

General Announcement

Reference No **PH-101028-41664**

Company Name : **PENSONIC HOLDINGS BERHAD**
Stock Name : **PENSONI**
Date Announced : **28/10/2010**

Type : **Announcement**
Subject : **SUBSCRIPTION BY PENSONIC HOLDINGS BERHAD (◆PHB◆) FOR AND ADDITIONAL ONE MILLION (1,000,000) NEW ORDINARY SHARES OF RM1.00 EACH IN CORNELL SALES & SERVICE SDN BHD (CSS)**
Contents : **1. INTRODUCTION**

The Board of Directors of PHB wishes to announce that, the acquisition an additional 1,000,000 new ordinary shares of RM1.00 each in CSS for a consideration of RM800,000 in cash and RM200,000 which is satisfied by way of capitalization of amount owing by CSS to PHB. Subscription which involved the issuance of 1,000,000 new ordinary shares, has enlarged the existing issued and paid up share capital of CSS of RM2,500,000 comprising 2,500,000 ordinary shares of RM1.00 each to RM3,500,000 comprising of 3,500,000 ordinary shares of RM1.00 each.

2. BACKGROUND INFORMATION

CSS was originally incorporated in Malaysia as Efficient Series Sdn bhd on 22nd January 2003 and has changed its name to Amtek Marketing Services SdnBhd on 12th March 2003. Subsequently, it has changed its name to Cornell Sales & Service Sdn Bhd on 25th January 2007. CSS was being acquired by PHB on July 2006.

Following the subscription, the authorized capital of CSS was RM5,000,000 subdivided into 5,000,000 ordinary shares of RM1.00 each whilst the issued and paid-up capital of CSS was increased to RM3,500,000 divided into 3,500,000 ordinary shares of RM1.00 each.

The principal activity of CSS is distribution of electrical and electronic appliances.

3. RATIONALE FOR THE SUBSCRIPTION

The subscription would enable CSS to increase its capital base to better reflect the extent and nature of its principal activity. CSS is expected to contribute positively to the financial performance of the PHB Group in the long term.

4. FINANCIAL EFFECTS ON THE SUBSCRIPTION

The subscription does not have any effect on the issued and paid up capital of PHB and substantial shareholders' shareholdings. It also does not have any significant effect on the net assets, earnings and gearing of Pensonic for the current financial year.

5. APPROVAL

The subscription is not subject to the approval of the Shareholders of the Company.

6. DIRECTORS AND/OR MAJOR SHAREHOLDERS' INTEREST

None of the Directors and/or Major Shareholders of PENSONIC and/or persons connected to them has any interest, direct or indirect, in the subscription.

7. DIRECTORS' STATEMENT

Having considered the rationale and all other aspects of the subscription, the Board is of the opinion that it is in the best interest of the Company to proceed with the ODM Manufacturing Agreement.

This announcement is dated 28th October 2010.

Announcement Details :