



SANICHI TECHNOLOGY BERHAD

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

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirteenth Annual General Meeting of the Company will be held at PLO 135 Jalan Cyber 5, Kawasan Perindustrian Senai Fasa 3, 81400 Senai, Johor Darul Takzim on Friday, 8 June 2018 at 11.00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial period ended 31 December 2017 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note 7)**
- To approve the increase and payment of Directors' fees and benefits payable to the Directors of the Company of RM283,500 for the financial period ended 31 December 2017 (2016: RM180,000). **(Resolution 1)**
- To approve the payment of Directors' fees and benefits payable to the Directors of the Company up to RM299,000 from 1 January 2018 until the next Annual General Meeting of the Company. **(Resolution 2)**
- To re-elect Dato' Sri Ahmad Said Bin Hamdan, who retires in accordance with Article 127 of the Company's Constitution. **(Resolution 3)**
- To re-appoint Messrs Cheng & Co as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **(Resolution 4)**

AS SPECIAL BUSINESS:

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

- ORDINARY RESOLUTION - AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("THE ACT")** **(Resolution 5)**

"THAT subject to Sections 75 and 76 of The Act, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors of the Company ("the Board") be and are hereby authorised to allot and issue shares in the Company, from time to time, at such price, upon such terms and conditions and for such purpose and to such person or persons whomsoever as the Board may in its absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being;

THAT such authority shall continue to be in force until:-

- the conclusion of the next annual general meeting of the Company at which time it shall lapse, unless by 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 annual general meeting is required by law to be held; or
- revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting.

AND THAT the Board be and is hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad ("Bursa Securities").

- ORDINARY RESOLUTION PROPOSED RENEWAL OF AUTHORITY FOR SHARE BY-BACK** **(Resolution 6)**

"THAT, subject always to the Act, provision of the Constitution of the Company, Bursa Securities ACE Market Listing Requirements ("AMLR") ("Listing Requirements") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised 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 subject to the following:-

- the aggregate number of shares purchased shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time;
- the maximum funds to be allocated by the Company for purchasing the shares shall not exceed the Company's audited retained profits at the time of purchase(s); and
- the directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury share and cancel the remainder or to resell the shares or distribute the shares as dividends or to deal with the treasury shares in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements any other relevant authority for the time being in force.

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

- the conclusion of the next Annual General Meeting of the Company following the General Meeting at which this resolution was passed, at which time it will lapse unless by Ordinary Resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- The expiration of the period within which the next Annual General Meeting of the Company after that date is required by law to be held; or
- Revoked or varied by Ordinary Resolution passed by the shareholders of the Company in a general meeting, whichever occurs first.

THAT the Directors of the Company be and are hereby authorised to take all such steps and enter into all agreements, arrangements and guarantees with any party or parties as are necessary to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares."

- ORDINARY RESOLUTION APPROVAL TO CONTINUE IN OFFICE AS INDEPENDENT DIRECTOR** **(Resolution 7)**

"THAT approval be and is hereby given to Dato' Abd Halim Bin Abd Hamid who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Director of the Company until the conclusion of the next Annual General Meeting."

- To transact any other business of which due notice shall have been given.

By Order of the Board

Foo Siew Loon (MAICSA No. 7006874)
Company Secretary

Kuala Lumpur
30 April 2018

Notes to the Notice of 13th AGM

- A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or the hand of its attorney or an officer duly authorised.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one (1) proxy but 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 appoints more than one (1) proxy (subject to a maximum of two (2) proxies at each meeting), the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee as defined under the SICDA 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 the omnibus account it holds.
- To be valid, this duly completed proxy form must be deposited at the Registered Office of the Company at Level 33A, Menara 1MK, Kompleks 1 Mont Kiara, No. 1, Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.

6. Poll Voting

Pursuant to Paragraph 8.31A of the AMLR of Bursa Securities, all resolutions set out in the Notice of the forthcoming 13th AGM of the Company will be put to vote by poll. Poll Administrator and Independent Scrutineer will be appointed respectively to conduct polling voting process and to verify the results of the poll.

7. Agenda 1

Agenda 1 is meant for discussion only as the provision of Section 340(1)(a) of the Act, the Audited Financial Statements do not require a formal approval of the members and hence, will not be put forward for voting.

8. Ordinary Resolutions 1 and 2

Section 230(1) of the Act provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company shall be approved at a general meeting. In this respect, the Board wishes to seek shareholders' approval for the following payments to Directors at the AGM in two (2) separate resolutions below mentioned:-

- Resolution 1 on payment of Directors' Fees of RM283,500 for the financial period ended 31 December 2017; and
- Resolution 2 on payment of Directors' Fees and benefits payable to the Directors of the Company up to RM299,000 from 1 January 2018 to the next AGM.

9. Ordinary Resolution 3

Dato' Sri Ahmad Said Bin Hamdan is standing for re-election as Director of the Company and being eligible, has offered himself for re-election at the 13th AGM.

The Board has endorsed the Nomination Committee's recommendation that Dato' Sri Ahmad Said Bin Hamdan be re-elected as Director of the Company.

10. Ordinary Resolution 4

The Audit Committee had at its meeting held on 11 April 2018 assessed the suitability and independence of the External Auditors and recommended the re-appointment of Messrs Cheng & Co as External Auditors of the Company for the financial year ending 31 December 2018. The Board has also reviewed the recommendation of the Audit Committee and recommended the same be tabled to the shareholders for approval at the 13th Annual General Meeting of the Company under Resolution 4.

Explanatory Notes to Special Businesses

11. Ordinary Resolution 5 - Authority to Directors to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Act

The proposed Resolution 5 is a renewal mandate of the previous general mandate obtained from the shareholders at the 12th AGM held on 25 November 2016, which is expiring at the conclusion of the 13th AGM. The proposed Resolution 5, if passed, will avoid any delay and cost involved in convening a general meeting and will empower the Directors to issue up to 10% of the total number of issued shares of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the last AGM held on 25 November 2016 and the said mandate will lapse at the conclusion of the 13th AGM.

The renewal of this mandate will provide flexibility to the Company to undertake any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding current and/or future investment project(s), working capital and/or acquisitions at any time to such persons in their absolute discretion without convening a general meeting.

12. Ordinary Resolution 6 - Proposed Renewal of Authority for Share Buy-Back

The proposed Resolution 6, if passed, will empower the directors of the Company to purchase the Company's shares through Bursa Securities up to ten per centum (10%) of the total number of issued shares of the Company.

For further information, please refer to the Proposed Renewal of Authority for Share Buy-Back Statement dated 30 April 2018, which is dispatched together with the Annual Report 2017.

13. Ordinary Resolution 7 - Approval to continue in Office as Independent Director

Practice 4.2 of the Malaysian Code on Corporate Governance 2017, provides that approval of shareholders be sought in the event that the Company intends to retain an Independent Director who has served in that capacity for more than nine (9) years.

Dato' Abd Halim Bin Abd Hamid was appointed to the Board on 28 May 2008 as an Independent Director and has therefore served for more than nine (9) years. The Board has through the Nomination Committee, assessed the performance and independence of Dato' Abd Halim Bin Abd Hamid and recommended him to continue to act as Independent Director of the Company based on the following justifications:-

- He fulfilled the criteria under the definition of Independent Director as stated in the AMLR of Bursa Securities and, therefore, is able to bring independence and objective judgment to the Board;
- He understands the business nature and office culture;
- He provides the Board with valuable advice and insight, diverse set of skills, experience and expertise;
- He actively participates in Board deliberation and decision making in an objective manner; and
- He does not hold any shares in the Company and does not have any business dealings with the Company, save and except as a Chairman and a member of the Board and Board Committees of the Company.

The proposed Resolution 7 if passed, will enable Dato' Abd Halim Bin Abd Hamid to continue in office as Independent Director of the Company until the conclusion of the next AGM.