Proposed Investment dated 8 July 2022 ("**Announcement**"), the Company wishes to provide the following additional information:-

### **1. The net profits and net assets of Pingspace based on its latest audited accounts.**

Based on the latest audited accounts for the financial year ended 31 August 2021 of Pingspace, the loss for the year was RM1,700,051 and its net current liabilities was RM14,836.

### **2. The breakdown of sources of funding by PCB/PISB for the Proposed Subscription Consideration between internally generated funds and proceeds raised from PIL Listing Proceeds.**

The breakdown of the sources of funding for the Proposed Investment is expected to be as follows:

(i) Internally generated funds	RM 2.14 million
(ii) Proceeds raised from PIL Listing Proceeds	RM 2.86 million

### **3. The prospects of Pingspace.**

Pingspace specialised in the field of robotic warehouse management and has a mission to simplify, digitalise and automate the logistics industry. Pingspace is planning to build a network of micro-fulfilment center operated by robotics cube storage in Malaysia. The establishment of micro-fulfilment center allows fast delivery to customers and the robotics cube storage is able to increase product selection and fulfilment throughput without increasing labor. The unique warehouse management software and infrastructure are developed and designed by Pingspace.

With the recent e-commerce boom coupled with the evolution of supply chain and emerging multichannel distribution coupled with on-demand delivery, the Company believes that there will be demand for the holistic warehouse management and automation solution developed by Pingspace and the prospects are bright for Pingspace in the medium to long term.

### **4. The name of the independent registered valuer which conducted the valuation on Pingspace, date and method of valuation.**

YYC Advisors Sdn. Bhd. was appointed as the independent registered valuer and the agreed valuation date was on 28 February 2022. The method used for the valuation was income approach.

5. **A statement setting out the following:**
- (a) whether the audit committee of PCB is of the view that the Proposed Subscription is –**
    - (i) in the best interest of PCB;**
    - (ii) fair, reasonable and on normal commercial terms; and**
    - (iii) not detrimental to the interest of the minority shareholders, together with the basis for its views;**
  - (b) where the audit committee has sought an independent advice in forming its views, a statement to that effect; and**
  - (c) where the views of the audit committee are different from the opinion of the independent adviser, if any, the reasons for the difference.**

The audit committee having considered all aspects of the Proposed Investment, is of the opinion that the Proposed Investment is in the best interest of PCB Group, fair, reasonable and on normal commercial terms, and not detrimental to the interest of the minority shareholders.

The audit committee has formed its view having considered the rationale for the Proposed Investment as set out in the Announcement, the prospects of Pingspace as set out above and the risk-adjusted valuation for the Consideration which was at a 15% discount on the low range valuation of Pingspace based on the independent valuation report.

The audit committee has not sought independent advice in forming its view on the Proposed Investment but it has relied on the independent valuation of Pingspace in assessing the Proposed Investment.

6. **The total amount transacted with the Mr Chuah Choon Bin and/or Mr Chuah Di Ken for the preceding 12 months.**

There has been no transaction with Mr Chuah Choon Bin and/or Mr Chuah Di Ken for the preceding 12 months.

This announcement is dated 14 July 2022.