

**PENTAMASTER CORPORATION BERHAD (“PCB” OR THE “COMPANY”)**

**PROPOSED LISTING OF THE COMPANY’S AUTOMATED SOLUTION BUSINESS ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED (“HKEX”) (“PROPOSED LISTING”)**

*(Unless otherwise defined in this announcement, all terms used herein shall have the same meaning as those defined in the announcement dated 17 July 2017 (“Announcement”))*

**1. The breakdown of proceeds for staff and other general administrative and operating related expenses and the details of the general administrative and operating related expenses.**

<b>Details of breakdown</b>	<b>Amount (RM’000)</b>
Staff related expenses <sup>(1)</sup>	2,000
Other general administrative and operating related expenses <sup>(2)</sup>	500
<b>Total</b>	<b>2,500</b>

Notes:

(1) Including payment of staff salaries and other statutory contributions for additional headcounts to support the Company’s existing business.

(2) Including payment of insurance premium, purchase of various office supplies, utilities and professional fees.

**2. The details of the proceeds in relation to the sales and marketing expenses.**

This include expenses incurred for sales and marketing related activities such as roadshows, participation in exhibitions and tradeshows relating to the semiconductor industry in various countries as well as products’ advertisements such as product video and catalogues for the roadshows, exhibitions and tradeshows.

**3. The proposed utilisation by PCB of the RM15 million upon reimbursement by Pentamaster International Limited.**

The receipt of RM15,000,000 from PIL is subject to the successful listing of PIL on the Main Board of the HKEX, the timing of which has yet to be determined at this juncture.

It is anticipated that the amount to be received will be utilised for the working capital requirement of the PCB Group. The working capital would be used to fund the PCB Group’s day-to-day operations to support its existing business operations which shall include, but not limited to, payment of trade and other payables, employee costs, marketing and administrative expenses. The breakdown of utilisation for each component cannot be determined at this juncture. The Company expects to utilise this RM15,000,000 within twelve (12) months from the date of receipt of such amount from PIL.

Pending utilisation of the RM15,000,000, PCB will place it in deposits with financial institutions or short-term money market instruments as the Board may deem fit.

**4. The quantification of the total bank borrowings of PCB Group as at latest practicable date.**

As at 30 June 2017, being the latest practicable date prior to the Announcement (“LPD”), the total bank borrowings of the PCB Group is RM359,331.

Subsequent to the LPD, a total of RM7,500,000 was drawn down resulting in the PCB Group’s total bank borrowings increasing to RM7,859,331 as at the date of this announcement.

**5. The date and cost of investment in the 7.4% of Pentamaster Technology (M) Sdn Bhd (“PT”), Pentamaster Equipment Manufacturing Sdn Bhd (“PQ”) and Pentamaster Instrumentation Sdn Bhd (“PU”) that is being disposed to GEMS Opportunities Limited Partnership (“GEMS”).**

The date and cost of investment of PCB in PT, PQ and PU are as follows:

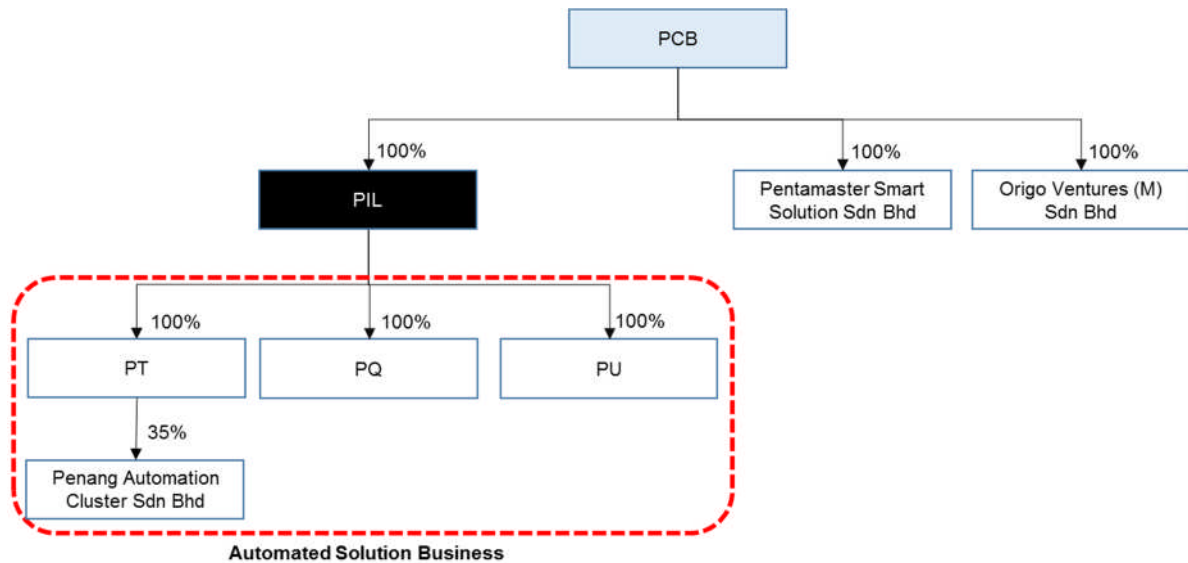
<b>Company</b>	<b>Date of investment</b>	<b>No. of shares</b>	<b>Cost of investment by PCB (RM)</b>	<b>Cost of investment by PCB based on 7.40% disposal to GEMS (RM)</b>
PT	30 November 2002	600,000	7,053,821	655,182.75
	1 December 2004	1,800,000	1,800,000	
		<u>2,400,000</u>	<u>8,853,821</u>	
PQ	2 October 2006	2	2	936,840.07
	11 January 2007	499,998	499,998	
	22 September 2014	12,660,000	12,660,000	
		<u>13,160,000</u>	<u>13,160,000</u>	
Less impairment:			<u>(499,999)</u>	
			<u>12,660,001</u>	
PU	19 July 2004	180,000	180,000	457,320.00
	21 June 2017	120,000	6,000,000	
		<u>300,000</u>	<u>6,180,000</u>	
<b>Total</b>				<b><u>2,049,342.82</u></b>

Pursuant to the Internal Reorganisation, the date and cost of investment of PIL in PT, PQ and PU are as follows:

<b>Company</b>	<b>Date of investment</b>	<b>No. of shares</b>	<b>Cost of investment by PIL (RM)</b>	<b>Cost of investment by PIL based on 7.40% disposal to GEMS (RM)</b>
PT, PQ and PU	21 July 2017	Entire ordinary shares of PT, PQ and PU	86,776,487	6,421,460.04

**6. The corporate structure of the PCB Group after the completion of the Internal Reorganisation and Proposed Listing.**

The corporate structure of the PCB Group after the completion of the Internal Reorganisation was provided in Appendix I of the Announcement and reproduced here as follows:



The details of the Proposed Listing have yet to be finalised at this juncture; hence, the corporate structure of the PCB Group after the completion of the Proposed Listing will be provided in the announcement and/or circular to shareholders (as the case may be) in due course.

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