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**PENTAMASTER INTERNATIONAL LIMITED**

**檳傑科達國際有限公司**

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

**(Stock code: 1665)**

**ADOPTION OF SHARE AWARD SCHEME**

The Board wishes to announce that, on 1 April 2020, the Company has adopted the Scheme to recognise the contributions by certain Employees and to incentivise them to achieve the Group's long-term business goals and objectives. The Scheme also serves as part of the Group's employee retention program in retaining its existing Employees and to attract suitable personnel for further development of the Group.

The Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules and the terms of the Trust Deed.

The Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules. As such, no Shareholders' approval is required for the adoption of the Scheme.

The Board wishes to announce that it has adopted the Scheme on the 1 April 2020. A summary of principal terms of the Scheme is set out below:

### **Purposes and Objectives**

The purposes of the Scheme are to recognise the contributions by certain Employees and to incentivise them to achieve the Group's long-term business goals and objectives. The Scheme also serves as part of the Group's employee retention program in retaining its existing Employees and to attract suitable personnel for further development of the Group.

### **Duration**

Subject to any early termination as may be determined by the Board pursuant to the Scheme Rules, the Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date.

### **Administration of the Scheme**

The Scheme shall be administered by the Board in accordance with the Scheme Rules. The Company shall appoint the Trustee to assist with the administration and vesting of the Awarded Shares to be granted pursuant to the Scheme.

### **Operation of the Scheme**

Pursuant to the Scheme Rules, the Board may, from time to time, at its absolute discretion instruct the Trustee to purchase shares on the open market out of cash arranged to be paid by the Company out of the Company's funds to the Trustee .

The Board may from time to time, at its absolute discretion select any Employee for participation in the Scheme as a Selected Employee in accordance with the Scheme Rules. Until so selected, no Employee shall be entitled to participate in the Scheme. The Board may select the Selected Employee(s) and determine the number of Awarded Shares for each of them and notify the Trustee of its decision. Each Selected Employee will then be notified of the number of Awarded Shares by the Trustee in writing as soon as practicable. The Awarded Shares shall be vested to each Selected Employee upon fulfilling the Reasons to Vest and any other conditions (if appropriate) imposed by the Board, at its absolute discretion, from time to time. Thereafter, the Trustee shall complete the purchase and/or allocation process of the Awarded Shares.

The Board will also notify the Trustee of the number of Returned Shares (if any) to be allocated for future Selected Employees and to be held in the Trust Fund prior to vesting to future Selected Employees.

## **Vesting and Lapse**

When a Selected Employee has satisfied all vesting conditions specified by the Board and becomes entitled to the Awarded Shares, the Trustee shall transfer the relevant Awarded Shares and Related Income to such Selected Employee on the relevant Vesting Date.

Prior to the Vesting Date, the Trustee shall hold the Awarded Shares and Related Income in respect of the Awarded Shares upon Trust exclusively for all or such one or more of the Employees (and, in the case of Awarded Shares and Related Income attributable to future Selected Employee(s) or Awards to a Good Leaver) on the terms and subject to the conditions set out in the Trust Deed and in the Scheme Rules.

In the event of a Total Lapse of an Award, the unvested Award shall automatically lapse, and all the Benefits of such Award shall not vest on the relevant Vesting Date but shall become Returned Shares.

In the event of a Partial Lapse, the relevant unvested part of an Award made to such Selected Employee shall automatically lapse immediately and the relevant Benefit shall not vest on the relevant Vesting Date but shall become Returned Shares.

In the event of the death of a Selected Employee, the Trustee shall hold the vested Benefit upon Trust and shall transfer them to the legal personal representatives of the Selected Employee. The Trustee shall only hold the Benefit up till one year since the death of the Selected Employee (or a longer period as approved by the Board) or till the relevant Vesting Date (whichever is shorter). Any Benefits held upon trust shall, until they are transferred, or they cease to be transferable pursuant to the Scheme, be retained and may be invested and otherwise dealt with by the Trustee in every way as if they are part of the Trust Fund.

## **Scheme Limit**

The Board shall not make any further Award which will result in the number of Shares awarded by the Board under the Scheme exceeding 5% of the issued share capital of the Company from time to time. The maximum aggregate number of the Awarded Shares which may be awarded to a Selected Employee under the Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

As at the date of this announcement, the total issued share capital of the Company comprised 1,600,000,000 Shares.

## **Restrictions**

The Trustee shall not deal in Shares at any time if the Trustee is aware or has received notice in writing from the Company that any such dealing at that time where any Director or relevant Employee is in possession of any inside information in relation to the Company or would cause the Company, the Subsidiary and the directors, officers or employees of the Company and/or the Subsidiary to be in breach of any provisions of the Listing Rules or any other applicable law, rules or regulations from time to time.

## **Voting Rights**

The Trustee shall not exercise the voting rights in respect of any Shares held upon Trust pursuant to the Trust Deed.

## **Alteration of the Scheme**

The Scheme may be modified, altered, varied, amended, or extended in any manner or in any particular way, so as to bind the Trustee, by a resolution of the Board provided that no such modification, alteration, variation, amendments or extension shall operate to affect adversely any subsisting rights of any Selected Employee.

## **Termination**

The Scheme shall terminate on the earlier of (i) the tenth (10th) anniversary date of the Adoption Date; (ii) such date when an order for the winding up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company); and (iii) such date as may be informed by the Company to the Trustee that the Scheme shall be terminated.

## **Assignability**

Any Awards made shall be personal to the Selected Employee to whom it is made and shall not be assignable.

## **Proposed Award to Connected Persons of the Company**

For any award of Shares to Selected Employees who are connected persons (within the meaning of the Listing Rules), such award must be approved by all the independent non-executive Directors (excluding the independent non-executive Director who is the relevant Selected Employee), and where necessary, the Company shall comply with the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **Other Information**

The Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules. No Shareholders' approval is required for the adoption of the Scheme. However, where any grant of the Awarded Shares is proposed to be made to any person who is a connected person of the Company, the Company shall comply with such provisions of the Listing Rules as may be applicable

## Definitions

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

“Adoption Date”	1 April 2020, being the date, the Board adopted the Scheme Rules for the establishment of the Scheme
“Award”	an award of the Awarded Shares (together with any Related Income attributable to such Awarded Shares after their purchase) by the Board to a Selected Employee pursuant to the Scheme
“Awarded Share(s)”	in respect of a Selected Employee, the number of Shares determined by the Board and purchased by the Trustee out of cash paid by the Company
“Benefit(s)”	the relevant benefits of the Award
“Board”	the board of the Company or such committee/sub-committee or person(s) delegated with the power and authority by the board of directors of the Company to administer the Scheme.
“Company”	Pentamaster International Limited, a company incorporated in Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	any director(s) of the Company
“Employee(s)”	any employee of the Company or of any Subsidiary
“Further Share(s)”	Shares purchased or subscribed for by the Trustee held upon the Trust, out of cash income or net proceeds of sale of non-cash and non-scrip distributions declared and distributed by the Settlor or net proceeds of investment made by the Trustee
“Group”	the Company and its Subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited

“Partial Lapse”	partial shares were vested due to Reasons to Vest, such as (i) Employees were fired / dismissed / resign (ii) Employees Retired / Resign in Good Faith ("Good Leavers") (iii) Death / Incapacitated (iv) any other reasons as determined by the Board from time to time
“Reasons to Vest”	vesting criteria and condition(s) of an Employee to receive the Awarded Shares
“Related Income”	all income derived from a Share (net of all expenses or charges incurred in relation to the receipt or payment of such income) held upon the Trust in the form of Shares, including but not limited to, the Further Shares, any dividend declared, any bonus Shares and or script Shares received in respect of that Share held upon the Trust
“Returned Shares”	Awarded Shares and their Related Income which have failed to vest in accordance with the terms of the Scheme (whether as a result of a Total Lapse, Partial Lapse or otherwise), or are forfeited in accordance with the terms of the Scheme, or such Shares which are deemed to be Returned Shares, or Related Income of any Returned Shares
“Scheme”	Pentamaster International Limited Performance Share Award Scheme
“Scheme Rules”	the rules relating to the Scheme adopted by the Board. Such rules include but not limited to (i) years of service, (ii) seniority (iii) job performance and other job performance parameters as determined by the Board from time to time.
“Selected Employee(s)”	Employee(s) selected either by the Board and Employee(s) selected by the Trustee after having taken into consideration recommendations of the Board for participation in the Scheme
“Share(s)”	ordinary shares in the capital of the Company and “Share” means any one of them
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a company which is for the time being and from time to time a subsidiary of the Company, whether incorporated in Malaysia or elsewhere.

“Total Lapse”	the lapse of an Award resulting no single share was vested due to unfulfillment of Reasons to Vest, including but not limited to, (i) Employees were fired / dismissed / resign (ii) Employees Retired / Resign in Good Faith ("Good Leavers") (iii) Death / Incapacitated (iv) any other reasons as determined by the Board from time to time
“Trust”	the trust declared by the Trust Deed
“Trust Deed”	the trust deed dated 1 April 2020 entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the Scheme
“Trust Fund”	all assets and properties held under the Trust and managed by the Trustee for the benefit of the Employees
“Trustee”	the trustee to be appointed by the Board for the administration of the Scheme
“Vesting Document”	any form or transfer document sent by the Trustee to a Selected Employee in connection with the vesting of his or her Awarded Shares and Related Income, or to transfer such Awarded Shares and Related Income to, or to the order of the Selected Employee in accordance with the instructions set out
“Vesting Date”	in respect of a Selected Employee, the date on which his entitlement to the Awarded Shares accrues in accordance with the conditions as imposed by the Board or is deemed to have accrued in accordance with the Scheme
“%”	per cent.

By order of the Board  
**Pentamaster International Limited**  
**Chuah Choon Bin**  
*Chairman and Executive Director*

Malaysia, 3 April 2020

*As at the date of this announcement, the Board 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.*