



SANICHI TECHNOLOGY BERHAD

(Company No. 661826-K)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Sanichi Technology Berhad ("**Sanichi**" or the "**Company**") will be held at Sanichi Technology Berhad, PLO 135, Jalan Cyber 5, Kawasan Perindustrian Senai Fasa 3, 81400 Senai, Johor Darul Takzim on Tuesday, 5 April 2016 at 9.00 a.m., for the purpose of considering and, if thought fit, passing the following resolutions with or without any modification:-

SPECIAL RESOLUTION

PROPOSED PAR VALUE REDUCTION VIA THE CANCELLATION OF RM0.075 OF THE PAR VALUE OF EACH EXISTING ORDINARY SHARE OF RM0.10 EACH IN SANICHI ("EXISTING SHARES") PURSUANT TO SECTION 64 OF THE COMPANIES ACT, 1965 ("ACT") ("PROPOSED PAR VALUE REDUCTION")

"THAT subject to the passing of Ordinary Resolution 1 and the confirmation of the High Court of Malaya ("**High Court**") pursuant to Section 64 of the Act and the approvals of all relevant authorities being obtained (if required), approval be and is hereby given for the Company and the Board of Directors of the Company ("**Board**") to implement the Proposed Par Value Reduction and that part of the credit arising from such par value reduction to be set-off against the accumulated losses of the Company and the remaining balance (if any) will be credited to the retained earnings of the Company which shall be utilised in a manner to be determined by the Board at a later date and in the best interest of the Company as permitted by the relevant and applicable laws and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") including any amendments made thereto from time to time;

AND THAT the Board is hereby authorised to take such steps, execute such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as it may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and/or give effect to the Proposed Par Value Reduction with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed or permitted by the High Court and/or as a consequence of any such requirement or as may be deemed fit, necessary, expedient and/or appropriate and in the best interest of the Company.

ORDINARY RESOLUTION 1

PROPOSED SHARE CONSOLIDATION OF EVERY FOUR (4) ORDINARY SHARES OF RM0.025 EACH INTO ONE (1) NEW ORDINARY SHARE OF RM0.10 EACH IN SANICHI ("SANICHI SHARE" OR "SHARE") AFTER THE PROPOSED PAR VALUE REDUCTION ("PROPOSED SHARE CONSOLIDATION")

"THAT subject to and conditional upon the passing of the Special Resolution above, the completion of the Proposed Par Value Reduction and the approvals being obtained from the relevant authorities, approval be and is hereby given to the Company to give effect to the consolidation of every four (4) Sanichi Shares of RM0.025 each into one (1) new Sanichi Share of RM0.10 each ("**Consolidated Share**");

THAT the Consolidated Shares shall, upon allotment and issuance, rank *pari passu* in all respects with one another. Fractional entitlements arising from the Proposed Share Consolidation shall be disregarded and dealt with by the Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of the Company;

AND THAT the Board be and is hereby authorised to do all such acts and things that they may consider necessary or expedient in the best interest of the Company to give effect to the Proposed Share Consolidation with full power to assent to any term, condition, modification, variation and/or amendment as may be imposed or required by the relevant authorities."

ORDINARY RESOLUTION 2

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 779,928,448 SHARES ("RIGHTS SHARES") TOGETHER WITH UP TO 389,964,224 FREE WARRANTS ("WARRANTS D") ON THE BASIS OF TWO (2) RIGHTS SHARES TOGETHER WITH ONE (1) FREE WARRANT D FOR EVERY ONE (1) EXISTING SHARE HELD BY THE ENTITLED SHAREHOLDERS OF SANICHI ("ENTITLED SHAREHOLDERS") ON AN ENTITLEMENT DATE TO BE DETERMINED BY THE BOARD AT A LATER DATE (AFTER THE PROPOSED SHARE CONSOLIDATION) ("RIGHTS ENTITLEMENT DATE") ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

"THAT subject to the passing of the Special Resolution, Ordinary Resolution 1 and Ordinary Resolution 2, the completion of the Proposed Par Value Reduction and Proposed Share Consolidation and the approval of all relevant authorities or parties being obtained (if required), including but not limited to the approval of Bursa Securities for the listing and quotation of the Rights Shares and the Warrants D to be issued hereunder and the new Shares to be issued pursuant to the conversion of the Warrants D, the Board be and is hereby authorised:-

- to provisionally allot and issue by way of a renounceable rights issue of up to 779,928,448 Rights Shares together with up to 389,964,224 Warrants D to the shareholders of Sanichi ("**Shareholders**") whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined by the Board ("**Rights Entitlement Date**") and/or their renounee(s), on the basis of two (2) Rights Shares together with one (1) free Warrant D for every one (1) existing Share held at a final issue price to be determined by the Board and on such terms and conditions and in such manner as the Board may determine;
- to issue the Warrants D in registered form to the Entitled Shareholders (and/or their renounee(s), as the case may be) and Excess Applicants (defined below), if any, who subscribe for and are allotted Rights Shares, each Warrant D conferring the right to subscribe for one (1) new Share at an exercise price to be determined by the Board, subject to any adjustment to the subscription rights attached to the Warrants D in accordance with the provisions of a deed poll to be executed by the Company constituting the Warrants D ("**Deed Poll D**");
- to allot and issue such number of additional warrants pursuant to adjustments as provided under the Deed Poll D ("**Additional Warrants**") and to adjust from time to time the exercise price of the Warrants D as a consequence of the adjustments under the provisions of the Deed Poll D and/or to effect such modifications, variations and/or amendments as may be imposed, required or permitted by Bursa Securities and any other relevant authorities or parties (if required); and
- allot and issue such number of new Shares credited as fully paid-up to the holders of the Warrants D upon their exercise of the relevant warrants to subscribe for new Shares during the tenure of the Warrants D, and such further new Shares as may be required or permitted to be issued pursuant to the exercise of the Additional Warrants and such adjustments in accordance with the provisions of the Deed Poll D.

THAT any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever to the Entitled Shareholders and/or their renounee(s) shall be made available for excess applications in such manner and to such persons ("**Excess Applicants**") as the Board shall determine at its absolute discretion;

THAT the Rights Shares and the new Shares to be issued pursuant to the exercise of the Warrants D shall be listed on the ACE Market of Bursa Securities;

THAT the proceeds of the Proposed Rights Issue with Warrants be utilised for the purposes as set out in Section 3 of the Circular to Shareholders dated 10 March 2016 and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject (where required) to the approval of the relevant authorities;

THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things, and to execute, enter into, sign, deliver and cause to be delivered for and on behalf of the Company all such transactions, arrangements, agreements and/or documents as it may consider necessary or expedient in order to implement, give full effect to and complete the Proposed Rights Issue with Warrants, with full powers to assent to and accept any condition, modification, variation, arrangement and/or amendment to the terms of the Proposed Rights Issue with Warrants as the Board may deem fit, necessary and/or expedient in the best interests of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the aforesaid conditions, modifications, variations, arrangements and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue with Warrants in order to implement and give full effect to the Proposed Rights Issue with Warrants;

THAT the Rights Shares shall, upon allotment, issuance and (where applicable) full payment, rank *pari passu* in all respects with the then existing issued and paid-up Shares, save and except that the holders of such Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of the Rights Shares;

THAT the new Shares to be issued pursuant to the exercise of the Warrants D (including the Additional Warrants, if any) shall, upon allotment, issue and full payment of the exercise price of the Warrants D (or the Additional Warrants, if any), rank *pari passu* in all respects with the then existing issued and fully paid-up Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment of such new Shares arising from the exercise of the Warrants D (including the Additional Warrants, if any);

AND THAT this Ordinary Resolution 2 constitutes specific approval for the issuance of Shares and securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Rights Shares, Warrants D (including Additional Warrants, if any) and new Shares to be issued pursuant to or in connection with the Proposed Rights Issue with Warrants have been allotted and issued in accordance with the terms of the Proposed Rights Issue with Warrants."

By Order of the Board
SANICHI TECHNOLOGY BERHAD

FOO SIEW LOON (MAICSA 7006874)
Company Secretary

Kuala Lumpur
10 March 2016

Notes:-

- A shareholder who is entitled to attend and vote at the meeting shall be entitled to appoint up to two (2) proxies to attend and vote at the meeting in his stead.
- Where a shareholder appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
- A proxy may but need not be a member of the Company and the provisions of Sections 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary 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 appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- 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 the 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 Level 33A, Menara 1 MK, Kompleks 1 Mont Kiara, No. 1, Jalan Kiara, Mont Kiara 50480 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
- For the purpose of determining a member who shall be entitled to attend the meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 77 of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 29 March 2016. Only members whose names appear in the General Meeting Record of Depositors as at 29 March 2016 shall be regarded as members and entitled to attend, speak and vote at the meeting.