

PESTECH

PESTECH INTERNATIONAL BERHAD (948035-U)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of PESTECH International Berhad ("PESTECH" or "the Company") will be held at Zamrud Room, Ground Floor, The Saujana Hotel Kuala Lumpur, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 27 November 2019 at 10:00 a.m. to transact the following business:-

AGENDA

- To receive the Audited Financial Statements for the financial year ended 30 June 2019 together with the Reports of the Directors and the Auditors thereon. **[Please refer to Explanatory Note (i)]**
- To approve the payment of Directors' fees for an amount up to RM260,000/- which is payable on a quarterly basis and Directors' benefits up to RM90,000/- to the Non-Executive Directors for the period commencing from 27 November 2019 until the next Annual General Meeting in year 2020. **Ordinary Resolution 1**
- To re-elect the following Directors who retire in accordance with Article 95 of the Company's Articles of Association, and being eligible, have offered themselves for re-election:
(i) Mr. Lim Ah Hock **Ordinary Resolution 2**
(ii) Encik Ibrahim bin Talib **Ordinary Resolution 3**
- To re-appoint Messrs. Grant Thornton Malaysia as the Company's Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration. **Ordinary Resolution 4**

AS SPECIAL BUSINESS

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

5. ORDINARY RESOLUTION

AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

"THAT subject always to the Companies Act 2016 ("the Act"), the Articles of Association of the Company and the approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (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 for the listing of and quotation for the additional shares so issued on Bursa Securities.

AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

6. ORDINARY RESOLUTION

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE")

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to PESTECH International Berhad Group ("the Group") to enter into and to give effect to specified recurrent related party transactions of a revenue or trading nature with the Related Parties as set out in Part A Section 1.3 of the Circular/Statement to Shareholders dated 29 October 2019, which are necessary for its day-to-day operations, to be entered into by the Group on the basis that these transactions are entered into on terms which are not more favourable to the Related Party involved than generally available to the public and are not detrimental to the minority shareholders of the Company;

THAT the Proposed Renewal of Existing Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Renewal of Existing Shareholders' Mandate, shall only continue to be in force until:-

- the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which the Proposed Renewal of Existing Shareholders' Mandate was passed, at which time it will lapse, unless by resolution passed at the general meeting, the authority is renewed; or
- the expiration of the period within which the AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed Renewal of Existing Shareholders' Mandate."

7. ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARE OF PESTECH INTERNATIONAL BERHAD ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

"THAT subject always to the Companies Act 2016 ("the Act"), the provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:

- the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase.

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:

- cancel all the shares so purchased; and/or
- retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or
- retain part thereof as treasury shares and cancel the remainder; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

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

- the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting;

whichever occurs first;

AND THAT the Directors of the Company be authorised to do all acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Authority for Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

8. ORDINARY RESOLUTION

PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW ORDINARY SHARES IN PESTECH INTERNATIONAL BERHAD ("PESTECH SHARES"), FOR THE PURPOSE OF THE DIVIDEND REINVESTMENT PLAN ("DRP") OF THE COMPANY WHICH WILL PROVIDE THE SHAREHOLDERS OF PESTECH ("SHAREHOLDERS") WITH THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND IN PESTECH SHARES ("PROPOSED RENEWAL OF DRP AUTHORITY")

"THAT pursuant to the DRP as approved by the Shareholders at the Extraordinary General Meeting of the Company held on 9 October 2013 and subject to the approval of the relevant regulatory authorities (if any), approval be and is hereby given to the Company to allot and issue such number of new PESTECH Shares from time to time as may be required to be allotted and issued pursuant to the DRP until the conclusion of the next Annual General Meeting upon such terms and conditions and to such persons as the Directors, may in their absolute discretion, deem fit and in the best interest of the Company, PROVIDED THAT the issue price of the said new PESTECH Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the five (5)-day volume weighted average market price ("VWAP") of PESTECH Shares immediately prior to the price-fixing date, of which the VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price.

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRP with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments or at the discretion of the Directors in the best interest of the Company."

9. SPECIAL RESOLUTION

PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY

"THAT approval be and is hereby given for the existing Memorandum and Articles of Association of the Company to be revoked with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Appendix I of the Circular/Statement to Shareholders dated 29 October 2019 accompanying the Company's Annual Report 2019, be and is hereby adopted as the Constitution of the Company.

AND THAT the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect of the foregoing."

- To transact any other business of the Company for which due notice shall have been received in accordance with the Companies Act 2016.

By Order of the Board

TEH BEE CHOO (MIA 7562)

CHUA SIEW CHUAN (MAICSA 0777689)

PAN SENG WEE (MAICSA 7034299)

Company Secretaries

29 October 2019

NOTES:

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 November 2019 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.
- A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
- A member of the Company may appoint more than one (1) proxy to attend the same meeting. Where a member appoints two (2) proxies to attend and vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with shares of the Company standing to the credit of the said Securities Account.
- Where a member of the Company is an Exempt Authorised Nominee 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 and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.
- Explanatory Notes on Ordinary and Special Business
 - Item 1 of the Agenda

This Agenda Item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda Item is not put forward for voting.

- Ordinary Resolution 1 – Approval for the payment of Directors' fees and Directors' benefits
The proposed Resolution 1, if passed, will authorise the payment of the Directors' fees up to RM260,000/- which is payable on quarterly basis and Directors' benefits to the Non-Executive Directors with effect from 27 November 2019 until the next AGM of the Company in year 2020. The Directors' benefits payable to the Non-Executive Directors comprise meeting allowances, which will only be accorded based on actual attendance of meetings by the Non-Executive Directors during the period from 27 November 2019 until the next Annual General Meeting in year 2020.
- Ordinary Resolution 5 – Authority to Issue Shares pursuant to the Companies Act 2016.
The Company wishes to renew the mandate on the authority to issue shares pursuant to the Companies Act 2016, at the Eighth Annual General Meeting of the Company ("hereinafter referred to as the "General Mandate").

The Company had been granted a general mandate by its shareholders at the Seventh Annual General Meeting of the Company held on 22 November 2018 ("Previous Mandate"). The Previous Mandate granted by the shareholders had not been utilised and hence no proceed was raised therefrom.

The proposed resolution, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the funding of the Company's future investment projects, working capital and/or acquisitions, by the issuance of shares in the Company to such persons at any time as the Directors may deem fit, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

- Ordinary Resolution 6 – Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature
The proposed resolution, if passed, will allow the Group to renew its mandate to enter into Recurrent Related Party Transactions of a revenue or trading nature pursuant to the provisions of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

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

- Ordinary Resolution 7 – Proposed Renewal Share Buy-Back Authority
The proposed resolution, if passed, will allow the Company to purchase its own shares up to 10% of the total number of issued share of the Company by utilising the funds allocated which shall not exceed the retained profit of the Company.

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

- Ordinary Resolution 8 – Proposed Renewal of DRP Authority
The proposed resolution, if passed, will allow the Company to allot and issue new PESTECH Shares pursuant to DRP until the conclusion of the next Annual General Meeting of the Company. It would also allow the Directors to fix the issue price of such new PESTECH Shares at a discount of up to 10% of the five (5)-day volume weighted average market price of PESTECH Shares immediately prior to the price-fixing date.

- Special Resolution – Proposed Adoption of New Constitution of the Company

The proposed Special Resolution, if passed, will primarily bring the Company's Constitution in line with the Companies Act 2016 and the changes made to the Main LR of Bursa Securities as well as to enhance administrative efficiency.

In view of the substantial amendments to be made, the existing Memorandum and Articles and Association be revoked in its entirety and be replaced with a new Constitution. Please refer to the new Constitution as set out in Appendix I of the Circular/Statement to Shareholders dated 29 October 2019.

Ordinary
Resolution 8

Special
Resolution

Ordinary
Resolution 5

Ordinary
Resolution 6

Ordinary
Resolution 7