



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 ("STB" or the "Company") will be held at Board Room, Sanichi Technology Berhad, PLO 135, Jalan Cyber 5, Kawasan Perindustrian Senai Fasa 3, 81400 Senai, Johor Darul Takzim on Wednesday, 21 November 2012 at 11.00 a.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modification the following resolutions:

SPECIAL RESOLUTION 1

PROPOSED REDUCTION OF UP TO RM10,586,318 FROM THE SHARE PREMIUM ACCOUNT OF STB PURSUANT TO SECTIONS 60(2) AND 64(1) OF THE COMPANIES ACT, 1965 ("ACT") BASED ON THE AUDITED FINANCIAL STATEMENTS AS AT 30 JUNE 2011 TO SET-OFF THE ACCUMULATED LOSSES OF STB ("PROPOSED SHARE PREMIUM REDUCTION")

"THAT, subject to the passing of Special Resolution 2, the sanction of the High Court of Malaya ("Court") and the necessary approvals of the relevant authorities, approval be and is hereby given for the Company to undertake the Proposed Share Premium Reduction which involves the reduction of up to RM10,586,318 from the share premium account of the Company pursuant to Sections 60(2) and 64(1) of the Act AND THAT the credit of up to RM10,586,318 arising therefrom shall be utilised towards setting-off the accumulated losses of the Company and creation of a distributable reserve in the Company for any remaining credit, if any, after the setting-off of the accumulated losses;

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things and to execute, sign and deliver on behalf of the Company all such documents and/or agreements the Directors may deem necessary and/or expedient to finalise, implement and give full effect to complete the Proposed Share Premium Reduction including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or the Court."

SPECIAL RESOLUTION 2

PROPOSED REDUCTION OF THE ISSUED AND PAID-UP SHARE CAPITAL OF STB PURSUANT TO SECTION 64(1) OF THE ACT, INVOLVING THE CANCELLATION OF RM.08 OF THE PAR VALUE OF EACH ORDINARY SHARE OF RM.10 EACH IN STB SHARE(S) AND THEREAFTER THE CONSOLIDATION OF FIVE (5) ORDINARY SHARES OF RM.02 EACH INTO ONE (1) NEW STB SHARE OF RM.10 EACH ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED PAR VALUE REDUCTION AND CONSOLIDATION")

"THAT, subject to the passing of Special Resolution 1, the sanction of the Court and the necessary approvals of the relevant authorities, approval be and is hereby given for the Company to undertake the Proposed Par Value Reduction and Consolidation which involves the following:

- (i) the issued and paid-up share capital of the Company of RM17,985,000 comprising 179,850,000 ordinary shares of RM.10 each be reduced by RM14,388,000 pursuant to Section 64(1) of the Act via the cancellation of RM.08 of the par value of each existing ordinary share of the Company in issue, to RM3,597,000 comprising 179,850,000 ordinary shares of RM.02 each AND THAT the credit arising from such reduction and cancellation of RM14,388,000 of the par value of the issued shares to be applied towards setting-off the accumulated losses of the Company and creation of a distributable reserve in the Company for any remaining credit, if any, after the setting-off of the accumulated losses; and
- (ii) subsequent to the reduction of the issued and paid-up share capital, the issued and paid-up share capital of the Company be consolidated on the basis of five (5) ordinary shares of RM.02 each into one (1) new ordinary share of RM.10 each, thereby consolidating 179,850,000 ordinary shares of RM.02 each into 35,970,000 ordinary shares of RM.10 each credited as having been fully paid-up;

THAT fractions of a share resulting from the Proposed Par Value Reduction and Consolidation, if any, will be disregarded and will be dealt with in such manner by the Board of Directors of the Company ("Board") as it may deem fit and expedient in the best interest of the Company;

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things and to execute, sign and deliver on behalf of the Company all such documents and/or agreements the Directors may deem necessary and/or expedient to finalise, implement and give full effect to complete the Proposed Par Value Reduction and Consolidation including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or the Court."

SPECIAL RESOLUTION 3

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL OF STB FROM RM25,000,000 COMPRISING 250,000,000 ORDINARY SHARES OF RM.10 EACH TO RM100,000,000 COMPRISING 1,000,000,000 ORDINARY SHARES OF RM.10 EACH ("PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL")

"THAT, subject to the passing of Special Resolution 4, approval be and is hereby given for the Board to increase the authorised share capital of the Company from RM25,000,000 comprising 250,000,000 ordinary shares of RM.10 each to RM100,000,000 comprising 1,000,000,000 ordinary shares of RM.10 each;

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things and to execute, sign and deliver on behalf of the Company all such documents and/or agreements the Directors may deem necessary and/or expedient to finalise, implement and give full effect to complete the Proposed Increase in Authorised Share Capital including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities."

SPECIAL RESOLUTION 4

PROPOSED AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION ("M&A") OF STB TO FACILITATE THE INCREASE IN THE AUTHORISED SHARE CAPITAL OF STB PURSUANT TO THE PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL ("PROPOSED M&A AMENDMENTS")

"THAT, subject to the passing of Special Resolution 3, approval be and is hereby given for the following amendment to clause 6 of the Company's Memorandum of Association:

Clause	Existing Provision	Revised Provision
Clause 6 of the Memorandum of Association	The capital of the Company is RM25,000,000- Malaysian Currency divided into 250,000,000 shares of RM.10 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.	The capital of the Company is RM100,000,000- Malaysian Currency divided into 1,000,000,000 shares of RM.10 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things and to execute, sign and deliver on behalf of the Company all such documents and/or agreements the Directors may deem necessary and/or expedient to finalise, implement and give full effect to complete the Proposed M&A Amendments, including without limitation, with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities."

ORDINARY RESOLUTION 1

PROPOSED FORMERLY ISSUED OF 85,000,000 NEW STB SHARES OF RM.10 EACH ("RESTRICTED ISSUE SHARES") TOGETHER WITH 42,500,000 FREE WARRANTS ("WARRANTS(A) A) TO PROTEV ASIA LIMITED (FORMERLY KNOWN AS OCEANAIRE INTERNATIONAL LIMITED) ("PROTEV ASIA") AT AN ISSUE PRICE OF RM.10 PER RESTRICTED ISSUE SHARE ON THE BASIS OF ONE (1) FREE WARRANT A FOR EVERY TWO (2) RESTRICTED ISSUE SHARES SUBSCRIBED BY PROTEV ASIA ("PROPOSED RESTRICTED ISSUE WITH WARRANTS")

"THAT, subject to the passing of Special Resolution 1, Special Resolution 2, Special Resolution 3, Special Resolution 4 and Ordinary Resolution 2, and the approvals of all relevant authorities including the approval of Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the Restricted Issue Shares and the new STB Shares arising from the full exercise of the Warrants A pursuant to this Resolution, approval be and is hereby given to the Directors of the Company to:

- (i) allot and issue by way of restricted issue of 85,000,000 Restricted Issue Shares together with 42,500,000 free Warrants A to Protev Asia at an issue price of RM.10 per Restricted Issue Share on the basis of one (1) free Warrant A for every two (2) Restricted Issue Shares subscribed by Protev Asia;
- (ii) utilise the proceeds to be derived from the Proposed Restricted Issue with Warrants in the manner as set out in Section 3.1 of Part A of the Circular to Shareholders of STB dated 30 October 2012 ("Circular") and the Directors of the Company be and are hereby authorised to revise the manner and purpose of utilisation of proceeds as they may deem fit and expedient in the best interest of the Company subject (where required) to the approval of the relevant authorities;
- (iii) create and issue the free Warrants A based on the indicative principal terms as set out in Appendix I of the Circular and the terms and conditions of a Deed Poll to be executed by the Company constituting the Warrants A ("Deed Poll for Warrants A");
- (iv) allot and issue such further free Warrants A as may be required or permitted to be issued as a result of any adjustments (save for the alteration to the share capital pursuant to the Proposed Par Value Reduction and Consolidation, the Proposed Debt Restructuring (as defined herein) and the Proposed Rights Issue with Warrants (as defined herein) whereby no adjustment would be made) under the provisions of the Deed Poll for Warrants A;
- (v) allot and issue the new STB Shares pursuant to the full exercise of the Warrants A (including further free Warrants A arising from any adjustments under the provisions of the Deed Poll for Warrants A); and
- (vi) enter into and execute the Deed Poll for Warrants A constituting the Warrants A and to do all acts, deeds and things as the Directors of the Company may deem necessary and/or expedient in order to finalise, implement and give full effect to the Deed Poll for Warrants A;

THAT the Restricted Issue Shares and the new STB Shares pursuant to the full exercise of the Warrants A so allotted and issued shall rank *pari passu* in all respects with the existing issued ordinary shares of the Company except that these securities will not be entitled to any dividends, rights, allotments and/or distributions, that may be declared, made or paid prior to the date of allotment of the Restricted Issue Shares or the new STB Shares to be issued arising from the full exercise of the Warrants A;

AND THAT the Directors of the Company be and are hereby empowered and authorised to do all such acts and things, take such steps, execute such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit, necessary or expedient or appropriate in order to finalise, implement and/or give full effect to the Proposed Restricted Issue with Warrants with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be agreed to/required by any relevant authority or as a consequence of any such requirement as may be deemed necessary and/or expedient in the best interest of the Company."

ORDINARY RESOLUTION 2

PROPOSED RESTRUCTURING OF DEBTS OWING TO CERTAIN FINANCIAL INSTITUTIONS AND TRADE AND OTHER CREDITORS OF STB AND ITS SUBSIDIARIES PURSUANT TO SECTION 176 OF THE ACT ("PROPOSED DEBT RESTRUCTURING")

"THAT, subject to the passing of Special Resolution 1, Special Resolution 2, Special Resolution 3, Special Resolution 4, Ordinary Resolution 1, Ordinary Resolution 3 and Ordinary Resolution 4, and the approvals of all relevant authorities including, the Securities Commission Malaysia ("SC") for the issuance of four per cent (4%), five (5)-year, redeemable convertible unsecured loan stocks ("ICULS"), the approval of Bursa Securities for the listing of and quotation for the Settlement Shares and the new STB Shares arising from the full conversion of the ICULS pursuant to this Resolution, approval be and is hereby given to the Directors of the Company to:

- (i) undertake the Proposed Debt Restructuring which will be implemented through a scheme of arrangement pursuant to Section 176 of the Act (details of which are set out in Section 2.6 of Part A of the Circular);
- (ii) create and issue RM4,623,656 nominal value of ICULS at 100% of the nominal value of RM.10 each with the conversion price of the ICULS of RM.10 for one (1) new STB Share based on the indicative principal terms of the ICULS as set out in Appendix II of the Circular and the terms and conditions of the Trust Deed to be executed by the Company constituting the ICULS ("Trust Deed") upon the terms and conditions as set out in the scheme of arrangement;
- (iii) allot and issue 8,766,320 Settlement Shares at an issue price of RM.10 per Settlement Share upon the terms and conditions as set out in the scheme of arrangement;
- (iv) allot and issue the new STB Shares pursuant to the full conversion of the ICULS (including further ICULS arising from any adjustments under the provisions of the Trust Deed, save for the alteration to the share capital pursuant to the Proposed Restricted Issue with Warrants, the Proposed Debt Restructuring and the Proposed Rights Issue with Warrants (as defined herein) whereby no adjustment would be made); and
- (v) enter into and execute the Trust Deed constituting the ICULS and to do all acts, deeds and things as the Directors of the Company may deem fit or expedient in order to finalise, implement and give full effect to the Trust Deed;

THAT the ICULS so allotted and issued shall constitute direct, unconditional and unsecured obligations of the Company and subject to the provisions contained in the Trust Deed, must at all times rank *pari passu*, without discrimination, preference or priority between themselves and must rank at least *pari passu* with all present and future direct, unconditional, unsecured and unsubordinated debts and obligations of the Company except for those which are preferred by law;

AND THAT the Settlement Shares and the new STB Shares arising from the full conversion of the ICULS to be issued pursuant to the Proposed Debt Restructuring shall, upon allotment and issuance, rank *pari passu* in all respects with the existing issued ordinary shares of the Company except that these securities will not be entitled to any dividends, rights, allotments and/or distributions, that may be declared, made or paid prior to the date of allotment of the Settlement Shares or the new STB Shares to be issued arising from the full conversion of the ICULS;

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things and to execute, sign and deliver on behalf of the Company all such documents and/or agreements the Directors may deem necessary and/or expedient to finalise, implement and give full effect to complete the Proposed Debt Restructuring including without limitation, with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities."

ORDINARY RESOLUTION 3

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 120,970,000 NEW STB SHARES OF RM.10 EACH ("RIGHTS SHARES") TOGETHER WITH UP TO 60,485,000 FREE WARRANTS ("WARRANTS(B) B) AT AN ISSUE PRICE OF RM.10 PER RIGHTS SHARE ON THE BASIS OF TWO (2) RIGHTS SHARES TOGETHER WITH ONE (1) FREE WARRANT B FOR EVERY TWO (2) NEW STB SHARES HELD AFTER THE PROPOSED SHARE PREMIUM REDUCTION, THE PROPOSED PAR VALUE REDUCTION AND CONSOLIDATION AND THE PROPOSED RESTRICTED ISSUE WITH WARRANTS ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("ENTITLEMENT DATE") BASED ON A MINIMUM SUBSCRIPTION LEVEL OF 65,000,000 RIGHTS SHARES TOGETHER WITH 32,500,000 FREE WARRANTS B ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

"THAT, subject to the passing of Special Resolution 1, Special Resolution 2, Special Resolution 3, Special Resolution 4, Ordinary Resolution 1, Ordinary Resolution 2 and Ordinary Resolution 4, and the approvals of all relevant authorities including the approval of Bursa Securities for the admission of the Warrants B to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares, the Warrants B and the new STB Shares arising from the full exercise of the Warrants B pursuant to this Resolution, approval be and is hereby given to the Directors of the Company to:

- (i) provisionally allot and issue by way of renounceable rights issue of up to 120,970,000 Rights Shares together with up to 60,485,000 free Warrants B at an issue price of RM.10 per Rights Share on the basis of two (2) Rights Shares together with one (1) free Warrant B for every two (2) new STB Shares held on the Entitlement Date;
- (ii) deal with fractional entitlements under the Proposed Rights Issue with Warrants arising from any reason whatsoever as the Board may at its absolute discretion deem fit and expedient in the best interest of the Company;
- (iii) deal with the excess Rights Shares not subscribed by the other entitled shareholders of STB in the manner as detailed in Section 2.7.1 of Part A of the Circular;
- (iv) utilise the proceeds to be derived from the Proposed Rights Issue with Warrants in the manner as set out in Section 3.2 of Part A of the Circular and the Directors of the Company be and are hereby authorised (where required) to revise the manner and purpose of utilisation of proceeds as they may deem fit and expedient in the best interest of the Company subject (where required) to the approval of the relevant authorities;
- (v) create and issue the free Warrants B based on the indicative principal terms as set out in Appendix III of the Circular and the terms and conditions of a Deed Poll to be executed by the Company constituting the Warrants B ("Deed Poll for Warrants B");
- (vi) allot and issue such further free Warrants B as may be required or permitted to be issued as a result of any adjustments under the provisions of the Deed Poll for Warrants B;
- (vii) allot and issue the new STB Shares pursuant to the full exercise of the Warrants B (including further free Warrants B arising from any adjustments under the provisions of the Deed Poll for Warrants B); and
- (viii) enter into and execute the Deed Poll for Warrants B constituting the Warrants B and to do all acts, deeds and things as the Directors of the Company may deem fit or expedient in order to finalise, implement and give full effect to the Deed Poll for Warrants B;

THAT the Rights Shares and the new STB Shares pursuant to the full exercise of the Warrants B so allotted and issued shall rank *pari passu* in all respects with the existing issued ordinary shares of the Company except that these securities will not be entitled to any dividends, rights, allotments and/or distributions, that may be declared, made or paid prior to the date of allotment of the Rights Shares or the new STB Shares to be issued arising from the full exercise of the Warrants B;

AND THAT the Directors of the Company be and are hereby empowered and authorised to do all such acts and things, take such steps, execute such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit, necessary or expedient or appropriate in order to finalise, implement and/or give full effect to the Proposed Rights Issue with Warrants with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be agreed to/required by any relevant authority or as a consequence of any such requirement as may be deemed necessary and/or expedient in the best interest of the Company."

ORDINARY RESOLUTION 4

PROPOSED EXEMPTION TO PROTEV ASIA AND ITS PERSONS ACTING IN CONCERT ("PACs") UNDER PRACTICE NOTE 9, PARAGRAPH 16.1 OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS 2010 ("CODE") FROM THE OBLIGATION TO UNDERTAKE A MANDATORY TAKE-OVER OFFER TO ACQUIRE ALL THE REMAINING STB SHARES NOT ALREADY HELD BY PROTEV ASIA AND ITS PACS UPON COMPLETION OF THE PROPOSED RESTRICTED ISSUE WITH WARRANTS AS PRESCRIBED UNDER PART III OF THE CODE ("PROPOSED EXEMPTION")

"THAT, subject to the passing of Special Resolution 1, Special Resolution 2, Special Resolution 3, Special Resolution 4 and Ordinary Resolution 1, and the approvals of all relevant authorities including such conditions as may be imposed by the SC and any other relevant authorities, approval be and is hereby given for exemptions to be granted to Protev Asia and its PACs, namely Heredy Tuckovic and Thomas Tuckovic, by the SC under Practice Note 9, Paragraph 16.1 of the Code from the obligation to undertake a mandatory take-over offer to acquire all the remaining STB Shares not already held by Protev Asia and its PACs which would arise pursuant to the Proposed Restricted Issue with Warrants;

AND THAT the Directors of the Company be and are hereby empowered and authorised to do all such acts and things, take such steps, execute such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit, necessary or expedient or appropriate in order to finalise, implement and/or give full effect to the Proposed Exemption with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be agreed to/required by any relevant authority or as a consequence of any such requirement as may be deemed necessary and/or expedient in the best interest of the Company."

By Order of the Board of

SANICHI TECHNOLOGY BERHAD

Foo Siew Loon (MAICSA 7006874)

Company Secretary

Kuala Lumpur

30 October 2012

Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint up to two (2) proxies to attend and vote in his stead. Where a member appoints two (2) proxies, the appointment shall be invalid unless the proxies specify the proportion of his holdings to be represented by each proxy.
2. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
3. Where the Form of Proxy is executed by a corporation, it must be executed under its seal or under the hand of its attorney.
4. The instruments appointing a proxy must be deposited at the Registered Office of the Company, located at Level 33A, Menara 1MK, Kompleks 1 Mont' Kiara, No. 1, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur, not less than forty-eight (48) hours before holding the meeting or at an adjournment thereof.
5. Only members whose names appear on the Record of Depositors as at 12 November 2012 shall be entitled to attend and vote at the meeting or appoint a proxy or proxies to attend and vote in his/her stead.