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**PENTAMASTER INTERNATIONAL LIMITED**

**檳傑科達國際有限公司**

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

**(Stock Code: 1665)**

**PROPOSED BONUS ISSUE OF SHARES  
AND  
CHANGE IN BOARD LOT SIZE**

**PROPOSED BONUS ISSUE OF SHARES**

The Board proposed a Bonus Issue of Shares on the basis of one (1) Bonus Share for every two (2) existing Shares held by the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date. The Bonus Shares to be allotted and issued will be credited as fully paid at par by way of capitalisation of an appropriate amount of the share premium account of the Company. The register of members of the Company will be closed from Friday, 18 June 2021 to Tuesday, 22 June 2021, both days inclusive, to ascertain the entitlement of the Shareholders under the Bonus Issue.

Application will be made to the Listing Committee for the approval for the listing of, and permission to deal in, the Bonus Shares.

**CHANGE IN BOARD LOT SIZE FROM 4,000 SHARES TO 2,000 SHARES**

The Board also proposed to change the board lot size for trading in the Shares from 4,000 Shares to 2,000 Shares with effect from 9:00 a.m. on Thursday, 8 July 2021, subject to the fulfillment of the conditions of the Bonus Issue as set out in the section headed “Conditions of Bonus Issue” in this announcement.

**GENERAL**

A circular containing, among other things, details of the Bonus Issue and the Change in Board Lot Size with a notice of AGM will be despatched to the Shareholders on or before 30 March 2021.

## **PROPOSED BONUS ISSUE OF ONE BONUS SHARE FOR EVERY TWO EXISTING SHARES**

The Board proposed a Bonus Issue of Shares on the basis of one (1) Bonus Share for every two (2) existing Shares held by the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date. The Bonus Shares to be allotted and issued will be credited as fully paid at par by way of capitalisation of an appropriate amount of the share premium account of the Company. The terms of the Bonus Issue are set out below.

### **Basis of the Bonus Issue**

Subject to the conditions set out under the paragraph headed “Conditions of the Bonus Issue” below, the Bonus Shares will be issued and credited as fully paid at par value on the basis of one (1) Bonus Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date.

Assuming that no further Shares will be issued or repurchased on or before the Record Date, on the basis of 1,600,000,000 existing Shares in issue as at the date of this announcement, it is expected that a total of 800,000,000 new Shares would be allotted and issued under the Bonus Issue, representing 50% of the existing issued share capital of the Company as at the date of this announcement, or 33.33% of the issued share capital of the Company as enlarged by the Bonus Issue. Upon completion of the Bonus Issue, there will be a total of 2,400,000,000 Shares.

The Bonus Shares will be credited as fully paid at par by way of capitalisation of the amount equal to the total par value of the Bonus Shares standing to the credit of the share premium account of the Company.

### **Conditions of the Bonus Issue**

The Bonus Issue is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the AGM for approving the Bonus Issue;
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Bonus Shares; and
- (iii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of the Cayman Islands and the articles of association of the Company to effect the Bonus Issue.

Application will be made to the Listing Committee for the listing of, and permission to deal in the Bonus Shares.

As at the date of this announcement, the Company has no outstanding options, warrants or convertible securities to subscribe for any securities of the Company.

### **Overseas Shareholders**

For those Overseas Shareholders, enquiry will be made by the Board pursuant to Rule 13.36(2) (a) of the Listing Rules. Upon such enquiry, if the Board is of the view that the exclusion of the Overseas Shareholders is necessary or expedient, the Bonus Shares will not be granted to the Excluded Shareholders. In such circumstances, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Excluded Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Shares commences. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Excluded Shareholders, if any, pro rata to their respective shareholdings and remittances therefor will be posted to them, at their own risk, unless the amount falling to be distributed to any such persons is less than HK\$100.00, in which case it will be retained for the benefit of the Company.

The Overseas Shareholders should consult their bankers or other professional advisers as to whether any governmental or other consents are required or other formalities need to be observed to enable them to receive the Bonus Issue. It is the responsibility of the Shareholders who wish to receive the Bonus Shares under the Bonus Issue to comply with the laws of the relevant jurisdiction(s) to which they are subject.

### **Status of the Bonus Shares and fractional entitlements**

The Bonus Shares, upon issuance, will rank *pari passu* with the Shares then existing in all respects, including the entitlements of receiving dividends and other distributions the record date for which falls on or after the date of allotment and issue of the Bonus Shares. For the avoidance of doubt, the Bonus Shares will not be entitled to the final dividend of HK\$0.02 per Share in respect of the year ended 31 December 2020, if approved by the Shareholders in the AGM. On the basis of one (1) Bonus Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date, no fractional entitlements will arise. The Company will not allot or issue any fractions of the Bonus Shares.

### **Record Date and closure of register of members**

The Bonus Shares will be issued to the Qualifying Shareholders. Arrangement for the Excluded Shareholders are further elaborated above under the heading “Overseas Shareholders”. The register of members of the Company will be closed from Friday, 18 June 2021 to Tuesday, 22 June 2021, both days inclusive, during which no transfer of Shares will be registered, in order to determine the entitlement of the Shareholders under the Bonus Issue.

Shareholders are reminded that in order to qualify for the Bonus Issue, they must ensure that all transfers of Shares accompanied by the relevant share certificates must be lodged with Tricor Investor Services Limited, the Hong Kong branch share registrar of the Company, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 17 June 2021.

### **Certificates for the Bonus Shares**

It is expected that certificates for the Bonus Shares will be posted on Wednesday, 7 July 2021, after all the conditions of the Bonus Issue have been fulfilled at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date. Dealings in the Bonus Shares are expected to commence at 9:00 a.m. on Thursday, 8 July 2021.

### **CHANGE IN BOARD LOT SIZE FROM 4,000 SHARES TO 2,000 SHARES**

The Shares are currently traded in board lots of 4,000 shares each. In order to increase liquidity of the Shares and to broaden the Shareholders' base, the Board proposed to change the board lot size for trading in the Shares from 4,000 Shares to 2,000 Shares with effect from 9:00 a.m. on Thursday, 8 July 2021, subject to the fulfillment of the conditions of the Bonus Issue as set out in the section headed "Conditions of Bonus Issue" above.

The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders.

### **Odd lot arrangement**

The Bonus Issue and Change in Board Lot Size will not result in any odd lots other than those already exist, as one existing board lot of 4,000 Shares will become three new board lots of 2,000 Shares after the allotment and issue of the Bonus Issue.

### **REASONS FOR THE PROPOSED BONUS ISSUE AND CHANGE IN BOARD LOT SIZE**

The Bonus Issue is expected to reduce the trading price of each Share. Based on the closing price of HK\$1.800 per Share as at the 15 March 2021, the market value of each board lot of 4,000 Shares is HK\$7,200. The value of each board lot of 4,000 Shares with the theoretical adjusted price of HK\$1.20 per Share assuming the Bonus Issue had already become effective, would be HK\$4,800. With the Change in Board Lot Size to be implemented, the market value of each board lot of 2,000 Shares is estimated to be approximately HK\$1.20 based on the theoretical ex-entitlement price of approximately HK\$2,400 per Share.

As the Bonus Issue and the Change in Board Lot Size is expected to reduce the minimum purchase price of each board lot of Shares, the Board is of the view that the Bonus Issue and Change in Board Lot Size will increase the affordability of the Company for retail investors and overtime improve the liquidity in trading of Shares in the Company.

The Board considers the terms of the Bonus Issue and Change in Board Lot Size fair and reasonable in the best interest of the Shareholders as a whole as the increase in the number of Shares and board lots to be held by the Shareholders will enable them to enjoy more flexibility in managing their own investment portfolios.

## **EXPECTED TIMETABLE**

The expected timetable for the Bonus Issue and the Change in Board Lot Size is set out below:

	<b>Date (2021)</b> (Hong Kong time)
Publication of announcement	Tuesday, 16 March
Despatch of circular and notice of the AGM	Tuesday, 30 March
Latest time for lodging transfer of Shares for registration in order to be entitled to attend the AGM	4:30 p.m. on Friday, 4 June
Closure of register of members for attending and voting at the AGM	Monday, 7 June – Thursday, 10 June (both days inclusive)
Latest time to return form of proxy for the AGM	10:00 a.m. on Tuesday, 8 June
Record date for attending and voting at the AGM	Thursday, 10 June
Date and time of the AGM	10:00 a.m., Thursday, 10 June
Publication of poll results announcement of the AGM	Thursday, 10 June

**The following events are conditional on the Bonus Issue being approved at the AGM, the dates are therefore tentative.**

Last day of dealings in Shares cum-entitlements to the Bonus Shares	Tuesday, 15 June
First day of dealings in Shares ex-entitlements to the Bonus Shares	Wednesday, 16 June

Latest time for lodging transfers of Shares for registration in order to qualify for the Bonus Issue	4:30 p.m. on Thursday, 17 June
Closure of register of members for determination of entitlement to the Bonus Shares	Friday, 18 June – Tuesday, 22 June (both days inclusive)
Record Date for determination of entitlement to the Bonus Shares	Tuesday, 22 June
Register of members re-opens	Wednesday, 23 June
First day of free exchange of share certificate in board lot of 4,000 Shares each for new share certificates in board lot of 2,000 Shares each	Wednesday, 23 June
Certificates for the Bonus Shares expected to be despatched	Wednesday, 7 July
Last day for trading of the Shares in board lots of 4,000 Shares in the original counter	Wednesday, 7 July
Dealings in Bonus Shares commence	9:00 a.m. on Thursday, 8 July
Effective date of change of board lot size from 4,000 Shares to 2,000 Shares	9:00 a.m. on Thursday, 8 July
Original counter for trading in board lot size of 4,000 Shares becomes a counter for trading in board lot of 2,000 Shares	9:00 a.m. on Thursday, 8 July
Temporary counter for trading in board lot of 4,000 Shares opens	9:00 a.m. on Thursday, 8 July
First day of parallel trading in board lots of 2,000 Shares and 4,000 Shares	9:00 a.m. on Thursday, 8 July
Last day of parallel trading	4:10 p.m. on Wednesday, 28 July
Temporary counter for trading in board lot of 4,000 Shares closes	4:10 p.m. on Wednesday, 28 July
Last day for free exchange of share certificates in board lot of 4,000 Shares each for new share certificates in board lot of 2,000 Shares each	4:30 p.m. on Friday, 30 July

Dates or deadlines specified in this announcement are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

### **EXCHANGE OF NEW SHARE CERTIFICATES**

Shareholders may submit their existing share certificates in board lot of 4,000 Shares each to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange for new share certificates in board lot of 2,000 Shares each free of charge during business hours from Wednesday, 23 June 2021 to Friday, 30 July 2021, both days inclusive. Thereafter, any exchange of share certificates will only be accepted upon payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each new share certificate in board lot of 2,000 Shares each issued or each existing share certificate submitted, whichever number of share certificate involved is higher.

It is expected that the new share certificates will be available for collection from the Company's branch share registrar and transfer office in Hong Kong by the Shareholders within 10 business days after delivery of the existing share certificates to the Company's branch share registrar and transfer office in Hong Kong for exchange purpose.

With effect from Thursday, 8 July 2021, all new share certificates will be issued in board lot of 2,000 Shares each (except for odd lots or where the Company's branch share registrar and transfer office in Hong Kong is otherwise instructed). All existing share certificates in board lot of 4,000 Shares each will continue to be good evidence of legal title to such Shares and be valid for delivery, trading and settlement purposes. Save and except for the change in the number of Shares for each board lot, the new share certificates will have the same format and colour as the existing share certificates.

### **GENERAL**

A circular containing, among other things, details of the Bonus Issue and the Change in Board Lot Size with a notice of AGM will be despatched to the Shareholders on or before 30 March 2021.

No Shareholder is required to abstain from voting on the ordinary resolutions to approve the Bonus Issue at the AGM.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“AGM”	the annual general meeting of the Company to be held at 20/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, on Thursday, 10 June 2021 at 10:00 a.m., to consider and, if appropriate, to approve the Bonus Issue, or any adjournment thereof
“Board”	the board of Directors of the Company
“Bonus Issue”	the proposed bonus issue of the Bonus Shares on the basis of one new Share for every two existing Shares held on the Record Date
“Bonus Share(s)”	the new Shares proposed to be issued under the Bonus Issue
“Change in Board Lot Size”	the change in board lot size of the Shares for trading on the Stock Exchange from 4,000 Shares to 2,000 Shares
“Company”	Pentamaster International Limited 檳傑科達國際有限公司, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 1665)
“Director(s)”	the director(s) of the Company
“Excluded Shareholders”	Overseas Shareholder(s) who are excluded from the Bonus Issue and as defined and more particularly described in the section headed “Overseas Shareholders” in this announcement



“Executive Director(s)”	the executive Director(s)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Overseas Shareholders”	holder(s) of Share(s) whose addresses as shown on the register of members of the Company on the Record Date are outside Hong Kong
“PRC”	the People’s Republic of China, but for the purpose of this announcement and unless otherwise indicated, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Qualifying Shareholders”	holder(s) of Share(s), not being Excluded Shareholders, who are entitled to the Bonus Issue
“Record Date”	Tuesday, 22 June 2021, being the date for ascertaining the entitlement of the Shareholders under the Bonus Issue
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the issued share capital of the Company
“Shareholders”	holder(s) of the Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Malaysia, 16 March 2021

*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.*