

Company Name	PENSONIC HOLDINGS BERHAD Registration No. 199401014746 (300426-P)
Stock Code	9997
Type	General Announcement
Subject	Transactions (Chapter 10 of Listing Requirements) Non-Related Party Transaction
Description	Proposed Disposal by Pensia Electronic Sdn. Bhd., a wholly owned subsidiary of all that piece of land known as Lot No. 5785 (formerly known as PT No. 2999) of Mukim 11, Daerah Seberang Perai Tengah, Negeri Pulau Pinang and held under PN 12056 [formerly held under H.S.(D) No. 3398] together with the factory premises erected thereon and bearing assessment address Plot 98, Perusahaan Maju 8, Bukit Tengah Industrial Park, 13600 Perai, Pulau Pinang (" Property ") for total disposal price of Ringgit Malaysia Fifteen Million and Eight Hundred Thousand (RM15,800,000.00) only (" Proposed Disposal ")

(For consistency purposes, the abbreviations and definitions used throughout this announcement shall have the same meanings as those previously defined in the announcement dated 9 May 2022.)

Further to the announcement dated 9 May 2022, Pensonic Holdings Berhad ("**Pensonic**" or "**the Company**") is pleased to provide the following additional information in relation to the Proposed Disposal:

(1) **Explain the basis for arriving at the Disposal Price of RM15,800,000**

The Disposal Price also took into consideration the grant of an option by the Vendor to the Purchaser to purchase the Property at predetermined Purchase Price(s) corresponding to the period of exercise of said option upon terms and conditions stipulated in the Option Agreement subsequently varied by the Supplemental Agreement to the Option Agreement whereupon both Vendor and Purchaser agreed for indicative disposal price at the point of exercise of said option by the Purchaser be RM15,800,000.

The disposal price per square foot of about RM118 for this Property is about 8% discount from median disposal price per square foot for a similar property (detached 2-storey industrial building on leasehold land) from a desktop survey report of publicly available information of transactions in the vicinity for past 1 year prior to the date of the Option Agreement.

(2) **Justification for the Disposal Price of RM15,800,000 including justifications for the premium or discount, where relevant**

The marginal discount to the price per square foot for the Disposal Price took into consideration of the fact the said Property had been vacant since 2015 despite extensive efforts to secure tenancy.

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(3) Rationale for not having any valuation carried out on the Property

Given that the prevailing market condition, namely the current soft property market and cautious sentiment arising from lacklustre economy impacted by the Covid-19 pandemic have affected interest in the Property, the Board was of the view that the market value would not vary much from the Disposal Price and it would be best to realise its cash value now given the Purchaser's interest at the Disposal Price which approximates median disposal price per square foot (as mentioned under item (2)) rather than to leave it vacant for indefinite period going forward.

(4) Estimated total cost for installation of the electrical power transformer and switch box or make additional electrical connection and / or facilities on or to the Property

The estimated total cost for installation of the electrical power transformer and switch box is RM400,000.

(5) Utilisation of proceeds – disclose the savings in interest payments arising from the repayment

As at financial period ended 28 February 2022, the total borrowings of the Group is approximately RM109,000,000, of which approximately RM5,500,000 of borrowings are earmarked to be repaid by the utilisation of part of the proceeds received from the Proposed Disposal. This repayment to be undertaken by the Group is expected to result in interest savings of approximately RM280,000 per annum based on an average interest rate of 6.5% per annum.

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(6) **Breakdown of the utilization of proceeds for the working capital and explanatory notes on each**

The allocation for working capital is RM10,200,000 with provision for income tax / real property gains tax estimated at RM1,000,000.

Further breakdown on the allocation for operating and administrative expenses cannot be determined at this juncture as this will depend on the operating requirements of the Group and actual expenses to be incurred by the Group for its business activities and operations at the relevant time.

Item	RM
Repayment of bank borrowings ⁽¹⁾	5,500,000
Working capital of the Group ⁽²⁾	10,200,000
Defray estimated expenses in relation to the Proposed Disposal	100,000
Total estimated proceeds	15,800,000

Note:

- (1) Retirement of entire outstanding borrowing from Hong Leong Bank Berhad totalling approximately RM5,500,000.
- (2) Inclusive of estimated provision for income tax / real property gains tax (net of deferred tax), cost of materials, finance charges, logistics / freight costs and marketing costs.

This announcement is dated 12 May 2022.