



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 the Board Room, Sanichi Technology Berhad, PLO 135, Jalan Cyber 5, Kawasan Perindustrian Senai Fasa 3, 81400 Senai, Johor Darul Takzim on Wednesday, 25 June 2014 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:

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 644,891,820 NEW ORDINARY SHARES OF RM0.10 EACH IN STB ("STB SHARES") ("RIGHTS SHARES") TOGETHER WITH UP TO 429,927,880 FREE DETACHABLE WARRANTS ("WARRANTS C") AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE ON THE BASIS OF THREE (3) RIGHTS SHARES TOGETHER WITH TWO (2) WARRANTS C FOR EVERY TWO (2) EXISTING STB SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("ENTITLEMENT DATE") BASED ON A MINIMUM SUBSCRIPTION LEVEL OF 90,000,000 RIGHTS SHARES TOGETHER WITH 60,000,000 WARRANTS C ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

THAT, subject to the passing of Special Resolution 1 and Special Resolution 2 and the approvals of all relevant authorities including the approval of Bursa Malaysia Securities Berhad ("Bursa Securities") for the admission of the Warrants C to the Official List of the ACE Market of Bursa Securities and the listing and quotation for the Rights Shares, the Warrants C and the new STB Shares to be issued arising from the full exercise of the Warrants C, 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 644,891,820 Rights Shares together with up to 429,927,880 Warrants C at an issue price of RM0.10 per Rights Share on the basis of three (3) Rights Shares together with two (2) Warrants C for every two (2) existing 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 of Directors of the Company ("Board") may at its absolute discretion deem fit and expedient and 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 2.1.1 of Part A of the Circular to Shareholders of STB dated 3 June 2014 ("Circular");
- (iv) utilise the proceeds to be derived from the Proposed Rights Issue with Warrants in the manner as set out in Section 2.1.6 of Part A of the 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;
- (v) create and issue the free Warrants C 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 C ("Deed Poll");
- (vi) allot and issue such further free Warrants C as may be required or permitted to be issued as a result of any adjustments under the provisions of the Deed Poll;
- (vii) allot and issue the new STB Shares arising from the full exercise of the Warrants C (including further free Warrants C arising from any adjustments under the provisions of the Deed Poll); and
- (viii) enter into and execute the Deed Poll constituting the Warrants C 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 to give effect to the Deed Poll;

THAT the Rights Shares and the new STB Shares arising from the full exercise of the Warrants C 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 other 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 C;

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 2

PROPOSED DIVERSIFICATION OF THE BUSINESS OF STB AND ITS SUBSIDIARIES ("STB GROUP" OR "GROUP") INTO PROPERTY DEVELOPMENT AND PROPERTY INVESTMENT ("PROPOSED DIVERSIFICATION")

THAT, subject to the passing of Ordinary Resolution 1 and Special Resolution 2, and subject always to the completion of the conditional sale and purchase agreement dated 26 February 2014 made between Sanichi Property Sdn Bhd and Top Creation Property Sdn Bhd to acquire a parcel of freehold land held under Geran 14939, Lot 129, Pekan Klebang, Seksyen 1, District of Melaka Tengah, State of Melaka, measuring approximately 8,672 square metres (or equivalent to approximately 93,345 square feet) for a cash consideration of RM7,700,000, the Companies Act, 1965 ("Act"), the provisions of the Memorandum and Articles of Association of the Company ("M&A"), the ACE Market Listing Requirements of Bursa Securities ("ACE LR") and the approvals of all relevant authorities, approval be and is hereby given to the Company to diversify its operations into property development and property investment, which might reasonably be expected to result in the contribution from such an operation of 25% or more of the net profits of the Company, pursuant to Rule 10.13 of the ACE LR;

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 Diversification 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 3

PROPOSED ESTABLISHMENT OF AN EMPLOYEE SHARE OPTION SCHEME ("ESOS" OR "SCHEME") OF UP TO THIRTY PER CENT (30%) OF THE PREVAILING ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY (EXCLUDING TREASURY SHARES) FOR THE ELIGIBLE EMPLOYEES (INCLUDING DIRECTORS) OF THE GROUP AFTER THE PROPOSED RIGHTS ISSUE WITH WARRANTS, WHO MEET THE CRITERIA OF ELIGIBILITY FOR PARTICIPATION IN THE ESOS ("ELIGIBLE EMPLOYEE(S)") AS SET OUT IN THE BY-LAWS CONTAINING THE RULES, TERMS AND CONDITIONS OF THE ESOS ("BY-LAWS") ("PROPOSED ESOS")

THAT, subject to the passing of Special Resolution 1 and Special Resolution 2 and the approvals of all relevant authorities including the approval of Bursa Securities for the listing of and quotation for the new STB Shares to be issued arising from the full exercise of the options granted under the Scheme ("Option(s)"), approval be and is hereby given to the Directors of the Company to:

- (i) to establish, implement and administer a Scheme for the benefit of the Eligible Employees, and to grant Options in accordance with the terms set out in the By-Laws, referred to Appendix II of the Circular, for a period of five (5) years from the date of the Scheme comes into force, which may be extended or renewed (as the case may be) for a further period of up to five (5) years, at the sole and absolute discretion of the Board, PROVIDED that the total period of the Scheme shall not exceed ten (10) years;
- (ii) to make such applications as may be necessary at the appropriate time or times to Bursa Securities and any other relevant authorities upon which the new Shares may, for the time being, be listed, for permission to deal in and for quotation of any new Shares in the capital of the Company which may hereafter from time to time be allotted and issued pursuant to the exercise of the Options granted under the Scheme;
- (iii) to allot and issue from time to time such number of new STB Shares in the capital of the Company as may be required pursuant to the exercise of the Options provided that the total number of new STB Shares to be issued under the Scheme shall not in aggregate exceed thirty per cent (30%) of the prevailing issue and paid-up share capital (excluding treasury shares) of the Company at any point in time throughout the duration of the Scheme; and
- (iv) to modify and/or amend the Scheme from time to time as may be required, permitted or deemed necessary by the authorities and/or the Board provided that such modifications and/or amendments are effected and permitted in accordance with the provisions of the By-Laws of the Scheme relating to modifications and/or amendments, deeds or undertakings and to make such rules or regulations, or impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Scheme;

THAT the new STB Shares arising from the full exercise of the Options 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 other distributions, that may be declared, made or paid prior to the date of allotment of the new STB Shares to be issued arising from the full exercise of the Options;

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 ESOS 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."

SPECIAL RESOLUTION 1

PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF STB FROM RM100,000,000 COMPRISING 1,000,000,000 STB SHARES TO RM500,000,000 COMPRISING 5,000,000,000 STB SHARES ("PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL")

THAT, subject to the passing of Special Resolution 2, approval be and is hereby given to the Board to increase the authorised share capital of the Company from RM100,000,000 comprising 1,000,000,000 ordinary shares of RM0.10 each to RM500,000,000 comprising 5,000,000,000 ordinary shares of RM0.10 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 2

PROPOSED AMENDMENTS TO THE M&A TO FACILITATE THE PROPOSED DIVERSIFICATION, THE PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL AND THE PROPOSED ESOS ("PROPOSED M&A AMENDMENTS")

THAT, subject to the passing of Special Resolution 1, approval be and is hereby given for the following amendments to the Company's M&A:

Memorandum of Association	Existing Provision	Revised Provision
Clause 3(3)	To carry on any trade or business whatsoever which can, in the opinion of the directors, be advantageously carried on by the Company in connection with or as auxiliary to the general business of the Company.	To purchase or acquire for investment lands, houses, buildings, plantations and property of any tenure, or any interest in the same and to hold, sell, lease, let, alienate, mortgage, charge, develop, construct, improve and turn to account any such land and property and in particular by laying out, subdividing and preparing the same for building purposes, constructing, erecting, planting, paving, maintaining buildings, offices, factories, warehouses, shops, houses, apartments, flats and works of every description and to carry on any trade or business whatsoever which can, in the opinion of the directors, be advantageously carried on by the Company in connection with or as auxiliary to the general business of the Company.
Clause 6	The capital of the Company is RM100,000,000/- Malaysian Currency divided into 1,000,000,000 shares of RM0.10 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 RM500,000,000/- Malaysian Currency divided into 5,000,000,000 shares of RM0.10 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.
Articles of Association	Existing provision	Revised provision
Article 16	Article 15 shall be subject to the following provisions: (1) No Director shall participate in an issue of shares to employees unless: (a) the Members in general meeting have approved the specific allotment to such director; and (b) such Director holds office in an executive capacity or if he does not hold such office, participates in an issue of shares pursuant to an offer or issue of shares to the public.	Article 15 shall be subject to the following provisions: (1) No Director and/or persons connected to them shall participate in a Share Issuance Scheme unless the Members in general meeting have approved the specific allotment to such director.

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 M&A Amendments 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
3 June 2014

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 he specifies the proportion of his holdings to be represented by each proxy.
2. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply. A proxy appointed to attend and vote at the meeting of the Company shall have the same rights as the member to speak at the meeting.
3. A member of the Company who, is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, 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 (1) 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.
4. Where the Form of Proxy is executed by a corporation, it must be executed under its seal or under the hand of its attorney.
5. 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 the time for holding the meeting or at any adjournment thereof.
6. Only depositors whose names appear on the Record of Depositors as at 18 June 2014 shall be regarded as members and entitled to attend and vote at the meeting or appoint a proxy or proxies to attend and vote in his stead.