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## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of the Proposal, this Scheme Document or as to the action to be taken, you should consult a licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Scheme Document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Scheme Document.

This Scheme Document appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Joint Offerors or the Company.

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**Puga Holdings Limited**  
*(Incorporated in the British Virgin Islands  
with limited liability)*

**Pentamaster Corporation Berhad**  
*(A public limited liability company  
incorporated in Malaysia)*

**PENTAMASTER INTERNATIONAL LIMITED**  
**檳傑科達國際有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1665)**

- (1) PROPOSAL TO PRIVATISE PENTAMASTER INTERNATIONAL LIMITED;  
(2) PROPOSED WITHDRAWAL OF LISTING; AND  
(3) PROPOSED SPECIAL DIVIDEND**

**Financial Adviser to the Joint Offerors**

**ALTUS CAPITAL LIMITED**

**Independent Financial Adviser to the Independent Board Committee**



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Unless the context otherwise requires, capitalised terms used in this Scheme Document (including this cover page) are defined in the section headed "Definitions" in Part I of this Scheme Document.

A letter from the Board is set out in Part IV of this Scheme Document. A letter from the Independent Board Committee containing its advice to the Disinterested Shareholders in respect of the Proposal and the Scheme is set out in Part V of this Scheme Document. A letter from Quam Capital, the Independent Financial Adviser to the Independent Board Committee, containing its advice to the Independent Board Committee in respect of the Proposal and the Scheme is set out in Part VI of this Scheme Document. An explanatory memorandum regarding the Proposal is set out in Part VII of this Scheme Document. The actions to be taken by the Shareholders are set out in Part II of this Scheme Document.

Notices convening the Court Meeting and the EGM to be held at 17/F, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong on Friday, February 28, 2025 at 2:00 p.m. and 2:30 p.m. (or immediately after the conclusion or adjournment of the Court Meeting) respectively are set out on Appendices VII and VIII to this Scheme Document. Whether or not you are able to attend the Court Meeting and/or the EGM or any adjournment thereof, you are strongly urged to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting and the enclosed **white** form of proxy in respect of the EGM, in accordance with the instructions printed thereon, and to lodge them with the Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event not later than the respective times and dates as stated under Part II – Actions to be Taken of this Scheme Document. The **white** form of proxy in respect of the EGM will not be valid if it is not so lodged. In the case of the **pink** form of proxy in respect of the Court Meeting, if it is not so lodged, it may also be handed to the chairman of the Court Meeting (who shall have absolute discretion as to whether or not to accept it) at the commencement of the Court Meeting. Completion and return of the forms of proxy for Court Meeting and/or the EGM will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof, should you so wish. In the event that you attend and vote at the relevant meeting or any adjournment thereof after having lodged your forms of proxy, the relevant forms of proxy will be revoked by operation of law.

This Scheme Document is issued jointly by the Joint Offerors and the Company. In case of inconsistency, the English language text of this Scheme Document shall prevail over the Chinese language text for the purpose of interpretation.

February 5, 2025

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## CONTENTS

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	<i>Page</i>
<b>PART I – DEFINITIONS .....</b>	<b>1</b>
<b>PART II – ACTIONS TO BE TAKEN .....</b>	<b>10</b>
<b>PART III – EXPECTED TIMETABLE .....</b>	<b>15</b>
<b>PART IV – LETTER FROM THE BOARD .....</b>	<b>18</b>
<b>PART V – LETTER FROM THE INDEPENDENT BOARD COMMITTEE .....</b>	<b>34</b>
<b>PART VI – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER .....</b>	<b>37</b>
<b>PART VII – EXPLANATORY MEMORANDUM .....</b>	<b>70</b>
<b>APPENDIX I – FINANCIAL INFORMATION OF THE GROUP .....</b>	<b>I-1</b>
<b>APPENDIX II – PROPERTY VALUATION REPORT OF THE COMPANY .....</b>	<b>II-1</b>
<b>APPENDIX III – REPORT FROM GRANT THORNTON HONG KONG LIMITED ON THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF THE GROUP FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 .....</b>	<b>III-1</b>
<b>APPENDIX IV – REPORT FROM QUAM CAPITAL ON THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF THE GROUP FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 .....</b>	<b>IV-1</b>
<b>APPENDIX V – GENERAL INFORMATION ON THE GROUP AND THE JOINT OFFERORS .....</b>	<b>V-1</b>
<b>APPENDIX VI – SCHEME OF ARRANGEMENT .....</b>	<b>VI-1</b>
<b>APPENDIX VII – NOTICE OF COURT MEETING .....</b>	<b>VII-1</b>
<b>APPENDIX VIII – NOTICE OF EGM .....</b>	<b>VIII-1</b>

In this Scheme Document, the following expressions have the following meanings unless the context requires otherwise:

“AchiCapital”	AchiCapital GP Limited and its affiliates (including, for the avoidance of doubt, Puga, Beacon Path and Supari)
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Adjusted NAV”	the adjusted consolidated net asset value attributable to Shareholders per Share of HK\$0.754 as at September 30, 2024, which is provided by the Company and calculated based on the unaudited consolidated net assets as at September 30, 2024, adjusted with reference to the valuation of the Group’s property interests as at 30 November 2024, further details of which are set out in Appendices I and II to this Scheme Document
“affiliates”	in respect of any person, any other person that directly or indirectly controls, is controlled by or is under the common control with, the first mentioned person. For the purpose of this definition, “control” means (i) the possession, directly or indirectly, of more than 50% of the equity share capital or other ownership interests of a person or (ii) the power to direct the management and policies of such person (whether through the ownership of voting securities, by contract or otherwise), and “controlled” shall be construed accordingly
“Altus”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and the financial adviser to the Joint Offerors in respect of the Proposal
“Announcement”	the announcement dated December 19, 2024 jointly issued by the Company and the Joint Offerors in relation to, among other things, the Proposal and the Scheme
“associates”	has the meaning ascribed to it under the Takeovers Code
“Awarded Share(s)”	the Shares (vested or unvested) awarded by the Company pursuant to the Share Award Scheme
“Beneficial Owner(s)”	any beneficial owner(s) of the Shares

“Beacon Path”	Beacon Path Limited, a company incorporated under the laws of the British Virgin Islands which is ultimately owned by Mr. Chen Chu-Wan
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“Cancellation Price”	the cancellation price of HK\$0.93 in cash for each Scheme Share to be paid by the Joint Offerors in proportion to the percentage of the Scheme Shares to be acquired by each of the Joint Offerors under the Proposal to the Scheme Shareholders whose names appear on the register of members of the Company on the Record Date
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“CCASS Participant”	a person admitted to participate in CCASS as a participant, including an Investor Participant
“Companies Act”	the Companies Act (2025 Revision) of the Cayman Islands
“Company”	Pentamaster International Limited, an exempted company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are currently listed on the Main Board of the Stock Exchange (stock code: 1665)
“Conditions”	the conditions to the implementation of the Proposal and the Scheme as set out in the section headed “3. Conditions of the Proposal and the Scheme” in Part VII – Explanatory Memorandum of this Scheme Document
“Consortium Agreement”	the consortium agreement entered into by and among the Investors on October 31, 2024
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Directors”	the directors of the Company

“Disinterested Shareholders”	Shareholders other than the Joint Offerors and the Joint Offerors Concert Parties and for the avoidance of doubt, 34,940,317 Trustee Held Awarded Shares which are held for Share Award Holders (other than Share Award Holders who are Joint Offerors Concert Parties) whose awards have vested shall be counted as Shares held by Disinterested Shareholders
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act and the Conditions
“EGM”	an extraordinary general meeting of the Company to be convened for the purposes of considering, and if thought fit, approving, among other things, all necessary resolutions for the implementation of the Proposal (including the Scheme and the Special Dividend), or any adjournment thereof
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate thereof
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Implementation Agreement”	the agreement entered into between the Joint Offerors and the Company on December 19, 2024 pursuant to which, among other things, the Joint Offerors requested the Company to put forward the Scheme to the Shareholders and the Company agreed to do so on the terms set out therein

“Independent Board Committee”	the independent board committee of the Company established by the Board to make a recommendation to the Disinterested Shareholders in respect of the Proposal and the Scheme
“Independent Financial Adviser” or “Quam Capital”	Quam Capital Limited, a licensed corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and the independent financial adviser appointed by the Board with the approval of the Independent Board Committee (i) to advise the Independent Board Committee in connection with the Proposal and the Scheme; and (ii) to report on the unaudited consolidated financial results of the Group for the nine months ended September 30, 2024 published by the Company on November 7, 2024
“Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“Investors”	Beacon Path, Supari, Digimoc Holdings Limited, Fortune Venture Capital Corporation, Mr. Chen Hsin-Yu and Mr. Chen Hsin-Tso
“IPO”	a potential initial public offering of the Company after the Scheme becomes binding and effective
“Joint Offerors”	Puga and PCB, and “Joint Offeror” means any of them
“Joint Offerors Agreement”	the agreement entered into between the Joint Offerors on December 19, 2024 in connection with the Proposal
“Joint Offerors Concert Parties”	parties acting in concert or presumed to be acting in concert with any of the Joint Offerors under the definition of “acting in concert” under the Takeovers Code, including Mr. Chuah, Ms. Gan, Mr. Leng, Dato’ Loh Nam Hooi, the Investors and the Trustee
“Last Trading Day”	December 3, 2024, being the last trading day prior to the issue of the Announcement
“Last Undisturbed Day”	November 29, 2024, being the last trading day prior to when there were irregular trading volumes and price movements in the Shares

“Latest Practicable Date”	February 3, 2025 being the latest practicable date prior to the date of this Scheme Document for the purpose of ascertaining certain information contained in this Scheme Document
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	means June 19, 2025 or such other date as the Company and the Joint Offerors may agree or, to the extent applicable, as the Grand Court may direct and in all cases, as permitted by the Executive
“Meeting Record Date”	February 28, 2025 (Hong Kong time), or such other appropriate record date as shall have been announced by the Company for determining the entitlement of the Shareholders to attend and vote at the Court Meeting and at the EGM
“Mr. Chuah”	Mr. Chuah Choon Bin, an executive Director and chairman of the Company and the executive chairman of PCB
“Ms. Gan”	Ms. Gan Pei Joo, an executive Director and an executive director of PCB
“Mr. Leng”	Mr. Leng Kean Yong, a non-executive Director and a non-independent non-executive director of PCB
“MYR”	Malaysian ringgit, the lawful currency of Malaysia
“PCB”	Pentamaster Corporation Berhad, a public limited liability company incorporated in Malaysia, the ordinary shares of which are currently listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 7160)
“Proposal”	the proposal for the privatisation of the Company by the Joint Offerors by way of the Scheme, the Special Dividend, and the withdrawal of the listing of the Shares on the Stock Exchange, on the terms and subject to the conditions set out in the Announcement and this Scheme Document

“Puga”	Puga Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and which, as at the Latest Practicable Date, was held as to 17.38% by Beacon Path, 67.02% by Supari, 6.00% by Digimoc Holdings Limited, 3.60% by Fortune Venture Capital Corporation, 3.00% by Mr. Chen Hsin-Yu, and 3.00% by Mr. Chen Hsin-Tso, respectively
“Record Date”	March 14, 2025 (Hong Kong time), or such other appropriate record date as shall have been announced by the Company for determining entitlements of the Scheme Shareholders under the Scheme and for determining the entitlements of the Shareholders to the Special Dividend
“Registered Owner”	any owner of the Shares (including without limitation a nominee, trustee, depositary or any other authorized custodian or third party) whose name is entered in the register of members of the Company
“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions
“Relevant Period”	the period commencing on June 19, 2024, being the date falling six months prior to the date of the Announcement and ending on the Latest Practicable Date, both dates inclusive
“Scheme”	a scheme of arrangement under Section 86 of the Companies Act involving the cancellation of all the Scheme Shares and the simultaneous maintenance of the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares
“Scheme Document”	this composite scheme document of the Company and the Joint Offerors issued to all Shareholders containing, <i>inter alia</i> , further details of the Proposal and notices of the Court Meeting and the EGM together with the forms of proxy in relation thereto
“Scheme Share(s)”	Share(s) held by the Shareholders, other than those held by PCB
“Scheme Shareholder(s)”	registered holder(s) of Scheme Shares



“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Award Holder(s)”	the holders of unvested (or vested but not yet transferred) Awarded Shares
“Share Award Scheme”	the share award scheme adopted by the Company on April 1, 2020
“Share Registrar”	Tricor Investor Services Limited, the branch share registrar of the Company in Hong Kong
“Shareholder(s)”	registered holder(s) of Shares
“Shareholder Arrangements”	the agreed arrangements between the Joint Offerors pertaining to the management and governance of the Company upon the Scheme becoming effective, further details of which are set out in the section headed “7. The Joint Offerors Agreement and the Shareholder Arrangements – The Shareholder Arrangements” in Part IV – Letter from the Board of this Scheme Document
“Shareholders’ Agreement”	the definitive shareholders’ agreement between the Joint Offerors and for the purpose of, among other things, setting out their mutual agreement regarding the corporate governance of the Company, their respective rights and obligations and other shareholder arrangements, to be entered into between the Joint Offerors within 5 Business Days after the withdrawal of listing of the Shares on the Stock Exchange subject to the Scheme becoming effective, further details of which are set out in the section headed “7. The Joint Offerors Agreement and the Shareholder Arrangements – The Shareholder Arrangements” in Part IV – Letter from the Board of this Scheme Document

“Special Dividend”	the special dividend of HK\$0.07 in cash for each Share to be paid by the Company to the Shareholders whose names appear on the register of members of the Company on the Record Date subject to (i) the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve the Special Dividend; and (ii) the Scheme having become binding and effective in accordance with its terms and conditions
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supari”	Supari Holdings Limited, a company incorporated under the laws of the British Virgin Islands which is ultimately owned by Mr. Chen Chu-Wan
“Takeovers Code”	The Code on Takeovers and Mergers in Hong Kong
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“Trust Deed”	the trust deed relating to the Share Award Scheme, dated April 1, 2020 and entered into between the Company and the Trustee
“Trustee”	PIL – PERKERJA SS LIMITED, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned structured entity of the Company, which was appointed by the Company as trustee to assist with the administration of the Share Award Scheme (including purchasing, administering, and holding the Shares for the Share Award Scheme), further details of which are set out in the section headed “5. Share Award Scheme” in Part VII – Explanatory Memorandum of this Scheme Document
“Trustee Held Share(s)”	Shares held by the Trustee
“Trustee Held Awarded Share(s)”	Shares representing the Awarded Shares which are held by the Trustee for the relevant Share Award Holders under the Share Award Scheme until the vesting or transfer of such Awarded Shares pursuant to the rules of the Share Award Scheme

“Trustee Held Pool Share(s)”                      Shares held by the Trustee that are unutilised under the Share Award Scheme

“%”    per cent.

All references in this Scheme Document to times and dates are references to Hong Kong times and dates, except as otherwise specified and other than references to the expected date of the Grand Court hearing of the petition to sanction the Scheme and the Effective Date, which are the relevant dates in the Cayman Islands. For reference only, Cayman Islands time was 13 hours behind Hong Kong time as at the Latest Practicable Date.

All percentages stated in this Scheme Document are approximations and certain amounts and percentage figures included in this Scheme Document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

This Scheme Document is prepared in both English and Chinese. In case of inconsistency, the English text shall prevail.

**ACTION TO BE TAKEN BY SHAREHOLDERS**

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlements of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, February 25, 2025 to Friday, February 28, 2025 (both days inclusive) and during such period, no transfer of Shares will be registered. In order to qualify for the entitlement to attend and vote at the Court Meeting and/or the EGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. on Monday, February 24, 2025.

A **pink** form of proxy for use at the Court Meeting and a **white** form of proxy for use at the EGM are enclosed with this Scheme Document. A subsequent purchaser of the Shares to be voted at the Court Meeting or the EGM will need to obtain a form of proxy from the transferor or the website of the Stock Exchange if he/she/it wishes to attend and vote at the Court Meeting and/or the EGM.

Whether or not you are able to attend the Court Meeting and/or the EGM or any adjournment thereof in person, if you are a Scheme Shareholder, we strongly urge you to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting, and if you are a Shareholder, we strongly urge you to complete and sign the enclosed **white** form of proxy in respect of the EGM, in accordance with the instructions printed thereon, and to lodge them with the Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

- **The pink form of proxy for use at the Court Meeting should be lodged no later than 48 hours before the time appointed for holding the Court Meeting (i.e. on or before February 26, 2025 at 2:00 p.m. (Hong Kong time)) or any adjournment thereof, although it may alternatively be handed to the chairman of the Court Meeting at the commencement of the Court Meeting (who shall have absolute discretion as to whether or not to accept it).**
- **The white form of proxy for use at the EGM must be lodged no later than 48 hours before the time appointed for holding the EGM (i.e. on or before February 26, 2025 at 2:30 p.m. (Hong Kong time)) or any adjournment thereof in order to be accepted, failing which it will not be valid.**

The completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude you from attending and voting in person at the relevant meetings or any adjournment thereof should you so wish, and, in such event, the relevant form of proxy will be revoked by operation of law.

**If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the EGM, you will still be bound by the outcome of the Court Meeting and the EGM if, among other things, the resolutions are passed by the requisite majorities at the Court Meeting and the EGM. You are therefore strongly urged to attend and vote at the Court Meeting and the EGM in person or by proxy.**

Voting at the Court Meeting and the EGM will be taken by poll as required under the Listing Rules and the Takeovers Code.

The Company and the Joint Offerors will make an announcement in relation to the results of the Court Meeting and the EGM, in accordance with Rule 19.1 of the Takeovers Code to the extent applicable, by no later than 7:00 p.m. on February 28, 2025. If all the resolutions are passed at those meetings, further announcements will be made in relation to, among other things, the results of the hearing of the petition to sanction the Scheme by the Grand Court and, to the extent necessary, confirmation of any reduction of share capital associated with the Scheme by the Grand Court and, if the Scheme is sanctioned, the Record Date, the Effective Date and the date of withdrawal of the listing of the Shares on the Stock Exchange in accordance with the requirements of the Takeovers Code and the Listing Rules.

If you have sold or transferred all or part of your Shares, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

#### **ACTION TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD THROUGH TRUST OR DEPOSITED IN CCASS**

The Company will not recognise any person as holding any Shares through any trust. Any Shareholder who holds Scheme Shares as a nominee, trustee or registered owner in any other capacity will not be treated differently from any other Registered Owner.

If you are a Beneficial Owner whose Share(s) are held upon trust by, and registered in the name of a Registered Owner (other than HKSCC Nominees), you should contact the Registered Owner and give instructions to and/or make arrangements with the Registered Owner as to the manner in which the Share(s) beneficially owned by you should be voted at the Court Meeting and/or the EGM.

Instructions to and/or arrangements with the Registered Owner should be given or made in advance of the relevant latest time for the lodging of forms of proxy in respect of the Court Meeting and the EGM or, as applicable, the latest time for lodging transfers of Shares, in order to provide the Registered Owner with sufficient time to complete his/her forms of proxy or transfer documents accurately and to submit them by the relevant deadlines. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgment of forms

of proxy in respect of the Court Meeting and/or the EGM or, as applicable, the latest time for lodging transfers of Shares, any such Beneficial Owner should comply with the requirements of such Registered Owner.

If you are a Beneficial Owner who wishes to attend and vote at the Court Meeting and/or the EGM personally, you should:

- (a) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the EGM and, for such purpose, the Registered Owner may appoint you as its proxy; or
- (b) arrange for some or all of the Shares registered in the name of the Registered Owner to be transferred and registered in your own name.

The appointment of a proxy by the Registered Owner at the Court Meeting and/or the EGM shall be in accordance with all relevant provisions in the articles of association of the Company.

In the case of the appointment of a proxy by the Registered Owner, the relevant forms of proxy shall be completed and signed by the Registered Owner and shall be lodged in the manner and no later than the latest time for lodging the relevant forms of proxy as more particularly set out in Part III – Expected Timetable of this Scheme Document.

The completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude the Registered Owner from attending and voting in person at the relevant meeting or any adjournment thereof should he/she/it so wish, and, in such event, the relevant form of proxy will be revoked by operation of law.

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees, you must, unless you are an Investor Participant, contact your broker, custodian, nominee or other relevant person who is, or has, in turn, deposited such Shares with other CCASS Participants, regarding voting instructions to be given to such persons, or alternatively arrange for some or all of such Shares to be withdrawn from CCASS and transferred into your own name prior to the Meeting Record Date, if you wish to vote (in person or by proxy) at the Court Meeting and/or the EGM. You should contact your broker, custodian, nominee or other relevant person in advance of the deadline in respect of the Court Meeting and the EGM set by them, in order to provide such person with sufficient time to provide HKSCC Nominees with instructions or make arrangements with HKSCC Nominees in relation to the manner in which the Shares of the Beneficial Owner should be voted at the Court Meeting and/or the EGM. The procedure for voting in respect of the Scheme by the Investor Participants and the other CCASS Participants with respect to Shares registered under the name of HKSCC Nominees shall be in accordance with the “*General Rules of CCASS*” and the “*CCASS Operational Procedures*” in effect from time to time.

If you are a Beneficial Owner whose Shares are deposited in CCASS, you may also elect to become a Registered Owner, and thereby have the right to attend and vote at the Court Meeting (if you are a Scheme Shareholder) and the EGM (as a Shareholder). You can become a Registered Owner by withdrawing all or any of your Shares from CCASS and transferring and registering such Shares in your own name. For withdrawal of Shares from CCASS and registration thereof, you will be required to pay to CCASS a withdrawal fee per board lot withdrawn, a registration fee for each share certificate issued, stamp duty on each transfer instrument and, if your Shares are held through a financial intermediary, any other relevant fees charged by your financial intermediary. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for lodging transfers of the Shares into your name so as to qualify to attend and vote at the Court Meeting and the EGM, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to withdraw the Shares from CCASS and register them in your name.

**EXERCISE YOUR RIGHT TO VOTE**

**IF YOU ARE A SHAREHOLDER OR A BENEFICIAL OWNER, YOU ARE STRONGLY URGED TO EXERCISE YOUR RIGHT TO VOTE OR GIVE INSTRUCTIONS TO THE RELEVANT REGISTERED OWNER TO VOTE IN PERSON OR BY PROXY AT THE COURT MEETING AND/OR AT THE EGM. IF YOU KEEP ANY SHARES IN A SHARE LENDING PROGRAMME OR A CUSTODIAN ACCOUNT, YOU ARE STRONGLY URGED TO RECALL ANY OUTSTANDING SHARES ON LOAN OR REQUIRE YOUR CUSTODIAN TO RECALL ANY SUCH SHARES ON LOAN TO AVOID MARKET PARTICIPANTS USING BORROWED STOCK TO VOTE.**

**IF YOU ARE A BENEFICIAL OWNER WHOSE SHARES ARE DEPOSITED IN CCASS, YOU ARE STRONGLY URGED TO PROVIDE HKSCC NOMINEES WITH INSTRUCTIONS OR MAKE ARRANGEMENTS WITH HKSCC NOMINEES IN RELATION TO THE MANNER IN WHICH THOSE SHARES SHOULD BE VOTED AT THE COURT MEETING AND/OR AT THE EGM WITHOUT DELAY AND/OR WITHDRAWN FROM CCASS AND TRANSFERRED INTO YOUR NAME (AS DETAILED IN THE SECTION “ACTIONS TO BE TAKEN – ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD THROUGH TRUST OR DEPOSITED IN CCASS” ABOVE).**

**IF YOU ARE A REGISTERED OWNER HOLDING SHARES ON BEHALF OF BENEFICIAL OWNERS, YOU SHOULD INFORM THE RELEVANT BENEFICIAL OWNERS ABOUT THE IMPORTANCE OF EXERCISING THEIR RIGHT TO VOTE.**

**IF APPROVED, THE PROPOSAL WILL BE BINDING ON ALL OF THE SCHEME SHAREHOLDERS, IRRESPECTIVE OF WHETHER OR NOT YOU ATTENDED OR VOTED AT THE COURT MEETING OR THE EGM.**

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.**

**PETITION HEARING AT THE GRAND COURT**

**ANY SCHEME SHAREHOLDERS WHO VOTED AT THE COURT MEETING (INCLUDING ANY BENEFICIAL OWNERS WHO GAVE VOTING INSTRUCTIONS TO A CUSTODIAN OR CLEARING HOUSE WHO SUBSEQUENTLY VOTED AT THE COURT MEETING) SHOULD NOTE THAT THEY ARE ENTITLED TO ATTEND OR APPEAR BY COUNSEL, AND BE HEARD ON THE HEARING OF THE PETITION AT THE GRAND COURT OF THE CAYMAN ISLANDS WHICH IS EXPECTED TO BE ON MARCH 6, 2025 AT 10:00 A.M. (CAYMAN ISLANDS TIME), AT WHICH THE COMPANY WILL SEEK, AMONG OTHER THINGS, THE SANCTION OF THE SCHEME.**



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**PART III****EXPECTED TIMETABLE**

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The expected timetable is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the following expected timetable.

**Hong Kong time  
(unless otherwise stated)**

Date of despatch of this Scheme Document . . . . . Wednesday, February 5, 2025

Latest time for lodging transfers of Shares to qualify for the entitlement to attend and vote at the Court Meeting and/or the EGM . . . . . 4:30 p.m. on Monday, February 24, 2025

Closure of the register of members of the Company for determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the EGM <sup>(1)</sup> . . . . . from Tuesday, February 25, 2025 to Friday, February 28, 2025 (both days inclusive)

Latest time for lodging forms of proxy in respect of:

- Court Meeting (**pink** proxy form) <sup>(2)</sup> . . . . . 2:00 p.m. on Wednesday, February 26, 2025
- EGM (**white** proxy form) <sup>(2)</sup> . . . . . 2:30 p.m. on Wednesday, February 26, 2025

Meeting Record Date . . . . . Friday, February 28, 2025

Court Meeting <sup>(3)</sup> . . . . . 2:00 p.m. on Friday, February 28, 2025

EGM <sup>(3)</sup> . . . . . 2:30 p.m. on Friday, February 28, 2025 (or as soon as practicable after the conclusion or adjournment of the Court Meeting, whichever is later)

Announcement of the results of the Court Meeting and the EGM <sup>(3)</sup>. . . . . no later than 7:00 p.m. on Friday, February 28, 2025

**Hong Kong time  
(unless otherwise stated)**

Expected latest time for dealings in the Shares on the Stock Exchange . . . . .	4:10 p.m. on Monday, March 3, 2025
Grand Court hearing of the petition to sanction the Scheme . . . . .	10:00 a.m., Thursday, March 6, 2025 <i>(Cayman Islands time)</i>
Announcement of (1) the results of the Grand Court hearing of the petition to sanction the Scheme, (2) the expected Effective Date and (3) the expected date of withdrawal of the listing of Shares on the Stock Exchange . . . . .	no later than 8:30 a.m. on Friday, March 7, 2025
Latest time for lodging transfers of Shares to qualify for the entitlement to the Cancellation Price under the Scheme . . . . .	4:30 p.m. on Wednesday, March 12, 2025
Closure of the register of members of the Company for determining the entitlement of the Scheme Shareholders under the Scheme and the entitlement of the Shareholders for the Special Dividend <sup>(4)</sup> . . . . .	from Thursday, March 13, 2025 onwards
Record Date . . . . .	Friday, March 14, 2025
Effective Date <sup>(5)</sup> . . . . .	Monday, March 17, 2025 <i>(Cayman Islands time)</i>
Announcement of (1) the Effective Date and (2) the withdrawal of the listing of the Shares on the Stock Exchange . . . . .	no later than 8:30 a.m. on Tuesday, March 18, 2025
Expected withdrawal of the listing of the Shares on the Stock Exchange <sup>(5)</sup> . . . . .	4:00 p.m. on Wednesday, March 19, 2025
Latest time to despatch cheques for the cash payment to the Scheme Shareholders under the Proposal <sup>(6)</sup> . . . . .	on or before Wednesday, March 26, 2025

**All references in this Scheme Document to times and dates are references to Hong Kong times and dates, other than references to the expected date of the Grand Court hearing of the petition to sanction the Scheme in Cayman Islands and the Effective Date, which are the relevant times and dates in Cayman Islands. For reference only, Cayman Islands time was 13 hours behind Hong Kong time as at the Latest Practicable Date.**

*Notes:*

- (1) The register of members of the Company will be closed during such period for the purpose of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM. For the avoidance of doubt, this period of closure is not for determining the Scheme Shareholders who are qualified for entitlement to the Cancellation Price under the Scheme.
- (2) The **pink** form of proxy in respect of the Court Meeting and the **white** form of proxy in respect of the EGM should be completed and signed in accordance with the instructions respectively printed on them and should be lodged with the Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than the relevant times and dates stated above. In the case of the **pink** form of proxy in respect of the Court Meeting, it may alternatively be handed to the Chairman of the Court Meeting at the commencement of the Court Meeting (who shall have absolute discretion as to whether or not to accept it). The **white** form of proxy for use at the EGM must be lodged no later than 48 hours before the time appointed for holding the EGM or any adjournment thereof in order to be accepted, failing which it will not be valid. Completion and return of a form of proxy for the Court Meeting or the EGM will not preclude a Scheme Shareholder or a Shareholder (as the case may be) from attending and voting in person at the relevant meeting if he, she or it so wishes. In such event, the relevant form of proxy will be revoked by operation of law.
- (3) The Court Meeting and the EGM will be held at 17/F, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong at the times and dates specified above. Please see the notices of the Court Meeting and the EGM set out in Appendices VII and VIII to this Scheme Document for details.
- (4) The register of members of the Company will be closed from Thursday, March 13, 2025 onwards for the purpose of determining the Scheme Shareholders who are qualified for entitlement to the Cancellation Price under the Scheme and the Shareholders who are qualified for entitlement to the Special Dividend.
- (5) The Scheme will become effective upon all the Conditions set out in “3. Conditions of the Proposal and the Scheme” in Part VII – Explanatory Memorandum of this Scheme Document having been fulfilled or waived (as applicable). Shareholders will be advised by an announcement of the Effective Date. The withdrawal of the listing of the Shares will take place following the Scheme becoming effective on the Effective Date and it is expected that the listing of the Shares will be withdrawn at 4:00 p.m. on Wednesday, March 19, 2025. All of the Conditions will have to be fulfilled or waived (as applicable) on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.
- (6) Cheques for the payment of the Cancellation Price and the Special Dividend shall be sent by ordinary post in pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses shown in the register of members of the Company or, in the case of joint holders, to the address of that joint holder whose name then stands first in the register of members of the Company in respect of the joint holding, as soon as possible but in any event no later than seven (7) Business Days after the Effective Date.

**PENTAMASTER INTERNATIONAL LIMITED****檳傑科達國際有限公司***(Incorporated in the Cayman Islands with limited liability)***(Stock Code: 1665)***Executive Directors:*Mr. Chuah Choon Bin (*Chairman*)

Ms. Gan Pei Joo

*Registered Office:*

PO Box 309, Uglan House

Grand Cayman, KY1-1104

Cayman Islands

*Non-executive Director:*

Mr. Leng Kean Yong

*Head office and principal place**of business in Malaysia:*

Plot 18 &amp; 19, Technoplex

Medan Bayan Lepas

Taman Perindustrian Bayan Lepas

Phase IV, 11900 Penang

Malaysia

*Independent non-executive Directors:*

Mr. Sim Seng Loong @ Tai Seng

Dr. Chuah Jin Chong

Ms. Chan May May

*Principal place of business in Hong Kong:*

Room 1901, 19/F, Lee Garden One

33 Hysan Avenue

Causeway Bay

Hong Kong

February 5, 2025

*To the Shareholders*

Dear Sir/Madam,

**(1) PROPOSAL TO PRIVATISE PENTAMASTER INTERNATIONAL LIMITED;  
(2) PROPOSED WITHDRAWAL OF LISTING; AND  
(3) PROPOSED SPECIAL DIVIDEND****1. INTRODUCTION**

Reference is made to the Announcement dated December 19, 2024 jointly issued by the Company and the Joint Offerors pursuant to Rule 3.5 of the Takeovers Code in relation to the Proposal. On December 19, 2024, the Joint Offerors have requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of a scheme of arrangement under section 86 of the Companies Act, which involves the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Cancellation Price of HK\$0.93 in cash for each Scheme Share, and the withdrawal of the listing of the Shares on the Stock Exchange.

Under the Proposal, the Company will also declare and pay a Special Dividend of HK\$0.07 for each Share, further details of which are set out below.

If the Proposal is approved and implemented, under the Scheme, the Scheme Shares will, on the Effective Date, be cancelled and extinguished. Simultaneously with such cancellation and extinguishment, the share capital of the Company will be maintained by the issuance at par to the Joint Offerors, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled pursuant to the Scheme. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Joint Offerors.

Upon the Scheme becoming effective, the Company will be owned as to approximately 29.00% and 71.00% by Puga and PCB, respectively, and the listing of the Shares will be withdrawn from the Stock Exchange.

If the Scheme does not become effective or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn and the Special Dividend will not be paid.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal and the Scheme, and to give you notices of the Court Meeting and the EGM, together with the forms of proxy in relation thereto. Your attention is also drawn to (i) the letter from the Independent Board Committee set out in Part V of this Scheme Document; (ii) the letter from the Independent Financial Adviser set out in Part VI of this Scheme Document; (iii) the Explanatory Memorandum set out in Part VII of this Scheme Document; (iv) the property valuation report of the Company set out in Appendix II to this Scheme Document; (v) the report from Grant Thornton Hong Kong Limited on the unaudited consolidated financial results of the Group for the nine months ended September 30, 2024 set out in Appendix III to this Scheme Document; (vi) the report from the Independent Financial Adviser on the unaudited consolidated financial results of the Group for the nine months ended September 30, 2024 set out in Appendix IV to this Scheme Document; and (vii) the terms of the Scheme set out in Appendix VI to this Scheme Document.

## **2. TERMS OF THE PROPOSAL**

### **The Cancellation Price and the Special Dividend**

The Proposal will provide that each of the Scheme Shares be cancelled in exchange for the payment of the Cancellation Price of HK\$0.93 per Scheme Share, which shall be paid by the Joint Offerors to the Scheme Shareholders (including the Disinterested Shareholders) whose names appear on the register of members of the Company on the Record Date.

Under the Proposal, the Company will also declare a Special Dividend of HK\$0.07 for each Share which, subject to (i) the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM

to approve the Special Dividend; and (ii) the Scheme having become binding and effective in accordance with its terms and conditions, shall be payable to the Shareholders whose names appear on the register of members of the Company on the Record Date, including PCB. None of the foregoing conditions to the payment of the Special Dividend can be waived. The Board recommended the amount of the Special Dividend of HK\$0.07, subject to the conditions of the Special Dividend being satisfied on or before the Long Stop Date.

PCB has undertaken (to the extent permitted under Takeovers Code, the Listing Rules and applicable laws and regulations) to exercise or procure the exercise of the voting rights in respect of the Shares held by PCB immediately prior to the Scheme becoming effective to vote in favour of the ordinary resolution at the EGM to approve the Special Dividend. **Accordingly, if the Scheme becomes binding and effective in accordance with its terms and conditions, the Scheme Shareholders whose names appear on the register of members of the Company on the Record Date will receive a total of HK\$1.00 in cash per Scheme Share under the Proposal comprising:**

<b>Cancellation Price</b> . . . . .	<b>HK\$0.93 per Scheme Share</b>
<b>Special Dividend</b> . . . . .	<b>HK\$0.07 per Scheme Share</b>
<b>Total</b> . . . . .	<b>HK\$1.00 per Scheme Share</b>

If, after the date of this Scheme Document, any dividend and/or other distribution and/or other return of capital other than the Special Dividend is announced, declared or paid in respect of the Shares, the Joint Offerors reserve the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in the Announcement, this Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced. The Company has confirmed that, other than the Special Dividend, it does not intend to announce, declare or pay any dividend, distribution or other return of capital before the Long Stop Date or the lapse, withdrawal or termination of the Scheme (whichever is earlier). As at the Latest Practicable Date, the Company had no declared but unpaid dividends and/or other distribution and/or other return of capital.

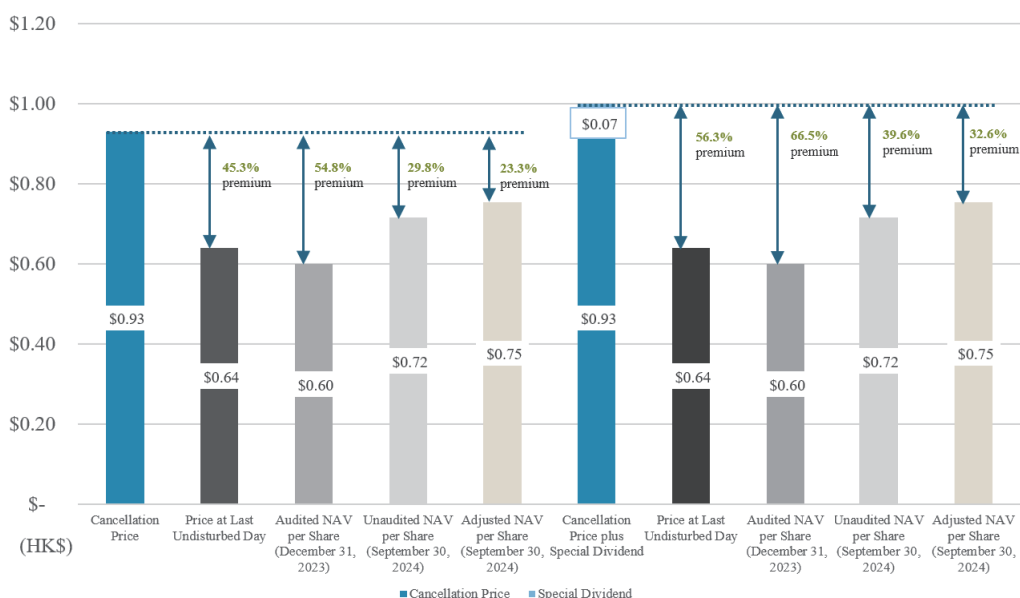
**No price increase statement**

**The Cancellation Price will not be increased, and the Joint Offerors do not reserve the right to do so. Shareholders, Share Award Holders and potential investors should be aware that, following the making of this statement, the Joint Offerors will not be allowed to increase the Cancellation Price, except in wholly exceptional circumstances in accordance with Rule 18.3 of the Takeovers Code.**

### Comparisons of value

The share price of the Company started experiencing an increase, with trading at relatively high volume on December 2, 2024 and then a sharp increase of 19.4% on December 3, 2024 (being the Last Trading Day). To exclude the distortions of such unusual price and volume movements, comparisons of value are therefore also made against the Last Undisturbed Day.

The premium of (i) the Cancellation Price, and (ii) the Cancellation Price *plus* Special Dividend, relative to the respective closing price of the Shares at the Last Undisturbed Day, the audited consolidated net asset value attributable to Shareholders per Share (“NAV per Share”) as at December 31, 2023, the unaudited consolidated net asset value attributable to Shareholders per Share as at September 30, 2024 and the Adjusted NAV, was as follows:



Note: The NAV per Share was derived based on an exchange rate of MYR to HKD of 1:1.70 as at December 31, 2023 and 1:1.89 as at September 30, 2024.

The table below sets out the premiums or discount of (i) the Cancellation Price of HK\$0.93 per Scheme Share; and (ii) the Cancellation Price *plus* Special Dividend of HK\$1.00 per Scheme Share respectively compared to various benchmarks, including historical trading prices of the Shares, the audited and unaudited consolidated net asset values attributable to Shareholders and the Adjusted NAV:

Comparison Metric	Price/net asset value per Share HK\$	Premium/ (Discount) represented by Cancellation Price %	Premium/ (Discount) represented by Cancellation Price <i>plus</i> Special Dividend %
<b>Closing price on the Latest Practicable Date</b>	<b>0.950</b>	<b>(2.1)</b>	<b>5.3</b>
<b>Closing price on the Last Trading Day</b>	<b>0.800</b>	<b>16.3</b>	<b>25.0</b>
Average of:			
Closing price for the 10 consecutive trading days up to and including the Last Trading Day	0.651	42.9	53.6
Closing price for the 30 consecutive trading days up to and including the Last Trading Day	0.655	42.0	52.7
Closing price for the 60 consecutive trading days up to and including the Last Trading Day	0.666	39.7	50.2
Closing price for the 90 consecutive trading days up to and including the Last Trading Day	0.662	40.4	51.0
Closing price for the 120 consecutive trading days up to and including the Last Trading Day	0.666	39.7	50.2
<b>Closing price on the Last Undisturbed Day</b>	<b>0.640</b>	<b>45.3</b>	<b>56.3</b>
Average of:			
Closing price for the 10 consecutive trading days up to and including the Last Undisturbed Day	0.631	47.4	58.5
Closing price for the 30 consecutive trading days up to and including the Last Undisturbed Day	0.652	42.6	53.4
Closing price for the 60 consecutive trading days up to and including the Last Undisturbed Day	0.663	40.3	50.8
Closing price for the 90 consecutive trading days up to and including the Last Undisturbed Day	0.660	40.9	51.5
Closing price for the 120 consecutive trading days up to and including the Last Undisturbed Day	0.666	39.7	50.2
<b>Audited consolidated net asset value attributable to Shareholders per Share as at December 31, 2023 (Note 1)</b>	<b>0.601</b>	<b>54.8</b>	<b>66.5</b>
<b>Unaudited consolidated net asset value attributable to Shareholders per Share as at September 30, 2024 (Note 2)</b>	<b>0.716</b>	<b>29.8</b>	<b>39.6</b>
<b>Adjusted NAV per Share as at September 30, 2024</b>	<b>0.754</b>	<b>23.3</b>	<b>32.6</b>

Note 1: Based on an exchange rate of MYR1.0 = HK\$1.70 as at December 31, 2023

Note 2: Based on an exchange rate of MYR1.0 = HK\$1.89 as at September 30, 2024



The Cancellation Price has been determined on an arm's length commercial basis after taking into account the financial information of the Group, the prices of the Shares traded on the Stock Exchange, and with reference to other privatisation transactions in Hong Kong in the two years leading up to the Last Undisturbed Day.

**Highest and lowest prices**

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.960 on January 23 and 28, 2025 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.610 on November 14, 2024.

During the six-month period immediately up to and including the Last Undisturbed Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.800 on the Last Trading Day and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.610 on November 14, 2024.

**Total Cancellation Price and Total Special Dividend Payable to Scheme Shareholders**

As at the Latest Practicable Date, the Company had 2,400,000,000 Shares in issue. The 866,450,011 Scheme Shares represented approximately 36.10% of the total number of Shares in issue of the Company as at the Latest Practicable Date.

On the assumption that there is no other change in the shareholding structure of the Company before the completion of the Proposal, the total amount of cash consideration required to effect the Scheme will be HK\$805,798,510 (representing the aggregate Cancellation Price payable under the Scheme), which will be funded by the Joint Offerors in proportion to the percentage of the Scheme Shares to be acquired by each of the Joint Offerors under the Proposal.

On the assumption that there is no other change in the shareholding structure of the Company before the completion of the Proposal, subject to (i) the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve the Special Dividend; and (ii) the Scheme having become binding and effective in accordance with its terms and conditions, the total amount of Special Dividend payable to the Scheme Shareholders will be HK\$60,651,501, which will be funded by the Company.

The sum of total Cancellation Price and total Special Dividend payable to Scheme Shareholders amounts to HK\$866,450,011, the payment of which will be subject to satisfaction of their respective conditions.

In accordance with Rule 20.1(a) of the Takeovers Code, upon the Scheme becoming effective, (i) the Cancellation Price of HK\$0.93 per Share will be paid by the Joint Offerors to the Scheme Shareholders whose names appear on the register of members of the

Company on the Record Date, and (ii) the Special Dividend of HK\$0.07 per Share will be paid by the Company to Shareholders whose names appear on the register of members of the Company on the Record Date, in each case, as soon as possible but in any event no later than seven (7) business days (as defined in the Takeovers Code) after the Effective Date.

**Shareholders, Share Award Holders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective.**

**Shareholders, Share Award Holders and potential investors of the Company should be aware that the payment of the Special Dividend is in turn subject to, amongst other things, the Scheme having become binding and effective in accordance with its terms and conditions. Accordingly, the Special Dividend may or may not materialise. Shareholders, Share Award Holders and potential investors of the Company should therefore exercise caution when dealing in securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

### **3. CONFIRMATION OF FINANCIAL RESOURCES**

Payment of the Cancellation Price under the Scheme by the Joint Offerors will be funded entirely by the internal resources of the Joint Offerors in proportion to the percentage of the Scheme Shares to be acquired by each of the Joint Offerors under the Proposal.

Payment of the Special Dividend by the Company will be funded by the internal cash resources of the Company.

Altus, as financial adviser to the Joint Offerors, is satisfied that sufficient financial resources are available to (i) the Joint Offerors to satisfy the Cancellation Price under the Proposal; and (ii) the Company to satisfy the Special Dividend for the Scheme Shareholders.

### **4. CONDITIONS OF THE PROPOSAL AND THE SCHEME**

Your attention is drawn to the section headed “3. Conditions of the Proposal and the Scheme” in Part VII – Explanatory Memorandum of this Scheme Document.

**Warning: Shareholders, Share Award Holders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders, Share Award Holders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

**5. SHAREHOLDING STRUCTURE OF THE COMPANY**

Your attention is drawn to the sections headed “4. Shareholding Structure of the Company” and “5. Share Award Scheme” in Part VII – Explanatory Memorandum of this Scheme Document.

**6. THE IMPLEMENTATION AGREEMENT**

On December 19, 2024, the Joint Offerors and the Company entered into the Implementation Agreement, pursuant to which the Joint Offerors requested the Board to put forward the Proposal to the holders of Scheme Shares.

Pursuant to the Implementation Agreement, each of the Joint Offerors and the Company has agreed, among other things, to use all commercially reasonable endeavours to implement the Proposal. The Company has undertaken to do all things as are reasonably necessary to implement the Scheme, and the Joint Offerors have undertaken to provide necessary assistance that the Company may reasonably request in connection with the implementation of the Scheme.

Pursuant to the Implementation Agreement, the Company has undertaken, among other things, that subject to certain exclusions in the Implementation Agreement, it will not (and will procure that each member of the Group will not), without the prior consent of the Joint Offerors (such consent not to be unreasonably withheld or delayed), conduct its business other than in the ordinary and usual course as set forth in the Implementation Agreement during the period between the date of the Implementation Agreement and the earlier of the Effective Date and the date of termination of the Implementation Agreement.

Subject to the Takeovers Code, the Joint Offerors and the Company have agreed to bear certain costs and expenses incurred by them in connection with the implementation of the Proposal in the manner as set forth in the Implementation Agreement. For details, please refer to the section headed “9. Costs of the Scheme” in Part VII – Explanatory Memorandum of this Scheme Document.

Under the terms of the Implementation Agreement, the Implementation Agreement will terminate if the Proposal and the Scheme are not implemented by the Long Stop Date. The Joint Offerors will be entitled to terminate the Implementation Agreement following the non-satisfaction of any Condition (which cannot be waived or is not waived by the Joint Offerors in accordance with the terms of the Proposal), or if the recommendation of the Directors as to whether the Scheme Shareholders should vote to approve the Proposal at the Court Meeting and at the EGM contained in the Scheme Document is withdrawn at any time prior to the Grand Court’s sanction of the Scheme and, to the extent necessary, confirmation of any reduction of the share capital of the Company, or upon a material breach of any warranty by the Company. The Company will be entitled to terminate the Implementation Agreement upon a material breach of any warranty by the Joint Offerors.

## **7. THE JOINT OFFERORS AGREEMENT AND THE SHAREHOLDER ARRANGEMENTS**

### **The Joint Offerors Agreement**

As at the Latest Practicable Date, PCB held 1,533,549,989 Shares, representing approximately 63.90% of the issued Shares. The Joint Offerors have entered into the Joint Offerors Agreement on December 19, 2024, pursuant to which the Joint Offerors agreed to make the Proposal to the Board and request the Board to put forward the Proposal to the Scheme Shareholders and that, upon the Scheme having become binding and effective in accordance with its terms and conditions, (i) in addition to its existing shareholding in the Company, PCB will acquire a further 170,400,000 Shares (representing approximately 7.10% of the issued Shares) under the Proposal, thereby increasing its shareholding in the Company to 1,703,949,989 Shares (representing approximately 71.00% of the issued Shares); and (ii) Puga will acquire 696,050,011 Shares (representing approximately 29.00% of the issued Shares) under the Proposal.

Pursuant to the Joint Offerors Agreement, the Joint Offerors have agreed, among other things, that (a) each Joint Offeror undertakes to contribute sufficient financial resources to fulfill its obligation to pay the Cancellation Price in proportion to the percentage of the Scheme Shares to be acquired by such party under the Proposal, to discharge its obligation of contribution on a several but not joint basis and be solely responsible for all obligations and liabilities in relation to the arrangement in connection with its financial resources, and to arrange such financing as necessary to satisfy its commitment to the reasonable satisfaction of the financial adviser to the Joint Offerors, notwithstanding that PCB has agreed to bear 70% of the out-of-pocket costs and expenses incurred in connection with the Proposal by the Joint Offerors and the Investors; (b) all decisions relating to the Proposal will be jointly made by Puga and PCB; (c) each Joint Offeror shall use its reasonable endeavors to do (or procure to be done), and to assist and co-operate with each other in doing, all things reasonably necessary, proper or advisable to consummate and make effective, as promptly as practicable, the Proposal; (d) each Joint Offeror shall cooperate with each other and their professional advisers and proceed in good faith to consummate the Proposal and to consult with each other and to keep each other fully informed of any relevant material developments and the status of implementation in respect of the Proposal; and (e) each Joint Offeror acknowledges and agrees that it shall be fully responsible for ensuring the accuracy of all statements of fact furnished or confirmed by it in each of the transaction documents relating to it and its associates.

Pursuant to the Joint Offerors Agreement, (a) PCB has undertaken, to the extent permitted under the Takeovers Code, the Listing Rules and applicable laws and regulations, to exercise, or, as the case may be, to procure the exercise of the voting rights in respect of the Shares held by PCB immediately prior to the Scheme becoming effective on resolutions in relation to the implementation of the Proposal to vote in favour of all resolutions which

are necessary to implement the Scheme proposed at the EGM (including the ordinary resolution at the EGM to approve the Special Dividend), and that it shall take all actions necessary to implement the Proposal; and (b) PCB has further undertaken that, during the period between the date of the Joint Offerors Agreement and the earlier of the Scheme becomes effective, lapses or is withdrawn, it shall comply with certain dealing restrictions and refrain from doing any prejudicial actions, including not, directly or indirectly, sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in any of the Shares held by PCB immediately prior to the Scheme becoming effective, nor to accept any other offer in respect of all or any of such Shares.

The Joint Offerors Agreement will be terminated if the Scheme lapses or is withdrawn, terminated, rescinded by the Joint Offerors or is finally dismissed, refused or rejected by the Grand Court.

### **The Shareholder Arrangements**

Pursuant to the Joint Offerors Agreement, the Joint Offerors have also agreed to enter into the Shareholders' Agreement, which sets out the Joint Offerors' mutual agreement on the arrangements pertaining to the management and governance of the Company upon the Scheme becoming effective within 5 Business Days after the withdrawal of listing of the Shares on the Stock Exchange subject to the Scheme becoming effective.

The Shareholder Arrangements contemplate that the Board will establish an IPO steering committee to oversee and approve any matters in connection with the implementation of an IPO of the Company within four years from the effective date of the Scheme (or such other dates to be agreed between the Joint Offerors). As at the Latest Practicable Date, the Joint Offerors had not agreed on any proposal or material terms with respect to the implementation of any separate listing of the Company (including whether the IPO will be conducted in Hong Kong or elsewhere or whether it is an IPO of the same Company).

## **8. THE CONSORTIUM AGREEMENT**

On October 31, 2024, the Investors entered into the Consortium Agreement in connection with the implementation of the Proposal.

Pursuant to the Consortium Agreement, each of the Investors would make cash contribution to Puga in proportion to their respective percentage ownerships in Puga for the purpose of satisfying in full Puga's obligations in respect of the Cancellation Price payable for 29.00% of the issued Shares under the Proposal.

The Consortium Agreement shall terminate in accordance with its terms (a) upon the completion of the Proposal or (b) upon a written agreement by the parties to terminate the Consortium Agreement or (c) on the Long Stop Date, whichever is earlier.

**9. INFORMATION ON THE JOINT OFFERORS, THE INVESTORS, THE JOINT OFFERORS CONCERT PARTIES AND THE COMPANY**

Your attention is drawn to the section headed “13. Information on the Joint Offerors, the Investors, the Joint Offerors Concert Parties and the Company” in Part VII – Explanatory Memorandum of this Scheme Document.

**10. THE JOINT OFFERORS’ INTENTION REGARDING THE COMPANY**

Your attention is drawn to the section headed “11. The Joint Offerors’ Intention Regarding the Company” in Part VII – Explanatory Memorandum of this Scheme Document.

**11. REASONS FOR AND BENEFITS OF THE PROPOSAL**

The Joint Offerors are of the view that the terms of the Proposal are attractive and beneficial to the Scheme Shareholders and the Company. The reasons for and benefits of the Proposal from the perspective of the Scheme Shareholders and the Company are set forth in the section headed “10. Reasons for and Benefits of the Proposal” in Part VII – Explanatory Memorandum of this Scheme Document.

**12. INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, which comprises independent non-executive Directors who are not Joint Offerors Concert Parties, namely Dr. Chuah Jin Chong, Ms. Chan May May and Mr. Sim Seng Loong @ Tai Seng, has been established by the Board to make a recommendation to the Disinterested Shareholders as to whether the terms of the Proposal and the Scheme are fair and reasonable and as to voting at the Court Meeting and the EGM.

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee is required to comprise all non-executive Directors who have no direct or indirect interest in the matters to be considered by the Independent Board Committee, other than as a Shareholder. Mr. Leng is the non-executive Director and is also a non-independent non-executive director and a shareholder of PCB. He is therefore considered to be acting in concert with the Joint Offerors and is therefore not a member of the Independent Board Committee.

The full text of the letter from the Independent Board Committee in relation to recommendation with respect to the Proposal and the Scheme is set out in Part V of this Scheme Document.

**13. INDEPENDENT FINANCIAL ADVISER**

Quam Capital has been appointed as the Independent Financial Adviser by the Company with the approval of the Independent Board Committee in accordance with the Listing Rules and the Takeovers Code, to advise the Independent Board Committee and the Disinterested Shareholders (as applicable) in respect of the Proposal and the Scheme and to report on the

unaudited consolidated financial results of the Group for the nine months ended September 30, 2024 published by the Company on November 7, 2024 pursuant to Rule 10.3(d) of the Takeovers Code.

The full text of the letter from Quam Capital in relation to recommendations with respect to the Proposal and the Scheme is set out in Part VI of this Scheme Document. The full text of the report from Quam Capital on the unaudited consolidated financial results of the Group for the nine months ended September 30, 2024 is set out in Appendix IV to this Scheme Document.

#### **14. SCHEME SHARES, COURT MEETING AND EGM**

In accordance with the directions of the Grand Court, the Court Meeting will be held at 2:00 p.m. (Hong Kong time) on Friday, February 28, 2025 at 17/F, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong. The EGM will be held at the same place and on the same date at 2:30 p.m. (or as soon as practicable after the Court Meeting shall have concluded or been adjourned, whichever is later).

For the purpose of exercising your right to vote at the Court Meeting and/or the EGM, you are requested to read carefully the section headed “17. Scheme Shares, Court Meeting and EGM” in Part VII – Explanatory Memorandum of this Scheme Document, Part II – Actions to be Taken of this Scheme Document, the notice of the Court Meeting in Appendix VII to this Scheme Document and the notice of EGM in Appendix VIII to this Scheme Document.

As at the Latest Practicable Date,

- (a) Puga did not hold any Shares, and PCB held an aggregate of 1,533,549,989 Shares representing approximately 63.90% of the issued Shares. The Shares held by PCB immediately prior to the Scheme becoming effective will not constitute Scheme Shares and will not be voted on in respect of the resolution to approve the Scheme at the Court Meeting;
- (b) Mr. Chuah, Ms. Gan, Mr. Leng and Dato’ Loh Nam Hooi were interested in an aggregate of 26,611,200, 8,457,544 (which includes Ms. Gan’s (i) 695,000 vested Awarded Shares and (ii) 140,000 granted but unvested Awarded Shares, the Shares relating to which are held by the Trustee), 250,000 and 1,012,000 Shares (representing approximately 1.11%, 0.35%, 0.01% and 0.04% of the issued Shares) respectively. The Shares held by Mr. Chuah, Ms. Gan, Mr. Leng and Dato’ Loh Nam Hooi will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective. The votes of each of Mr. Chuah, Ms. Gan, Mr. Leng and Dato’ Loh Nam Hooi will not be counted as a vote of a Disinterested Shareholder in determining whether the requirements under Condition (b) under the section headed “3. Conditions of the Proposal and the Scheme” in Part VII – Explanatory Memorandum of this Scheme Document (as required under Rule 2.10 of the Takeovers Code) are satisfied; and

- (c) the Trustee held 63,191,341 Trustee Held Shares pursuant to the Share Award Scheme which comprised (i) 42,104,250 Trustee Held Awarded Shares; and (ii) 21,087,091 Trustee Held Pool Shares. The Trustee has undertaken to the Company that it will only exercise voting rights in respect of the Trustee Held Shares held for Share Award Holders who are not Joint Offerors Concert Parties and whose awards have vested according to the express instructions of the relevant Share Award Holders and that it will not have any discretionary voting powers in respect of such Shares. In respect of the remaining 28,251,024 Shares, notwithstanding the Trustee is the legal registered holder of such Shares, as the Trustee is considered to be acting in concert with the Joint Offerors, such Shares are not considered to be Shares held by Disinterested Shareholders and will not be voted on in respect of the resolution to approve the Scheme at the Court Meeting. For further details, please refer to the section headed “5. Share Award Scheme” in Part VII – Explanatory Memorandum of this Scheme Document.

The Joint Offerors have undertaken to the Grand Court that they will be bound by the Scheme, so as to ensure that they will comply with and be subject to the terms and conditions of the Scheme.

All Shareholders as at the Meeting Record Date will be entitled to attend the EGM and vote on the resolutions with respect to the Special Dividend and the implementation of the Scheme (including: (i) the special resolution to approve and give effect to any reduction of the share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) the ordinary resolution to approve the simultaneous maintenance of the share capital of the Company at the amount prior to the cancellation of the Scheme Shares by the issuance at par to the Joint Offerors, credited as fully paid, of such number of new Shares as is equal to the number of Scheme Shares cancelled and applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par the new Shares so issued).

The Joint Offerors and the Joint Offerors Concert Parties (excluding the Trustee, the voting arrangements in respect of the Trustee Held Shares are as disclosed above) have indicated that if the Scheme is approved at the Court Meeting, those Shares held by them (if any) will be voted in favour of the resolutions to be proposed at the EGM to implement the Scheme, including any reduction of capital and the simultaneous maintenance of the share capital of the Company by the issue of new Shares to the Joint Offerors as described above. Pursuant to the Joint Offerors Agreement, PCB has undertaken (to the extent permitted under Takeovers Code, the Listing Rules and applicable laws and regulations) to exercise or procure the exercise of the voting rights in respect of the Shares held by PCB immediately prior to the Scheme becoming effective to vote in favour of the ordinary resolution at the EGM to approve the Special Dividend. The Trustee has given an undertaking to the Company in respect of the manner in which it can exercise the voting rights attaching to the Trustee Held Shares, further details of which are set out in the section above headed “5. Share Award Scheme” in Part VII – Explanatory Memorandum of this Scheme Document.



**15. WITHDRAWAL OF LISTING OF SHARES**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title.

Subject to the Scheme becoming effective, the Company does not intend to maintain its listing status, and will make an application to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect from 4:00 p.m. on Wednesday, March 19, 2025.

The Scheme Shareholders will be notified by way of an announcement of the exact date of the last day for dealing in the Shares and on which the Scheme and the withdrawal of listing of the Shares will become effective. A detailed timetable of the Scheme is included in Part III of this Scheme Document.

**16. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

The listing of the Shares on the Stock Exchange will not be withdrawn and the Special Dividend will not be paid if the Scheme does not become effective or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under Rule 31.1 of the Takeovers Code on making subsequent offers, to the effect that, neither the Joint Offerors nor any person who acted in concert with them in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, (i) announce an offer or possible offer for the Company, or (ii) acquire any voting rights of the Company if the Joint Offerors or the Joint Offerors Concert Parties would thereby become obliged under Rule 26 of the Takeovers Code to make an offer, in each case except with the consent of the Executive.

**17. ACTIONS TO BE TAKEN**

Your attention is drawn to Part II -“Actions to be Taken” of this Scheme Document.

**18. REGISTRATION AND PAYMENT**

Your attention is drawn to the section headed “14. Registration and Payment” in Part VII – Explanatory Memorandum of this Scheme Document.

**19. OVERSEAS SHAREHOLDERS**

Your attention is drawn to the section headed “15. Overseas Shareholders” in Part VII – Explanatory Memorandum of this Scheme Document.

**20. TAXATION ADVICE**

Your attention is drawn to the section headed “16. Taxation Advice” in Part VII – Explanatory Memorandum of this Scheme Document.

**21. COSTS OF THE SCHEME**

Your attention is drawn to the sections headed “9. Costs of the Scheme” and “12. Implementation of the Proposal and Voluntary Withdrawal of Listing of Shares” in Part VII – Explanatory Memorandum of this Scheme Document.

**22. RECOMMENDATIONS**

The Independent Financial Adviser has advised the Independent Board Committee that it considers the terms of the Proposal and the Scheme to be fair and reasonable so far as the Disinterested Shareholders are concerned, and advises the Independent Board Committee to recommend the Disinterested Shareholders to vote in favour of the resolutions to (i) approve the Scheme at the Court Meeting; and (ii) (a) approve the implementation of the Proposal at the EGM and (b) approve the Special Dividend at the EGM.

The Independent Board Committee, having considered the terms of the Proposal and the Scheme, and having taken into account the advice of the Independent Financial Adviser, and in particular the factors, reasons and recommendations set out in its letter, considers that the terms of the Proposal and the Scheme are fair and reasonable so far as the Disinterested Shareholders are concerned. Accordingly, the Independent Board Committee recommends (i) the Disinterested Shareholders to vote in favour of the resolution to approve the Scheme at the Court Meeting; and (ii) the Shareholders to vote in favour of the relevant resolutions at the EGM to approve (a) the implementation of the Proposal and (b) the Special Dividend.

Your attention is drawn to the letter of advice from the Independent Financial Adviser set out in Part VI of this Scheme Document which contains its advice to the Independent Board Committee and Disinterested Shareholders in respect of the Proposal. Your attention is also drawn to the letter from the Independent Board Committee set out in Part V of this Scheme Document which contains its recommendation to the Disinterested Shareholders in respect of the Proposal.

**23. FURTHER INFORMATION**

You are urged to read carefully the letters from the Independent Board Committee and from the Independent Financial Adviser, as set out in Parts V and VI of this Scheme Document, respectively, the Explanatory Memorandum set out in Part VII of this Scheme Document, the Appendices to this Scheme Document, the Scheme as set out in Appendix VI to this Scheme Document, the notice of Court Meeting as set out in Appendix VII to this Scheme Document, and

notice of the EGM as set out in Appendix VIII to this Scheme Document. In addition, a **pink** form of proxy for the Court Meeting and a **white** form of proxy for the EGM are enclosed with this Scheme Document.

Yours faithfully,

For and on behalf of the Board  
**Pentamaster International Limited**  
檳傑科達國際有限公司  
**Chuah Choon Bin**  
*Chairman and Executive Director*

**PENTAMASTER INTERNATIONAL LIMITED****檳傑科達國際有限公司***(Incorporated in the Cayman Islands with limited liability)***(Stock Code: 1665)**

February 5, 2025

*To the Disinterested Shareholders*

Dear Sir or Madam,

- (1) PROPOSAL TO PRIVATISE PENTAMASTER INTERNATIONAL LIMITED;  
(2) PROPOSED WITHDRAWAL OF LISTING; AND  
(3) PROPOSED SPECIAL DIVIDEND**

**INTRODUCTION**

We refer to the scheme document (the “**Scheme Document**”) dated February 5, 2025 jointly issued by the Company and the Joint Offerors in relation to the Proposal, of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meaning as given to them in the Scheme Document.

We have been appointed by the Board as the Independent Board Committee to make a recommendation to the Disinterested Shareholders as to whether the Proposal and the Scheme are, or are not, fair and reasonable and as to voting at the Court Meeting and the EGM.

Quam Capital, the Independent Financial Adviser, has been appointed by the Company with our approval, to advise us in respect of the Proposal and the Scheme.

We wish to draw your attention to (a) the letter from the Board as set out in Part IV of the Scheme Document; (b) the letter from the Independent Financial Adviser as set out in Part VI of the Scheme Document which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its recommendations; and (c) the Explanatory Memorandum as set out in Part VII of this Scheme Document.

Having considered the terms of the Proposal and the Scheme and having taken into account the advice and recommendation of the Independent Financial Adviser, in particular the factors, reasons and recommendations as set out in the letter from the Independent Financial Adviser, we consider that the Proposal and the Scheme are fair and reasonable so far as the Disinterested Shareholders are concerned.

Accordingly, we recommend:

- (a) at the Court Meeting, the Disinterested Shareholders to vote in favour of the resolution to approve the Scheme; and
- (b) at the EGM:
  - (i) the Shareholders to vote in favour of:
    - (1) the special resolution to approve and give effect to any reduction of the share capital of the Company associated with the cancellation and extinguishment of the Scheme Shares; and
    - (2) the ordinary resolution:
      - (i) to approve the simultaneous maintenance of the share capital of the Company at the amount prior to the cancellation of the Scheme Shares by the issuance at par to the Joint Offerors, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled pursuant to the Scheme;
      - (ii) to approve the application of the reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares to pay up in full at par the new Shares so issued, credited as fully paid, for issuance to the Joint Offerors;
      - (iii) to authorise the Directors to do all acts and things and/or execute all such documents as considered by them to be necessary for or desirable in connection with the implementation of the Scheme, including (without limitation) the giving, on behalf of the Company, of consent to any modification of, or addition to, the Scheme or any reduction of capital, which the Grand Court of the Cayman Islands may see fit to impose; and
      - (iv) to authorise any one of the Directors to make an application to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange.

- (3) the ordinary resolution (conditional upon the passing of the special resolution in (b)(i)(1) above):
- (i) subject to the Scheme being approved and becoming binding and effective in accordance with its terms and conditions, to approve the Special Dividend on the terms as contained in the Scheme Document; and
  - (ii) to authorise the Directors to do all such acts and things and to take such steps as considered to be necessary, appropriate, desirable or expedient to give effect to or in connection with the payment of the Special Dividend.

Yours faithfully,

For and on behalf of the Independent Board Committee of  
**Pentamaster International Limited**

**Dr. Chuah Jin Chong**

*Independent Non-Executive Director*

**Ms. Chan May May**

*Independent Non-Executive Director*

**Mr. Sim Seng Loong @ Tai Seng**

*Independent Non-Executive Director*

*Set out below is the text of a letter from Quam Capital, the Independent Financial Adviser to the Independent Board Committee in respect of the Proposal and the Scheme, for the purpose of inclusion in the Scheme Document.*



5 February 2025

*To the Independent Board Committee*

Dear Sir/Madam,

**(1) PROPOSAL TO PRIVATISE PENTAMASTER  
INTERNATIONAL LIMITED;  
(2) PROPOSED WITHDRAWAL OF LISTING; AND  
(3) PROPOSED SPECIAL DIVIDEND**

**INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect to the Proposal and the Scheme, details of which are set out in the Scheme Document dated 5 February 2025, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Scheme Document unless the context otherwise requires.

On 19 December 2024, the Joint Offerors requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of a scheme of arrangement under section 86 of the Companies Act, which involves the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Cancellation Price of HK\$0.93 in cash for each Scheme Share, and the withdrawal of the listing of the Shares on the Stock Exchange. Under the Proposal, the Company will also declare and pay a Special Dividend of HK\$0.07 for each Share. Accordingly, if the Scheme becomes binding and effective in accordance with its terms and conditions, the Scheme Shareholders whose names appear on the register of members of the Company on the Record Date will receive a total of HK\$1.00 (the “**Total Price**”) in cash per Scheme Share under the Proposal.

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**PART VI LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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If the Proposal is approved and implemented, under the Scheme, the Scheme Shares will, on the Effective Date, be cancelled and extinguished. Simultaneously with such cancellation and extinguishment, the share capital of the Company will be maintained by the issuance at par to the Joint Offerors, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled pursuant to the Scheme. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Joint Offerors.

Upon the Scheme becoming effective, the Company will be owned as to approximately 71.00% and 29.00% by PCB and Puga, respectively, and the listing of the Shares will be withdrawn from the Stock Exchange.

**THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, which comprises independent non-executive Directors who are not Joint Offerors Concert Parties, namely Dr. Chuah Jin Chong, Ms. Chan May May and Mr. Sim Seng Loong @ Tai Seng, has been established by the Board to make a recommendation to the Disinterested Shareholders as to whether the terms of the Proposal and the Scheme are fair and reasonable and as to voting at the Court Meeting and the EGM.

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee is required to comprise all non-executive Directors who have no direct or indirect interest in the matters to be considered by the Independent Board Committee, other than as a Shareholder. Mr. Leng is the non-executive Director and is also a non-independent non-executive director and a shareholder of PCB. He is therefore considered to be acting in concert with the Joint Offerors and is therefore not a member of the Independent Board Committee.

We have been appointed, with the approval of the Independent Board Committee, as the Independent Financial Adviser to advise the Independent Board Committee in relation to the Proposal and the Scheme.

As at the Latest Practicable Date, we did not have any relationships or connection (financial or otherwise) with or interests in the Company, the Joint Offerors, or any of their respective controlling shareholders and any party acting, or presumed to be acting, in concert with any of them, and accordingly, are qualified to give independent advice to the Independent Board Committee. Save for our appointment as the Independent Financial Adviser to the Independent Board Committee, we did not act as a financial adviser to the Company or the Joint Offerors within the two years immediately preceding the date of the Announcement and up to and including the Latest Practicable Date. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser to the Independent Board Committee, no arrangement exists whereby we shall receive any other fees or benefits from the Company or the Joint Offerors or their respective controlling shareholders or any party acting, or presumed to be acting, in concert with any of them.



**BASIS OF OUR ADVICE**

In formulating our opinion and advice, we have relied on (a) the information and facts contained or referred to in the Scheme Document; (b) the information provided by the Directors and the management of Company (the “**Management**”); (c) the opinions expressed by and the representations of the Directors and the Management; and (d) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Scheme Document were true, accurate and complete in all material respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Scheme Document are true in all material respects at the time they were made and continue to be true in all material respects as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the Management and those as set out or referred to in the Scheme Document were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of such information and representations provided to us by the Directors and the Management. Should there be any material changes to the statements, information and/or representation affecting our opinion after the Latest Practicable Date, the Disinterested Shareholders would be notified as soon as possible in compliance with Rule 9.1 of the Takeovers Code.

We have reviewed, among others, (a) the annual report of the Company for the year ended 31 December 2023 (the “**2023 Annual Report**”); (b) the unaudited first quarterly results announcement of the Company for the three months ended 31 March 2024 (the “**2024 First Quarter Results Announcement**”); (c) the unaudited interim results announcement of the Company for the six months ended 30 June 2024 (the “**2024 Interim Results Announcement**”); (d) the interim report of the Company for the six months ended 30 June 2024 (the “**2024 Interim Report**”); (e) the unaudited third quarterly results announcement of the Company for the nine months ended 30 September 2024 (the “**2024 Third Quarter Results Announcement**”); (f) the unaudited consolidated management accounts of the Group for the 11 months ended 30 November 2024; (g) the property valuation report contained in Appendix II to the Scheme Document; and (h) other information set out in the Scheme Document. We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Scheme Document so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinions expressed by the Directors and the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position, financial forecast or future prospects of the Group.

This letter is issued for the purpose of advising the Independent Board Committee regarding the Proposal and the Scheme, and except for its inclusion in the Scheme Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

**THE PROPOSAL**

**The Cancellation Price**

The Proposal will provide that each of the Scheme Shares be cancelled in exchange for the payment of the Cancellation Price of HK\$0.93 per Scheme Share, which shall be paid by the Joint Offerors to the Scheme Shareholders (including the Disinterested Shareholders) whose names appear on the register of members of the Company on the Record Date. The implementation of the Proposal is subject to the fulfilment or waiver (as applicable) of the Conditions set out in the section headed “Conditions of the Proposal and the Scheme” below.

**If the Scheme is not approved or if the Scheme otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Joint Offerors nor any person who acted in concert with them in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Scheme otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.**

If, after the date of this Scheme Document, any dividend and/or other distribution and/or other return of capital other than the Special Dividend is announced, declared or paid in respect of the Shares, the Joint Offerors reserve the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in the Announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced. The Company has confirmed that, other than the Special Dividend, it does not intend to announce, declare or pay any dividend, distribution or other return of capital before the Long Stop Date or the lapse, withdrawal or termination of the Scheme (whichever is earlier). After the date of the Announcement and up to the Latest Practicable Date, the Company had no declared but unpaid dividends and/or other distribution and/or other return of capital.

**The Cancellation Price will not be increased, and the Joint Offerors do not reserve the right to do so. Shareholders, Share Award Holders and potential investors should be aware that, following the making of this statement, the Joint Offerors will not be allowed to increase the Cancellation Price, except in wholly exceptional circumstances in accordance with Rule 18.3 of the Takeovers Code.**

**The Special Dividend**

Under the Proposal, the Company will also declare a Special Dividend of HK\$0.07 for each Share which, subject to (a) the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve the Special Dividend; and (b) the Scheme having become binding and effective in accordance with its terms and conditions, shall be payable to the Shareholders whose names appear on the register of members of the Company on the Record Date, including PCB. None of the foregoing conditions to the payment of the Special Dividend can be waived. The conditions of the Special Dividend will have to be satisfied on or before the Long Stop Date.

PCB has undertaken (to the extent permitted under Takeovers Code, the Listing Rules and applicable laws and regulations) to exercise or procure the exercise of the voting rights in respect of the Shares held by PCB immediately prior to the Scheme becoming effective to vote in favour of the ordinary resolution at the EGM to approve the Special Dividend.

**Shareholders should note that the payment of the Special Dividend is subject to, amongst other things, the Scheme having become binding and effective in accordance with its terms and conditions. If the Scheme is not approved or if the Scheme lapses, the Special Dividend will not materialise.**

**The Total Price**

Based on the aforesaid, if the Scheme becomes binding and effective in accordance with its terms and conditions, the Scheme Shareholders whose names appear on the register of members of the Company on the Record Date will receive the Total Price of HK\$1.00 in cash per Scheme Share under the Proposal comprising:

Cancellation Price . . . . .	HK\$0.93 per Scheme Share
Special Dividend . . . . .	HK\$0.07 per Scheme Share
<hr/>	
<b>Total Price . . . . .</b>	<b>HK\$1.00 per Scheme Share</b>

**Conditions of the Proposal and the Scheme**

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to the fulfilment or waiver (as applicable) of the following Conditions:

- (a) the approval of the Scheme (by way of poll) by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting;

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**PART VI                    LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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- (b) the approval of the Scheme (by way of poll) by the Disinterested Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Disinterested Shareholders that are voted either in person or by proxy at the Court Meeting, provided that the number of votes cast (by way of poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to the Scheme Shares held by all Disinterested Shareholders;
  
- (c) the passing of (i) a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to any reduction of the share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve the simultaneous maintenance of the share capital of the Company at the amount prior to the cancellation of the Scheme Shares by the issuance at par to the Joint Offerors, credited as fully paid, such number of new Shares as is equal to the number of Scheme Shares cancelled, and applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par the new Shares so issued, credited as fully paid, for issuance to the Joint Offerors;
  
- (d) the Grand Court's sanction of the Scheme (with or without modifications) and, to the extent necessary, its confirmation of any reduction of the share capital of the Company, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
  
- (e) compliance, to the extent necessary, with the procedural requirements and conditions, if any, under Sections 15 and 16 of the Companies Act in relation to any reduction of the issued share capital of the Company;
  
- (f) all necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal having been obtained from, given by or made with (as the case may be) the Relevant Authorities, in the Cayman Islands, Hong Kong and any other relevant jurisdictions;

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**PART VI LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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- (g) all necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective;
- (h) all necessary consents which may be required for the implementation of the Proposal and the Scheme under any existing contractual obligations of the Company having been obtained or waived by the relevant party(ies), where any failure to obtain such consent or waiver would have a material adverse effect on the business of the Group;
- (i) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Proposal or the Scheme or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or the Scheme or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Joint Offerors to proceed with the Proposal or the Scheme;
- (j) since the date of the Announcement, there having been no adverse change in the business, assets, prospects, profits, losses, results of operations, financial position or condition of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal or the Scheme);
- (k) there being no material breach of the representations and warranties made by the Company under the Implementation Agreement as at the date of the Implementation Agreement, the date of despatch of the Scheme Document and the effective date of the Scheme, or the date as otherwise specified in the relevant representations and warranties, by reference to the facts and circumstances existing at such dates; and
- (l) there being no material breach of the representations and warranties made by the Joint Offerors under the Implementation Agreement as at the date of the Implementation Agreement, the date of despatch of the Scheme Document and the effective date of the Scheme, or the date as otherwise specified in the relevant representations and warranties, by reference to the facts and circumstances existing at such dates.

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## **PART VI            LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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The Joint Offerors reserve the right to waive conditions (f), (g), (h), (i), (j) and (k) either in whole or in part, either generally or in respect of any particular matter. Conditions (a) to (e) cannot be waived in any event. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Joint Offerors may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to the right to invoke any such Condition are of material significance to the Joint Offerors in the context of the Proposal. The Company reserves the right to waive condition (l) either in whole or in part, either generally or in respect of any particular matter.

All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

In respect of Condition (f) and (g), as at the Latest Practicable Date, other than those set out in Conditions (a) to (e) (inclusive), the Joint Offerors and the Company were not aware of any necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals required for the Proposal. As at the Latest Practicable Date, the Joint Offerors and the Company were not aware of any circumstances which may result in Conditions (h), (i), (j), (k) and (l) not being satisfied.

If approved and implemented, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

As at the Latest Practicable Date, none of the Conditions had been fulfilled or waived (as applicable).

### **ARRANGEMENTS MATERIAL TO THE PROPOSAL**

#### **Implementation Agreement**

On 19 December 2024, the Joint Offerors and the Company entered into the Implementation Agreement, pursuant to which the Joint Offerors requested the Board to put forward the Proposal to the holders of Scheme Shares.

Pursuant to the Implementation Agreement, each of the Joint Offerors and the Company has agreed, among other things, to use all commercially reasonable endeavours to implement the Proposal. The Company has undertaken to do all things as are reasonably necessary to implement the Scheme, and the Joint Offerors have undertaken to provide necessary assistance that the Company may reasonably request in connection with the implementation of the Scheme.

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## **PART VI            LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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Pursuant to the Implementation Agreement, the Company has undertaken, among other things, that subject to certain exclusions in the Implementation Agreement, it will not (and will procure that each member of the Group will not), without the prior consent of the Joint Offerors (such consent not to be unreasonably withheld or delayed), conduct its business other than in the ordinary and usual course as set forth in the Implementation Agreement during the period between the date of the Implementation Agreement and the earlier of the Effective Date and the date of termination of the Implementation Agreement.

Subject to the Takeovers Code, the Joint Offerors and the Company have agreed to bear certain costs and expenses incurred by them in connection with the implementation of the Proposal in the manner as set forth in the Implementation Agreement.

Under the terms of the Implementation Agreement, the Implementation Agreement will terminate if the Proposal and the Scheme are not implemented by the Long Stop Date. The Joint Offerors will be entitled to terminate the Implementation Agreement following the non-satisfaction of any Condition (which cannot be waived or is not waived by the Joint Offerors in accordance with the terms of the Proposal), or if the recommendation of the Directors as to whether the Scheme Shareholders should vote to approve the Proposal at the Court Meeting and at the EGM contained in the Scheme Document is withdrawn at any time prior to the Grand Court's sanction of the Scheme and, to the extent necessary, confirmation of any reduction of the share capital of the Company, or upon a material breach of any warranty by the Company. The Company will be entitled to terminate the Implementation Agreement upon a material breach of any warranty by the Joint Offerors.

### **The Joint Offerors Agreement**

As at the Latest Practicable Date, PCB held 1,533,549,989 Shares, representing approximately 63.90% of the issued Shares. The Joint Offerors entered into the Joint Offerors Agreement on 19 December 2024, pursuant to which the Joint Offerors agreed to make the Proposal to the Board and request the Board to put forward the Proposal to the Scheme Shareholders and that, upon the Scheme having become binding and effective in accordance with its terms and conditions, (a) in addition to its existing shareholding in the Company, PCB will acquire a further 170,400,000 Shares (representing approximately 7.10% of the issued Shares) under the Proposal, thereby increasing its shareholding in the Company to 1,703,949,989 Shares (representing approximately 71.00% of the issued Shares); and (b) Puga will acquire 696,050,011 Shares (representing approximately 29.00% of the issued Shares) under the Proposal.

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**PART VI                    LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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Pursuant to the Joint Offerors Agreement, the Joint Offerors have agreed, among other things, that (a) each Joint Offeror undertakes to contribute sufficient financial resources to fulfill its obligation to pay the Cancellation Price in proportion to the percentage of the Scheme Shares to be acquired by such party under the Proposal, to discharge its obligation of contribution on a several but not joint basis and be solely responsible for all obligations and liabilities in relation to the arrangement in connection with its financial resources, and to arrange such financing as necessary to satisfy its commitment to the reasonable satisfaction of the financial adviser to the Joint Offerors, notwithstanding that PCB has agreed to bear 70% of the out-of-pocket costs and expenses incurred in connection with the Proposal by the Joint Offerors and the Investors; (b) all decisions relating to the Proposal will be jointly made by Puga and PCB; (c) each Joint Offeror shall use its reasonable endeavors to do (or procure to be done), and to assist and co-operate with each other in doing, all things reasonably necessary, proper or advisable to consummate and make effective, as promptly as practicable, the Proposal; (d) each Joint Offeror shall cooperate with each other and their professional advisers and proceed in good faith to consummate the Proposal and to consult with each other and to keep each other fully informed of any relevant material developments and the status of implementation in respect of the Proposal; and (e) each Joint Offeror acknowledges and agrees that it shall be fully responsible for ensuring the accuracy of all statements of fact furnished or confirmed by it in each of the transaction documents relating to it and its associates.

Pursuant to the Joint Offerors Agreement, (a) PCB has undertaken, to the extent permitted under the Takeovers Code, the Listing Rules and applicable laws and regulations, to exercise, or, as the case may be, to procure the exercise of the voting rights in respect of the Shares held by PCB immediately prior to the Scheme becoming effective on resolutions in relation to the implementation of the Proposal to vote in favour of all resolutions which are necessary to implement the Scheme proposed at the EGM (including the ordinary resolution at the EGM to approve the Special Dividend), and that it shall take all actions necessary to implement the Proposal; and (b) PCB has further undertaken that, during the period between the date of the Joint Offerors Agreement and the earlier of the Scheme becomes effective, lapses or is withdrawn, it shall comply with certain dealing restrictions and refrain from doing any prejudicial actions, including not, directly or indirectly, sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in any of the Shares held by PCB immediately prior to the Scheme becoming effective, nor to accept any other offer in respect of all or any of such Shares.

The Joint Offerors Agreement will be terminated if the Scheme lapses or is withdrawn, terminated, rescinded by the Joint Offerors or is finally dismissed, refused or rejected by the Grand Court.



**The Shareholder Arrangements**

Pursuant to the Joint Offerors Agreement, the Joint Offerors have also agreed to enter into the Shareholders' Agreement, which sets out the Joint Offerors' mutual agreement on the arrangements pertaining to the management and governance of the Company upon the Scheme becoming effective within five Business Days after the withdrawal of listing of the Shares on the Stock Exchange subject to the Scheme becoming effective.

The Shareholder Arrangements contemplate that the Board will establish an IPO steering committee to oversee and approve any matters in connection with the implementation of an IPO of the Company within four years from the effective date of the Scheme (or such other dates to be agreed between the Joint Offerors). As at the Latest Practicable Date, the Joint Offerors had not agreed on any proposal or material terms with respect to the implementation of any separate listing of the Company (including whether the IPO will be conducted in Hong Kong or elsewhere or whether it is an IPO of the same Company).

**The Consortium Agreement**

On 31 October 2024, the Investors entered into the Consortium Agreement in connection with the implementation of the Proposal.

Pursuant to the Consortium Agreement, each of the Investors would make cash contribution to Puga in proportion to their respective percentage ownerships in Puga for the purpose of satisfying in full Puga's obligations in respect of the Cancellation Price payable for 29.00% of the issued Shares under the Proposal.

The Consortium Agreement shall terminate in accordance with its terms (a) upon the completion of the Proposal or (b) upon a written agreement by the parties to terminate the Consortium Agreement or (c) on the Long Stop Date, whichever is earlier.

**PRINCIPAL FACTORS AND REASONS CONSIDERED**

In formulating our opinion and recommendation with regard to the Proposal and the Scheme, we have taken into account the following principal factors and reasons:

**1. Background information of the Group**

The Company is an exempted company incorporated in the Cayman Islands with limited liability, whose Shares have been listed on the Main Board of the Stock Exchange since 19 January 2018. The Company is an investment holding company and, together with its subsidiaries, is principally engaged in (a) designing, development and manufacturing of standard and non-standard automated test equipment; (b) designing, development and installation of integrated factory automation solutions; and (c) manufacturing and assembling of medical machines and manufacturing of die casting parts.

**PART VI LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

**1.1 Financial information of the Group**

Set out below is a summary of (a) the audited consolidated financial information of the Company for the years ended 31 December 2022 (“**FY2022**”) and 2023 (“**FY2023**”) as extracted from the 2023 Annual Report; and (b) the unaudited consolidated financial information of the Company for the nine months ended 30 September 2023 (“**9M2023**”) and 2024 (“**9M2024**”) as extracted from the 2024 Third Quarter Results Announcement.

	<b>FY2022</b> (MYR'000) (audited)	<b>FY2023</b> (MYR'000) (audited)	<b>9M2023</b> (MYR'000) (unaudited)	<b>9M2024</b> (MYR'000) (unaudited)
Revenue	600,587	691,850	522,836	492,179
– Automated test equipment	420,716	452,254	358,277	187,169
– Factory automation solutions	179,871	239,596	164,528	305,010
– Adjustment	–	–	31	–
Gross profit	185,452	209,644	155,676	141,167
Administrative expenses	55,120	76,208	46,707	57,767
Profit attributable to the Shareholders for the year/period	133,301	142,233	108,375	88,801
Gross profit margin	30.9%	30.3%	29.8%	28.7%
Net profit margin	22.2%	20.6%	20.7%	18.0%

*Revenue by customers' segment:*

	<b>FY2022</b> (MYR'000) (audited)	%	<b>FY2023</b> (MYR'000) (audited)	%	<b>9M2023</b> (MYR'000) (unaudited)	%	<b>9M2024</b> (MYR'000) (unaudited)	%
Automotive	254,856	42.4	329,392	47.6	271,682	52.0	127,903	26.0
Medical devices	84,581	14.1	148,197	21.4	98,459	18.8	234,487	47.6
Semiconductor	84,001	14.0	103,794	15.0	72,310	13.8	37,743	7.7
Electro-optical	117,409	19.5	65,315	9.5	51,182	9.8	67,147	13.6
Consumer and industrial products	59,740	10.0	45,152	6.5	29,203	5.6	24,899	5.1
Total revenue	600,587	100.0	691,850	100.0	522,836	100.0	492,179	100.0

	<b>As at</b>		
	<b>31 December 2022</b> (MYR'000) (audited)	<b>31 December 2023</b> (MYR'000) (audited)	<b>30 September 2024</b> (MYR'000) (unaudited)
Total assets	1,001,661	1,159,041	1,139,515
Total liabilities	264,948	311,069	229,731
Net assets	736,713	847,972	909,784

***1.1.1 Financial performance****FY2023 as compared with FY2022*

The Group recorded an increase in revenue of approximately 15.2% from approximately MYR600.6 million for FY2022 to approximately MYR691.9 million for FY2023. The increase was driven by both the automated test equipment (“ATE”) and factory automation solutions (“FAS”) segments, with each segment contributed approximately 65.4% and 34.6% respectively to the Group’s revenue for FY2023.

In terms of customers’ segments, the automotive segment accounted for the largest portion of the Group’s revenue at approximately 42.4% and 47.6% for FY2022 and FY2023 respectively, with the amount increasing by approximately 29.2% from FY2022 to FY2023. Such increase was primarily fueled by a structural shift in the automotive industry towards electric mobility, with global automotive companies and related component manufacturers showing increased interest in the Group’s comprehensive product line. For the medical devices segment, its revenue also experienced a growth of approximately 75.2% from FY2022 to FY2023, resulting in its revenue contribution to the Group increasing from approximately 14.1% for FY2022 to approximately 21.4% for FY2023. Such increase was mainly driven by the demand for medical technology application for better productivity and efficiency, leveraging on the Group’s proprietary intelligent Automated Robotic Manufacturing System in medical manufacturing automation. For the semiconductor segment, its revenue increased by approximately 23.6% from FY2022 to FY2023. Such increase was mainly driven by the growth of integrated chips and fifth generation higher performing, ultra speed semiconductor content. The Group’s revenue from its electro-optical segment decreased by approximately 44.4% from FY2022 to FY2023, mainly due to the subdued demand for consumer electronics and smartphones amidst a sluggish global economic recovery and a climate of high interest rates and inflation. For the consumer and industrial products segment, its revenue witnessed an approximately 24.4% decrease from FY2022 to FY2023, which was mainly due to the overall sentiment of this segment remaining fairly muted with a sense of caution among manufacturing companies and contract manufacturers.

The increase in gross profit of the Group by approximately 13.0% from approximately MYR185.5 million for FY2022 to approximately MYR209.6 million for FY2023 was mainly due to the increase in the Group's revenue as discussed above, while the Group's gross profit margin remained relatively stable at approximately 30.9% and 30.3% for FY2022 and FY2023 respectively. The Group recorded a profit attributable to the Shareholders of approximately MYR142.2 million for FY2023, representing an increase of approximately 6.7% from approximately MYR133.3 million for FY2022. Such increase was mainly due to the increase in the Group's gross profit, which was partially offset by the increase in administrative expenses by approximately 38.3% from approximately MYR55.1 million for FY2022 to approximately MYR76.2 million for FY2023, which was mainly attributable to the increase in foreign exchange loss, higher administrative staff costs and research and development costs incurred.

*9M2024 as compared with 9M2023*

The Group recorded a decline in revenue of approximately 5.9% from approximately MYR522.8 million for 9M2023 to approximately MYR492.2 million for 9M2024. The decline was mainly due to (a) escalating conflicts in the Middle East coupled with uncertainty in global trades especially between the United States and China, creating significant downside risk; and (b) in the post-pandemic environment with inflation being a key focus that followed subsequently, escalating geopolitical tensions and restrictive monetary policies in key markets that had led to a sharp and profound cautious spending environment.

In terms of customers' segment, revenue from the automotive segment decreased by approximately 52.9% from 9M2023 to 9M2024, resulting in its revenue contribution declining from approximately 52.0% to approximately 26.0%. Such decrease was primarily due to (a) the headwind of greater market uncertainty and disruptions accelerated by the shift to electric vehicles, including the policies and tariffs announced by key automotive markets toward Chinese-made electric vehicles; (b) the electric vehicles market and supply chain in China becoming highly competitive and disruptive, limiting the Group's ability to fully capitalise on the expanding market locally in China. For the medical devices segment, its revenue recorded a strong growth by approximately 138.2% from 9M2023 to 9M2024, resulting in its revenue contribution to the Group increasing from approximately 18.8% for 9M2023 to approximately 47.6% for 9M2024. Such increase was mainly driven by the increasing demand of factory automation solutions in the medical industry, mainly due to its specific need for operational efficiency, safety and adherence to stringent regulatory standards. For the electro-optical segment, its revenue rebounded by approximately 31.2% from 9M2023 to 9M2024, resulting in its revenue contribution to the Group increasing from approximately 9.8% to approximately 13.6%. The rise in revenue was largely driven by product cycle upgrades relating to the Group's ambient light and its related smart sensor test equipment. Meanwhile, revenue from the

semiconductor segment decreased by approximately 47.8% from 9M2023 to 9M2024, which was mainly due to the cyclical nature of such industry, characterised by phases of inventory buildup and subsequent corrections. Revenue from the consumer and industrial products segment also decreased by approximately 14.7% from 9M2023 to 9M2024.

The decrease in gross profit of the Group by approximately 9.3% from approximately MYR155.7 million for 9M2023 to approximately MYR141.2 million for 9M2024 was mainly due to (a) the decline in revenue from the ATE segment, leading to a lack of economies of scale; (b) the increase in the Group's operating expenses contributed by additional bonus payouts in the earlier quarter of the year and provisions for slow-moving inventories. The Group recorded a profit attributable to the Shareholders of approximately MYR88.8 million for 9M2024, representing a decrease of approximately 18.1% from approximately MYR108.4 million for 9M2023, which was mainly attributed to the decrease in gross profit and other factors including the increase in expected credit loss allowance on trade receivables, and increase in administrative expenses mainly due to adverse foreign exchange movements and increased research and development expenses for 9M2024.

### ***1.1.2 Financial position***

As at 30 September 2024, total assets of the Group amounted to approximately MYR1,139.5 million, which mainly consisted of (a) property, plant and equipment of approximately MYR380.0 million; (b) cash and cash equivalents of approximately MYR366.6 million; and (c) trade receivables of approximately MYR162.9 million.

As at 30 September 2024, total liabilities of the Group amounted to approximately MYR229.7 million, which mainly consisted of (a) trade payables of approximately MYR112.9 million; (b) contract liabilities of approximately MYR70.4 million; and (c) other payables, accruals and provisions of approximately MYR43.2 million.

### ***1.1.3 Historical dividend payout***

According to the 2023 Annual Report, the Company has adopted a dividend policy. In proposing any dividend payout, the Board shall take into account, *inter alia*, the Group's operations, earnings, financial condition, working capital requirements, future expansion plans and other factors it may deem relevant and appropriate. Any final dividend for a financial year declared by the Company must be approved by the Shareholders at an annual general meeting of the Company and must not exceed the amount recommended by the Board. The dividend policy will be reviewed from time to time and there is no assurance that a dividend will be proposed or declared in any specific period. The table below sets out the Company's historical dividend, the dividend payout ratio and the dividend yield from the financial year ended 31 December 2018 to FY2023.

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**PART VI LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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	For the financial year ended 31 December						Total
	2018	2019	2020	2021	2022	2023	
Dividend per Share (HK\$)	0.015	0.015	0.02	0.02	0.02	0.02	0.11
Earnings per share – basic (MYR sen)	6.29	8.21	7.12	4.87	5.59	5.97	38.05
Dividend payout ratio (Note 1)	12.7%	9.6%	14.6%	22.0%	20.2%	19.7%	15.7%
Year-end closing price of the Shares (HK\$)	0.593	1.253	1.127	1.300	0.790	0.990	N/A
Dividend yield (Note 2)	2.5%	1.2%	1.8%	1.5%	2.5%	2.0%	N/A

*Notes:*

1. Dividend payout ratio is calculated by dividing total dividend (excluding the bonus issue of Shares announced in 2021) per Share by earnings per Share.
2. Dividend yield is calculated by dividing the total dividend (excluding the bonus issue of Shares announced in 2021) per Share by the year-end closing price of the Shares for the relevant year.
3. For illustrative purpose, the dividend payout ratio and dividend yield are calculated based on the exchange rate extracted from Bloomberg as at the year-end date of each year.

As shown above, the Company's dividend payout ratio ranged from approximately 9.6% to approximately 22.0%, while the dividend yield ranged from approximately 1.2% to approximately 2.5%, from the financial year ended 31 December 2018 to FY2023. For the financial year ended 31 December 2024, the Company has not declared any dividend other than the Special Dividend under the Proposal. The Special Dividend of HK\$0.07 per Share is much higher than those declared throughout the years. The Company has confirmed that, other than the Special Dividend, it does not intend to announce, declare or pay any dividend, distribution or other return of capital before the Long Stop Date or the lapse, withdrawal or termination of the Scheme (whichever is earlier). Shareholders should note that the payment of the Special Dividend is part of the Proposal and is subject to, among other things, the Scheme having become binding and effective in accordance with its terms and conditions. If the Scheme is not approved or if the Scheme lapses, the Special Dividend will not materialise and there is no assurance that the Company will pay the same or higher amount of dividend in the future even if it is financially capable of doing so, given that financial condition is only one of the factors considered by the Board in proposing any dividend payout under the dividend policy of the Company discussed above.

We noted that the dividend yield of Hang Seng High Dividend Yield Index, as a reference of the highest dividend yield achievable for investment in stocks listed on the Stock Exchange, was approximately 6.32% as at the Latest Practicable Date, which was above the range of historical dividend yields of the Company throughout the years as mentioned above. Therefore, for those Disinterested Shareholders interested in dividend return from investments, they may consider to reinvest the proceeds from the Proposal in other listed companies in Hong Kong to achieve a higher dividend return.

***1.2 Property valuation***

The valuation report (the “**Valuation Report**”) prepared by Cushman & Wakefield Limited (the “**Valuer**”) relating to the valuation (the “**Valuation**”) of properties interests held by the Group (the “**Properties**”) as at 30 November 2024 is set out in Appendix II to the Scheme Document. The Properties are factories and ancillary facilities in Malaysia.

We have conducted an interview with the Valuer to assess its qualifications and experiences in valuing similar property interests and we casted no doubt that the Valuer and the signor of the Valuation Report have sufficient qualifications and experiences in valuing the Properties. The Valuer has also confirmed its independence from the Company, the Joint Offerors and Joint Offerors Concert Parties. Save for the Valuation engagement, the Valuer has no relationships with the core connected persons of the Company, the Joint Offerors or the Joint Offerors Concert Parties. In addition, we have reviewed the Valuer’s terms of engagement and noted that the scope of work is appropriate for arriving at the opinion in the Valuation and there are no limitations on the scope of work which might adversely affect the degree of assurance given by the Valuer in the Valuation Report. As noted in the Valuation Report, in valuing the Properties, the Valuer has complied with the requirements set out in Chapter 5 and Practice Note 12 of the Listing Rules, Rule 11 of the Takeovers Code and The HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors.

We have reviewed the Valuation Report and discussed with the Valuer, among others, the bases and assumptions and the methodology adopted, and the major procedures performed by the Valuer for the Valuation. With reference to the Valuation Report, the Properties are completed properties held by the Group for owner occupation. Following discussions with the Valuer, we noted that the Valuer has adopted market comparison method, assuming sale of each of the Properties in its existing state by making reference to comparable sales transactions as available in the relevant market subject to suitable adjustments between the Properties and the comparable properties. As advised by the Valuer, the market comparison method is commonly adopted for valuing properties of similar nature as the Properties. Based on our discussion with the Valuer and our review of the Valuation Report, we consider the principal bases and assumptions adopted by the Valuer in respect of the Valuation are appropriate.

**1.3 Adjusted net asset value**

In evaluating the Proposal, we have taken into account the Group's Adjusted NAV, which is provided by the Company and calculated based on the unaudited net asset value as at 30 September 2024, adjusted with reference to the Valuation as at the valuation date (i.e. 30 November 2024). As stated in the Scheme Document, details of the adjustments are set out in the table below:

	<i>MYR\$'000</i>
Unaudited net asset value as at 30 September 2024	909,784
Add: net revaluation surplus arising from the Valuation <sup>(1)</sup>	<u>47,167</u>
<b>Adjusted NAV</b>	<b>956,951</b>
<b>Adjusted NAV per Share:</b>	
<b>In MYR</b> <sup>(2)</sup>	0.399
<b>In HK\$</b> <sup>(2,3)</sup>	0.754
<b>Premium of the Total Price over the Adjusted NAV per Share</b>	<b>32.6%</b>

*Notes:*

1. This represents the net revaluation surplus calculated by comparing the market value of the Properties from the Valuation, over the corresponding book value of the Properties as at 30 September 2024.
2. It is calculated based on 2,400,000,000 Shares in issue as at the Latest Practicable Date.
3. Based on the exchange rate of MYR1.00 = HK\$1.89 as at 30 September 2024.

**1.4 Outlook of the Group**

As discussed under section 1.1.1 above, revenue and profit attributable to the Shareholders decreased by approximately 5.9% and 18.1% respectively from 9M2023 to 9M2024, both of which were affected by adverse macro factors such as the uncertainties caused by geopolitical tensions and restrictive monetary policies in key markets.



According to the 2024 Third Quarter Results Announcement, the Management expected the global macroeconomic environment to remain murky and uncertain as the pace of economic recovery continues to fall short of expectations with heightened geopolitical risk. The weakness at the macro front has been placing significant constraints on the Group's ability to drive revenue growth. Weak demand across key segments, particularly in the automotive sector, being the largest revenue contributor of the Group's ATE segment for 9M2024, where capital investments are sensitive to economic cycles and shifting government policies has prolonged the expected structural growth trend, leading to slow demand up-tick for the Group's solution offerings. Additionally, aggressive pricing war in domestic China market continues to challenge margin preservation and expansion strategies for the Group's automotive segment. The Management expected that the performance of the ATE segment will remain subdued with this outlook potentially extending through the first half of 2025 given the lack of certainty at the macro front, particularly in the automotive segment.

According to the publication titled "Fuel for Thought: Tariffs, Taxes, and EVs: The Road Ahead for the Global Auto Industry" published by S&P Global Mobility (<https://www.spglobal.com/mobility/en/research-analysis/automotive-industry-forecast-2025-tariffs-evs.html>) in December 2024, the global automotive industry is facing a period of significant uncertainty as it navigates the implications of a second Trump administration. The president's proposed policies, including tax cuts, deregulation, tariffs, and changes to electric vehicles incentives, will have ripple effects on global automotive markets. We noted that S&P Global is a financial intelligence company with global presence and over 160 years of history in providing financial market analysis, benchmarks, and credit ratings. S&P Global Mobility is a division of S&P Global providing insights, forecasts and advisory services particularly on automotive industry, and has been publishing research and analysis on the industry from time to time. Therefore, we considered that it is appropriate to make reference to the publication above.

In respect of the Group's FAS business, according to the 2024 Interim Report, in recent years, the industrial automation industry has undergone a rapid evolution for high throughput manufacturing process that runs across various business segments particularly in the context of deglobalisation trends where companies are seeking to localise production to enhance resilience and reduce global supply chain dependency. Coupled with the overarching trends towards the integration of artificial intelligence in automation technology, industrial automation is setting the stage for continued advancements. According to the 2024 Third Quarter Results Announcement, owing to technological disruptions and macrotrends such as reshoring, a global skilled-labour shortage, and environmental, social, and governance (ESG) efforts, the Management expected that industrial automation across the medical devices industry as well as other sectors will continue to sustain the Group's FAS segment momentum. The construction of the Group's new campus 3 facility mainly to support the growing needs of the FAS and medical devices segments has been completed recently.

According to the publication titled “2025 Manufacturing Industry Outlook” published by Deloitte Research Center for Energy & Industrials (<https://www2.deloitte.com/us/en/insights/industry/manufacturing/manufacturing-industry-outlook.html>) in November 2024, given the need to address elevated material and labour costs, an ongoing skills gap, and potential disruptions from geopolitical factors, investments in digital technologies across manufacturing organisations, or the push toward smart operations, is likely to continue in 2025. However, the manufacturers, being the target customers of the Group’s FAS business, are expected to be cautious in their capital expenditures as they continue to face a challenging and uncertain business climate due to potential policy changes following the United States and global elections, and geopolitical uncertainty. We noted that Deloitte is a global network of professional firms with over 175 years of history in providing audit, tax and consulting services. Deloitte Research Center for Energy & Industrials is one of the research centers of Deloitte particularly focusing on energy and industrials sector, and has been publishing research and insights on the sector from time to time. Therefore, we considered that it is appropriate to make reference to the publication above.

Having considered, among others, (a) the headwinds and challenges faced by the Group in the near term for its ATE segment driven by macroeconomic factors; (b) manufacturers are expected to be cautious in their capital expenditures due to uncertainties in the business climate which, in turn, may potentially affect the demand in the Group’s FAS business; and (c) the deterioration of the Group’s profitability for 9M2024 as compared to 9M2023, we maintain a cautious view on the outlook of the Group in the near term.

## **2. Background information of the Joint Offerors, the Investors and the Joint Offerors Concert Parties**

### **2.1 The Joint Offerors**

#### *PCB*

PCB is a public limited liability company incorporated in Malaysia. PCB has been listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 7160) since 2004 and has been included in the constituents of the FTSE4Good Bursa Malaysia Index since 2021. PCB is an investment holding company and together with its subsidiaries including the Company, has two operating segments, namely (a) automated test equipment and (b) factory automation solutions.

As at the Latest Practicable Date, PCB held 1,533,549,989 Shares, representing approximately 63.90% of the issued Shares.

As at the Latest Practicable Date, Mr. Chuah was the single largest shareholder of PCB, who owned approximately 19.74% of the Shares in PCB.

*Puga*

Puga is a company incorporated under the laws of the British Virgin Islands. As at the Latest Practicable Date, Puga was held as to 17.38% by Beacon Path, 67.02% by Supari, 6.00% by Digimoc Holdings Limited, 3.60% by Fortune Venture Capital Corporation, 3.00% by Mr. Chen Hsin-Yu, and 3.00% by Mr. Chen Hsin-Tso, respectively. Puga is a special purpose vehicle established for the purpose of acquiring the Scheme Shares under the Proposal. As of the Latest Practicable Date, Puga did not hold any investments or assets other than cash to fund the Proposal. The sole director of Puga is Mr. Wang Li-Wei, who currently serves as a partner of AchiCapital and has over 15 years' experience in corporate finance and accounting.

**2.2 The Investors***Beacon Path and Supari*

Beacon Path is a company incorporated under the laws of the British Virgin Islands. Supari is a company incorporated under the laws of the British Virgin Islands. As at the Latest Practicable Date, each of Beacon Path and Supari was indirectly wholly owned by Achi Capital Partners Fund LP, a limited partnership registered under the laws of Cayman Islands. The Achi Capital Partners Fund LP's general partner is AchiCapital GP Limited and, as at the Latest Practicable Date, Achi Capital Partners Fund LP had over twenty limited partners, none of which held more than 20% of the limited partnership interest therein. AchiCapital GP Limited is owned as to (a) 75% by its director, Mr. Chen Chu-Wan, and (b) 25% by the late Mr. Lee Ming-Shan. Mr. Chen Chu-Wan currently serves as the managing partner of AchiCapital and has over 25 years' experience in marketing, operations and investment management within the global semiconductor industry. AchiCapital is a private equity investment firm which is principally engaged in managing equity investments in the semiconductor and technology industry, ranging from early-stage venture investments to late-stage buyout investments in semiconductor companies. As of 30 November 2024, AchiCapital managed assets totaling US\$723 million across a diversified portfolio of global semiconductor and technology companies, such as ITH Corporation (stock code: 6962.TW), Alchip Technologies, Limited (stock code: 3661.TW) and DigitalLand Holdings Limited (a subsidiary controlled by GDS Holdings Limited (stock code: 9698.HK; NASDAQ: GDS)).

*Digimoc Holdings Limited*

Digimoc Holdings Limited is a company incorporated under the laws of the British Virgin Islands which is principally engaged in investment holding. As at the Latest Practicable Date, Digimoc Holdings Limited was wholly owned by MediaTek Inc., a fabless semiconductor company which is listed on the Taiwan Stock Exchange (stock code: 2454).

*Fortune Venture Capital Corporation*

Fortune Venture Capital Corporation is a company incorporated under the laws of Taiwan. As at the Latest Practicable Date, Fortune Venture Capital Corporation was wholly-owned by United Microelectronics Corporation, a semiconductor foundry company which is listed on the Taiwan Stock Exchange (stock code: 2303) and New York Stock Exchange (stock code: UMC). Fortune Venture Capital Corporation is principally engaged in venture capital investment.

*Mr. Chen Hsin-Yu*

Mr. Chen Hsin-Yu is a Taiwanese private investor with years of experience in property investments.

*Mr. Chen Hsin-Tso*

Mr. Chen Hsin-Tso is a Taiwanese individual and the brother of Mr. Chen Hsin-Yu. He is a private investor with a background in the electronics and biomedical industries.

**2.3 *The Joint Offeror Concert Parties***

*Mr. Chuah*

Mr. Chuah, an executive Director and the chairman of the Company and the executive chairman of PCB, is considered to be acting in concert with the Joint Offerors. The Shares held by Mr. Chuah will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective.

*Ms. Gan*

Ms. Gan, an executive Director and an executive director of PCB, is considered to be acting in concert with the Joint Offerors. The Shares held by Ms. Gan will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective.

*Mr. Leng*

Mr. Leng, the non-executive Director and a non-independent non-executive director of PCB, is considered to be acting in concert with the Joint Offerors. The Shares held by Mr. Leng will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective.

*Dato' Loh Nam Hooi*

Dato' Loh Nam Hooi, a non-independent non-executive director of PCB, is considered to be acting in concert with the Joint Offerors. The Shares held by Dato' Loh Nam Hooi will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective.

*Trustee*

PIL – PERKERJA SS LIMITED, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned structured entity of the Company, which was appointed by the Company as trustee to assist with the administration of the Share Award Scheme (including purchasing, administering, and holding the Shares for the Share Award Scheme), is considered to be acting in concert with the Joint Offerors. The Trustee Held Shares will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective. The power that the Company has over the Trustee is with respect to directing the activities of the Trustee to affect its exposure to returns, and as a result of which, the assets and liabilities of the Trustee are included in the consolidated statement of financial position of the Company, notwithstanding that it is not a subsidiary of the Company and the Company has no control over the shareholding of the Trustee.

**2.4 *The Joint Offerors' intention in relation to the Company***

The Joint Offerors intend for the Company to withdraw the listing of the Shares on the Stock Exchange upon the Scheme becoming effective. The Joint Offerors also intend for the Group's existing operations to continue without disruption, regardless of the Proposal or its completion. As at the Latest Practicable Date, (a) the Joint Offerors did not expect to introduce any major changes to the existing business of the Group (including any redeployment of the fixed assets of the Company); and (b) the Joint Offerors did not have any plans to make any major changes to the continued employment of the employees of the Group. Subject to the Group's business requirements and prevailing market conditions, the Joint Offerors may explore various opportunities to further develop the Group's business, enhance efficiency and create long-term shareholder value.

### ***2.5 The Shareholder Arrangements***

Pursuant to the Joint Offerors Agreement, the Joint Offerors have agreed to enter into the Shareholders' Agreement, which sets out the Joint Offerors' mutual agreement on the arrangements pertaining to the management and governance of the Company upon the Scheme becoming effective within five Business Days after the withdrawal of listing of the Shares on the Stock Exchange subject to the Scheme becoming effective.

The Shareholder Arrangements contemplate that the Board will establish an IPO steering committee to oversee and approve any matters in connection with the implementation of an IPO of the Company within four years from the effective date of the Scheme (or such other dates to be agreed between the Joint Offerors). As at the Latest Practicable Date, the Joint Offerors had not agreed on any proposal or material terms with respect to the implementation of any separate listing of the Company (including whether the IPO will be conducted in Hong Kong or elsewhere or whether it is an IPO of the same Company).

Upon the withdrawal of listing of the Shares on the Stock Exchange, Shareholders will no longer benefit from the regulatory protections for minority shareholders that apply to listed companies on the Stock Exchange. As such, if the Disinterested Shareholders were given the opportunity to retain interests in the Company, they would face reduced protection and potential risks associated with holding shares in an unlisted company. These risks include uncertainties about whether the Company's IPO will materialise as there is no assurance that the IPO plan will proceed. In addition, if the IPO plan does not materialise, the Disinterested Shareholders might face challenges in liquidating their shareholdings due to lack of public trading. Even if the IPO plan materialises, there is no certainty that the share prices of the Company at or post IPO will exceed the Total Price offered under the Proposal. The share price performance will depend on, among other things, the then financial performance and prospect of the Company and market conditions.

Therefore, while the Disinterested Shareholders do not have the opportunity to participate in the potential IPO of the Company post privatisation under the Proposal, the Proposal provides the Disinterested Shareholders with an assured opportunity to exit and monetise their investments in the Company at a fixed Total Price, which is fair and reasonable as further discussed below. We consider that our assessment on the fairness and reasonableness of the Proposal is not affected in this regard.

**3. Cancellation Price and Total Price**

**3.1 Comparison of values**

The table below sets out the premiums or discount of (i) the Cancellation Price of HK\$0.93 per Scheme Share; and (ii) the Total Price of HK\$1.00 per Scheme Share (representing the Cancellation Price plus Special Dividend of HK\$0.07 per Share) compared to various benchmarks, including historical trading prices of the Shares, the audited and unaudited consolidated net asset value attributable to Shareholders (“NAV”) and the Adjusted NAV:

Comparison metric	Share price/ NAV per Share HK\$	Premium/ (Discount) represented by Cancellation Price %	Premium represented by Total Price %
<b>Closing price on the Latest Practicable Date</b>	<b>0.950</b>	<b>(2.1)</b>	<b>5.3</b>
<b>Closing price on the Last Trading Day</b>	<b>0.800</b>	<b>16.3</b>	<b>25.0</b>
<b>Average closing prices up to and including the Last Trading Day:</b>			
Average closing price for the 10 consecutive trading days up to and including the Last Trading Day	0.651	42.9	53.6
Average closing price for the 30 consecutive trading days up to and including the Last Trading Day	0.655	42.0	52.7
Average closing price for the 60 consecutive trading days up to and including the Last Trading Day	0.666	39.7	50.2
Average closing price for the 90 consecutive trading days up to and including the Last Trading Day	0.662	40.4	51.0
Average closing price for the 120 consecutive trading days up to and including the Last Trading Day	0.666	39.7	50.2
<b>Closing price on the Last Undisturbed Day</b>	<b>0.640</b>	<b>45.3</b>	<b>56.3</b>
<b>Average closing prices up to and including the Last Undisturbed Day:</b>			
Average closing price for the 10 consecutive trading days up to and including the Last Undisturbed Day	0.631	47.4	58.5
Average closing price for the 30 consecutive trading days up to and including the Last Undisturbed Day	0.652	42.6	53.4
Average closing price for the 60 consecutive trading days up to and including the Last Undisturbed Day	0.663	40.3	50.8
Average closing price for the 90 consecutive trading days up to and including the Last Undisturbed Day	0.660	40.9	51.5
Average closing price for the 120 consecutive trading days up to and including the Last Undisturbed Day	0.666	39.7	50.2

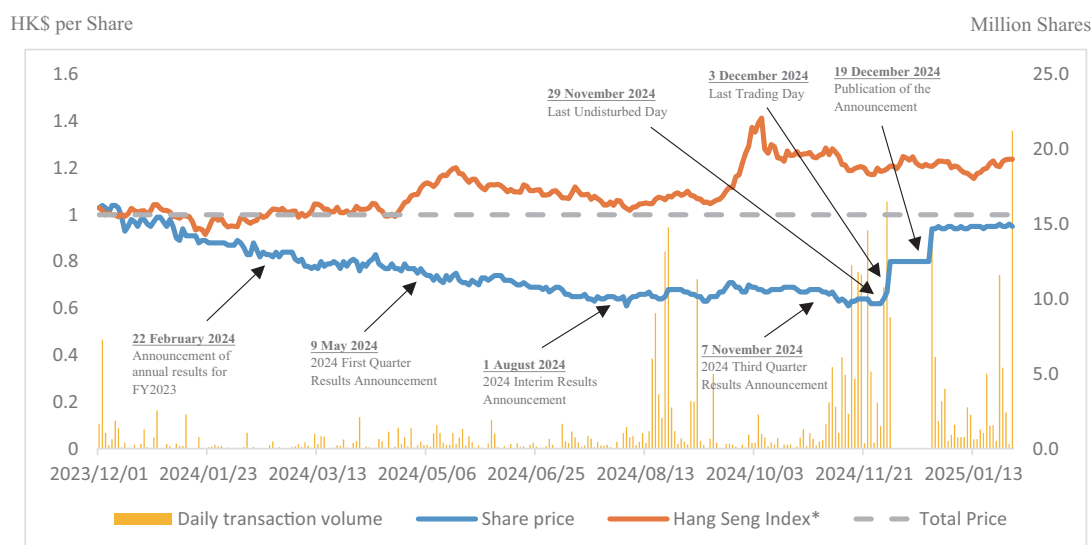
Comparison metric	Share price/ NAV per Share HK\$	Premium/ (Discount) represented by Cancellation Price %	Premium represented by Total Price %
<b>Audited consolidated NAV per Share as at 31</b>			
December 2023 (Note 1)	0.601	54.8	66.5
<b>Unaudited consolidated NAV per Share as at 30</b>			
September 2024 (Note 2)	0.716	29.8	39.6
Adjusted NAV per Share (Note 2)	0.754	23.3	32.6

Notes:

1. Based on an exchange rate of MYR1.0 = HK\$1.70 as at 31 December 2023.
2. Based on an exchange rate of MYR1.0 = HK\$1.89 as at 30 September 2024.

### 3.2 Analysis of historical price performance of the Shares

Set out below is the movement of the closing price of the Shares and Hang Seng Index from 1 December 2023, being approximately one-year period before the Last Trading Day (i.e. 3 December 2024), and up to the Latest Practicable Date (the “**Review Period**”). We consider the length of such period is sufficient and representative to provide a general overview of the recent market performance of the Shares and market sentiment for conducting a reasonable comparison between the closing Share prices and the Total Price.



Source: The website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk))

\* Hang Seng Index is rebased to the closing price of the Shares as at 1 December 2023



Save for the first seven trading days during the Review Period, the Shares closed below the Total Price from the beginning of the Review Period to the Last Undisturbed Day. During the aforesaid period, the closing price of the Shares exhibited a downward trend in general, reaching the lowest of HK\$0.610 (5 August 2024 and 14 November 2024), and the Total Price represents a premium of approximately 32.8% over the average closing price of HK\$0.753 per Share during such period.

From the beginning of the Review Period to late January 2024, the closing price of Shares exhibited a downward trend. While the Hang Seng Index also declined, the extent of decrease for the closing price of Shares was larger during such period. Thereafter, while the Hang Seng Index started to rebound until late May 2024, the Share price did not exhibit the same upward trend but continued to drop. On 9 May 2024, the Company announced its first quarterly results for the three months ended 31 March 2024, which reported a decrease in profit attributable to the Shareholders by approximately 11.8% for the first quarter of 2024 as compared with the first quarter of 2023, which might attribute to the downward trend of the Share price. From late May 2024 to early August 2024, the closing Share price continued its downward trend and hit the lowest of HK\$0.610 on 5 August 2024, which was generally in line with the downward trend of Hang Seng Index. From 6 August 2024 to 23 September 2024, the closing Share price remained relatively stable and oscillated between HK\$0.630 and HK\$0.710. From 24 September 2024 to 7 October 2024, while the Hang Seng Index increased sharply possibly due to the stimulus package announced by the Chinese regulatory authorities in late September 2024 aiming at revitalising the economy which included, among others, cuts in mortgage-debt servicing and provision of facilities for stock markets, the closing Share price continued to remain relatively stable and traded between HK\$0.670 and HK\$0.710. Thereafter, the Share price exhibited a downward trend until the Last Undisturbed Day on 29 November 2024, which was generally in line with the Hang Seng Index. The Company announced the third quarterly results for 9M2024 on 7 November 2024, which registered declines in revenue and profit attributable to the Shareholders from 9M2023 to 9M2024 as discussed under section headed “1.1.1 Financial performance” above. This might have an adverse impact on the Share price.

From 20 December 2024, being the first trading day after publication of the Announcement, to the Latest Practicable Date, the closing Share price increased sharply and fluctuated between HK\$0.940 and HK\$0.960, which was likely associated with the market response to the Proposal. The Shares closed below the Total Price at all times during the aforesaid period. There is no assurance that the closing price of the Shares will remain at the current level or continue to rise if the Scheme is not approved or the Proposal otherwise lapses.

Save as disclosed above, we did not notice any other announcements of the Company during the Review Period which may have any correlation to the Share price movement shown in the chart above.

**3.3 Trading volume analysis**

The table below sets out the average daily trading volume of the Shares on a monthly basis during the Review Period and the respective percentages of the average daily trading volume of the Shares as compared to the total number of issued Shares and the total number of issued Shares held by the Disinterested Shareholders.

<b>Month/period</b>	<b>Average daily trading volume</b> <i>Number of Shares</i> <i>(Note 1)</i>	<b>Approximate percentage of average daily trading volume to total number of issued Shares</b> <i>%</i> <i>(Note 2)</i>	<b>Approximate percentage of average daily trading volume to total number of issued Shares held by the Disinterested Shareholders</b> <i>%</i> <i>(Note 3)</i>
<b>2023</b>			
December	1,051,547	0.04%	0.13%
<b>2024</b>			
January	237,377	0.01%	0.03%
February	125,118	0.01%	0.02%
March	289,740	0.01%	0.04%
April	485,360	0.02%	0.06%
May	519,407	0.02%	0.06%
June	300,000	0.01%	0.04%
July	425,725	0.02%	0.05%
August	2,803,489	0.12%	0.35%
September	1,412,026	0.06%	0.18%
October	544,309	0.02%	0.07%
November	4,982,039	0.21%	0.62%
December	2,762,959	0.12%	0.34%
<b>2025</b>			
January and February (up to and including the Latest Practicable Date)	3,150,615	0.13%	0.39%

*Source: The website of the Stock Exchange*

*Notes:*

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days in the respective month/period.
2. Based on the total number of issued Shares at the respective month/period end.
3. Based on the number of issued Shares held by the Disinterested Shareholders as at the Latest Practicable Date.

As illustrated in the above table, the average daily trading volume of the Shares was thin during the Review Period, representing approximately 0.01% to approximately 0.21% of the total number of the Shares in issue and approximately 0.02% to approximately 0.62% of the issued Shares held by the Disinterested Shareholders. As the liquidity of Shares was thin, it is difficult for the Disinterested Shareholders to sell their shareholdings in large volume in the open market without having an adverse impact on the Share price.

In view of the above, we consider that the Proposal provides an opportunity for the Shareholders to realise their investment in the Company for cash regardless of the number of Shares they held without exerting downward pressure on the Share price.

### **3.4 Comparables analysis**

In evaluating the fairness and reasonableness of the Total Price, we have attempted to conduct a price multiple analysis with comparable listed companies. We have searched for companies listed on the Main Board of the Stock Exchange which (a) derived over 50% of their revenue from the design, development, manufacturing and/or installation of automated test equipment and/or factory automated solutions, which is similar to the Group's businesses; (b) had market capitalisation of less than HK\$5.0 billion as at the Last Trading Day, after taking into account the implied valuation of the Company calculated based on the Total Price of approximately HK\$2.4 billion.

Based on the above selection criteria, no comparable companies could be identified. We have extended the scope of criterion (b) to include companies with market capitalisation of less than HK\$10.0 billion. However, no comparable companies could be identified. We consider that it is not appropriate to amend criterion (a) above as it is critical for identifying comparable companies that are principally engaged in the design, development, manufacturing and/or installation of automated test equipment and/or factory automated solutions, which is a rather specialised business. In particular, given the specialised nature of such automated equipment or solutions businesses, we consider that it is not appropriate to expand such criterion to include broadly the companies engaged in general application software businesses, given that the business models, revenue drivers and market dynamics of these companies may differ from the Group, potentially distorting our assessment from the perspective of comparables analysis. We are of the view that the primary factor in assessing the fairness and reasonableness of the Total Price is to compare the Total Price to the recent Share prices, which are the market consensus of the value of the Company. As such, we consider that our assessment on the Total Price is not affected in this regard.

### 3.5 Privatisation precedents

To assess the fairness and reasonableness of the terms of the Proposal, we have identified recent successful privatisation precedents on the Main Board of the Stock Exchange and compared their respective cancellation prices relative to their share prices and NAV per share. In selecting the privatisation precedents, we have screened for companies listed on the Main Board of the Stock Exchange for which: (a) the privatisation proposal was conducted by way of a scheme of arrangement; (b) the privatisation was announced between 1 December 2022 and the Last Trading Day; and (c) the privatisation had been successful on or before the Last Trading Day. Based on our research, we have identified an exhaustive list of 16 privatisations precedents (the “**Privatisation Precedents**”). We consider that such review period which covers approximately two years and the sample size identified under such basis are appropriate and sufficient for analysis of the pricing of recent privatisations and such period is close enough to reflect the prevailing market conditions in Hong Kong. It should be noted that the subject companies in the Privatisation Precedents were involved in industries which are not identical to that of the Company. As such, the analysis should not be considered on an isolated basis but should be taken into account in totality with other factors for considering the Proposal. Nevertheless, we are of the view that the Privatisation Precedents would be able to provide us with a fair and representative reference of the recent market pricings of privatisations. Set out below is the premium/discount of the cancellation price over/to (i) the respective closing share prices on the last trading day; (ii) the respective average closing share prices for the last 10, 30, 60, 90 and 120 trading days up to and including the last trading day of shares; and (iii) the companies’ NAV or adjusted NAV (if available) per share of the Privatisation Precedents and the Proposal.

Date of announcement	Company	Stock code	Principal business	Premium/(discount) of cancellation price over/to the closing price/average closing price per share <small>(Note 1)</small>					Premium/(discount) of cancellation price over/to latest NAV or adjusted NAV per share <small>(Note 3)</small>	
				Last trading day	Last 10 trading days average <small>(Note 2)</small>	Last 30 trading days average <small>(Note 2)</small>	Last 60 trading days average <small>(Note 2)</small>	Last 90 trading days average <small>(Note 2)</small>		Last 120 trading days average <small>(Note 2)</small>
16 Jul 2024	Samson Holdings Ltd.	531	Manufactures, sells and trades furniture, and provides procurement services	50.0%	94.6%	143.2%	181.4%	182.2%	171.2%	(47.1)%
19 Jun 2024	Asia Standard Hotel Group Limited	292	Engages in holding and operating hotels and property development	52.8%	41.0%	57.1%	71.9%	71.9%	64.2%	(98.6)%
12 Jun 2024	A8 New Media Group Limited	800	Engages in online literature and film and television production	162.8%	168.7%	185.7%	185.7%	174.8%	155.3%	(48.1)%
27 May 2024	Huafa Property Services Group Company Limited	982	Offers property and facility management, design and engineering consulting, brand introduction, hotel advisory, events, and exhibition services	30.6%	40.1%	70.6%	82.2%	88.3%	90.0%	970.1%
18 Apr 2024	Kin Yat Holdings Limited	638	Develops and produces niche, technology-driven and quality electrical and electronic products as well as provides electric motor drives and related products	33.3%	52.4%	51.5%	53.6%	55.9%	63.5%	(57.4)%
28 Mar 2024	SciClone Pharmaceuticals (Holdings) Limited	6600	Develops, produces and sells oncology drug, infectious diseases drugs, and other products	17.2%	34.1%	45.7%	47.6%	48.0%	57.3%	228.4%

## PART VI

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Date of announcement	Company	Stock code	Principal business	Premium/(discount) of cancellation price over/to the closing price/average closing price per share <i>(Note 1)</i>						Premium/(discount) of cancellation price over/to latest NAV or adjusted NAV per share <i>(Note 3)</i>
				Last trading day	Last 10 trading days average <i>(Note 2)</i>	Last 30 trading days average <i>(Note 2)</i>	Last 60 trading days average <i>(Note 2)</i>	Last 90 trading days average <i>(Note 2)</i>	Last 120 trading days average <i>(Note 2)</i>	
14 Dec 2023	Sinosoft Technology Group Limited	1297	Develops and markets export tax software and related services, carbon management solutions, e-Government solutions	29.4%	31.2%	31.1%	22.5%	15.0%	11.4%	(78.9)%
6 Oct 2023	Haitong International Holdings Limited	665	Provides brokerage and retail margin financing, corporate finance, investment management, fixed income, currency and commodities as well as structured financing products	114.1%	108.2%	126.5%	122.2%	124.5%	125.2%	39.3%
6 Oct 2023	Pine Care Group Limited	1989	Operates care and attention homes for elderly and provides related services	(1.1)%	0.9%	1.5%	8.9%	22.9%	30.0%	(7.9)%
15 Sep 2023	Lansen Pharmaceutical Holdings Limited	503	Produces and sells rheumatic specialty prescription western pharmaceuticals	26.8%	22.5%	20.0%	15.4%	20.8%	21.2%	(22.1)%
1 Sep 2023	CST Group Limited	985	Provides e-logistics, mining businesses and copper mining services	61.3%	21.4%	36.6%	(1.4)%	(14.9)%	(24.0)%	(60.7)%
27 Jun 2023	Dali Foods Group Company Limited	3799	Manufactures and sells food and beverage	37.9%	39.4%	30.2%	21.8%	18.7%	14.6%	151.7%
11 Jun 2023	Mason Group Holdings Limited	273	Provides financial services, including financial brokerage, leveraged and acquisition financing, asset and wealth management and mortgages business, and also health solutions	20.7%	19.4%	19.0%	16.2%	12.7%	13.9%	(60.1)%
28 May 2023	Golden Eagle Retail Group Limited	3308	Operates department stores	40.4%	61.5%	54.9%	49.6%	54.6%	49.2%	(47.4)%
21 Feb 2023	Jiangnan Group Limited	1366	Manufactures and sells wires and cables for power transmission, distribution systems and electrical equipment	12.7%	89.9%	101.4%	99.6%	90.2%	82.7%	(65.4)%
17 Feb 2023	AAG Energy Holdings Limited	2686	Engages in coalbed methane exploration and development	10.1%	9.3%	10.7%	24.0%	27.2%	25.7%	(27.5)%
			<b>Maximum</b>	162.8%	168.7%	185.7%	185.7%	182.2%	171.2%	970.1%
			<b>Minimum</b>	(1.1)%	0.9%	1.5%	(1.4)%	(14.9)%	(24.0)%	(98.6)%
			<b>Average</b>	43.7%	52.2%	61.6%	62.6%	62.1%	59.5%	48.0%
			<b>Median</b>	32.0%	39.8%	48.6%	48.6%	51.3%	53.3%	(47.2)%
			<b>The Proposal (based on Last Trading Day)</b>	25.0%	53.6%	52.7%	50.2%	51.0%	50.2%	32.6%
			<b>The Proposal (based on Last Undisturbed Day)</b>	56.3%	58.5%	53.4%	50.8%	51.5%	50.2%	32.6%

*Notes:*

1. The figures are extracted from the respective scheme documents. If such data is not available, the figures are calculated based on the cancellation price divided by average closing price of shares during the relevant period. No special dividend was declared as part of the privatisation proposal for the Privatisation Precedents.
2. Up to and including the last trading day of the shares.
3. Represents the premium/discount of cancellation price over/to the latest NAV or adjusted NAV (if available) per share of the companies as extracted from the respective scheme documents.

As shown in the table above, the premium represented by the Total Price over the closing Share price on the Last Trading Day, the average closing prices of the last 10, 30, 60, 90 and 120 trading days up to and including the Last Trading Day are close to the average and/or median of the Privatisation Precedents in general. The aforesaid observation also applies for the Last Undisturbed Day. In addition, while the cancellation price for most of the Privatisation Precedents represented a discount to NAV per share or adjusted NAV per Share (if available), the Total Price represented a premium of approximately 32.6% over the Adjusted NAV per Share.

Therefore, we consider the Total Price is fair and reasonable from the perspective of the privatisation precedents analysis.

## **RECOMMENDATION**

In arriving at our recommendation in respect of the Proposal, we have considered the principal factors and reasons as discussed above and in particular the following (which should be read in conjunction with and incorporated in the full context of the letter):

- (a) The deterioration in profitability of the Group for 9M2024 as compared with 9M2023;
- (b) The challenges and uncertainties faced by the ATE and FAS industries as a result of geopolitical tensions and economic uncertainties;
- (c) The Total Price represents a premium of approximately 32.8% over the average closing Share price from the beginning of the Review Period to the Last Undisturbed Day;
- (d) The premiums represented by the Total Price over the closing Share price on the Last Trading Day, the average closing Share prices of the last 10, 30, 60, 90 and 120 trading days up to and including the Last Trading Day are close to the average and/or median of the Privatisation Precedents in general;
- (e) While the cancellation price for most of the Privatisation Precedents represented a discount to NAV per share or adjusted NAV per share (if available), the Total Price represented a premium of approximately 32.6% over the Adjusted NAV per Share;

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**PART VI LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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- (f) For those Disinterested Shareholders interested in dividend return from investments, they may consider to reinvest the proceeds from the Proposal in other listed companies in Hong Kong to achieve a higher dividend return; and
- (g) Given that the liquidity of the Shares was thin during the Review Period, it may be difficult for the Disinterested Shareholders to dispose of their Shares in the open market without exerting downward pressure on the Share price.

We consider that the Proposal provides the Disinterested Shareholders with an assured opportunity to exit and monetise their investments in the Company at a fixed Total Price, which is fair and reasonable.

Based on the above, we consider that the terms of the Proposal and the Scheme are fair and reasonable so far as the Disinterested Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Disinterested Shareholders to vote in favour of (a) the Scheme at the Court Meeting; (b) the implementation of the Proposal at the EGM; and (c) the Special Dividend at the EGM.

As different Disinterested Shareholders would have different investment criteria, objectives or risk appetite and profiles, we recommend any Disinterested Shareholders who may require advice in relation to any aspect of the Scheme Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Yours faithfully,  
For and on behalf of  
**Quam Capital Limited**  
**Noelle Hung**  
*Managing Director*

*Ms. Noelle Hung is the Managing Director of Quam Capital and is licensed under the SFO as a Responsible Officer to carry out Type 6 (advising on corporate finance) regulated activity. Ms. Noelle Hung has over 20 years of experience in corporate finance.*

*This Explanatory Memorandum constitutes the statement required under Order 102, Rule 20(4)(e) of the Rules of the Grand Court of the Cayman Islands 2023 (as revised).*

## **SCHEME OF ARRANGEMENT**

### **(UNDER SECTION 86 OF THE COMPANIES ACT)**

#### **1. INTRODUCTION**

On December 19, 2024, the Joint Offerors and the Company entered into the Implementation Agreement, pursuant to which the Joint Offerors requested the Board to put forward the Proposal to the holders of Scheme Shares for the proposed privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act, which involves the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share, and the withdrawal of the listing of the Shares on the Stock Exchange.

Under the Proposal, the Company will also declare a Special Dividend of HK\$0.07, further details of which are set out below.

If the Proposal is approved and implemented, under the Scheme, the Scheme Shares will, on the Effective Date, be cancelled and extinguished. Simultaneously with such cancellation and extinguishment, the share capital of the Company will be maintained by the issuance at par to the Joint Offerors, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled pursuant to the Scheme. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Joint Offerors.

Upon the Scheme becoming effective, the Company will be owned as to approximately 29.00% and 71.00% by Puga and PCB, respectively, and the listing of the Shares will be withdrawn from the Stock Exchange.

The purpose of this Explanatory Memorandum is to set out the terms and effects of the Proposal (in particular the Scheme) and to provide the Scheme Shareholders with further information in relation to the Proposal. Particular attention is drawn to (a) a letter from the Board set out in Part IV of this Scheme Document; (b) a letter of recommendation from the Independent Board Committee set out in Part V of this Scheme Document; (c) a letter of advice from the Independent Financial Adviser set out in Part VI of this Scheme Document; and (d) the terms of the Scheme set out in Appendix VI to this Scheme Document.



## 2. TERMS OF THE PROPOSAL AND THE SCHEME

### The Cancellation Price and the Special Dividend

The Proposal will provide that each of the Scheme Shares be cancelled in exchange for the payment of the Cancellation Price of HK\$0.93 per Scheme Share, which shall be paid by the Joint Offerors to the Scheme Shareholders (including the Disinterested Shareholders) whose names appear on the register of members of the Company on the Record Date.

Under the Proposal, the Company will also declare a Special Dividend of HK\$0.07 which, subject to (i) the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve the Special Dividend; and (ii) the Scheme having become binding and effective in accordance with its terms and conditions, shall be payable to the Shareholders whose names appear on the register of members of the Company on the Record Date, including PCB.

PCB has undertaken (to the extent permitted under Takeovers Code, the Listing Rules and applicable laws and regulations) to exercise or procure the exercise of the voting rights in respect of the Shares held by PCB immediately prior to the Scheme becoming effective to vote in favour of the ordinary resolution at the EGM to approve the Special Dividend. **Accordingly, if the Scheme becomes binding and effective in accordance with its terms and conditions, the Scheme Shareholders whose names appear on the register of members of the Company on the Record Date will receive a total of HK\$1.00 in cash per Scheme Share under the Proposal comprising:**

<b>Cancellation Price</b> . . . . .	<b>HK\$0.93 per Scheme Share</b>
<b>Special Dividend</b> . . . . .	<b>HK\$0.07 per Scheme Share</b>
<b>Total</b> . . . . .	<b>HK\$1.00 per Scheme Share</b>

As at the Latest Practicable Date, the Company had 2,400,000,000 Shares in issue. Save for the Shares (including the Awarded Shares), the Company did not have any outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

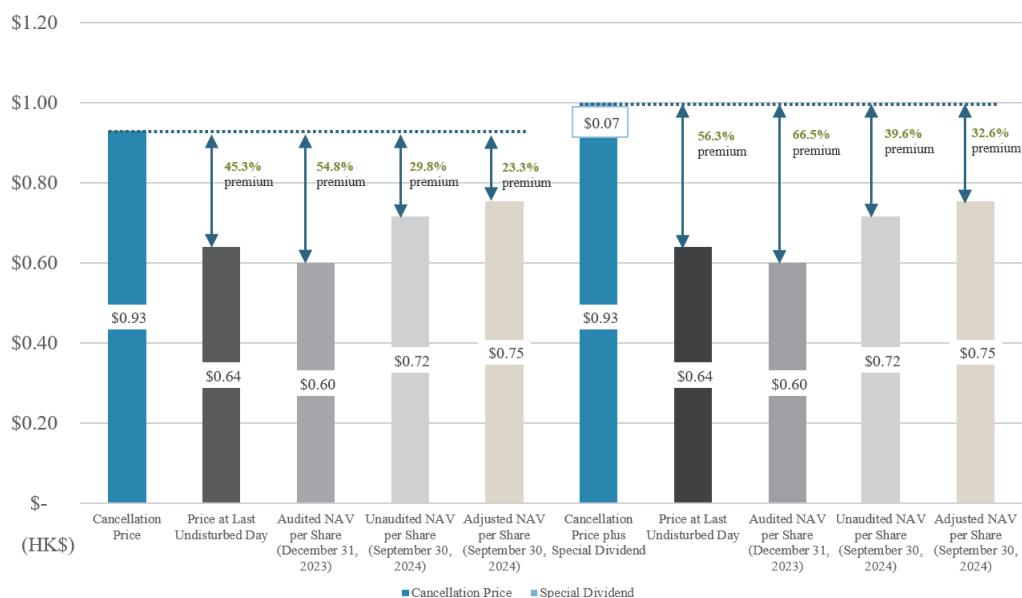
If, (i) after the Latest Practicable Date, any dividend and/or other distribution and/or other return of capital other than the Special Dividend is announced, declared or paid in respect of the Shares; and (ii) the record date to be announced by the Board for determining the entitlements of such dividend and/or other distribution and/or other return of capital (as the case may be) falls on a day which is on or before the Effective Date, the Joint Offerors reserve the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in the Announcement, this Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced. The Company has confirmed that, other than the Special Dividend, it does not intend to announce, declare or pay any dividend, distribution or other return of capital before the Long Stop Date or the lapse, withdrawal or termination of the Scheme (whichever is earlier). As at the Latest Practicable Date, the Company had no declared but unpaid dividends and/or other distribution and/or other return of capital.

**No price increase statement**

**The Cancellation Price will not be increased, and the Joint Offerors do not reserve the right to do so. Shareholders, Share Award Holders and potential investors should be aware that, following the making of this statement, the Joint Offerors will not be allowed to increase the Cancellation Price, except in wholly exceptional circumstances in accordance with Rule 18.3 of the Takeovers Code.**

### Comparisons of value

The share price of the Company started experiencing an increase, with trading at relatively high volume on December 2, 2024 and then a sharp increase of 19.4% on December 3, 2024 (being the Last Trading Day). To exclude the distortions of such unusual price and volume movements, comparisons of value are therefore also made against the Last Undisturbed Day. The premium of (i) the Cancellation Price, and (ii) the Cancellation Price plus Special Dividend, relative to the respective closing price of the Shares at the Last Undisturbed Day, the audited consolidated net asset value attributable to Shareholders per Share (“NAV per Share”) as at December 31, 2023, the unaudited consolidated net asset value attributable to Shareholders per Share as at September 30, 2024 and the Adjusted NAV, was as follows:



The table below sets out the premiums or discount of (i) the Cancellation Price of HK\$0.93 per Scheme Share; and (ii) the Cancellation Price plus Special Dividend of HK\$1.00 per Scheme Share respectively compared to various benchmarks, including historical trading prices of the Shares, the audited and unaudited consolidated net asset values attributable to Shareholders and the Adjusted NAV:

Comparison Metric	Price/net asset value per Share <i>HK\$</i>	Premium/ (Discount) represented by Cancellation Price <i>%</i>	Premium/ (Discount) represented by Cancellation Price <i>plus</i> Special Dividend <i>%</i>
<b>Closing price on the Latest Practicable Date</b>	<b>0.950</b>	<b>(2.1)</b>	<b>5.3</b>
<b>Closing price on the Last Trading Day</b>	<b>0.800</b>	<b>16.3</b>	<b>25.0</b>
Average of:			
Closing price for the 10 consecutive trading days up to and including the Last Trading Day	0.651	42.9	53.6
Closing price for the 30 consecutive trading days up to and including the Last Trading Day	0.655	42.0	52.7
Closing price for the 60 consecutive trading days up to and including the Last Trading Day	0.666	39.7	50.2
Closing price for the 90 consecutive trading days up to and including the Last Trading Day	0.662	40.4	51.0
Closing price for the 120 consecutive trading days up to and including the Last Trading Day	0.666	39.7	50.2
<b>Closing price on the Last Undisturbed Day</b>	<b>0.640</b>	<b>45.3</b>	<b>56.3</b>
Average of:			
Closing price for the 10 consecutive trading days up to and including the Last Undisturbed Day	0.631	47.4	58.5
Closing price for the 30 consecutive trading days up to and including the Last Undisturbed Day	0.652	42.6	53.4
Closing price for the 60 consecutive trading days up to and including the Last Undisturbed Day	0.663	40.3	50.8
Closing price for the 90 consecutive trading days up to and including the Last Undisturbed Day	0.660	40.9	51.5
Closing price for the 120 consecutive trading days up to and including the Last Undisturbed Day	0.666	39.7	50.2
<b>Audited consolidated net asset value attributable to Shareholders per Share as at December 31, 2023 (Note 1)</b>	<b>0.601</b>	<b>54.8</b>	<b>66.5</b>
<b>Unaudited consolidated net asset value attributable to Shareholders per Share as at September 30, 2024 (Note 2)</b>	<b>0.716</b>	<b>29.8</b>	<b>39.6</b>
<b>Adjusted NAV per Share as at September 30, 2024</b>	<b>0.754</b>	<b>23.3</b>	<b>32.6</b>

Note 1: Based on an exchange rate of MYR1.0 = HK\$1.70 as at December 31, 2023

Note 2: Based on an exchange rate of MYR1.0 = HK\$1.89 as at September 30, 2024

The Cancellation Price has been determined on an arm's length commercial basis after taking into account the financial information of the Group, the prices of the Shares traded on the Stock Exchange, and with reference to other privatisation transactions in Hong Kong in the two years leading up to the Last Undisturbed Day.

**Highest and lowest prices**

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.960 on January 23 and 28, 2025 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.610 on November 14, 2024.

During the six-month period immediately up to and including the Last Undisturbed Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.800 on the Last Trading Day and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.610 on November 14, 2024.

**Total Cancellation Price and Total Special Dividend Payable to Scheme Shareholders**

As at the Latest Practicable Date, the Company had 2,400,000,000 Shares in issue. The 866,450,011 Scheme Shares represented approximately 36.10% of the total number of Shares in issue of the Company as at the Latest Practicable Date.

On the assumption that there is no other change in the shareholding structure of the Company before the completion of the Proposal, the total amount of cash consideration required to effect the Scheme will be HK\$805,798,510 (representing the aggregate Cancellation Price payable under the Scheme), which will be funded by the Joint Offerors in proportion to the percentage of the Scheme Shares to be acquired by each of the Joint Offerors under the Proposal.

On the assumption that there is no other change in the shareholding structure of the Company before the completion of the Proposal, subject to (i) the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve the Special Dividend; and (ii) the Scheme having become binding and effective in accordance with its terms and conditions, the total amount of Special Dividend payable to the Scheme Shareholders will be HK\$60,651,501, which will be funded by the Company.

The sum of total Cancellation Price and total Special Dividend payable to Scheme Shareholders amounts to HK\$866,450,011, the payment of which will be subject to satisfaction of their respective conditions.

**Financial Resources**

Payment of the Cancellation Price under the Scheme by the Joint Offerors will be funded entirely by the internal resources of the Joint Offerors in proportion to the percentage of the Scheme Shares to be acquired by each of the Joint Offerors under the Proposal.

Payment of the Special Dividend by the Company will be funded by the internal cash resources of the Company.

Altus, as financial adviser to the Joint Offerors, is satisfied that sufficient financial resources are available to (i) the Joint Offerors to satisfy the Cancellation Price under the Proposal; and (ii) the Company to satisfy the Special Dividend for the Scheme Shareholders.

**3. CONDITIONS OF THE PROPOSAL AND THE SCHEME**

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to the fulfilment or waiver (as applicable) of the following Conditions:

- (a) the approval of the Scheme (by way of poll) by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting;
- (b) the approval of the Scheme (by way of poll) by Disinterested Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by Disinterested Shareholders that are voted either in person or by proxy at the Court Meeting, provided that the number of votes cast (by way of poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to the Scheme Shares held by all Disinterested Shareholders;
- (c) the passing of (i) a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to any reduction of the share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve the simultaneous maintenance of the share capital of the Company at the amount prior to the cancellation of the Scheme Shares by the issuance at par to the Joint Offerors, credited as fully paid, such number of new Shares as is equal to the number of Scheme Shares cancelled, and

applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par the new Shares so issued, credited as fully paid, for issuance to the Joint Offerors;

- (d) the Grand Court's sanction of the Scheme (with or without modifications) and, to the extent necessary, its confirmation of any reduction of the share capital of the Company, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (e) compliance, to the extent necessary, with the procedural requirements and conditions, if any, under Sections 15 and 16 of the Companies Act in relation to any reduction of the issued share capital of the Company;
- (f) all necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal having been obtained from, given by or made with (as the case may be) the Relevant Authorities, in the Cayman Islands, Hong Kong and any other relevant jurisdictions;
- (g) all necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective;
- (h) all necessary consents which may be required for the implementation of the Proposal and the Scheme under any existing contractual obligations of the Company having been obtained or waived by the relevant party(ies), where any failure to obtain such consent or waiver would have a material adverse effect on the business of the Group;
- (i) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Proposal or the Scheme or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or the Scheme or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Joint Offerors to proceed with the Proposal or the Scheme;

- (j) since the date of the Announcement, there having been no adverse change in the business, assets, prospects, profits, losses, results of operations, financial position or condition of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal or the Scheme);
- (k) there being no material breach of the representations and warranties made by the Company under the Implementation Agreement as at the date of the Implementation Agreement, the date of despatch of the Scheme Document and the effective date of the Scheme, or the date as otherwise specified in the relevant representations and warranties, by reference to the facts and circumstances existing at such dates; and
- (l) there being no material breach of the representations and warranties made by the Joint Offerors under the Implementation Agreement as at the date of the Implementation Agreement, the date of despatch of the Scheme Document and the effective date of the Scheme, or the date as otherwise specified in the relevant representations and warranties, by reference to the facts and circumstances existing at such dates.

The Joint Offerors reserve the right to waive conditions (f), (g), (h), (i), (j) and (k) either in whole or in part, either generally or in respect of any particular matter. Conditions (a) to (e) cannot be waived in any event. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Joint Offerors may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to the right to invoke any such Condition are of material significance to the Joint Offerors in the context of the Proposal. The Company reserves the right to waive condition (l) either in whole or in part, either generally or in respect of any particular matter.

All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

In respect of Condition (f) and (g), as at the Latest Practicable Date, other than those set out in Conditions (a) to (e) (inclusive), the Joint Offerors and the Company were not aware of any necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals required for the Proposal. As at the Latest Practicable Date, the Joint Offerors and the Company were not aware of any circumstances which may result in Conditions (h), (i), (j), (k) and (l) not being satisfied.

If approved and implemented, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

As at the Latest Practicable Date, none of the Conditions had been fulfilled, satisfied, or waived, as applicable.



The Company and the Joint Offerors will make an announcement in relation to the results of the Court Meeting and the EGM and, if all the resolutions are passed at those meetings, further announcements will be made in relation to, among other things, the results of the hearing of the petition to sanction the Scheme and, to the extent necessary, confirmation of any reduction of share capital associated with the Scheme by the Grand Court, the Effective Date and the date of withdrawal of listing of the Shares from the Stock Exchange in accordance with the requirements of the Takeovers Code and the Listing Rules.

**Warning: Shareholders, Share Award Holders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders, Share Award Holders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

#### **4. SHAREHOLDING STRUCTURE OF THE COMPANY**

As at the Latest Practicable Date:

- (a) the authorised share capital of the Company was HK\$50,000,000 divided into 5,000,000,000 Shares of HK\$0.01 each;
- (b) the Company had 2,400,000,000 Shares in issue;
- (c) save for the Shares (including the Awarded Shares), the Company did not have any outstanding options, warrants, derivatives or convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue;
- (d) Puga did not hold any Shares but PCB, together with the Joint Offerors Concert Parties, were interested in an aggregate of 1,597,296,757 Shares, representing approximately 66.55% of the issued Shares;
- (e) neither the Joint Offerors nor any of the Joint Offerors Concert Parties:
  - (1) had entered into any outstanding derivative in respect of the securities in the Company;
  - (2) had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
  - (3) had received any irrevocable commitment to vote for or against the Scheme save for the Joint Offerors Agreement; and

- (4) had held any securities, warrants or options convertible into Shares held, controlled or directed by them save as disclosed in this section;
- (f) the Scheme Shares, comprising 866,450,011 Shares, represented approximately 36.10% of the issued Shares;
- (g) the Disinterested Shareholders legally or beneficially owned, controlled or had direction over a total of 802,703,243 Shares, representing 33.45% of the Shares in the issued share capital of the Company;
- (h) save for the Implementation Agreement, there were no arrangements (whether by way of option, indemnity or otherwise) in relation to the Shares or the shares of the Joint Offerors between the Joint Offerors or any of the Joint Offerors Concert Parties on the one hand, and any other person on the other hand which might be material to the Proposal;
- (i) save for the Implementation Agreement, there were no agreements or arrangements to which any Joint Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a Condition to the Proposal;
- (j) there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) either (a) the Joint Offerors or the Joint Offerors Concert Parties; or (b) the Company or the Company's subsidiaries or associated companies; and
- (k) there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Joint Offerors or any of the Joint Offerors Concert Parties on the one hand, and the Scheme Shareholders and persons acting in concert with any of them on the other hand.

The table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately upon completion of the Proposal (assuming that there is no change in the shareholding structure of the Company before the Effective Date):

Shareholders	As at the Latest Practicable Date		Immediately upon completion of the Proposal	
	Number of Shares	Approximate % of total issued Shares <sup>(7)</sup>	Number of Shares <sup>(9)</sup>	Approximate % of total issued Shares <sup>(7)</sup>
<b>Joint Offerors</b>				
Puga Holdings Limited	–	–	696,050,011	29.00%
PCB <sup>(1)</sup>	1,533,549,989	63.90%	1,703,949,989	71.00%
<b>Joint Offerors Concert Parties</b>				
Mr. Chuah <sup>(2)</sup>	26,611,200	1.11%	–	–
Ms. Gan <sup>(3)</sup>	7,622,544	0.32%	–	–
Mr. Leng <sup>(4)</sup>	250,000	0.01%	–	–
Dato' Loh Nam Hooi <sup>(5)</sup>	1,012,000	0.04%	–	–
Trustee <sup>(6)</sup>	28,251,024	1.18%	–	–
<b>Aggregate number of Shares of the Joint Offerors and the Joint Offerors Concert Parties</b>	<b>1,597,296,757</b>	<b>66.55%<sup>(7)</sup></b>	<b>2,400,000,000</b>	<b>100.00%<sup>(7)</sup></b>
<b>Disinterested Shareholders</b>				
Trustee <sup>(6)</sup>	34,940,317	1.46%	–	–
Dr. Chuah Jin Chong <sup>(8)</sup>	168,000	0.01%	–	–
Other Disinterested Shareholders	767,594,926	31.98%	–	–
<b>Aggregate number of Shares held by Disinterested Shareholders</b>	<b>802,703,243</b>	<b>33.45%<sup>(7)</sup></b>	–	–
<b>Total number of Shares in issue</b>	<b>2,400,000,000</b>	<b>100.00%<sup>(7)</sup></b>	<b>2,400,000,000</b>	<b>100.00%<sup>(7)</sup></b>
<b>Total number of Scheme Shares</b>	<b>866,450,011<sup>(10)</sup></b>	<b>36.10%<sup>(7)</sup></b>	–	–

*Notes:*

- (1) The Shares held by PCB will not form part of the Scheme Shares and therefore, PCB will not be able to vote on the Scheme at the Court Meeting. Upon the Scheme becoming effective, PCB will acquire a further 170,400,000 Shares (representing approximately 7.10% of the issued Shares) under the Scheme and increase its shareholding in the Company to approximately 71.00%.
- (2) Mr. Chuah, an executive Director and chairman of the Company and the executive chairman of PCB, is considered to be acting in concert with the Joint Offerors. The Shares held by Mr. Chuah will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective. The vote of Mr. Chuah will not be counted as a vote of a Disinterested Shareholder in determining whether the requirements under Condition (b) under the section headed “3. Conditions of the Proposal and the Scheme” in this Explanatory Memorandum (as required under Rule 2.10 of the Takeovers Code) are satisfied.

- (3) Ms. Gan, an executive Director and an executive director of PCB, is considered to be acting in concert with the Joint Offerors. The Shares held by Ms. Gan will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective. The vote of Ms. Gan will not be counted as a vote of a Disinterested Shareholder in determining whether the requirements under Condition (b) under the section headed “3. Conditions of the Proposal and the Scheme” in this Explanatory Memorandum (as required under Rule 2.10 of the Takeovers Code) are satisfied. In addition to the 7,622,544 Shares held by Ms. Gan, she is also interested in 835,000 Awarded Shares under the Share Award Scheme, which comprise (i) 695,000 vested Awarded Shares that are held by the Trustee for her; and (ii) 140,000 granted but unvested Awarded Shares (of which 100,000, 20,000 and 20,000 Awarded Shares shall vest on July 1, 2025, August 7, 2025 and August 7, 2026, respectively, subject to the fulfilment of relevant vesting conditions).
- (4) Mr. Leng, the non-executive Director and a non-independent non-executive director of PCB, is considered to be acting in concert with the Joint Offerors. The Shares held by Mr. Leng will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective. The vote of Mr. Leng will not be counted as a vote of a Disinterested Shareholder in determining whether the requirements under Condition (b) under the section headed “3. Conditions of the Proposal and the Scheme” in this Explanatory Memorandum (as required under Rule 2.10 of the Takeovers Code) are satisfied.
- (5) Dato’ Loh Nam Hooi, a non-independent non-executive director of PCB, is considered to be acting in concert with the Joint Offerors. The Shares held by Dato’ Loh Nam Hooi will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective. The vote of Dato’ Loh Nam Hooi will not be counted as a vote of a Disinterested Shareholder in determining whether the requirements under Condition (b) under the section headed “3. Conditions of the Proposal and the Scheme” in this Explanatory Memorandum (as required under Rule 2.10 of the Takeovers Code) are satisfied.
- (6) Although the Trustee is not controlled by the Company and/or any of the Joint Offerors Concert Parties, as its principal purpose is to hold the Trustee Held Shares for the sole purpose of satisfying the awards under the Share Award Scheme, which is in turn administered by the Board, it is considered to be acting in concert with the Joint Offerors. As at the Latest Practicable Date, the Trustee held 63,191,341 Trustee Held Shares pursuant to the Share Award Scheme in respect of which 34,940,317 Shares were Trustee Held Awarded Shares held for Share Award Holders (other than Share Award Holders who are Joint Offerors Concert Parties) whose awards have vested. The remaining 28,251,024 Shares were held on trust by the Trustee for (i) Share Award Holders who are Joint Offerors Concert Parties whose awards have vested (namely, the 695,000 Awarded Shares held for Ms. Gan); (ii) Share Award Holders whose awards have not yet vested as at the Latest Practicable Date (including, for the avoidance of doubt, the 140,000 Awarded Shares held for Ms. Gan); and (iii) as Trustee Held Pool Shares. The Trustee has undertaken to the Company that it will only exercise voting rights in respect of the Trustee Held Awarded Shares held for Share Award Holders who are not Joint Offerors Concert Parties and whose awards have vested according to the express instructions of the relevant Share Award Holders and that it will not have any discretionary voting powers in respect of such Shares. Accordingly, such 34,940,317 Trustee Held Awarded Shares are included as Shares held by Disinterested Shareholders. In respect of the remaining 28,251,024 Shares, notwithstanding the Trustee is the legal registered holder of such Shares, as the Trustee is considered to be acting in concert with the Joint Offerors, such Shares are not considered to be Shares held by Disinterested Shareholders and will not be voted on in respect of the resolution to approve the Scheme at the Court Meeting and at the EGM. This is on the assumption that none of the vested Trustee Held Awarded Shares are transferred to the relevant Share Award Holder in accordance with the rules of the Share Award scheme on or prior to the Meeting Record Date. It is expected that, during the offer period, the Trustee will not acquire further Shares to satisfy the share awards.

- (7) All percentages in the above table are approximations and rounded to the nearest 2 decimal places. The aggregate percentages may not add up due to such rounding.
- (8) As at the Latest Practicable Date, Dr. Chuah Jin Chong, an independent non-executive Director, held 168,000 Shares. Dr. Chuah is a Disinterested Shareholder and his Shares will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective. Save as disclosed, no other Director held any Shares as at the Latest Practicable Date.
- (9) Under the Scheme, the Scheme Shares will, on the Effective Date, be cancelled and extinguished. Simultaneously with such cancellation and extinguishment, the share capital of the Company will be maintained by the issuance at par to the Joint Offerors, credited as fully paid, of the aggregate number of Shares equal to the number of Scheme Shares cancelled pursuant to the Scheme. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Joint Offerors.
- (10) Scheme Shares are the Shares held by the Shareholders, other than those held by PCB. For the avoidance of doubt, the Shares held by (i) Mr. Chuah; (ii) Ms. Gan; (iii) Mr. Leng; (iv) Dato' Loh Nam Hooi and (v) Dr. Chuah Jin Chong will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective.

## **5. SHARE AWARD SCHEME**

As at the Latest Practicable Date, there were a total of 63,191,341 Trustee Held Shares under the Share Award Scheme, which comprised:

- (a) 35,635,317 Shares held as Trustee Held Awarded Shares which are granted and vested with the designated Share Award Holders but not yet transferred to the designated Share Award Holders, of which, 695,000 Shares were held for Ms. Gan, a Joint Offerors Concert Party, and the remaining 34,940,317 Shares were held for other employee grantees who are not Joint Offerors Concert Parties;
- (b) 6,468,933 Shares held as Trustee Held Awarded Shares which are granted but whose awards have not yet vested with the designated Share Award Holders (including, for the avoidance of doubt, the 140,000 Shares held for Ms. Gan); and
- (c) 21,087,091 Shares held as Trustee Held Pool Shares that were unutilised under the Share Award Scheme.

In respect of the Trustee Held Awarded Shares which have been granted but yet to be vested with the designated Share Award Holders, the vesting schedule of the relevant awards is as follows:

Name of Share Award Holder	Total number of Unvested		Vesting Date	No. of Share Awards
	Share Awards	Date of Grant		
Ms. Gan	140,000	July 1, 2023	July 1, 2025	100,000
		August 7, 2024	August 7, 2025	20,000
			August 7, 2026	20,000
Employees (in aggregate)	6,328,933	July 1, 2023	July 1, 2025	2,345,599
		August 7, 2024	August 7, 2025	1,991,667
			August 7, 2026	1,991,667

The Trustee has undertaken to the Company that it will only exercise voting rights in respect of the Trustee Held Awarded Shares held for Share Award Holders who are not Joint Offerors Concert Parties and whose awards have vested, being 34,940,317 as at the Latest Practicable Date, according to the express instructions of the relevant Share Award Holders and that it will not have any discretionary voting powers in respect of such Shares. Accordingly, such 34,940,317 Trustee Held Awarded Shares are included as Shares held by Disinterested Shareholders. In respect of the remaining 28,251,024 Shares held by the Trustee, notwithstanding the Trustee is the legal registered holder of such Shares, as the Trustee is considered to be acting in concert with the Joint Offerors, such Shares are not considered to be Shares held by Disinterested Shareholders and will not be voted on in respect of the resolution to approve the Scheme at the Court Meeting.

However, if any Trustee Held Awarded Shares (i) which have vested but where the relevant Shares have not yet been transferred or (ii) become vested prior to the Meeting Record Date (as the case may be), and the corresponding Shares are transferred by the Trustee to the relevant holder of Awarded Shares (other than Ms. Gan) prior to the Meeting Record Date, any such Share may be voted by the relevant Shareholder at the Court Meeting and the EGM. As at the Latest Practicable Date, the Trustee had not received any instructions from the Share Award Holders in respect of the transfer of Trustee Held Awarded Shares which have been granted and vested with the designated Share Award Holders. Any transfer of vested Awarded Shares is subject to instructions which may be initiated by the relevant Share Award Holders and there is no deadline under the rules of the Share Award Scheme for such transfer. For the avoidance of doubt, as Ms. Gan, an executive Director and an executive director of PCB, is considered to be acting in concert with the Joint Offerors, the vote of Ms. Gan will not be counted as a vote of a Disinterested Shareholder in determining whether the requirements under Condition (b) under the section headed “3. Conditions of the Proposal and the Scheme” in this Explanatory Memorandum (as required under Rule 2.10 of the Takeovers Code) are satisfied, notwithstanding that such Shares form part of the Scheme Shares. Save and except for Ms. Gan’s interest in the 835,000 Trustee Held Awarded Shares (including 695,000 vested Awarded Shares and 140,000 granted but

unvested Awarded Shares held by the Trustee for Ms. Gan under the Share Award Scheme), no other Joint Offerors Concert Parties are interested in any Awarded Shares, whether vested but not yet transferred and/or unvested.

Conditional upon the Scheme becoming effective and the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve the Special Dividend, the Trustee shall receive an amount equivalent to the sum of the Cancellation Price and the Special Dividend multiplied by the number of the Trustee Held Shares, which:

- (a) for the amount which corresponds to the Trustee Held Awarded Shares, shall be held on trust by the Trustee for the relevant holders of Awarded Shares and shall be payable by the Trustee to such holders; and
- (b) for the amount which corresponds to the Trustee Held Pool Shares, shall be paid by the Trustee to the Company after the Trustee receives such amount in accordance with the terms of the Trust Deed.

It is expected that, during the offer period, the Trustee will not acquire further Shares to satisfy the awards.

#### **6. SCHEME OF ARRANGEMENT UNDER SECTION 86 OF THE COMPANIES ACT AND THE COURT MEETING**

Pursuant to section 86 of the Companies Act, where an arrangement is proposed between a company and its members or any class of them, the Grand Court may, on the application of the company or any member of the company, order a meeting of the members of the company or class of members, as the case may be, to be summoned in such manner as the Grand Court directs to agree to such arrangement.

It is expressly provided in section 86 of the Companies Act that if 75% in value of the members or class of members, as the case may be, present and voting either in person or by proxy at the meeting held as directed by the Grand Court as aforesaid, agree to any arrangement, the arrangement shall, if sanctioned by the Grand Court, be binding on all members or class of members, as the case may be, and also on the company.

**7. ADDITIONAL REQUIREMENTS IMPOSED BY RULE 2.10 OF THE TAKEOVERS CODE**

In addition to satisfying any requirements under the Companies Act as summarised above, under Rule 2.10 of the Takeovers Code, except with the consent of the Executive, the Scheme may only be implemented if:

- (a) the approval of the Scheme (by way of poll) by Disinterested Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by Disinterested Shareholders that are voted either in person or by proxy at the Court Meeting; and
- (b) the number of votes cast (by way of poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to the Scheme Shares held by all Disinterested Shareholders.

As at the Latest Practicable Date, 80,270,325 or more of the votes representing more than 10% of the votes attaching to all the Scheme Shares held by Disinterested Shareholders will be sufficient to vote down the Proposal.

**8. BINDING EFFECT OF THE SCHEME**

Upon the Scheme becoming effective it will be binding on the Company and all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting and/or EGM.

**9. COSTS OF THE SCHEME**

If the Independent Board Committee or the Independent Financial Adviser does not recommend the Proposal, and the Scheme is not approved, all expenses incurred by the Company in connection therewith will be borne by the Joint Offerors in accordance with Rule 2.3 of the Takeovers Code. Given that the Proposal is recommended by the Independent Board Committee and is recommended as fair and reasonable by the Independent Financial Adviser, Rule 2.3 of the Takeovers Code is not applicable.

Pursuant to the Implementation Agreement, the Joint Offerors and the Company have agreed that, subject always to the provision of the Takeovers Code, they will bear their respective costs and expenses, except that:

- (a) all fees, expenses and disbursements payable to any advisers retained by the Joint Offerors in connection with the Proposal, including but not limited to any financial adviser and legal adviser will be borne by the Joint Offerors;



- (b) all costs and expenses in connection with any rulings sought from and any vetting fees payable to the SFC in relation to the Proposal (excluding costs and expenses in connection with (d) below) will be borne by the Joint Offerors;
- (c) all fees, expenses and disbursements payable to any advisers and service providers retained by the Company in connection with the Proposal, including but not limited to any financial adviser, legal adviser, independent financial adviser (within the meaning of the Takeovers Code), property valuer, share registrar and financial printer will be borne by the Company; and
- (d) all costs and expenses in connection with any rulings sought from the SFC solely with respect to the Company, its financial adviser in connection with the Proposal and/or any of their respective affiliates will be borne by the Company.

#### **10. REASONS FOR AND BENEFITS OF THE PROPOSAL**

The Joint Offerors are of the view that the terms of the Proposal are attractive and beneficial to the Scheme Shareholders and the Company. The reasons and benefits of the Proposal are elaborated as follows:

##### **For the Scheme Shareholders:**

##### ***Unlocking value at a premium***

The Proposal provides Scheme Shareholders with an opportunity to monetise their investments at a significant premium to the market price. The Cancellation Price represents a premium of approximately 45.3% over the closing price of HK\$0.640 per Share on the Last Undisturbed Day, and a premium of approximately 42.6% and 40.3% over the average closing prices of HK\$0.652 and HK\$0.663 per Share over the 30-day and 60-day periods leading up to and including the Last Undisturbed Day, respectively. Additional details can be found in the section headed “2. Terms of the Proposal and the Scheme – Comparisons of value” in this Explanatory Memorandum.

##### ***Opportunity to fully monetise investments amid limited liquidity***

The Shares have experienced consistently low trading volumes over a prolonged period over two years, making it difficult for Scheme Shareholders to make substantial disposals without impacting the Share price. The average daily trading volume for the 6, 12, and 24 months prior to and including the Last Trading Day represented only approximately 0.138%, 0.083%, and 0.066% of the Company’s issued Shares. The Joint Offerors recognise this challenge faced by Scheme Shareholders and believes the Proposal offers them a rare and immediate opportunity to fully realise their investments, providing liquidity and funds that can be reinvested in other opportunities.

***Realising gains in uncertain market conditions***

The Proposal allows Scheme Shareholders to exit their investments for cash during a period of heightened market volatility, driven by global geopolitical tensions and fluctuating investor sentiment. The Hong Kong equity market, in particular, has been volatile, with the Hang Seng Index having declined approximately 36.6% from its peak in 2021 up to the Last Undisturbed Day. In this uncertain climate, the Proposal provides a clear path for Shareholders to realise funds and secure liquidity.

**For the Company:**

The Company's persistently low trading volumes and lack of public equity raising since its 2017 initial public offering highlight the inefficiencies of its current listing status. Moreover, the Company's shares have traded at a significantly lower price-to-earnings ("P/E") multiple compared to its parent company, which is listed on the Main Market of Bursa Malaysia Securities Berhad. As the Company constitutes a significant portion of its parent company (such as over 95% of its revenue for its financial year ended December 31, 2023 and over 85% of its assets as at December 31, 2023), the disparity in their prevailing P/E multiples reflects the significant market undervaluation of the Company on the Stock Exchange. Given this and the limited benefits derived, the costs and regulatory requirements of maintaining a listing on the Main Board of the Stock Exchange are no longer justified.

AchiCapital engages in private equity investment with a strong focus on the semiconductor and technology industry and is positioned to bring substantial strategic advantages and synergies to the Company, potentially driving growth through its network and industry expertise. Given its listed status, the presence of PCB strengthens the Company's access to both equity and debt capital markets, thereby enhancing the Company's ability to secure future financing, if required. While the Company, as subsidiary to PCB, will remain part of a publicly listed group, the Proposal will nevertheless allow the Company to streamline operations and reduce compliance costs, and provide Scheme Shareholders with a premium to market exit, creating a win-win outcome for all parties involved.

**11. THE JOINT OFFERORS' INTENTION REGARDING THE COMPANY**

The Joint Offerors intend for the Company to withdraw the listing of the Shares on the Stock Exchange upon the Scheme becoming effective. The Joint Offerors also intend for the Group's existing operations to continue without disruption, regardless of the Proposal or its completion. As at the Latest Practicable Date, (a) the Joint Offerors did not expect to introduce any major changes to the existing business of the Group (including any redeployment of the fixed assets of the Company); and (b) the Joint Offerors did not have any plans to make any major changes to the continued employment of the employees of the Group. Subject to the Group's business requirements and prevailing market conditions, the Joint Offerors may explore various opportunities to further develop the Group's business, enhance efficiency and create long-term shareholder value.

The Board notes that the Joint Offerors did not expect to introduce any major changes to the existing business of the Group (including any redeployment of the fixed assets of the Company) and did not have any plans to make any major changes to the continued employment of the employees of the Group.

The Board is of the view that the Joint Offerors' intentions in relation to the Group and its employees would not have a material impact on the existing businesses of the Group.

## **12. IMPLEMENTATION OF THE PROPOSAL AND VOLUNTARY WITHDRAWAL OF LISTING OF SHARES**

### **(a) If the Scheme becomes unconditional and effective**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for voluntary withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules immediately following the Scheme becoming effective.

The holders of Scheme Shares will be notified by way of an announcement of the exact date of the last day for dealing in the Shares on the Stock Exchange and the day on which the Scheme and the voluntary withdrawal of the listing of the Shares on the Stock Exchange will be effective. A detailed timetable of the Scheme is set out in Part III – Expected Timetable of this Scheme Document.

### **(b) If the Scheme is not approved or if the Scheme lapses**

Subject to the requirements of the Takeovers Code, the Scheme will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. If the Scheme is not approved or if the Proposal and/or the Scheme otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or if the Scheme lapses, the shareholding structure of the Company as at the Latest Practicable Date as set out in the section headed “4. Shareholding Structure of the Company” in this Explanatory Memorandum shall remain unchanged (assuming that there is no other change in the shareholding structure of the Company from the Latest Practicable Date up to the date on which the Scheme is not approved or the Scheme lapses). Accordingly, the Company will continue to be able to maintain sufficient public float in its Shares under Rule 8.08 of the Listing Rules if the Scheme is not approved or if the Scheme lapses.

If the Scheme is not approved or if the Scheme otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Joint Offerors nor any person who acted in concert with it in the course of the Proposal (nor any

person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Scheme otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

### **13. INFORMATION ON THE JOINT OFFEROR, THE INVESTORS, THE JOINT OFFERORS CONCERT PARTIES AND THE COMPANY**

#### **Information on the Joint Offerors**

##### ***Puga***

Puga is a company incorporated under the laws of the British Virgin Islands. As at the Latest Practicable Date, Puga was held as to 17.38% by Beacon Path, 67.02% by Supari, 6.00% by Digimoc Holdings Limited, 3.60% by Fortune Venture Capital Corporation, 3.00% by Mr. Chen Hsin-Yu, and 3.00% by Mr. Chen Hsin-Tso, respectively. Puga is a special purpose vehicle established for the purpose of acquiring the Scheme Shares under the Proposal. As at the Latest Practicable Date, Puga did not hold any investments or assets other than cash to fund the Proposal. The sole director of Puga is Mr. Wang Li-Wei, who currently serves as a partner of AchiCapital and has over 15 years' experience in corporate finance and accounting.

##### ***PCB***

Pentamaster Corporation Berhad is a public limited liability company incorporated in Malaysia. PCB has been listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 7160) since 2004 and has been included in the constituents of the FTSE4Good Bursa Malaysia Index since 2021. As at the Latest Practicable Date, Mr. Chuah was the single largest shareholder of PCB, who owned approximately 19.74% of the shares in PCB. PCB is an investment holding company and, as at the Latest Practicable Date, together with its subsidiaries including the Company, had two operating segments, namely (i) automated test equipment and (ii) factory automation solutions.

#### **Information on the Investors**

##### ***Beacon Path and Supari***

Beacon Path is a company incorporated under the laws of the British Virgin Islands. Supari is a company incorporated under the laws of the British Virgin Islands. As at the Latest Practicable Date, each of Beacon Path and Supari was indirectly wholly owned by Achi Capital Partners Fund LP, a limited partnership registered under the laws of Cayman Islands. Achi Capital Partners Fund LP's general partner is AchiCapital GP Limited and, as at the Latest Practicable Date, Achi Capital Partners Fund LP had over twenty (20) limited partners, none of which held more than 20% of the limited partnership interest therein. AchiCapital GP Limited is owned as to (i) 75% by its director, Mr. Chen Chu-Wan, and (ii)

25% by the late Mr. Lee Ming-Shan. Mr. Chen Chu-Wan currently serves as the managing partner of AchiCapital and has over 25 years' experience in marketing, operations and investment management within the global semiconductor industry. AchiCapital is a private equity investment firm which is principally engaged in managing equity investments in the semiconductor and technology industry, ranging from early-stage venture investments to late-stage buyout investments in semiconductor companies. As of November 30, 2024, AchiCapital manages assets totaling US\$723 million across a diversified portfolio of global semiconductor and technology companies, such as ITH Corporation (stock code: 6962.TW), Alchip Technologies, Limited (stock code: 3661.TW) and DigitalLand Holdings Limited (a subsidiary controlled by GDS Holdings Limited (stock code: 9698.HK; NASDAQ: GDS)).

***Digimoc Holdings Limited***

Digimoc Holdings Limited is a company incorporated under the laws of the British Virgin Islands which is principally engaged in investment holding. As at the Latest Practicable Date, Digimoc Holdings Limited was wholly owned by MediaTek Inc., a fabless semiconductor company which is listed on the Taiwan Stock Exchange (stock code: 2454).

***Fortune Venture Capital Corporation***

Fortune Venture Capital Corporation is a company incorporated under the laws of Taiwan. As at the Latest Practicable Date, Fortune Venture Capital Corporation was wholly owned by United Microelectronics Corporation, a semiconductor foundry company which is listed on the Taiwan Stock Exchange (stock code: 2303) and New York Stock Exchange (stock code: UMC). Fortune Venture Capital Corporation is principally engaged in venture capital investment.

***Mr. Chen Hsin-Yu***

Mr. Chen Hsin-Yu is a Taiwanese private investor with years of experience in property investments.

***Mr. Chen Hsin-Tso***

Mr. Chen Hsin-Tso is a Taiwanese individual and the brother of Mr. Chen Hsin-Yu. He is a private investor with a background in the electronics and biomedical industries.

**Information on the Joint Offerors Concert Parties**

***Mr. Chuah***

Mr. Chuah, an executive Director and chairman of the Company and the executive chairman of PCB, is considered to be acting in concert with the Joint Offerors. The Shares held by Mr. Chuah will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective.

***Ms. Gan***

Ms. Gan, an executive Director and an executive director of PCB, is considered to be acting in concert with the Joint Offerors. The Shares held by Ms. Gan will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective.

***Mr. Leng***

Mr. Leng, the non-executive Director and a non-independent non-executive director of PCB, is considered to be acting in concert with the Joint Offerors. The Shares held by Mr. Leng will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective.

***Dato' Loh Nam Hooi***

Dato' Loh Nam Hooi, a non-independent non-executive director of PCB, is considered to be acting in concert with the Joint Offerors. The Shares held by Dato' Loh Nam Hooi will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective.

***Trustee***

PIL – PERKERJA SS LIMITED, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned structured entity of the Company, which was appointed by the Company as trustee to assist with the administration of the Share Award Scheme (including purchasing, administering, and holding the Shares for the Share Award Scheme), is considered to be acting in concert with the Joint Offerors. The Trustee Held Shares will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective. The power that the Company has over the Trustee is with respect to directing the activities of the Trustee to affect its exposure to returns, and as a result of which, the assets and liabilities of the Trustee are included in the consolidated statement of financial position of the Company, notwithstanding that it is not a subsidiary of the Company and the Company has no control over the shareholding of the Trustee.

**Information on the Company**

The Company is an exempted company incorporated in the Cayman Islands with limited liability whose Shares have been listed on the Main Board of the Stock Exchange since January 19, 2018. The Company is an investment holding company and, together with its subsidiaries, is principally engaged in (i) designing, development and manufacturing of standard and non-standard automated test equipment; (ii) designing, development and installation of integrated factory automation solutions; and (iii) manufacturing and assembling of medical machines and manufacturing of die casting parts.

**14. REGISTRATION AND PAYMENT****(a) Closure of the register of members of the Company**

Assuming that the Record Date falls on Friday, March 14, 2025, it is proposed that the register of members of the Company will be closed from Thursday, March 13, 2025 (or such other date as Shareholders may be notified by an announcement) onwards in order to determine entitlements under the Scheme. In order to qualify for entitlements under the Scheme, Scheme Shareholders should ensure that the transfers of Shares to them are lodged with the Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration in their names or in the names of their nominees no later than 4:30 p.m. (Hong Kong time) on Wednesday, March 12, 2025.

**(b) Payment of the Cancellation Price and Special Dividend to the Scheme Shareholders**

Upon the satisfaction of their respective conditions (including the Scheme becoming effective), the Cancellation Price and the Special Dividend will be paid to the Scheme Shareholders whose names appear on the register of members of the Company on the Record Date as soon as possible but in any event no later than seven (7) Business Days after the Effective Date. On the basis that the Scheme becomes effective on Monday, March 17, 2025 (Cayman Islands time), the cheques for the payment of the Cancellation Price are expected to be despatched on or before Wednesday, March 26, 2025.

Cheques for the payment of the Cancellation Price and the Special Dividend shall be sent by ordinary post in postage pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses shown in the register of members of the Company or, in the case of joint holders, to the registered address of that joint holder whose name then stands first in the register of members of the Company in respect of the joint holding. All such cheques will be posted at the risk of the persons entitled thereto and none of the Joint Offerors, the Company, Altus, the Independent Financial Adviser and the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal will be responsible for any loss or delay in despatch/transmission.

On or after the day being six (6) calendar months after the posting of such cheques, the Joint Offerors and the Company shall have the respective right to cancel or countermand payment of any such cheque relating to the Cancellation Price and/or the Special Dividend (as the case may be) which has not been cashed or has been returned and shall place all monies represented thereby in the respective deposit account of the Joint Offerors and/or the Company (as the case may be) maintained in their respective own name with a licensed bank in Hong Kong.

The Joint Offerors and the Company shall hold such monies on trust for those entitled under the terms of the Proposal until the expiry of six (6) years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to the Proposal to persons who satisfy the Joint Offerors and the Company that they are respectively entitled thereto and the cheques of which they are payees have not been cashed. Any payments made by the Joint Offerors and the Company shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to the Proposal. The Joint Offerors and the Company shall exercise their absolute discretion in determining whether or not they are satisfied that any person is so entitled, and a certificate of the Joint Offerors and the Company to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

On the expiry of six (6) years from the Effective Date, the Joint Offerors and the Company shall be released from any further obligation to make any payments under the Proposal and the Joint Offerors and the Company shall, subject to any prohibition or condition imposed by law, be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit accounts in their respective name, including accrued interest subject to any deduction required by law and expenses incurred.

Assuming that the Scheme becomes effective, the register of members of the Company will be updated accordingly to reflect the cancellation of all the Scheme Shares and all existing certificates for the Scheme Shares will cease to have effect as documents or evidence of title as from the Effective Date, which is expected to be on Monday, March 17, 2025 (Cayman Islands time).

Settlement of the Cancellation Price and the Special Dividend to which any Scheme Shareholder is entitled will be implemented in full in accordance with the terms of the Proposal without regard to any lien, right of set-off, counterclaim or other analogous right to which the Joint Offerors may otherwise be, or claim to be, entitled against such Scheme Shareholder.

## **15. OVERSEAS SHAREHOLDERS**

This Scheme Document does not constitute an offer or invitation to sell, purchase, subscribe for or issue any securities or the solicitation of an offer to buy or subscribe for securities pursuant to this Scheme Document or otherwise in any jurisdiction in which such offer, invitation or solicitation is unlawful.

The making and implementation of the Proposal to Scheme Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders are located. Such overseas Scheme Shareholders should inform themselves about and observe any applicable legal, tax or regulatory requirements.



It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due from the Shareholder in such jurisdiction.

Any acceptance by the overseas Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Joint Offerors and the Company and their respective advisers that those laws and regulatory requirements have been complied with. If such overseas Scheme Shareholders are in doubt as to their positions, they should consult their own professional advisers.

## **16. TAXATION ADVICE**

As the cancellation of the Scheme Shares upon the Scheme becoming effective does not involve the sale and purchase of any Hong Kong stock, no stamp duty will be payable pursuant to the Stamp Duty Ordinance, Chapter 117 of the Laws of Hong Kong, in this respect.

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Proposal. It is emphasized that none of the Joint Offerors, the Company, Altus nor any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility (other than in respect of themselves, if applicable) for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal.

## **17. SCHEME SHARES, COURT MEETING AND EGM**

As at the Latest Practicable Date, the Company had 2,400,000,000 Shares in issue. Save for the Shares (including the Awarded Shares), the Company did not have any outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

In accordance with the directions of the Grand Court, the Court Meeting will be held for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme (with or without modifications). Scheme Shareholders whose names appear on the register of members of the Company as at the Meeting Record Date will be entitled to attend and vote, in person or by proxy, at the Court Meeting, provided that only votes attaching to the Scheme Shares held by Disinterested Shareholders will be counted for the purpose of determining whether the requirements under Condition (b) of the section headed “3. Conditions of the Proposal and the Scheme” of this Explanatory Memorandum (as required under Rule 2.10 of the Takeovers Code) are satisfied. The Scheme will be subject to the approval by the Scheme Shareholders at the Court Meeting in the manner referred to in the section headed “3. Conditions of the Proposal and the Scheme” of this Explanatory Memorandum.

As at the Latest Practicable Date, Puga did not hold any Shares, and PCB held an aggregate of 1,533,549,989 Shares representing approximately 63.90% of the issued Shares. The Shares held by PCB immediately prior to the Scheme becoming effective will not constitute Scheme Shares and will not be voted on in respect of the resolution to approve the Scheme at the Court Meeting.

As at the Latest Practicable Date, Mr. Chuah, Ms. Gan, Mr. Leng and Dato' Loh Nam Hooi were interested in an aggregate of 26,611,200, 8,457,544, (which includes Ms. Gan's (i) 695,000 vested Awarded Shares and (ii) 140,000 granted but unvested Awarded Shares, the Shares relating to which are held by the Trustee), 250,000 and 1,012,000 Shares (representing approximately 1.11%, 0.35%, 0.01% and 0.04% of the issued Shares) respectively. The Shares held by Mr. Chuah, Ms. Gan, Mr. Leng and Dato' Loh Nam Hooi will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective. The votes of each of Mr. Chuah, Ms. Gan, Mr. Leng and Dato' Loh Nam Hooi will not be counted as a vote of a Disinterested Shareholder in determining whether the requirements under Condition (b) under the section headed "3. Conditions of the Proposal and the Scheme" in this Explanatory Memorandum (as required under Rule 2.10 of the Takeovers Code) are satisfied.

As at the Latest Practicable Date, the Trustee held 63,191,341 Trustee Held Shares pursuant to the Share Award Scheme which comprised (a) 42,104,250 Trustee Held Awarded Shares; and (b) 21,087,091 Trustee Held Pool Shares. The Trustee has undertaken to the Company that it will only exercise voting rights in respect of the Trustee Held Shares held for Share Award Holders who are not Joint Offerors Concert Parties and whose awards have vested according to the express instructions of the relevant Share Award Holders and that it will not have any discretionary voting powers in respect of such Shares. In respect of the remaining 28,251,024 Shares, notwithstanding the Trustee is the legal registered holder of such Shares, as the Trustee is considered to be acting in concert with the Joint Offerors, such Shares are not considered to be Shares held by Disinterested Shareholders and will not be voted on in respect of the resolution to approve the Scheme at the Court Meeting.

The Joint Offerors have undertaken to the Grand Court that they will be bound by the Scheme, so as to ensure that they will comply with and be subject to the terms and conditions of the Scheme.

All Shareholders will be entitled to attend the EGM and vote on the resolutions with respect to the Special Dividend and the implementation of the Scheme (including to: (i) approve and give effect to any reduction of the share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) simultaneously maintain the share capital of the Company at the amount prior to the cancellation of the Scheme Shares by the issuance at par to the Joint Offerors, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled and extinguished and applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares).

The Joint Offerors and the Joint Offerors Concert Parties (excluding the Trustee, the voting arrangements in respect of the Trustee Held Shares are as disclosed above) have indicated that if the Scheme is approved at the Court Meeting, those Shares held by them (if any) will be voted in favour of the resolutions to be proposed at the EGM to implement the Scheme, including any reduction of capital and the simultaneous maintenance of the share capital of the Company by the issue of new Shares to the Joint Offerors as described above. Pursuant to the Joint Offerors Agreement, PCB has undertaken (to the extent permitted under Takeovers Code, the Listing Rules and applicable laws and regulations) to exercise or procure the exercise of the voting rights in respect of the Shares held by PCB immediately prior to the Scheme becoming effective to vote in favour of the ordinary resolution at the EGM to approve the Special Dividend. The Trustee has given an undertaking to the Company in respect of the manner in which it can exercise the voting rights attaching to the Trustee Held Shares, further details of which are set out above.

Notice of the Court Meeting is set out in Appendix VII of this Scheme Document. The Court Meeting will be held at 2:00 p.m. on Friday, February 28, 2025 at 17/F, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong.

Notice of the EGM is set out in Appendix VIII of this Scheme Document. The EGM will be held at 2:30 p.m. (or, if later, as soon thereafter as the Court Meeting shall have been concluded or been adjourned) on Friday, February 28, 2025 at 17/F, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong.

#### **18. EXERCISE YOUR RIGHT TO VOTE**

**IF YOU ARE A SHAREHOLDER OR A BENEFICIAL OWNER, YOU ARE STRONGLY URGED TO EXERCISE YOUR RIGHT TO VOTE OR GIVE INSTRUCTIONS TO THE RELEVANT REGISTERED OWNER TO VOTE IN PERSON OR BY PROXY AT THE COURT MEETING AND/OR AT THE EGM. IF YOU KEEP ANY SHARES IN A SHARE LENDING PROGRAMME OR A CUSTODIAN ACCOUNT, YOU ARE STRONGLY URGED TO RECALL ANY OUTSTANDING SHARES ON LOAN OR REQUIRE YOUR CUSTODIAN TO RECALL ANY SUCH SHARES ON LOAN TO AVOID MARKET PARTICIPANTS USING BORROWED STOCK TO VOTE.**

**IF YOU ARE A BENEFICIAL OWNER WHOSE SHARES ARE DEPOSITED IN CCASS, YOU ARE STRONGLY URGED TO PROVIDE HKSCC NOMINEES WITH INSTRUCTIONS OR MAKE ARRANGEMENTS WITH HKSCC NOMINEES IN RELATION TO THE MANNER IN WHICH THOSE SHARES SHOULD BE VOTED AT THE COURT MEETING AND/OR AT THE EGM WITHOUT DELAY AND/OR WITHDRAWN FROM CCASS AND TRANSFERRED INTO YOUR NAME (AS DETAILED IN THE SECTION HEADED “ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD THROUGH TRUST OR DEPOSITED IN CCASS” IN PART II – ACTIONS TO BE TAKEN OF THIS SCHEME DOCUMENT).**

**IF YOU ARE A REGISTERED OWNER HOLDING SHARES ON BEHALF OF BENEFICIAL OWNERS, YOU SHOULD INFORM THE RELEVANT BENEFICIAL OWNERS ABOUT THE IMPORTANCE OF EXERCISING THEIR RIGHT TO VOTE.**

**IF APPROVED, THE PROPOSAL WILL BE BINDING ON ALL OF THE SCHEME SHAREHOLDERS, IRRESPECTIVE OF WHETHER OR NOT YOU ATTENDED OR VOTED AT THE COURT MEETING OR THE EGM.**

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.**

#### **19. PETITION HEARING AT THE GRAND COURT**

**ANY SCHEME SHAREHOLDERS WHO VOTED AT THE COURT MEETING (INCLUDING ANY BENEFICIAL OWNERS WHO GAVE VOTING INSTRUCTIONS TO A CUSTODIAN OR CLEARING HOUSE WHO SUBSEQUENTLY VOTED AT THE COURT MEETING) SHOULD NOTE THAT THEY ARE ENTITLED TO ATTEND OR APPEAR BY COUNSEL, AND BE HEARD ON THE HEARING OF THE PETITION AT THE GRAND COURT OF THE CAYMAN ISLANDS WHICH IS EXPECTED TO BE ON MARCH 6, 2025 AT 10:00 A.M. (CAYMAN ISLANDS TIME), AT WHICH THE COMPANY WILL SEEK, AMONG OTHER THINGS, THE SANCTION OF THE SCHEME.**

#### **20. RECOMMENDATIONS**

Your attention is drawn to the following:

- (a) the paragraph headed “22. Recommendations” in the letter from the Board set out in Part IV of this Scheme Document;
- (b) the letter from the Independent Board Committee set out in Part V of this Scheme Document; and
- (c) the letter from Independent Financial Adviser set out in Part VI of this Scheme Document.

#### **21. FURTHER INFORMATION**

Further information in relation to the Proposal is set out in the appendices to this Scheme Document, all of which form part of this Explanatory Memorandum.

Shareholders should rely only on the information contained in this Scheme Document. None of the Company, the Joint Offerors, Altus, the Independent Financial Adviser and the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal have authorized anyone to provide you with information that is different from what is contained in this Scheme Document.

**22. LANGUAGE**

In case of any inconsistency, the English language text of this Scheme Document and the accompanying forms of proxy shall prevail over the Chinese language text.

## 1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following table is a summary of the audited consolidated financial results of the Group for each of the three years ended December 31, 2021, 2022 and 2023 and the unaudited condensed consolidated financial results of the Group for the nine months ended September 30, 2024, the figures of which are extracted from the annual reports of the Company for the years ended December 31, 2021, 2022 and 2023, respectively, prepared in accordance with IFRSs and the unaudited third quarterly results announcement for the nine months ended September 30, 2024.

	Financial year ended			Nine months ended
	December 31, 2021	December 31, 2022	December 31, 2023	September 30, 2024
	MYR'000 (audited)	MYR'000 (audited)	MYR'000 (audited)	MYR'000 (unaudited)
<b>Revenue</b>	<b>508,086</b>	<b>600,587</b>	<b>691,850</b>	<b>492,179</b>
Cost of Sales	(353,172)	(415,135)	(482,206)	(351,012)
<b>Gross profit</b>	<b>154,914</b>	<b>185,452</b>	<b>209,644</b>	<b>141,167</b>
Other income	15,187	11,402	17,917	13,127
Distribution costs	(10,623)	(9,965)	(9,254)	(6,134)
Administrative expenses	(36,976)	(55,120)	(76,208)	(57,352)
(Allowance)/Reversal of expected credit loss allowance on trade receivables, net	(250)	4,798	1,141	(415)
Other operating expenses	(101)	(86)	(174)	(168)
<b>Operating profit</b>	<b>122,151</b>	<b>136,481</b>	<b>143,066</b>	<b>90,225</b>
Finance costs	(92)	(87)	-	-
Share of results of associates	(1,485)	(1,636)	41	(310)
<b>Profit before taxation</b>	<b>120,574</b>	<b>134,758</b>	<b>143,107</b>	<b>89,915</b>
Taxation	(3,830)	(1,457)	(874)	(1,115)
<b>Profit for the period/year</b>	<b>116,744</b>	<b>133,301</b>	<b>142,233</b>	<b>88,800</b>
<b>Other comprehensive income/(expense)</b>				
<i>Item that will be reclassified subsequently to profit or loss</i>				
Exchange gain/(loss) on translation of financial statements of foreign operations	56	(136)	47	(303)
<b>Profit and total comprehensive income for the period/year</b>	<b>116,800</b>	<b>133,165</b>	<b>142,280</b>	<b>88,497</b>
<b>Earnings per share (sen)</b>				
Basic	4.87	5.59	5.97	3.73
Diluted	4.87	5.58	5.96	3.73
<b>Dividends paid to owners of the Company</b>	<b>16,998</b>	<b>26,904</b>	<b>27,557</b>	<b>-</b>
<b>Dividend per share (HK\$)</b>	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>	<b>-</b>

The auditors' reports issued by Grant Thornton Hong Kong Limited in respect of the consolidated financial statements of the Group for each of the three years ended December 31, 2021, 2022 and 2023 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

Save as disclosed above, there were no items of any income or expense or non-controlling interests which were material in respect of the consolidated financial results of the Group for each of the three years ended December 31, 2021, 2022 and 2023 and for the nine months ended September 30, 2024.

## **2. CONSOLIDATED FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Group for the three years ended December 31, 2021, 2022 and 2023 are set out in the following documents which have been published on the websites of the Company ([www.pentamaster.com.my](http://www.pentamaster.com.my)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)):

- (i) for the year ended December 31, 2021, on pages 120 to 244 of the 2021 annual report of the Company released on April 26, 2022 at <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0426/2022042600908.pdf>;
- (ii) for the year ended December 31, 2022, on pages 110 to 232 of the 2022 annual report of of the Company released on April 27, 2023 at <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042700249.pdf>;
- (iii) for the year ended December 31, 2023, on pages 114 to 232 of the 2023 annual report of the Company released on April 29, 2024 at <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042904931.pdf>;

The unaudited consolidated financial statements of the Group for the nine months ended September 30, 2024 (including the notes thereto) are set out on pages 3 to 9 of the unaudited third quarterly results announcement for the nine months ended September 30, 2024, which was published on November 7, 2024 on the websites of the Company ([www.pentamaster.com.my](http://www.pentamaster.com.my)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) at <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1107/2024110700492.pdf>.

**3. INDEBTEDNESS STATEMENT**

As at the close of business on November 30, 2024, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group's indebtedness is set out below:

**Debt Securities (including derivative financial instruments)**

The Group had outstanding debt securities in the nature of currency forward contracts in an aggregate amount of MYR2,221,000.

Save as disclosed above and apart from intra-group liabilities and normal trade payables in the ordinary course of business, at the closing business on November 30, 2024, the Group did not have any material outstanding mortgages, charges, debentures or other loan capital or bank overdrafts or loans or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance (other than normal trade bills) or acceptance credits, debt securities, guarantees or other material contingent liabilities.

**4. MATERIAL CHANGE**

The Directors confirm that, as at the Latest Practicable Date:

- (a) save as those disclosed in the 2024 Third Quarterly Results Announcement, in particular:
  - (i) the decrease in revenue for the nine months ended 30 September 2024 as compared to the corresponding period of 2023, as a result of the decrease in revenue for the automated test equipment segment by approximately 47.8% and the increase in revenue for the factory automation solutions segment by approximately 85.4%;
  - (ii) the decrease in net profit by approximately 18.1% for the nine months ended 30 September 2024 as compared to the corresponding period of 2023; and
  - (iii) the decrease in inventories and trade receivables as at 30 September 2024 as compared to 31 December 2023; and
- (b) the completion of the Group's new campus 3 facility in the fourth quarter of 2024 which will increase the production and manufacturing capacity of the Group,

there had been no material change in the financial or trading position or outlook of the Group since December 31, 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.



**5. ADJUSTED NAV**

The Group's Adjusted NAV is calculated based on the adjustments as set out in the table below:

	<i>MYR\$'000</i>
Unaudited NAV as at 30 September 2024	909,784
Add: net revaluation surplus arising from valuation <sup>(1)</sup>	<u>47,167</u>
<b>Adjusted NAV</b>	<b>956,951</b>
<b>Adjusted NAV per Share:</b>	
<b>In MYR</b> <sup>(2)</sup>	0.399
<b>In HK\$</b> <sup>(2,3)</sup>	0.754

*Notes:*

1. This represents the net revaluation surplus calculated by comparing the market value of the properties interests held by the Group, being factories and ancillary facilities in Malaysia (the "Properties") from the valuation report prepared by Cushman & Wakefield Limited as at 30 November 2024 as set out in Appendix II to the Scheme Document, over the corresponding book value of the Properties as at 30 September 2024.
2. It is calculated based on 2,400,000,000 Shares in issue as at the Latest Practicable Date.
3. Based on the exchange rate of MYR1.00 = HK\$1.89 as at 30 September 2024.

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## APPENDIX II PROPERTY VALUATION REPORT OF THE COMPANY

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*The following is the text of a letter, summary of valuations and valuation report prepared for the purpose of incorporation in this Scheme Document received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of market values of the Properties held by the Group in Malaysia as at 30 November 2024.*



27/F, One Island East  
Taikoo Place  
18 Westlands Road  
Quarry Bay  
Hong Kong

5 February 2025

The Directors  
Pentamaster International Limited  
Nos. 18 & 19, Technoplex Medan Bayan Lepas  
Taman Perindustrian Bayan Lepas  
Phase IV, 11900 Penang  
Malaysia

Dear Sirs,

### **Instructions, Purpose & Valuation Date**

In accordance with the instructions of Pentamaster International Limited (the “**Company**”) for Cushman & Wakefield Limited (“**C&W**”) to value the properties (as more particularly described in the attached valuation report, individually the “**Property**” or collectively the “**Properties**”), held by the Company or its subsidiaries (collectively the “**Group**”), in Malaysia, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values in existing state of the Properties as at 30 November 2024 (the “**Valuation Date**”).

### **Basis of Valuation**

Our valuation of each of the Properties represents its market value which in accordance with The HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors (the “**HKIS**”) is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

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## **APPENDIX II      PROPERTY VALUATION REPORT OF THE COMPANY**

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In valuing the Properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities published by The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), Rule 11 of The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission (the “**Takeovers Codes**”) and The HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors.

Our valuation of each of the Properties is on an entirety interest basis.

### **Valuation Assumptions**

Our valuation of each of the Properties excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

Unless otherwise stated, in valuing the Properties, we have prepared our valuations on the basis that the owners have enforceable titles to the Properties and have free and uninterrupted rights to use, occupy or assign the Properties for the whole of the respective unexpired land use term as granted and that any premium payable has already been fully paid.

In respect of the Properties situated in Malaysia, the status of titles and grant of major certificates, approvals and licences, in accordance with the information provided by the Company are set out in the notes of the valuation report. We have considered all consents, approvals, and licences from relevant government authorities for the Properties and the design and construction of the Properties are in compliance with the local planning regulations and have been approved by the relevant authorities.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the Properties nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

### **Method of Valuation**

In valuing the Properties which are completed properties held by the Group for owner occupation, we have mainly adopted Market Comparison Method assuming sale of each of these properties in its existing state by making reference to comparable sales transactions as available in the relevant market subject to suitable adjustments between the subject properties and the comparable properties. Given comparable sales transactions and information about such sales are generally available, we have therefore adopted Market Comparison Method which is in line with the market practice.

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## **APPENDIX II      PROPERTY VALUATION REPORT OF THE COMPANY**

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### **Source of Information**

In the course of our valuation of the Properties, we have relied on the information and advice given by the Group and obtained from the Penang Land and Mines Office, regarding the title to the Properties and the interests of the Company in the Properties in Malaysia.

In respect of all Properties, we have accepted advice given by the Group on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, completion date of buildings, number of car parking spaces, particulars of occupancy, site and floor areas, interest attributable to the Group and all other relevant matters.

Dimensions, measurements and areas included in the valuation report are based on the information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuations. We were also advised by the Group that no material facts have been omitted from the information provided.

### **Title Investigation**

We have been provided with extracts of documents relating to the Properties and have caused searches made at the Penang Land and Mines Office. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us.

### **Site Inspection**

Candice Li (Senior Manager, MRICS, over 10 years of experience) inspected the exterior and, wherever possible, the interior of the Properties on 19 December 2024. No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the Properties are free of rot, infestation or any other structural defects. No tests were carried out to any of the services.

Unless otherwise stated, we have not been able to carry out on-site measurements to verify the site and floor areas of the Properties and we have assumed that the areas shown on the documents handed to us are correct.

### **Currency and Exchange Rate**

Unless otherwise stated, all monetary amounts stated in our valuation report are in Malaysian Ringgit (“MYR” or “RM”) which is the official currency of Malaysia. For reference purpose, we have also stated the market values in Hong Kong Dollars in the report. The exchange rate adopted as at the Valuation Date was MYR1=HK\$1.75.

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## APPENDIX II PROPERTY VALUATION REPORT OF THE COMPANY

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### Potential Tax Liabilities

As advised by the Group, the potential tax liabilities which would arise on the direct disposal of the Properties held by the Group at the amounts valued by us mainly comprise the following:

Real Property Gains Tax Rates from 10% to 30% on gain (depending on the date of original acquisition)

In respect of the Properties held by the Group for owner-occupation, the likelihood of the relevant tax liabilities being crystallised is remote as the Group has no plans for the disposal of such properties yet.

### Other Disclosure

We hereby confirm that C&W and the valuers conducting the valuations have no pecuniary or other interests that could conflict with the proper valuation of the Properties or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion. We confirm that we are an independent qualified valuer, as referred to Rule 5.08 of the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Rule 11 of the Takeovers Codes.

We attach herewith a summary of valuations and the valuation report for your attention.

Yours faithfully,  
For and on behalf of  
**Cushman & Wakefield Limited**

**Grace Lam**  
*MHKIS, MRICS, R.P.S. (GP)*  
*Senior Director*  
*Valuation & Advisory Services, Greater China*

*Note: Ms. Grace Lam is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice). Ms. Lam has over 30 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries. Ms. Lam has sufficient current national knowledge of the market, and the skills and understanding to undertake the valuations competently.*

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**APPENDIX II    PROPERTY VALUATION REPORT OF THE COMPANY**

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**Summary of Valuations**

**Completed properties held by the Group for owner occupation in Malaysia**

<b>Property</b>	<b>Market value in existing state as at 30 November 2024 (MYR)</b>	<b>Interest attributable to the Group (%)</b>	<b>Market value in existing state as at 30 November 2024 attributable to the Group (MYR)</b>	<b>Market value in existing state as at 30 November 2024 attributable to the Group (HK\$)</b>
1. Plots 18 and 19, Technoplex, Medan Bayan Lepas, Taman Perindustrian Bayan Lepas, Phase IV, 11900 Bayan Lepas, Pulau Pinang, Malaysia	69,000,000	100	69,000,000	120,750,000
2. 749, Persiaran Cassia Selatan 4, Taman Perindustrian Batu Kawan, 14110 Simpang Ampat, Pulau Pinang, Malaysia	40,000,000	100	40,000,000	70,000,000
3. PMT 861, Persiaran Cassia Selatan 6, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang, Malaysia	276,000,000	100	276,000,000	483,000,000
<b>Grand Total</b>	<b><u>385,000,000</u></b>		<b><u>385,000,000</u></b>	<b><u>673,750,000</u></b>

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## APPENDIX II      PROPERTY VALUATION REPORT OF THE COMPANY

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### VALUATION REPORT

#### Completed properties held by the Group for owner occupation in Malaysia

<b>Property</b>	<b>Description and tenure</b>	<b>Particulars of occupancy</b>	<b>Market value in existing state as at 30 November 2024</b>
1. Plots 18 and 19, Technoplex, Medan Bayan Lepas, Taman Perindustrian Bayan Lepas, Phase IV, 11900 Bayan Lepas, Pulau Pinang, Malaysia	<p>The Property comprises a double storey detached factory, a five storey car park and a guardhouse with a total gross floor area of approximately 18,482.86 sq. m. (approximately 198,948 sq. ft.), erected on two parcels of industrial land with a total land area of 16,322 sq. m. (approximately 175,688 sq. ft.).</p> <p>As advised by the Company, the Property was completed in 2006 and renovated in 2015, 2019 and 2020 respectively.</p> <p>The Property is situated within Bayan Lepas Industrial Park, Pulau Pinang, Malaysia, which is sited off the western (right) side of the Lebuhraya Tun Dr. Lim Chong Eu, travelling from Georgetown towards Batu Maung. This industrial park is located about 8 kilometres due north-east of the Penang International Airport and about 20 kilometres due north-west of Georgetown city centre.</p> <p>The two parcels of industrial land are legally identified as PN 5763 &amp; PN 5761, Lots 13904 &amp; 13905 respectively, both in Mukim of 12, District of Barat Daya, State of Pulau Pinang.</p> <p>The land use rights of the Property have been granted for terms due to expire on 1 July 2062 and 21 July 2062 for industrial use at a total annual rent of MYR17,630.</p>	<p>As at the Valuation Date, the Property was occupied by the Group as an industrial plant.</p>	<p>MYR69,000,000 (MALAYSIAN RINGGIT SIXTY-NINE MILLION)</p> <p>(100% interest attributable to the Group: MYR69,000,000)</p> <p>(Equivalent to approximately HK\$120,750,000)</p>

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## APPENDIX II PROPERTY VALUATION REPORT OF THE COMPANY

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Notes:

- 1) According to our land search conducted at the Penang Land and Mines Office in Pulau Pinang on 24 December 2024, the salient details of the titles documents of the Property are extracted below:

<b>(Jenis dan No. Hakmilik)</b>		
<b>Title No.</b>	PN 5763	PN 5761
<b>(Nombor Lot)</b>		
<b>Lot No.</b>	Lot 13904	Lot 13905
<b>(Bandar/Pekan/Mukim/Tempat/ Daerah)</b>		
<b>City/Town/District/Place/Region</b>	Mukim of 12, District of Barat Daya, State of Pulau Pinang.	
<b>(Cukai Tanah)</b>		
<b>Quit Rent</b>	RM8,817.00	RM8,813.00
<b>(Keluasan (Meter Persegi))</b>		
<b>Land Area (sq. m.)</b>	8,162	8,160
<b>(Taraf Pegangan (Selama- lamanya atau Pajakan)/ Tarikh Luput Pajakan)</b>		
<b>Tenure</b>	Pajakan 60 tahun/ 21 Julai 2062 60-year leasehold interest expiring on 21 July 2062	Pajakan 60 tahun/ 1 Julai 2062 60-year leasehold interest expiring on 1 July 2062
<b>(Pemilikan Registered Proprietor(s))</b>		
	Pentamaster Technology (M) Sdn. Bhd. – 1/1 bhgn Pentamaster Technology (M) Sdn. Bhd. – 1/1 share	
<b>(Kategori Kegunaan Tanah Category of Land Use)</b>		
	Perusahaan/Perindustrian Industrial	
<b>(Tarikh Daftar Date of Registration)</b>		
	20 November 2006 20 November 2006	

- 2) Pentamaster Technology (M) Sdn. Bhd. (100% owned by the Company) is the registered owner of the Property.
- 3) According to the building plan approval related to the proposed amendments and additions to the development plan (MBPP/OSC/PB10117118(LB)) approved on 20 March 2018 for the proposed amendments (Reference Number: MBPP/OSC/PB11011/19(LB)) issued by Penang City Council, Building Control Department on 23 July 2019, the building plan for the addition of a 2-storey factory, 1-storey office and 5-storey parking lot has been approved.
- 4) The building has been granted approved building plans bearing Reference No. MBPP/OSC/PB10117/18(LB), MBPP/OSC/PB10117/19(LB) and MBPP/OSC/PB10117/20(LB) on 20 March 2018, 23 July 2019 and 1 July 2020 respectively and has been issued with Certificate of Completion and Compliance bearing LJM/PP/0852 on 18 October 2021.
- 5) In valuing the Property, we have assumed a unit rate of MYR347 per sq. m. for the industrial premises.



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## APPENDIX II      PROPERTY VALUATION REPORT OF THE COMPANY

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### VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2024
2. 749, Persiaran Cassia Selatan 4, Taman Perindustrian Batu Kawan, 14110 Simpang Ampat, Pulau Pinang, Malaysia	<p>The Property comprises a double storey detached factory, a guardhouse, a fire pump room, a refuse room and a TNB substation with a total gross floor area of approximately 9,138.74 sq. m. (approximately 98,368 sq. ft.), erected on a parcel of industrial land with a land area of 13,075 sq. m. (approximately 140,738 sq. ft.).</p> <p>As advised by the Company, the subject building was completed in 2019.</p> <p>The subject property is situated within Batu Kawan Industrial Park, Pulau Pinang, Malaysia, which is sited off the western (right) side of the North-South Expressway, travelling from Nibong Tebal towards Butterworth. This industrial park is located about 32 and 39 kilometres due south-east of the Penang International Airport and Georgetown city centre respectively.</p> <p>The industrial land is legally identified as HS(D) 47991, PT 5917, Mukim of 13, District of Seberang Perai Selatan, State of Pulau Pinang.</p> <p>The land use rights of the Property have been granted for a term due to expire on 6 December 2075 for industrial use at an annual rent of MYR8,499.</p>	<p>As at the Valuation Date, the Property was occupied by the Group as an industrial plant.</p>	<p>MYR40,000,000 (MALAYSIAN RINGGIT FORTY MILLION)</p> <p>(100% interest attributable to the Group: MYR40,000,000)</p> <p>(Equivalent to approximately HK\$70,000,000)</p>

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## APPENDIX II PROPERTY VALUATION REPORT OF THE COMPANY

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Notes:

- 1) According to our land search conducted at the Penang Land and Mines Office in Pulau Pinang on 24 December 2024, the salient details of the titles documents of the Property are extracted below:

***(Jenis dan No. Hakmilik)***

**Title No.** HS(D) 47991

***(Nombor Lot)***

**Lot No.** PT 5917

***(Bandar/Pekan/Mukim/Tempat/  
Daerah)***

**City/Town/District/Place/Region** Mukim of 13, District of Seberang Perai Selatan, State of Pulau Pinang.

***(Cukai Tanah)***

**Quit Rent** RM8,499.00

***(Keluasan (hektar))***

**Land Area (hectares)** 1.3075

***(Taraf Pegangan (Selama-  
lamanya atau Pajakan)/  
Tarikh Luput Pajakan)***

*Pajakan 60 tahun/ 6 Disember 2075)*

**Tenure**

60-year leasehold interest expiring on 6 December 2075

***(Pemilikan)***

**Registered Proprietor(s)**

*Pentamaster Technology (M) Sdn. Bhd. – 1/1 bhgn)*

Pentamaster Technology (M) Sdn. Bhd. – 1/1 share

***(Kategori Kegunaan Tanah)***

**Category of Land Use**

*Perusahaan/Perindustrian)*

Industrial

***(Tarikh Daftar)***

**Date of Registration**

*7 Disember 2015)*

7 December 2015

- 2) Pentamaster Technology (M) Sdn. Bhd. (100% owned by the Company) is the registered owner of the Property;
- 3) According to the approval of building plan (Reference Number: MPSP140130-731149(3C)) issued by the SEBERANG PERAI MUNICIPAL COUNCIL on 11 June 2018, the building plan for the proposal to construct a unit of office and 2-storey factory has been approved.
- 4) According to Certificate of Completion and Compliance (Reference Number: MPSP/40130-731149(43)) dated 7 October 2019, the construction of a unit of office and 2-storey factory has been completed.
- 5) The building has been granted approved building plans bearing Reference No. MBSP/40/30-73/149 on 3 May 2017 and 11 June 2018 respectively and has been issued with Certificate of Completion and Compliance bearing Reference No. LJM/PP/0759 on 30 January 2019.
- 6) In valuing the Property, we have adopted a unit rate of MYR412 per sq.m. for the industrial premises.

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## APPENDIX II      PROPERTY VALUATION REPORT OF THE COMPANY

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### VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2024
3. PMT 861, Persiaran Cassia Selatan 6, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang, Malaysia	<p>The Property comprises mainly a four storey detached factory, a utility building, a guardhouse and a TNB sub-station with a total gross floor area of approximately 59,665.91 sq. m. (approximately 642,238 sq. ft.), erected on a parcel of industrial land with a land area of 4.7768 hectares (approximately 514,170 sq. ft.)</p> <p>The subject building was recently completed and has been issued with a Certificate of Completion dated 21 November 2024.</p> <p>The subject property is situated within Batu Kawan Industrial Park, Pulau Pinang, Malaysia, which is sited off the western (right) side of the North-South Expressway, travelling from Nibong Tebal towards Butterworth. This industrial park is located about 32 and 39 kilometres due south-east of the Penang International Airport and Georgetown city centre respectively.</p> <p>The industrial land is legally identified as HS(D) 51392, PT 6171, Mukim of 13, District of Seberang Perai Selatan, State of Pulau Pinang.</p> <p>The land use rights of the Property have been granted for a term due to expire on 28 April 2083 for industrial use at an annual rent of MYR31,050.</p>	<p>As at the Valuation Date, the Property was occupied by the Group as an industrial plant.</p>	<p>MYR276,000,000 (MALAYSIAN RINGGIT TWO HUNDRED AND SEVENTY-SIX MILLION)</p> <p>(100% interest attributable to the Group: MYR276,000,000)</p> <p>(Equivalent to approximately HK\$483,000,000)</p>

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## APPENDIX II PROPERTY VALUATION REPORT OF THE COMPANY

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Notes:

- 1) According to our land search conducted at the Penang Land and Mines Office in Pulau Pinang on 24 December 2024, the salient details of the titles documents of the Property are extracted below:

***(Jenis dan No. Hakmilik)***

**Title No.** HS(D) 51392

***(Nombor Lot)***

**Lot No.** PT 6171

***(Bandar/Pekan/Mukim/Tempat/  
Daerah)***

**City/Town/District/Place/Region** Mukim of 13, District of Seberang Perai Selatan, State of Pulau Pinang.

***(Cukai Tanah)***

**Quit Rent** RM31,050.00

***(Keluasan (hektar))***

**Land Area (hectares)** 4.7768

***(Taraf Pegangan (Selama-  
lamanya atau Pajakan)/  
Tarikh Luput Pajakan)***

**Tenure** 60-year leasehold interest expiring on 28 April 2083

***(Pemilikan)***

**Registered Proprietor(s)** Pentamaster Equipment Manufacturing Sdn. Bhd. – 1/1 bhgn  
Pentamaster Equipment Manufacturing Sdn. Bhd. – 1/1 share

***(Kategori Kegunaan Tanah)***

**Category of Land Use** Perusahaan/Perindustrian  
Industrial

***(Tarikh Daftar)***

**Date of Registration** 29 April 2023  
29 April 2023

- 2) Pentamaster Equipment Manufacturing Sdn. Bhd (100% owned by the Company) is the registered owner of the property.
- 3) According to the building plan approval (Reference Number: MBSP/40130-73/276(P1)(29)) issued by the Seberang Perai City Council on 19 August 2024, the proposal to construct: A) a unit of 4-storey factory building and a unit of 1-storey utility building, B) a unit of 1-storey guardhouse, C), and a unit of 1-storey electrical substation has been approved.
- 4) According to the Certificate of Completion and Compliance (Serial No: LIM/PP/00196) dated 21 November 2024, the buildings have been completed.
- 5) The building has been granted approved building plans bearing Reference No. MBSP/40/30-73/276 on 20 June 2024 and has been issued with Certificate of Completion and Compliance bearing Reference No. LJM/PP/00196 on 21 January 2024.
- 6) In valuing the Property, we have assumed a unit rate of MYR430 per sq. m. for the industrial premises.

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**APPENDIX III                      REPORT FROM GRANT THORNTON HONG KONG  
LIMITED ON THE UNAUDITED CONSOLIDATED  
FINANCIAL RESULTS OF THE GROUP FOR THE  
NINE MONTHS ENDED SEPTEMBER 30, 2024**

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*Set out below is the text of a letter in respect of the unaudited consolidated financial results of the Group for the nine months ended 30 September 2024 received from Grant Thornton Hong Kong Limited, the reporting accountant of the Company, for inclusion in the Scheme Document.*

The Board of Directors  
Pentamaster International Limited  
Plot 18 & 19, Technoplex, Medan Bayan Lepas  
Taman Perindustrian Bayan Lepas, Phase IV  
11900 Penang  
Malaysia

5 February 2025

Dear Sirs,

**Pentamaster International Limited (the “Company”) and its subsidiaries (collectively the “Group”)**

**Profit estimate for nine months ended 30 September 2024**

We refer to the estimate of the “profit for the period” and “profit for the period, attributable to the owners of the Company” for the nine months ended 30 September 2024 (the “**Profit Estimate**”) set forth in the Company’s announcement dated 7 November 2024.

The Profit Estimate is prepared by the directors of the Company (the “**Directors**”) and constitutes a profit forecast under Rule 10 of the Code on Takeovers and Mergers in Hong Kong issued by The Securities and Futures Commission.

**Directors’ Responsibilities**

The Directors are solely responsible for the Profit Estimate. The Profit Estimate has been prepared based on the unaudited consolidated financial results of the Group for the nine months ended 30 September 2024 (“**Unaudited Consolidated Financial Information**”). The Unaudited Consolidated Financial Information has been prepared based on the management accounts of the Group for the nine months ended 30 September 2024. The Directors are solely responsible for preparing the Unaudited Consolidated Financial Information on a basis consistent in all material aspects with the accounting policies adopted by the Group as set out in the audited annual consolidated financial statements of the Group for the year ended 31 December 2023.

**Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountant’s Responsibilities**

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 “Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness” and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Directors have properly compiled the Profit Estimate in accordance with the bases adopted by the Directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

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**APPENDIX III                      REPORT FROM GRANT THORNTON HONG KONG  
LIMITED ON THE UNAUDITED CONSOLIDATED  
FINANCIAL RESULTS OF THE GROUP FOR THE  
NINE MONTHS ENDED SEPTEMBER 30, 2024**

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**Opinion**

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the Directors as set out in the Company's announcement dated 7 November 2024 and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited annual consolidated financial statements of the Group for the year ended 31 December 2023.

**Grant Thornton Hong Kong Limited**

Certified Public Accountants  
11th Floor, Lee Garden Two  
28 Yun Ping Road  
Causeway Bay  
Hong Kong SAR

Wun Ho Chun  
Practising Certificate No.: P08307

*Set out below is the text of a letter in respect of the unaudited consolidated financial results of the Group for the nine months ended 30 September 2024 received from Quam Capital, the Independent Financial Adviser, for inclusion in the Scheme Document.*



5 February 2025

The Board of Directors  
Pentamaster International Limited  
Plot 18 & 19, Technoplex  
Medan Bayan Lepas  
Taman Perindustrian Bayan Lepas  
Phase IV, 11900 Penang  
Malaysia

Dear Sir/Madam,

**UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF THE GROUP  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024**

We refer to the announcement dated 7 November 2024 (the “**2024 Third Quarter Results Announcement**”) issued by Pentamaster International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) in relation to the unaudited consolidated financial results of the Group for the nine months ended 30 September 2024. Capitalised terms used in this letter shall have the same meaning as those defined in the composite scheme document dated 5 February 2025 (the “**Scheme Document**”) issued by the Company and the Joint Offerors of which this letter forms part, unless the context requires otherwise.

The unaudited consolidated financial results of the Group for the nine months ended 30 September 2024 in the 2024 Third Quarter Results Announcement (the “**Financial Information**”) is regarded as a profit forecast under Rule 10 of the Takeovers Code and is required to be reported on in accordance with Rule 10.3(d) of the Takeovers Code. This letter is issued in compliance with the requirements under Rule 10 of the Takeovers Code.



We have discussed with the management of the Company the basis upon which the Financial Information was prepared. The Company's auditors, Grant Thornton Hong Kong Limited, has conducted the work in respect of the Financial Information in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 "Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness" and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. We have also considered the letter dated 5 February 2025 issued by Grant Thornton Hong Kong Limited to you (the text of which is set out in Appendix III to the Scheme Document) which stated that so far as the accounting policies and calculations are concerned, the Financial Information has been properly compiled in accordance with the bases adopted by the Directors as set out in the 2024 Third Quarter Results Announcement and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited annual consolidated financial statements of the Group for the year ended 31 December 2023.

We have relied on the information provided and representations expressed to us by the management of the Company. We have assumed that all information provided and representations expressed to us are true, accurate and complete in all respects.

Based on the above, we are satisfied that the Financial Information, for which the Directors are solely responsible, has been prepared with due care and consideration.

This letter is provided to the Board solely for the purpose of complying with Rule 10 of the Takeovers Code. We do not accept any responsibility to any person in respect of, arising out of, or in connection with this letter.

Yours faithfully,  
For and on behalf of  
**Quam Capital Limited**  
**Noelle Hung**  
*Managing Director*

**1. RESPONSIBILITY STATEMENT**

This Scheme Document includes particulars given in compliance with the Takeovers Code for the purpose of providing information with regard to the Group, the Joint Offerors, the Proposal and the Scheme.

The sole director of Puga and the directors of AchiCapital GP Limited jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (other than that relating to the Group and PCB) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Scheme Document (other than those expressed by the directors of PCB or the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

The directors of PCB jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (other than that relating to Puga, the Investors and the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Scheme Document (other than those expressed by the sole director of Puga, the directors of AchiCapital GP Limited or the Directors in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

The Directors jointly and severally accept full responsibility for accuracy of the information contained in this Scheme Document (other than that relating to the Joint Offerors and the Investors) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Scheme Document (other than those expressed by the sole director of Puga, the directors of AchiCapital GP Limited or the directors of PCB in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

**2. SHARE CAPITAL**

As at the Latest Practicable Date:

- (a) the authorized share capital of the Company was HK\$50,000,000 divided into 5,000,000,000 Shares of HK\$0.01 each;
- (b) the issued and paid-up share capital of the Company was HK\$2,400,000,000 divided into 2,400,000,000 Shares;

- (c) all of the issued Shares were fully paid and rank *pari passu* in all respects with each other, including the rights in respect of capital, dividend and voting;
- (d) no new Shares have been issued by the Company since December 31, 2024, being the end of the last financial year of the Company, up to and including the Latest Practicable Date; and
- (e) save for the Shares (including the Awarded Shares), the Company did not have any outstanding options, warrants, derivatives or convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue.

### 3. MARKET PRICES

The table below shows the closing market prices of the Shares as quoted on the Stock Exchange (i) on the Latest Practicable Date; (ii) on the Last Undisturbed Day; (iii) on the Last Trading Day; and (iv) at the end of each month during the Relevant Period.

Date	Closing price per Share HK\$
February 3, 2025 (being the Latest Practicable Date)	0.95
November 29, 2024 (being the Last Undisturbed Day)	0.64
December 3, 2024 (being the Last Trading Day)	0.80
<i>At the end of each calendar month during the Relevant Period:</i>	
June 28, 2024	0.69
July 31, 2024	0.64
August 30, 2024	0.67
September 30, 2024	0.70
October 31, 2024	0.68
November 29, 2024 (the Last Undisturbed Day)	0.64
December 31, 2024	0.95
January 28, 2025	0.96

- (a) During the Relevant Period, the highest closing price of the Shares was HK\$0.96 per Share as quoted on the Stock Exchange on January 23 and 28, 2025 and the lowest closing price of the Shares was HK\$0.61 per Share as quoted on the Stock exchange on November 14, 2024.
- (b) PCB has undertaken (to the extent permitted under Takeovers Code, the Listing Rules and applicable laws and regulations) to exercise or procure the exercise of the voting rights in respect of the Shares held by PCB immediately prior to the Scheme becoming

effective to vote in favour of the ordinary resolution at the EGM to approve the Special Dividend. Accordingly, if the Scheme becomes binding and effective in accordance with its terms and conditions, the Scheme Shareholders whose names appear on the register of members of the Company on the Record Date will receive a total of HK\$1.00 in cash per Scheme Share, comprising (i) the Cancellation Price of HK\$0.93 per Scheme Share and (ii) the Special Dividend of HK\$0.07 per Share.

- (c) The Cancellation Price *plus* Special Dividend of HK\$1.00 per Scheme Share represents a premium of approximately 56.3% over the closing price of HK\$0.64 per Share as quoted on the Stock Exchange on November 29, 2024, being the Last Undisturbed Day.

#### 4. DISCLOSURE OF INTERESTS, DEALINGS AND OTHER ARRANGEMENTS

##### 4.1 Directors' interests and short positions in the Shares and shares of any associated corporations of the Company

As at the Latest Practicable Date, the Directors and the chief executive of the Company had or were deemed to have the following interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO, which (a) have been notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors and the chief executive of the Company are taken and deemed to have under such provisions of the SFO; (b) are required to be and are recorded in the register required to be kept under Section 352 of the SFO; (c) are otherwise notified to the Company and the Stock Exchange pursuant to the Model Code; or (d) are required to be disclosed pursuant to the Takeovers Code:

Directors' interests in the Shares:

Name of Director	Capacity/ Nature of interest	Number of Shares	Approximate percentage of the issued share capital <sup>(2)</sup>
Mr. Chuah	Beneficial owner	26,611,200 <sup>(L)</sup>	1.11%
Ms. Gan	Beneficial owner	8,457,544 <sup>(L)(1)</sup>	0.35%
Mr. Leng	Beneficial owner	250,000 <sup>(L)</sup>	0.01%
Dr. Chuah Jin Chong	Beneficial owner	168,000 <sup>(L)</sup>	0.01%

*Notes:*

- (1) Ms. Gan directly held 7,622,544 Shares and was also interested in 835,000 Awarded Shares under the Share Award Scheme, which comprised (i) 695,000 vested Awarded Shares that are held by the Trustee for her; and (ii) 140,000 granted but unvested Awarded Shares (of which 100,000, 20,000 and 20,000 Awarded Shares shall vest on July 1, 2025, August 7, 2025 and August 7, 2026, respectively, subject to the fulfilment of relevant vesting conditions).
- (2) The calculation is based on the number of Shares as a percentage of the total number of issued Shares as at the Latest Practicable Date (being 2,400,000,000 Shares).
- (L) The interest is held in long position.

Directors' interests in the shares of PCB (being a holding company and an associated corporation of the Company):

Name of director	Capacity/ Nature of interest	Number of ordinary shares <sup>(L)</sup>	Approximate percentage of the issued share capital (excluding treasury shares) <sup>(4)</sup>
Mr. Chuah <sup>(1)</sup>	Beneficial owner	140,420,120	19.74%
	Interest of his spouse	138,510	0.02%
Ms. Gan <sup>(2)</sup>	Beneficial owner	50,486	0.01%
Mr. Leng <sup>(3)</sup>	Beneficial owner	55,000	0.01%

*Notes:*

- (1) Mr. Chuah, an executive director and chairman of the Company and the executive chairman of PCB, is considered to be acting in concert with the Joint Offerors.
- (2) Ms. Gan, an executive Director and an executive director of PCB, is considered to be acting in concert with the Joint Offerors.
- (3) Mr. Leng, the non-executive Director and a non-independent non-executive director of PCB, is considered to be acting in concert with the Joint Offerors.
- (4) The calculation is based on the number of shares as a percentage of the total number of issued shares (excluding treasury shares) of PCB as at the Latest Practicable Date (being 711,317,121 shares).
- (L) All the shares are held in long position.

As at the Latest Practicable Date:

- (a) Save as disclosed above, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by Company pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules;
- (b) none of the Company and the Directors had borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company; and
- (c) the Directors intend, in respect of their own beneficial shareholdings with respect to the Shares, to vote in favour of the Proposal and the Scheme at the Court Meeting and the EGM, save that each of Mr. Chuah, Ms. Gan and Mr. Leng is a Joint Offerors Concert Party and whose vote will not be countered as a vote of a Disinterested Shareholder in determining whether the requirements under Condition (b) under the section headed “3. Conditions of the Proposal and the Scheme” in Part VII – Explanatory Memorandum of this Scheme Document (as required under Rule 2.10 of the Takeovers Code) are satisfied.

#### 4.2 Interests and short positions of the Joint Offerors and the Joint Offerors Concert Parties in the Shares

As at the Latest Practicable Date, the Joint Offerors and the Joint Offerors Concert Parties (other than the interest disclosed above in respect of the Directors or the chief executive of the Company) who had interest or short positions in the Shares were as follows:

Name of Shareholder	Capacity/ Nature of interest	Number of Shares held <sup>(3)</sup>	Approximate percentage of the issued share capital <sup>(4)</sup>
PCB	Beneficial owner	1,533,549,989	63.90%
Dato' Loh Nam Hooi <sup>(1)</sup>	Beneficial owner	1,012,000	0.04%
Trustee <sup>(2)</sup>	Beneficial Owner	63,191,341	2.63%

*Notes:*

- (1) Dato' Loh Nam Hooi, a non-independent non-executive director of PCB, is considered to be acting in concert with the Joint Offerors.
- (2) Although the Trustee is not controlled by the Company and/or any of the Joint Offerors Concert Parties, as its principal purpose is to hold the Trustee Held Shares for the sole purpose of satisfying the awards under the Share Award Scheme, which is in turn administered by the Board, it is considered to be acting in concert with the Joint Offerors. As at the Latest Practicable Date, the Trustee held 63,191,341 Trustee Held Shares pursuant to the Share Award Scheme, in respect of which 34,940,317 Shares were Trustee Held Awarded Shares held for Share Award Holders (other than Share Award Holders who are Joint Offerors Concert Parties) whose awards have vested. The remaining 28,251,024 Shares were held on trust by the Trustee for (i) Share Award Holders who are Joint Offerors Concert Parties whose awards have vested (namely, the 695,000 Awarded Shares held for Ms. Gan); (ii) Share Award Holders whose awards have not yet vested as at the Latest Practicable Date (including, for the avoidance of doubt, the 140,000 Awarded Shares held for Ms. Gan); and (iii) as Trustee Held Pool Shares. The Trustee has undertaken to the Company that it will only exercise voting rights in respect of the Trustee Held Awarded Shares held for Share Award Holders (other than Share Award Holders who are Joint Offerors Concert Parties according to the express instructions of the relevant Share Award Holders and that it will not have any discretionary voting powers in respect of such Shares. Accordingly, such 34,940,317 Trustee Held Awarded Shares are included as Shares held by Disinterested Shareholders. In respect of the remaining 28,251,024 Shares, notwithstanding the Trustee is the legal registered holder of such Shares, as the Trustee is considered to be acting in concert with the Joint Offerors, such Shares are not considered to be Shares held by Disinterested Shareholders and will not be voted on in respect of the resolution to approve the Scheme at the Court Meeting and at the EGM. This is on the assumption that none of the vested Trustee Held Awarded Shares are transferred to the relevant Share Award Holder in accordance with the rules of the Share Award scheme on or prior to the Meeting Record Date.
- (3) All the above shares were held in long position (as defined under Part XV of the SFO).
- (4) The calculation is based on the number of Shares as a percentage of the total number of issued Shares as at the Latest Practicable Date (being 2,400,000,000 Shares).

Save as disclosed above, as at the Latest Practicable Date, none of the Joint Offerors and the Joint Offerors Concert Parties owned, controlled or directed any Shares.

#### **4.3 Interests and short positions of other substantial Shareholders in the Shares**

Save as disclosed above, as at the Latest Practicable Date, no other person or corporation had an interest or short position in shares and underlying Shares or its associated corporation(s) which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## 4.4 Shareholdings and Dealings in the Shares

The tables below show the dealings for value in the Shares during the Relevant Period. Save as disclosed below, none of Directors, the Joint Offerors or the Joint Offerors Concert Parties had dealt for value in any Shares, convertible securities, warrants, options and derivatives in respect of the Shares during the Relevant Period:

Name	Date of transactions (DD/MM/YYYY)	Nature of transaction	On/off the Stock Exchange	No. of Shares involved	Transaction price per Share (HK\$)
Ms. Gan <sup>(Note 1)</sup>	01/07/2024	Vesting of Awarded Shares <sup>(Note 2)</sup>	Off	183,334	–
	07/08/2024	Grant of Awarded Shares <sup>(Note 3)</sup>	–	60,000	–
	07/08/2024	Vesting of Awarded Shares <sup>(Note 2)</sup>	Off	20,000	–
	07/08/2024	Sale	On	6,000	0.65
Trustee <sup>(Note 4)</sup>	21/06/2024	Sale	On	22,000	0.71
		Sale	On	90,000	0.70
	24/06/2024	Sale	On	38,000	0.70
	09/07/2024	Sale	On	172,000	0.66
	10/07/2024	Sale	On	60,000	0.67
		Sale	On	50,000	0.66
	11/07/2024	Sale	On	68,000	0.66
	12/07/2024	Sale	On	20,000	0.66
	19/07/2024	Sale	On	172,000	0.63
		Sale	On	348,000	0.62
	23/07/2024	Sale	On	288,466	0.64
	02/08/2024	Sale	On	224,000	0.65
		Sale	On	50,000	0.64
		Sale	On	664	0.59
	06/08/2024	Sale	On	100,000	0.64
		Sale	On	750	0.60
07/08/2024	Sale	On	8,000	0.66	
	Sale	On	160,000	0.65	



Name	Date of transactions (DD/MM/YYYY)	Nature of transaction	On/off the Stock Exchange	No. of Shares involved	Transaction price per Share (HK\$)
	08/08/2024	Purchase	On	28,000	0.65
	09/08/2024	Purchase	On	172,000	0.65
		Sale	On	172,000	0.65
	12/08/2024	Purchase	On	398,000	0.65
	15/08/2024	Purchase	On	500,000	0.65
		Sale	On	18,000	0.67
	16/08/2024	Purchase	On	3,200,000	0.65
	19/08/2024	Sale	On	42,000	0.67
	22/08/2024	Sale	On	282,000	0.66
		Sale	On	1,336	0.63
	12/09/2024	Sale	On	162,000	0.65
		Sale	On	500	0.61
	26/09/2024	Purchase	On	126,000	0.69
		Sale	On	126,000	0.69
	03/10/2024	Purchase	On	32,000	0.69
		Sale	On	32,000	0.69
		Purchase	On	251,000	0.68
		Sale	On	251,000	0.68
	04/10/2024	Purchase	On	100,000	0.67
		Purchase	On	208,000	0.66
		Purchase	On	200,000	0.64
		Purchase	On	100,000	0.63
	07/10/2024	Purchase	On	202,000	0.68
	08/10/2024	Purchase	On	268,000	0.67
	09/10/2024	Purchase	On	10,000	0.68
		Purchase	On	42,000	0.67
	10/10/2024	Purchase	On	318,000	0.68
		Purchase	On	161,000	0.68
		Sale	On	161,000	0.68
	14/10/2024	Purchase	On	258,000	0.68
	15/10/2024	Purchase	On	196,000	0.68
		Purchase	On	120,000	0.67
		Sale	On	196,000	0.68
		Sale	On	120,000	0.67
	17/10/2024	Purchase	On	202,000	0.68
	18/10/2024	Purchase	On	188,000	0.68
	21/10/2024	Purchase	On	20,000	0.69
		Purchase	On	156,000	0.68

Name	Date of transactions (DD/MM/YYYY)	Nature of transaction	On/off the Stock Exchange	No. of Shares involved	Transaction price per Share (HK\$)
	22/10/2024	Purchase	On	36,000	0.69
		Purchase	On	14,000	0.68
	23/10/2024	Purchase	On	126,000	0.68
	24/10/2024	Purchase	On	550,000	0.68
	25/10/2024	Purchase	On	1,000,000	0.67
	28/10/2024	Purchase	On	184,000	0.67
	29/10/2024	Purchase	On	1,014,000	0.68
		Purchase	On	94,629	0.67
		Sale	On	1,014,000	0.68
		Sale	On	94,629	0.67
	30/10/2024	Purchase	On	562,000	0.68
	31/10/2024	Purchase	On	120,000	0.68
	1/11/2024	Purchase	On	91,066	0.67
		Sale	On	91,066	0.67
		Purchase	On	62,000	0.68
	4/11/2024	Purchase	On	220,000	0.68
	5/11/2024	Purchase	On	1,400,000	0.68
	6/11/2024	Purchase	On	1,226,000	0.66
		Purchase	On	274,000	0.65
	7/11/2024	Purchase	On	214,000	0.67
		Purchase	On	186,000	0.65
		Purchase	On	1,100,000	0.66
	8/11/2024	Purchase	On	1,500,000	0.66
	11/11/2024	Purchase	On	10,000	0.65
	12/11/2024	Purchase	On	412,000	0.65
		Purchase	On	374,000	0.63
		Purchase	On	3,764,000	0.64
		Purchase	On	60,000	0.63
		Sale	On	60,000	0.63
	30/12/2024	Sale	On	746,000	0.94 <i>(Note 5)</i>
		Sale	On	399	0.90 <i>(Note 5)</i>
		Sale	On	130,000	0.93 <i>(Note 5)</i>

## Notes:

- Ms. Gan, an executive Director and an executive director of PCB, is considered to be acting in concert with the Joint Offerors.
- The Shares were vested with Ms. Gan pursuant to the rules of the Share Award Scheme.

3. On August 7, 2024, the Company granted awards involving 6,035,000 Awarded Shares to selected employees (including Ms. Gan) in accordance with the terms of the Share Award Scheme.
4. Although the Trustee is not controlled by the Company and/or any of the Joint Offerors Concert Parties, as its principal purpose is to hold the Trustee Held Shares for the sole purpose of satisfying the awards under the Share Award Scheme, which is in turn administered by the Board, it is considered to be acting in concert with the Joint Offerors.
5. As disclosed in the public disclosure form dated January 6, 2025 filed by the Trustee under Rule 22 of the Takeovers Code in respect of the disposals of these Shares, such disposals were conducted in accordance with the instructions of Share Award Holders in respect of the Awarded Shares that have vested but not yet transferred to them and were non-discretionary by the Trustee. Such Share Award Holders were not Joint Offerors Concert Parties.

Since the period commencing on the date of the Announcement and ending on the Latest Practicable Date and as at the Latest Practicable Date:

- (a) none of (i) the subsidiaries of the Company; (ii) the pension fund(s) of the Company or any of its subsidiaries; (iii) the person(s) who is/are presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code; and (iv) the person(s) who is/are an associate of the offeree company by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding exempt principal traders and exempt fund managers) owned or controlled or had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;
- (b) no person had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code; and
- (c) no fund managers (other than exempt fund managers) connected with the Company who managed any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares on a discretionary basis owned or controlled or had dealt for value in Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

**4.5 Disclosure of interests and dealings in the shares of the Joint Offerors**

- (a) As at the Latest Practicable Date, save as disclosed in the paragraph headed “4.1. Directors’ interests and short positions in the Shares and shares of any associated corporations of the Company” above, none of the Company or any of the Directors had any interest in the shares, warrants, options, derivatives and securities carrying conversion or subscription rights into the shares of the Joint Offerors; and
- (b) During the Relevant Period, none of the Company or any of the Directors had any dealings in the shares of the Joint Offerors or any convertible securities, warrants, options or derivatives in respect of any shares of the Joint Offerors.

**4.6 Other arrangements in relation to the Proposal**

As at the Latest Practicable Date:

- (a) there was no agreement, arrangement or understanding between the Joint Offerors and any other person in relation to the transfer, charge or pledge of the Shares to be acquired pursuant to the Proposal;
- (b) there was no agreement, arrangement or understanding (including any compensation arrangement) between the Joint Offerors or the Joint Offerors Concert Parties on the one hand, and any of the Directors, recent Directors, Shareholders or recent Shareholders on the other hand, having any connection with or dependence upon the Proposal;
- (c) save for the Implementation Agreement, there were no agreements or arrangements to which any Joint Offeror was a party which relate to the circumstances in which it may or may not invoke or seek to invoke a Condition to the Proposal;
- (d) save for the Proposal, the Scheme and the Implementation Agreement, there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between any person and the Joint Offerors or the Joint Offerors Concert Parties which might be material to the Proposal;
- (e) save for the Joint Offerors Agreement, no irrevocable commitment to vote for or against the Proposal had been received by the Joint Offerors or the Joint Offerors Concert Parties;

- (f) other than the Cancellation Price for each Scheme Share payable under the Scheme, the Joint Offerors or the Joint Offerors Concert Parties had not paid and will not pay any other consideration, compensation or benefit in whatever form to the Scheme Shareholders or persons acting in concert with them in connection with the Scheme Shares; and
- (g) there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder on the one hand, and (ii) either (x) the Joint Offerors and any Joint Offerors Concert Party or (y) the Company, its subsidiaries or associated companies on the other hand.

#### **4.7 Arrangements affecting the Directors**

As at the Latest Practicable Date:

- (a) no benefit would be given to any Director as compensation for his loss of office or otherwise in connection with the Proposal;
- (b) there was no agreement, arrangement or understanding between any Director and any other person which is conditional on or dependent upon the outcome of the Proposal or otherwise connected with the Proposal;
- (c) there was no material contract entered into by the Joint Offerors in which any Director had a material personal interest.

#### **5. MATERIAL LITIGATION**

As at the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

#### **6. MATERIAL CONTRACTS**

Save for the Implementation Agreement, there were no material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) had been entered into by the Company or any of its subsidiaries within the two years before the date of the Announcement up to and including the Latest Practicable Date.

**7. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any service contract with the Company or any of its subsidiaries or associated companies in force which (a) (including both continuous and fixed term contracts) have been entered into or amended within 6 months preceding the date of the Announcement; (b) was a continuous contract with a notice period of 12 months or more; or (c) was a fixed term contract with more than 12 months to run irrespective of the notice period.

**8. EXPERTS AND CONSENTS**

The following is the respective name and qualification of the experts who have given opinion or advice contained in this Scheme Document:

<b>Name</b>	<b>Qualification</b>
Altus Capital Limited	A corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
Quam Capital Limited	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Grant Thornton Hong Kong Limited	Certified Public Accountants
Cushman & Wakefield Limited	Independent qualified valuer

Each of the above experts has given and has not withdrawn its written consent to the issue of this Scheme Document, with the inclusion therein of its letter(s), report(s), advice(s) and/or opinion (as the case may be) as set out in this Scheme Document and references to its name in the form and context in which they respectively appear.

**9. MISCELLANEOUS INFORMATION**

- (a) As at the Latest Practicable Date, the Joint Offerors comprised (i) Puga, which was directly owned by the Investors and ultimately controlled by AchiCapital GP Limited, which was in turn ultimately owned by Mr. Chen Chu-Wan, and (ii) PCB, whose single largest shareholder was Mr. Chuah.

- (b) The sole director of Puga is Mr. Wang Li-Wei. The principal member of Puga's concert group is AchiCapital GP Limited. The directors of AchiCapital GP Limited are Mr. Chen Chu-Wan and Mr. Wang Li-Wei.
- (c) The directors of PCB are Mr. Chuah (executive chairman), Ms. Gan, Mr. Leng, Dato' Loh Nam Hooi, Mr. Lee Kean Cheong and Pn. Roslinda Binti Ahmad. The principal member of PCB's concert group is Mr. Chuah.
- (d) The registered office of Puga is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.
- (e) The correspondence address of Puga and AchiCapital GP Limited is at 2/F, No.156, Sec. 4, Xinyi Rd., Daan Dist., Taipei, City 106049, Taiwan.
- (f) The registered office of PCB is at 35, 1st Floor, Jalan Kelisa Emas 1, Taman Kelisa Emas, 13700 Seberang Jaya, Penang, Malaysia.
- (g) The correspondence address of PCB and Mr. Chuah is at Plot 18 & 19, Technoplex, Medan Bayan Lepas, Taman Perindustrian Bayan Lepas, Phase IV, 11900 Penang, Malaysia.
- (h) The registered office of the Company is at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
- (i) The principal place of business of the Company in Hong Kong is at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.
- (j) The company secretary of the Company is Ms. Tsui Sum Yi.
- (k) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (l) The principal place of business of Altus, the financial adviser to the Joint Offerors, is at 21 Wing Wo Street, Central, Hong Kong.
- (m) The principal place of business of the Independent Financial Adviser is at 5/F and 24/F (Rooms 2401 and 2412), Wing On Centre, 111 Connaught Road Central, Hong Kong.

**10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection (a) on the website of the Company ([www.pentamaster.com.my](http://www.pentamaster.com.my)), and (b) on the website of the SFC ([www.sfc.hk](http://www.sfc.hk)) during the period from the date of this Scheme Document until the Effective Date or the date on which the Scheme lapses or is withdrawn, whichever is the earlier:

- (a) the memorandum and articles of association of the Company;
- (b) the memorandum and articles of association of Puga;
- (c) the memorandum and articles of association of PCB;
- (d) the annual reports of the Company for the years ended December 31, 2021, 2022 and 2023;
- (e) the annual reports containing the audited consolidated financial statements of PCB for the years ended December 31, 2022 and December 31, 2023
- (f) the letter from the Board, the text of which is set out in Part IV of this Scheme Document;
- (g) the letter from the Independent Board Committee, the text of which is set out in Part V of this Scheme Document;
- (h) the letter from the Independent Financial Adviser, the text of which is set out in Part VI of this Scheme Document;
- (i) the property valuation report prepared by Cushman & Wakefield Limited, the text of which is set out in Appendix II to this Scheme Document;
- (j) the report from Grant Thornton Hong Kong Limited on the unaudited consolidated financial results of the Group for the nine months ended September 30, 2024, the text of which is set out in Appendix III to this Scheme Document;
- (k) the report from Quam Capital on the unaudited consolidated financial results of the Group for the nine months ended September 30, 2024, the text of which is set out in Appendix IV to this Scheme Document;
- (l) the written consents of the experts as referred to in the paragraph headed “8. Experts and Consents” in this Appendix;
- (m) the Consortium Agreement;



- (n) the Joint Offerors Agreement;
- (o) the Implementation Agreement; and
- (p) this Scheme Document.

IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

Cause No. FSD 002 of 2025 (DDJ)

IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2025 REVISION)

AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 2023 (AS REVISED)

AND IN THE MATTER OF PENTAMASTER INTERNATIONAL LIMITED 檳傑科達國際有限公司

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**SCHEME OF ARRANGEMENT**

**BETWEEN**

**PENTAMASTER INTERNATIONAL LIMITED 檳傑科達國際有限公司**

**AND**

**THE SCHEME SHAREHOLDERS  
(AS HEREINAFTER DEFINED)**

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(A) In this scheme of arrangement, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively set opposite them:

<b>“acting in concert”</b>	has the meaning ascribed to it in the Takeovers Code and “concert party” shall be construed accordingly
<b>“Altus”</b>	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and the financial adviser to the Joint Offerors in respect of the Proposal
<b>“Awarded Shares”</b>	the Shares (vested or unvested) awarded by the Company pursuant to the Share Award Scheme

<b>“Beacon Path”</b>	Beacon Path Limited, a company incorporated under the laws of the British Virgin Islands which is ultimately owned by Mr. Chen Chu-Wan
<b>“Board”</b>	the board of Directors
<b>“Business Day”</b>	a day on which the Stock Exchange is open for the transaction of business
<b>“Cancellation Price”</b>	the cancellation price of HK\$0.93 in cash for each Scheme Share to be paid by the Joint Offerors in proportion to the percentage of the Scheme Shares to be acquired by each of the Joint Offerors under the Scheme to the Scheme Shareholders
<b>“Companies Act”</b>	the Companies Act (2025 Revision) of the Cayman Islands
<b>“Company”</b>	Pentamaster International Limited 檳傑科達國際有限公司, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1665)
<b>“Conditions”</b>	the conditions to the implementation of the Proposal and the Scheme as set out in the paragraph headed “3. Conditions of the Proposal and the Scheme” in “Part VII – Explanatory Memorandum” of the Scheme Document
<b>“Court Meeting”</b>	a meeting of the Scheme Shareholders to be held at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
<b>“Director(s)”</b>	the director(s) of the Company
<b>“Disinterested Share(s)”</b>	Share(s) in issue at the Scheme Record Date, other than those beneficially owned by the Joint Offerors and the Joint Offerors Concert Parties. For the avoidance of doubt, Disinterested Shares include Trustee Held Awarded Shares in issue at the Scheme Record Date which are held for Share Award Holders (other than Share Award Holders who are Joint Offerors Concert Parties)
<b>“Disinterested Shareholder(s)”</b>	the registered holder(s) of the Disinterested Shares

<b>“Effective Date”</b>	the date on which the Scheme, if approved and sanctioned by the Grand Court, becomes effective in accordance with its terms and the Companies Act, which is expected to be March 17, 2025 (Cayman Islands time)
<b>“EGM”</b>	the extraordinary general meeting of the Company to be convened for the purposes of considering, and if thought fit, approving, among other things, all necessary resolutions for the implementation of the Proposal (including the Scheme and the Special Dividend), or any adjournment thereof
<b>“Executive”</b>	the Executive Director of the Corporate Finance Division of the SFC or any delegate thereof
<b>“Grand Court”</b>	the Grand Court of the Cayman Islands
<b>“HK\$”</b>	Hong Kong dollar(s), the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Independent Board Committee”</b>	the independent board committee of the Board established pursuant to the Takeovers Code to give recommendations to the Disinterested Shareholders in respect of the Proposal and the Scheme
<b>“Independent Financial Adviser”</b>	Quam Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee in relation to the Proposal and the Scheme
<b>“Investors”</b>	Beacon Path, Supari, Digimoc Holdings Limited, Fortune Venture Capital Corporation, Mr. Chen Hsin-Yu, and Mr. Chen Hsin-Tso
<b>“Joint Offerors”</b>	Puga and PCB, and “Joint Offeror” means any of them

<b>“Joint Offerors Concert Parties”</b>	parties acting in concert or presumed to be acting in concert with any of the Joint Offerors under the definition of “acting in concert” under the Takeovers Code, including Mr. Chuah, Ms. Gan, Mr. Leng, Dato’ Loh Nam Hooi, the Investors and the Trustee
<b>“Latest Practicable Date”</b>	February 3, 2025, being the latest practicable date for ascertaining certain information contained in the Scheme Document
<b>“Mr. Chuah”</b>	Mr. Chuah Choon Bin, an executive Director and chairman of the Company and the executive chairman of PCB
<b>“Ms. Gan”</b>	Ms. Gan Pei Joo, an executive Director and an executive director of PCB
<b>“Mr. Leng”</b>	Mr. Leng Kean Yong, a non-executive Director and a non-independent non-executive director of PCB
<b>“PCB”</b>	Pentamaster Corporation Berhad, a public limited liability company incorporated in Malaysia, the ordinary shares of which are currently listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 7160)
<b>“Proposal”</b>	the proposal for the privatisation of the Company by the Joint Offerors by way of the Scheme, the Special Dividend, and the withdrawal of the listing of the Shares on the Stock Exchange, on the terms and subject to the Conditions set out in the Scheme Document
<b>“Puga”</b>	Puga Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and which is held as to 17.38% by Beacon Path, 67.02% by Supari, 6.00% by Digimoc Holdings Limited, 3.60% by Fortune Venture Capital Corporation, 3.00% by Mr. Chen Hsin-Yu, and 3.00% by Mr. Chen Hsin-Tso, respectively
<b>“Register”</b>	the principal or branch register of members of the Company (as the case may be) in respect of the Shares

“Scheme”	a scheme of arrangement under Section 86 of the Companies Act involving the cancellation of all the Scheme Shares and the simultaneous maintenance of the issued share capital of the Company at the amount prior to the cancellation of the Scheme Shares
“Scheme Document”	the composite scheme document jointly despatched by the Joint Offerors and all Company to the Shareholders containing, <i>inter alia</i> , further details of the Proposal together with notice of the Court Meeting and the EGM together with the forms of proxy in relation thereto
“Scheme Record Date”	March 14, 2025 (Hong Kong time), or such other appropriate record date as shall have been announced by the Company, being the record date for the purposes of determining entitlements of the Scheme Shareholders to receive the Cancellation Price and for determining the entitlements of the Shareholders to receive the Special Dividend under the Proposal
“Scheme Share(s)”	the Share(s) held by the Shareholders, other than those held by PCB
“Scheme Shareholders”	the registered holder(s) of Scheme Shares as at the Scheme Record Date
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Award Holders”	the holders of unvested (or vested but not yet transferred) Awarded Shares
“Share Award Scheme”	the share award scheme adopted by the Company on 1 April 2020
“Shareholders”	registered holders of the Shares
“Share Registrar”	Tricor Investor Services Limited
“Shares”	ordinary shares of par value HK\$0.01 each in the issued share capital of the Company

- |                                      |   |
|--------------------------------------|---|
| <b>“Special Dividend”</b>            | the special dividend of HK\$0.07 in cash for each Share to be paid by the Company to the Shareholders whose names appear on the register of members of the Company on the Scheme Record Date subject to (i) the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve the Special Dividend; and (ii) the Scheme having become binding and effective in accordance with its terms and conditions |
| <b>“Stock Exchange”</b>              | The Stock Exchange of Hong Kong Limited   |
| <b>“Supari”</b>                      | Supari Holdings Limited, a company incorporated under the laws of the British Virgin Islands which is ultimately owned by Mr. Chen Chu-Wan  |
| <b>“Takeovers Code”</b>              | the Hong Kong Code on Takeovers and Mergers   |
| <b>“Trustee”</b>                     | PIL – PERKERJA SS LIMITED, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned structured entity of the Company, which was appointed by the Company as trustee to assist with the administration of the Share Award Scheme (including purchasing, administering, and holding the Shares for the Share Award Scheme)   |
| <b>“Trustee Held Awarded Shares”</b> | Shares representing the Awarded Shares which are held by the Trustee for the relevant Share Award Holders under the Share Award Scheme until the vesting or transfer of such Awarded Shares pursuant to the rules of the Share Award Scheme   |
- (B) The Company was incorporated under the name “Pentamaster International Limited 騰達國際有限公司” on 12 June 2017 under the Companies Act as an exempted company with registration number MC-323853. The Company changed its name to “Pentamaster International Limited 檳傑科達國際有限公司” on 4 August 2017.
- (C) The Company has an authorised share capital of HK\$50,000,000 divided into 5,000,000,000 Shares of par value of HK\$0.01 each, of which 2,400,000,000 Shares are in issue.
- (D) The Joint Offerors have proposed the privatisation of the Company by way of the Scheme.

(E) The primary purpose of the Scheme is to delist the Company by cancelling and extinguishing all of the Scheme Shares in consideration for the Cancellation Price so that after the completion of the Scheme, the Joint Offerors, will own the entire issued share capital of the Company. Simultaneously with the cancellation and extinguishment of the Scheme Shares, the issued share capital of the Company will be maintained at the amount prior to the cancellation and extinguishment of the Scheme Shares by the issuance at par to the Joint Offerors, credited as fully paid, such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished.

(F) The table below set out the shareholding structure of the Company as at the Latest Practicable Date and immediately upon completion of the Scheme assuming there is no change in shareholding of the Company before completion of the Proposal:

	As at the Latest Practicable Date		Immediately upon completion of the Proposal	
	<i>Number of Shares</i>	<i>Approximate % of total issued Shares</i>	<i>Number of Shares</i>	<i>Approximate % of total issued Shares</i>
<b>Shareholders</b>				
<b>Joint Offerors</b>				
Puga	–	–	696,050,011	29.00%
PCB	1,533,549,989	63.90%	1,703,949,989	71.00%
<b>Joint Offerors Concert Parties</b>				
Mr. Chuah	26,611,200	1.11%	–	–
Ms. Gan	7,622,544	0.32%	–	–
Mr. Leng	250,000	0.01%	–	–
Dato' Loh Nam Hooi	1,012,000	0.04%	–	–
Trustee	28,251,024	1.18%	–	–
<b>Aggregate number of Shares of the Joint Offerors and the Joint Offerors Concert Parties</b>	<b>1,597,296,757</b>	<b>66.55%</b>	<b>2,400,000,000</b>	<b>100.00%</b>
<b>Disinterested Shareholders</b>				
Trustee	34,940,317	1.46%	–	–
Dr. Chuah Jin Chong	168,000	0.01%	–	–
Other Disinterested Shareholders	767,594,926	31.98%	–	–
<b>Aggregate number of Shares held by Disinterested Shareholders</b>	<b>802,703,243</b>	<b>33.45%</b>	<b>–</b>	<b>–</b>
<b>Total number of Shares in issue</b>	<b>2,400,000,000</b>	<b>100.00%</b>	<b>2,400,000,000</b>	<b>100.00%</b>
<b>Total number of Scheme Shares</b>	<b>866,450,011</b>	<b>36.10%</b>	<b>–</b>	<b>–</b>



- (G) The Shares held by PCB will not form part of the Scheme Shares and therefore, PCB will not be able to vote on the Scheme at the Court Meeting. Only Scheme Shareholders will attend and vote at the Court Meeting.
- (H) Each of the Joint Offerors has undertaken to the Grand Court to be bound by the terms of the Scheme and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable for the purpose of giving effect to the Scheme.

## **THE SCHEME**

### **PART I**

#### **Cancellation and extinguishment of the Scheme Shares and issue of new Shares credited as fully paid at par to the Joint Offerors**

1. On the Effective Date:
  - (a) the Scheme Shares shall be cancelled and extinguished and the Scheme Shareholders shall cease to have any right with respect to the Scheme Shares except the right to receive the Cancellation Price;
  - (b) simultaneously with the cancellation of the Scheme Shares, the issued share capital of the Company shall be maintained at the amount prior to the cancellation and extinguishment of the Scheme Shares by the issuance at par to the Joint Offerors, credited as fully paid, such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished, namely to Puga as to 696,050,011 Shares (representing approximately 29.00% of the issued Shares) and to PCB as to 170,400,000 Shares (representing approximately 7.10% of the issued Shares); and
  - (c) the Company shall apply the credit arising in its books of account as a result of the cancellation and extinguishment of the Scheme Shares by paying up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished, which shall be allotted and issued and credited as fully paid at par to the Joint Offerors as mentioned in paragraph (b) above.

### **PART II**

#### **Consideration for the cancellation and extinguishment of the Scheme Shares**

2. In consideration of the cancellation and extinguishment of the Scheme Shares, the Scheme Shareholders will receive the Cancellation Price.

**PART III****General**

3. (a) As soon as possible but in any event no later than 7 Business Days after the Effective Date, the Joint Offerors shall send or cause to be sent to the Scheme Shareholders cheques representing the Cancellation Price.
- (b) In the absence of any specific instructions to the contrary received in writing by the Share Registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, cheques for the payment of the Cancellation Price and the Special Dividend will be sent by posting the same addressed to the Scheme Shareholders at their respective registered addresses as appearing in the Register or, in the case of joint holders, to the registered address of that joint holder whose name then stands first in the register of members of the Company in respect of the joint holding, on the Scheme Record Date.
- (c) Cheques will be sent at the risk of the person(s) entitled thereto and none of the Joint Offerors, the Company, Altus, the Independent Financial Adviser, the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal will be responsible for any loss or delay in despatch/transmission.
- (d) Cheques shall be in favour of the person to whom, in accordance with the provisions of paragraph (b) of this Clause 3, the envelope containing the same is addressed and the encashment of any such cheques shall be a good discharge to the Joint Offerors for the monies represented thereby.
- (e) On or after the day being six calendar months after the posting of such cheques pursuant to paragraph (b) of this Clause 3, the Joint Offerors and the Company shall have the respective right to cancel or countermand payment of any such cheque relating to the Cancellation Price and/or the Special Dividend (as the case may be) which has not been cashed or has been returned and shall place all monies represented thereby in the respective deposit account of the Joint Offerors and/or the Company (as the case may be) maintained in their respective own name with a licensed bank in Hong Kong. The Joint Offerors and the Company shall hold such monies on trust for those entitled under the terms of the Proposal until the expiry of six (6) years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to the Proposal to persons who satisfy the Joint Offerors and the Company that they are respectively entitled thereto and the cheques of which they are payees have not been cashed. Any payments made by the Joint Offerors and the Company shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to the Proposal. The Joint Offerors and the Company shall exercise their absolute discretion in determining whether or not they are satisfied that any person is so entitled, and a certificate of the Joint Offerors and the Company to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

- (f) On the expiry of six (6) years from the Effective Date, the Joint Offerors and the Company shall be released from any further obligation to make any payments under the Proposal and the Joint Offerors and the Company shall, subject to any prohibition or condition imposed by law, be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit accounts in their respective name, including accrued interest subject to any deduction required by law and expenses incurred.
  - (g) Paragraph (f) of this Clause 3 shall take effect subject to any prohibition or condition imposed by law.
  - (h) Upon cancellation and extinguishment of the Scheme Shares, the Register shall be updated to reflect such cancellation and extinguishment.
4. As from the Effective Date, any instruments of transfer relating to and all certificates representing, the Scheme Shares shall cease to have effect as documents of title (and/or for any purpose as an instrument of transfer) and every Scheme Shareholder and every holder of such certificate shall be bound on the request of the Joint Offerors to deliver up the same to the Joint Offerors for cancellation thereof.
  5. All mandates, representations, warranties, undertakings or relevant instructions to or by the Company in force on the Scheme Record Date relating to any of the Scheme Shares shall cease to be valid as effective mandates, representations, warranties, undertakings or instructions on the Effective Date.
  6. The Scheme shall become effective as soon as a copy of the order of the Grand Court sanctioning the Scheme under Section 86 of the Companies Act has been delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to section 86(3) of the Companies Act.
  7. Unless the Scheme shall have become effective on or before June 19, 2025 or such later date as the Joint Offerors may determine, subject to the permission of the Executive and/or as the Grand Court may direct, the Proposal and the Scheme will lapse.
  8. The Company and the Joint Offerors may, subject to the approval of the Grand Court and as the Executive may consent, jointly consent to any modification of or addition to the Scheme or to any condition contained therein.
  9. All costs, charges and expenses shall be borne and paid in the manner described in the Scheme Document.

Date February 5, 2025

**IN THE GRAND COURT OF THE CAYMAN ISLANDS**

**FINANCIAL SERVICES DIVISION**

Cause No. FSD 002 of 2025

**IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT  
(2025 REVISION)**

**AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 2023  
(AS REVISED)**

**AND IN THE MATTER OF PENTAMASTER INTERNATIONAL LIMITED**

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**NOTICE OF COURT MEETING**

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**NOTICE IS HEREBY GIVEN** that, by an order dated January 31, 2025 (the “**Order**”) made in the above matter, the Grand Court of the Cayman Islands (the “**Grand Court**”) has directed a meeting of the Scheme Shareholders (as defined in the Scheme, as further defined below) (the “**Court Meeting**”) to be convened for the purpose of considering and, if thought fit, approving, with or without modification, a scheme of arrangement (the “**Scheme**”) proposed to be made between the Company and the Scheme Shareholders and that the Court Meeting will be held at 2:00 p.m. on Friday, February 28, 2025 at 17/F, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong at which all Scheme Shareholders are invited to attend.

A copy of the Scheme and a copy of the explanatory memorandum (the “**Explanatory Memorandum**”) explaining the effect of the Scheme are incorporated in the composite scheme document of which this notice forms part (the “**Scheme Document**”), which has been made available to the Scheme Shareholders. A copy of the Scheme Document can also be obtained by any Scheme Shareholder during usual business hours on any day prior to the day appointed for the said meeting (other than a Saturday, a Sunday or a public holiday in Hong Kong) from the Company’s branch share registrar in Hong Kong (the “**Share Registrar**”), Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Any Scheme Shareholder entitled to attend and vote at the Court Meeting may attend and vote in person at the Court Meeting or he/she/it may appoint another person, whether a member of the Company or not, as his/her/its proxy to attend and vote in his/her/its stead. A Scheme Shareholder who is the holder of two or more Scheme Shares may appoint more than one proxy to represent him/her/it. If more than one proxy is appointed, the number of Scheme Shares in respect of which each such proxy is so appointed must be specified in the relevant form of proxy. A pink form of proxy for use at the Court Meeting is enclosed with the Scheme Document.

In the case of joint holders of a Scheme Share, the vote of the most senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the Scheme Share.

In the case of a Scheme Shareholder which is a corporation, such corporate Scheme Shareholder may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its corporate representative at the Court Meeting and exercise the same powers on behalf of the corporate Scheme Shareholder as if the corporate Scheme Shareholder was an individual Scheme Shareholder of the Company.

It is requested that the pink form of proxy, together with the letter or power of attorney or other authority (if any) under which they are signed or a notarially certified copy thereof (in the case of a corporation either under its common seal or under the hand of an officer, attorney or other person authorised to sign the same), be lodged with the Share Registrar at the address as stated above no later than 48 hours before the time appointed for holding the Court Meeting or any adjournment thereof although it may be handed to the chairman of the Court Meeting at the commencement of the Court Meeting (who shall have absolute discretion as to whether or not to accept it).

Completion and return of the **pink** form of proxy will not preclude a Scheme Shareholder from attending and voting in person at the Court Meeting or any adjournment thereof should he/she/it so wish, and, in such event, the relevant **pink** form of proxy shall be revoked by operation of law.

By the Order, the Court has appointed any one of the independent non-executive directors of the Company, as agreed between them or any other officer of the Company in attendance at the Court Meeting, to act as the chairman of the Court Meeting and has directed the chairman of the Court Meeting to report the results of the Court Meeting to the Court.

The Scheme will be subject to the subsequent sanction of the Court as set out in the Explanatory Memorandum contained in the Scheme Document.

By order of the Grand Court  
**Pentamaster International Limited**

Dated February 5, 2025

***Registered Office:***

PO Box 309, Uglan House  
Grand Cayman, KY1-1104  
Cayman Islands

***Principal place of business in Hong Kong:***

Room 1901, 19/F, Lee Garden One  
33 Hysan Avenue  
Causeway Bay  
Hong Kong

***Headquarter and principal place of business in Malaysia:***

Plot 18 & 19, Technoplex  
Medan Bayan Lepas  
Taman Perindustrian Bayan Lepas  
Phase IV, 11900 Penang  
Malaysia

***Notes:***

- (a). Voting at the Court Meeting will be taken by way of a poll.
- (b). A Scheme Shareholder entitled to attend and vote at the Court Meeting convened by this notice shall be entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A Scheme Shareholder who is the holder of two or more Scheme Shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the Court Meeting. A proxy need not be a member of the Company.
- (c). In order to ascertain the entitlement to attend and vote at the Court Meeting, the register of members of the Company will be closed from Tuesday, February 25, 2025 to Friday, February 28, 2025, both days inclusive, and during such period, no transfer of Shares will be registered. In order to qualify for the entitlement to attend and vote at the Court Meeting, all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than by 4:30 p.m. (Hong Kong time) on Monday, February 24, 2025.

**PENTAMASTER INTERNATIONAL LIMITED****檳傑科達國際有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1665)**

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**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of Pentamaster International Limited (the “**Company**”) will be held at 2:30 p.m. (Hong Kong time) on Friday, February 28, 2025 (or immediately after the conclusion or adjournment of the Court Meeting (as defined in the Scheme Document (as defined below)) at 17/F, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong, for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out below:

Unless otherwise indicated, expressions used herein shall have the same meaning as those defined in the scheme document of the Company dated February 5, 2025 (the “**Scheme Document**”), of which this notice forms part.

**SPECIAL RESOLUTION****1. “THAT:**

for the purpose of giving effect to the scheme of arrangement (the “**Scheme**”) between the Company and the Scheme Shareholders (as defined in the Scheme) as set out in the Scheme Document, any reduction of the issued share capital of the Company associated with the cancellation and extinguishment of the Scheme Shares (as defined in the Scheme) on the Effective Date (as defined in the Scheme) be and is hereby approved.”

**ORDINARY RESOLUTIONS****2. “THAT:**

- (A) subject to and simultaneously with the cancellation and extinguishment of the Scheme Shares referred to in special resolution (1), the simultaneous maintenance of the issued share capital of the Company at the amount prior to the cancellation of the Scheme Shares by the issuance at par of 696,050,011 new Shares (as defined in the Scheme) to Puga Holdings Limited and 170,400,000 new Shares to Pentamaster Corporation Berhad, credited as fully paid, respectively, the sum of which is the same as the number of Scheme Shares cancelled and extinguished;

- (B) the reserve created in the Company's books of account as a result of the aforesaid cancellation and extinguishment of the Scheme Shares shall be applied in paying up in full at par the 696,050,011 new Shares and 170,400,000 new Shares so issued, credited as fully paid, to Puga Holdings Limited and Pentamaster Corporation Berhad respectively, and any one of the directors of the Company ("**Directors**") be and is hereby authorised to allot and issue the same accordingly;
- (C) any one of the Directors be and is hereby authorised to do all such acts and things considered by him/her to be necessary or desirable in connection with the implementation of the Scheme, including (without limitation) the giving of consent to any modification of or addition to, the Scheme or any reduction of capital, which the Grand Court of the Cayman Islands may see fit to impose; and
- (D) any one of the Directors be and is hereby authorised to apply to The Stock Exchange of Hong Kong Limited for the withdrawal of the listing of the Shares."
3. "**THAT** conditional upon the special resolution (1) above being passed:
- (A) subject to the Scheme being approved and becoming binding and effective in accordance with its terms and conditions, the special dividend of HK\$0.07 per share in the Company (the "**Special Dividend**") be and is hereby declared and approved to be paid to the shareholders of the Company on the terms as contained in the Scheme Document; and
- (B) any one of the Directors be and is hereby authorised to do all such acts and things and to take such steps as considered to be necessary, appropriate, desirable or expedient to give effect to or in connection with the payment of the Special Dividend."

By order of the board of directors of  
**Pentamaster International Limited**  
檳傑科達國際有限公司  
**Chuah Choon Bin**  
*Chairman and Executive Director*

Hong Kong, February 5, 2025



**Registered Office:**

PO Box 309, Uglund House  
Grand Cayman, KY1-1104  
Cayman Islands

**Principal place of business in Hong Kong:**

Room 1901, 19/F, Lee Garden One  
33 Hysan Avenue  
Causeway Bay  
Hong Kong

*Notes:*

- (i) Unless otherwise defined in this notice or the context otherwise requires, terms defined in the composite scheme document of the Company dated February 5, 2025 of which this notice forms part (the “**Scheme Document**”) shall have the same meanings when used in this notice.
- (ii) Voting at the EGM will be taken by poll pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the Hong Kong Code on Takeovers and Mergers, and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.
- (iii) A member entitled to attend and vote at the EGM convened by this notice shall be entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A member who is the holder of two or more Shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the EGM. A proxy need not be a member of the Company.
- (iv) A white form of proxy for use at the EGM is enclosed with the Scheme Document.
- (v) In order to be valid, the **white** form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, at the office of the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited (the “**Share Registrar**”) at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 2:30 p.m. (Hong Kong time) on Wednesday, February 26, 2025 or not less than 48 hours before the time for holding any adjourned meeting.
- (vi) Completion and return of the **white** form of proxy will not preclude a member from attending and voting in person at the EGM or any adjournment thereof. In the event that a member attends and votes at the EGM after having lodged his/her/its **white** form of proxy, his/her/its **white** form of proxy will be deemed to have been revoked by operation of law.
- (vii) In the case of joint holders of a Share, the vote of the most senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the Share.

- (viii) In order to ascertain the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, February 25, 2025 to Friday, February 28, 2025, both days inclusive, and during such period, no transfer of Shares will be registered. In order to qualify for the entitlement to attend and vote at the EGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. (Hong Kong time) on Monday, February 24, 2025.
- (ix) If a tropical cyclone warning signal No. 8 or above or “extreme conditions” caused by typhoons is hoisted or a black rainstorm warning signal is in force at any time after 9:00 a.m. on the date of the EGM, the EGM will be adjourned. The Company will post an announcement on the respective websites of the Stock Exchange and the Company to notify the Shareholders of the date, time and venue of the rescheduled meetings.

*As at the date of this notice, the board of Directors comprises Mr. Chuah Choon Bin and Ms. Gan Pei Joo as executive Directors; Mr. Leng Kean Yong as non-executive Director; and Ms. Chan May May, Dr. Chuah Jin Chong and Mr. Sim Seng Loong @ Tai Seng as independent non-executive Directors.*