

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting of Pentamaster Corporation Berhad ("Company") will be held at the Conference Room of Pentamaster Corporation Berhad at Plot 18 & 19, Technoplex, Medan Bayan Lepas, Taman Perindustrian Bayan Lepas, Phase IV, 11900 Penang on 10 June 2019 at 12.00 p.m. for the following purposes :-

### AS ORDINARY BUSINESSES

- To receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon.
- To approve the payment of Directors' fees amounting to:-
  - RM192,000 to Directors of the Company for the financial year ended 31 December 2018; and Ordinary Resolution 1
  - HKD732,000 (approximately RM390,000 equivalent) per annum to Directors of the subsidiary company commencing from the financial year ending 31 December 2019 and that such fees to the Directors of the subsidiary company shall continue until otherwise resolved. Ordinary Resolution 2
- To approve the payment of benefits of up to:-
  - RM35,000 to the Non-Executive Directors of the Company from 11 June 2019 until the next Annual General Meeting of the Company; and Ordinary Resolution 3
  - RM35,000 to the Non-Executive Directors of the subsidiary company from 11 June 2019 until the next Annual General Meeting of the Company. Ordinary Resolution 4
- To consider and, if thought fit, to pass with or without modifications the following resolutions as Ordinary Resolutions :-
  - "THAT Mr. Chuah Choon Bin, who retires pursuant to Article 95(1) of the Company's Constitution, be and is hereby re-elected as a Director of the Company." Ordinary Resolution 5
  - "THAT Mr. Chuah Chong Ewe, who retires pursuant to Article 95(1) of the Company's Constitution, be and is hereby re-elected as a Director of the Company." Ordinary Resolution 6
- To re-appoint Messrs Grant Thornton as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. Ordinary Resolution 7

### AS SPECIAL BUSINESS

- To consider and, if thought fit, to pass with or without modifications the following resolutions as Ordinary Resolutions :-
 

**ORDINARY RESOLUTIONS**

  - "THAT authority be and is hereby given to Mr. Loh Nam Hooi who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years to continue to act as an Independent Non-Executive Director of the Company." Ordinary Resolution 8

#### Proposed power to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

- "THAT subject always to the Companies Act 2016 ("Act"), Constitution of the Company and approvals of the relevant regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company from time to time at such price, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier." Ordinary Resolution 9

#### Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

- "THAT subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company's subsidiaries to enter into all arrangements and/or transactions as detailed in Section 2.2(b) of the Company's Circular to Shareholders dated 29 April 2019 ("Said Circular") involving the interests of Directors, major shareholders or persons connected with such Directors or major shareholders of the Company ("Related Parties") as detailed in Section 2.2(b) of the Said Circular, provided that such arrangements and/or transactions are:-
  - recurrent transactions of a revenue or trading nature;
  - necessary for the day-to-day operations; and
  - carried out in the ordinary course of business and are made on an arm's length basis on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company

(the "Proposed Renewal of Mandate for RRPT").

THAT the Proposed Renewal of Mandate for RRPT is subject to annual renewal and shall continue to be in force until:-

- the conclusion of the next annual general meeting ("AGM") of the Company, at which time it will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed either unconditionally or subject to conditions; or
  - the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever is the earlier.
- AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things as they may consider necessary or expedient to give effect to the Proposed Renewal of Mandate for RRPT." Ordinary Resolution 10

#### Proposed renewal of shareholders' mandate for purchase by the Company of its own shares of up to ten percent (10%) of its total number of issued shares

- "THAT, subject to the Companies Act 2016 ("Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Company be and is hereby authorised to purchase such number of ordinary shares ("Shares") in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors of the Company may deem fit and expedient in the best interest of the Company provided that :-
  - The aggregate number of Shares in the Company which may be purchased and/or held by the Company as treasury Shares shall not exceed ten percent (10%) of the total number of its issued Shares at any point in time; and
  - The maximum funds to be allocated by the Company for the purpose of purchasing its own Shares shall not exceed the total available retained profits of the Company based on its latest audited financial statements available up to the date of the transaction.

THAT, upon the purchase by the Company of its own Shares, the Directors are authorised to retain the Shares so purchased as treasury Shares or cancel the Shares so purchased or retain part of the Shares so purchased as treasury Shares and cancel the remainder. The Directors are further authorised to distribute the treasury Shares as dividends to the shareholders of the Company and/or resell the Shares on the Bursa Securities in accordance with the relevant rules of the Bursa Securities or subsequently cancel the treasury Shares or any combination thereof.

(the "Proposed Share Buy-Back")

THAT the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:-

  - the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
  - the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting; whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps and do all such acts and things as they may consider necessary or expedient to implement and give effect to the Proposed Share Buy-Back." Ordinary Resolution 11

- To consider and, if thought fit, to pass with or without modifications the following resolution as Special Resolution :-

### SPECIAL RESOLUTION

#### Proposed Adoption of New Constitution

- "THAT approval be and is hereby given to revoke the existing Memorandum and Articles of Association of the Company in its entirety and in place thereof, a new constitution as set out in Appendix V of the Circular and Statement to Shareholders dated 29 April 2019 be and is hereby adopted as the Constitution of the Company with immediate effect;
 

AND THAT the Directors of the Company be and are hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed Adoption of New Constitution with the full power to assent to any conditions, modification, and/or amendments as may be required by any relevant authorities." Special Resolution 1

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this Seventeenth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Article 171(1) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 30 May 2019. Only a depositor whose name appears in the Record of Depositors as at 30 May 2019 shall be entitled to attend the said meeting or appoint proxies to attend, speak and/or vote on his/her behalf.

By order of the Board

Lim Kim Teck  
(MAICSA 7010844)

Kang Sown Kaye  
(MAICSA 7047655)  
Secretaries

Penang  
Date: 29 April 2019

### NOTES

#### 1. Appointment of Proxy

- Subject to Paragraph (c) below, a member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote instead of him. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.
- A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without restriction as to the qualification of the proxy.
- Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at 35, 1st Floor, Jalan Keliso Emas 1, Taman Keliso Emas, 13700 Seberang Jaya, Penang

not less than forty eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

#### 2. Audited Financial Statements for the financial year ended 31 December 2018

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

#### 3. Ordinary Resolution No. 8 - Retention of Independent Non-Executive Director, Mr. Loh Nam Hooi

Mr. Loh Nam Hooi has served as an Independent Non-Executive Director of the Company for 16 years. The Board has carried out an assessment of Mr. Loh Nam Hooi and determined that he has met the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as well as the criteria of independence recognised by the Board. The Board has determined that Mr. Loh Nam Hooi is able to bring objective and independent judgement to the Board and recommended him to continue to act as an Independent Non-Executive Director of the Company.

In accordance with Practice 4.2 of the Malaysian Code on Corporate Governance 2017, shareholders' approval through a two-tier voting process will be sought at the Seventeenth Annual General Meeting to retain Mr. Loh Nam Hooi as an Independent Non-Executive Director of the Company.

#### 4. Ordinary Resolution No. 9 - Proposed power to issue shares pursuant to Sections 75 and 76

#### of the Companies Act 2016

The proposed resolution if passed will empower the Directors of the Company to issue and allot shares up to 10% of the total number of issued shares of the Company from time to time. This authority will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company or the period within which the next Annual General Meeting of the Company is required by law to be held whichever is the earlier.

As at the date of this notice no shares have been issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 8 June 2018 and which will lapse at the conclusion of the Seventeenth Annual General Meeting.

The Directors seek a renewal of the mandate to provide flexibility to the Company for possible raising of funds, including but not limited to placing of shares, for purpose of additional working capital, funding of investments, acquisitions or reduction of borrowings.

#### 5. Ordinary Resolution No. 10 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed resolution in relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature will eliminate the requirement for the Company to make regular announcements and convene separate general meetings from time to time in respect of the aforesaid Related Party Transactions.

Please refer to Part A of the Circular and Statement to Shareholders dated 29 April 2019 for further information.

#### 6. Ordinary Resolution No. 11 Proposed renewal of shareholders' mandate for purchase by the Company of its own shares of up to ten percent (10%) of its total number of issued shares

The proposed resolution if passed will empower the Directors of the Company to purchase up to ten percent (10%) of the total number of issued shares of the Company at any point in time subject to compliance with Section 127 of the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other prevailing laws, rules and regulations.

Please refer to Part B of the Circular and Statement to Shareholders dated 29 April 2019 for further information.

#### 7. Special Resolution No. 1 - Proposed Adoption of New Constitution

The proposed resolution is undertaken primarily to streamline the existing Memorandum and Articles of Association ("M&A") of the Company with the Companies Act 2016, which was effective from 31 January 2017. The Proposed Adoption of New Constitution is also to align the existing M&A with the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad and to provide clarity to certain provisions thereof and to render consistency throughout in order to facilitate and further enhance administrative efficiency.

Please refer to Part C of the Circular and Statement to Shareholders dated 29 April 2019 for further information.