



ELSOFT RESEARCH BERHAD
(Company No: 617504-K)
(Incorporated in Malaysia under the Companies Act 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Elsoft Research Berhad ("ELSOFT" or "Company") will be held at the Conference Room of the Company, Plot 85B, Lintang Bayan Lepas 9, Bayan Lepas Industrial Park, Phase 4, 11900 Penang on Thursday, 26 November 2015 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions, with or without modification:

ORDINARY RESOLUTION 1

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME OF UP TO 10% OF THE ISSUED AND PAID-UP SHARE CAPITAL (EXCLUDING TREASURY SHARES) OF THE COMPANY ("PROPOSED ESOS")

"THAT, subject to the approval of all the relevant authorities and/or parties (where required), including but not limited to, the approval of Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the new ordinary shares of RM0.10 each in Elsoft ("Elssoft Share(s)" or "Share(s)") to be issued arising from the exercise of the options to be granted under the Proposed ESOS ("Option(s)") on the Main Market of Bursa Securities, the Board of Directors ("Board") be and is hereby authorised to:-

(i) establish and administer an employees' share option scheme of up to ten percent (10%) of the issued and paid-up share capital (excluding treasury shares) of the Company at any one time over the duration of the scheme for the eligible Directors and employees of Elsoft and its subsidiary companies (excluding subsidiaries which are dormant) ("Elssoft Group" or "Group") ("Proposed ESOS") in accordance with the provisions of the By-Laws of the Proposed ESOS as set out in Appendix I ("By-Laws") of the circular to shareholders of the Company dated 11 November 2015 ("Circular") and to give effect to the Proposed ESOS with full power to assent to any conditions, variations, modifications and/or amendments as may be required by the relevant authorities;

(ii) allot and issue from time to time such number of new Elsoft Shares and such Shares to be allotted and issued upon the exercise of any Options granted under the Proposed ESOS will, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued and paid-up Shares of the Company, save and except that the new Elsoft Shares so allotted and issued will not be entitled to any dividends, rights, allotments or other distributions, which may be declared, made or paid, the entitlement date of which precedes the date of allotment and issuance of such new Elsoft Shares. The new Elsoft Shares will be subject to the provisions of the Articles of Association of the Company relating to transfer, transmission and otherwise of Elsoft Shares.

(iii) add, amend, modify and/or delete all or any part of the terms and conditions governing the Proposed ESOS including the By-Laws from time to time provided that such addition, amendment, modification and/or deletion effected in accordance with the provisions of the By-Laws relating to the addition, amendment, modification and/or deletion and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed ESOS;

THAT, any one (1) director and/or the secretary of the Company be and is hereby authorised to do all things necessary and to make the necessary applications to Bursa Securities for the listing of and quotation for any new Shares that may, hereafter from time to time, be issued and allotted pursuant to the Proposed ESOS;

AND THAT the By-Laws of the Proposed ESOS, as set out in Appendix I of the Circular which is in compliance with Main Market Listing Requirements of Bursa Securities ("Listing Requirements"), be and is hereby approved and adopted."

ORDINARY RESOLUTION 2

PROPOSED GRANTING OF OPTIONS TO DATO' DR. CHONG ENG KEAT @ TEOH ENG KEAT

"THAT, subject to the passing of Ordinary Resolution 1 above and the approval of all the relevant authorities and/or parties (where required), including but not limited to, the approval of Bursa Securities for the listing of and quotation for the new ordinary shares of the Company to be issued under the Proposed ESOS, the Board be and is hereby authorised at any time and from time to time to offer and to grant Dato' Dr. Chong Eng Keat @ Teoh Eng Keat, the Chairman/Independent Non-Executive Director of the Company, options to subscribe up to a maximum of 500,000 new Shares under the Proposed ESOS subject always to the following provisions:-

(i) he must not participate in the deliberation or discussion of his own allocation of the number of Options to be offered to him, as well as that of the persons connected to him, under the Proposed ESOS;

(ii) not more than ten percent (10%) of the new Shares available under the Proposed ESOS shall be allocated to him, if he, either singly or collectively through Persons Connected (as defined in the Listing Requirements) with him, holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company; and

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed ESOS and any prevailing guidelines issued by Bursa Securities, the Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time.

AND THAT, the Board be further authorised to allot and issue such number of new Shares pursuant to the Proposed ESOS to him from time to time pursuant to the exercise of such options."

ORDINARY RESOLUTION 3

PROPOSED GRANTING OF OPTIONS TO TAN CHEIK EAIK

"THAT, subject to the passing of Ordinary Resolution 1 above and the approval of all the relevant authorities and/or parties (where required), including but not limited to, the approval of Bursa Securities for the listing of and quotation for the new ordinary shares of the Company to be issued under the Proposed ESOS, the Board be and is hereby authorised at any time and from time to time to offer and to grant Tan Cheik Eaik, the Executive Director/Chief Executive Officer of the Company, options to subscribe up to a maximum of 800,000 new Shares under the Proposed ESOS subject always to the following provisions:-

(i) he must not participate in the deliberation or discussion of his own allocation of the number of Options to be offered to him, as well as that of the persons connected to him, under the Proposed ESOS;

(ii) not more than ten percent (10%) of the new Shares available under the Proposed ESOS shall be allocated to him, if he, either singly or collectively through Persons Connected (as defined in the Listing Requirements) with him, holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company; and

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed ESOS and any prevailing guidelines issued by Bursa Securities, the Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time.

AND THAT, the Board be further authorised to allot and issue such number of new Shares pursuant to the Proposed ESOS to him from time to time pursuant to the exercise of such options."

ORDINARY RESOLUTION 4

PROPOSED GRANTING OF OPTIONS TO KOAY KIM CHIEW

"THAT, subject to the passing of Ordinary Resolution 1 above and the approval of all the relevant authorities and/or parties (where required), including but not limited to, the approval of Bursa Securities for the listing of and quotation for the new ordinary shares of the Company to be issued under the Proposed ESOS, the Board be and is hereby authorised at any time and from time to time to offer and to grant Koay Kim Chiew, the Executive Director of the Company, options to subscribe up to a maximum of 800,000 new Shares under the Proposed ESOS subject always to the following provisions:-

(i) he must not participate in the deliberation or discussion of his own allocation of the number of Options to be offered to him, as well as that of the persons connected to him, under the Proposed ESOS;

(ii) not more than ten percent (10%) of the new Shares available under the Proposed ESOS shall be allocated to him, if he, either singly or collectively through Persons Connected (as defined in the Listing Requirements) with him, holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company; and

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed ESOS and any prevailing guidelines issued by Bursa Securities, the Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time.

AND THAT, the Board be further authorised to allot and issue such number of new Shares pursuant to the Proposed ESOS to him from time to time pursuant to the exercise of such options."

ORDINARY RESOLUTION 5

PROPOSED GRANTING OF OPTIONS TO TAN AH LEK

"THAT, subject to the passing of Ordinary Resolution 1 above and the approval of all the relevant authorities and/or parties (where required), including but not limited to, the approval of Bursa Securities for the listing of and quotation for the new ordinary shares of the Company to be issued under the Proposed ESOS, the Board be and is hereby authorised at any time and from time to time to offer and to grant Tan Ah Lek, the Non-independent Non-Executive Director of the Company, options to subscribe up to a maximum of 500,000 new Shares under the Proposed ESOS subject always to the following provisions:-

(i) he must not participate in the deliberation or discussion of his own allocation of the number of Options to be offered to him, as well as that of the persons connected to him, under the Proposed ESOS;

(ii) not more than ten percent (10%) of the new Shares available under the Proposed ESOS shall be allocated to him, if he, either singly or collectively through Persons Connected (as defined in the Listing Requirements) with him, holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company; and

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed ESOS and any prevailing guidelines issued by Bursa Securities, the Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time.

AND THAT, the Board be further authorised to allot and issue such number of new Shares pursuant to the Proposed ESOS to him from time to time pursuant to the exercise of such options."

ORDINARY RESOLUTION 6

PROPOSED GRANTING OF OPTIONS TO TAN AI JIEW

"THAT, subject to the passing of Ordinary Resolution 1 above and the approval of all the relevant authorities and/or parties (where required), including but not limited to, the approval of Bursa Securities for the listing of and quotation for the new ordinary shares of the Company to be issued under the Proposed ESOS, the Board be and is hereby authorised at any time and from time to time to offer and to grant Tan Ai Jiew, the Non-independent Non-Executive Director of the Company, options to subscribe up to a maximum of 500,000 new Shares under the Proposed ESOS subject always to the following provisions:-

(i) she must not participate in the deliberation or discussion of her own allocation of the number of Options to be offered to her, as well as that of the persons connected to her, under the Proposed ESOS;

(ii) not more than ten percent (10%) of the new Shares available under the Proposed ESOS shall be allocated to her, if she, either singly or collectively through Persons Connected (as defined in the Listing Requirements) with her, holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company; and

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed ESOS and any prevailing guidelines issued by Bursa Securities, the Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time.

AND THAT, the Board be further authorised to allot and issue such number of new Shares pursuant to the Proposed ESOS to her from time to time pursuant to the exercise of such options."

ORDINARY RESOLUTION 7

PROPOSED GRANTING OF OPTIONS TO OOI TOON KIT

"THAT, subject to the passing of Ordinary Resolution 1 above and the approval of all the relevant authorities and/or parties (where required), including but not limited to, the approval of Bursa Securities for the listing of and quotation for the new ordinary shares of the Company to be issued under the Proposed ESOS, the Board be and is hereby authorised at any time and from time to time to offer and to grant Ooi Toon Kit, the Independent Non-Executive Director of the Company, options to subscribe up to a maximum of 500,000 new Shares under the Proposed ESOS subject always to the following provisions:-

(i) he must not participate in the deliberation or discussion of his own allocation of the number of Options to be offered to him, as well as that of the persons connected to him, under the Proposed ESOS;

(ii) not more than ten percent (10%) of the new Shares available under the Proposed ESOS shall be allocated to him, if he, either singly or collectively through Persons Connected (as defined in the Listing Requirements) with him, holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company; and

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed ESOS and any prevailing guidelines issued by Bursa Securities, the Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time.

AND THAT, the Board be further authorised to allot and issue such number of new Shares pursuant to the Proposed ESOS to him from time to time pursuant to the exercise of such options."

ORDINARY RESOLUTION 8

PROPOSED GRANTING OF OPTIONS TO TAN CHEIK KOOI

"THAT, subject to the passing of Ordinary Resolution 1 above and the approval of all the relevant authorities and/or parties (where required), including but not limited to, the approval of Bursa Securities for the listing of and quotation for the new ordinary shares of the Company to be issued under the Proposed ESOS, the Board be and is hereby authorised at any time and from time to time to offer and to grant Tan Cheik Kooi, an employee of the Elsoft Group who is also the brother of Tan Cheik Eaik, Tan Ai Jiew and Tan Ah Lek, options to subscribe up to a maximum of 300,000 new Shares under the Proposed ESOS subject always to the following provisions:-

(i) he must not participate in the deliberation or discussion of his own allocation of the number of Options to be offered to him, as well as that of the persons connected to him, under the Proposed ESOS;

(ii) not more than ten percent (10%) of the new Shares available under the Proposed ESOS shall be allocated to him, if he, either singly or collectively through Persons Connected (as defined in the Listing Requirements) with him, holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company; and

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed ESOS and any prevailing guidelines issued by Bursa Securities, the Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time.

AND THAT, the Board be further authorised to allot and issue such number of new Shares pursuant to the Proposed ESOS to him from time to time pursuant to the exercise of such options."

ORDINARY RESOLUTION 9

PROPOSED GRANTING OF OPTIONS TO LAU KHENG KEAT

"THAT, subject to the passing of Ordinary Resolution 1 above and the approval of all the relevant authorities and/or parties (where required), including but not limited to, the approval of Bursa Securities for the listing of and quotation for the new ordinary shares of the Company to be issued under the Proposed ESOS, the Board be and is hereby authorised at any time and from time to time to offer and to grant Lau Kheng Keat, an employee of the Elsoft Group who is also the son of Tan Ai Jiew, options to subscribe up to a maximum of 300,000 new Shares under the Proposed ESOS subject always to the following provisions:-

(i) he must not participate in the deliberation or discussion of his own allocation of the number of Options to be offered to him, as well as that of the persons connected to him, under the Proposed ESOS;

(ii) not more than ten percent (10%) of the new Shares available under the Proposed ESOS shall be allocated to him, if he, either singly or collectively through Persons Connected (as defined in the Listing Requirements) with him, holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company; and

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed ESOS and any prevailing guidelines issued by Bursa Securities, the Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time.

AND THAT, the Board be further authorised to allot and issue such number of new Shares pursuant to the Proposed ESOS to him from time to time pursuant to the exercise of such options."

ORDINARY RESOLUTION 10

PROPOSED GRANTING OF OPTIONS TO LAU KHENG TEONG

"THAT, subject to the passing of Ordinary Resolution 1 above and the approval of all the relevant authorities and/or parties (where required), including but not limited to, the approval of Bursa Securities for the listing of and quotation for the new ordinary shares of the Company to be issued under the Proposed ESOS, the Board be and is hereby authorised at any time and from time to time to offer and to grant Lau Kheng Teong, an employee of the Elsoft Group who is also the son of Tan Ai Jiew, options to subscribe up to a maximum of 300,000 new Shares under the Proposed ESOS subject always to the following provisions:-

(i) he must not participate in the deliberation or discussion of his own allocation of the number of Options to be offered to him, as well as that of the persons connected to him, under the Proposed ESOS;

(ii) not more than ten percent (10%) of the new Shares available under the Proposed ESOS shall be allocated to him, if he, either singly or collectively through Persons Connected (as defined in the Listing Requirements) with him, holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company; and

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed ESOS and any prevailing guidelines issued by Bursa Securities, the Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time.

AND THAT, the Board be further authorised to allot and issue such number of new Shares pursuant to the Proposed ESOS to him from time to time pursuant to the exercise of such options."

ORDINARY RESOLUTION 11

PROPOSED GRANTING OF OPTIONS TO TAN WEI CHIU

"THAT, subject to the passing of Ordinary Resolution 1 above and the approval of all the relevant authorities and/or parties (where required), including but not limited to, the approval of Bursa Securities for the listing of and quotation for the new ordinary shares of the Company to be issued under the Proposed ESOS, the Board be and is hereby authorised at any time and from time to time to offer and to grant Tan Wei Chiu, an employee of the Elsoft Group who is also the son of Tan Ah Lek, options to subscribe up to a maximum of 300,000 new Shares under the Proposed ESOS subject always to the following provisions:-

(i) he must not participate in the deliberation or discussion of his own allocation of the number of Options to be offered to him, as well as that of the persons connected to him, under the Proposed ESOS;

(ii) not more than ten percent (10%) of the new Shares available under the Proposed ESOS shall be allocated to him, if he, either singly or collectively through Persons Connected (as defined in the Listing Requirements) with him, holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company; and

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed ESOS and any prevailing guidelines issued by Bursa Securities, the Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time.

AND THAT, the Board be further authorised to allot and issue such number of new Shares pursuant to the Proposed ESOS to him from time to time pursuant to the exercise of such options."

ORDINARY RESOLUTION 12

PROPOSED GRANTING OF OPTIONS TO TAN WOEL SHEN

"THAT, subject to the passing of Ordinary Resolution 1 above and the approval of all the relevant authorities and/or parties (where required), including but not limited to, the approval of Bursa Securities for the listing of and quotation for the new ordinary shares of the Company to be issued under the Proposed ESOS, the Board be and is hereby authorised at any time and from time to time to offer and to grant Tan Woel Shen, an employee of the Elsoft Group who is also the son of Tan Cheik Kooi, options to subscribe up to a maximum of 300,000 new Shares under the Proposed ESOS subject always to the following provisions:-

(i) he must not participate in the deliberation or discussion of his own allocation of the number of Options to be offered to him, as well as that of the persons connected to him, under the Proposed ESOS;

(ii) not more than ten percent (10%) of the new Shares available under the Proposed ESOS shall be allocated to him, if he, either singly or collectively through Persons Connected (as defined in the Listing Requirements) with him, holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company; and

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed ESOS and any prevailing guidelines issued by Bursa Securities, the Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time.

AND THAT, the Board be further authorised to allot and issue such number of new Shares pursuant to the Proposed ESOS to him from time to time pursuant to the exercise of such options."

ORDINARY RESOLUTION 13

PROPOSED PROVISION OF FINANCIAL ASSISTANCE TO BUTTERFLY HOUSE (PG) SDN BHD ("BHBSB"), AN ASSOCIATED COMPANY OF ELSOFT, PURSUANT TO THE PROPOSED SUBSCRIPTION OF 8,400,000 REDEEMABLE CUMULATIVE PREFERENCE SHARES OF RM0.10 EACH ("RCPS") IN BHBSB FOR A TOTAL CASH CONSIDERATION OF RM8,400,000 ("PROPOSED RCPS SUBSCRIPTION") ("PROPOSED PROVISION OF FINANCIAL ASSISTANCE")

"THAT approval be and is hereby given for the Company to provide financial assistance to Butterfly House (PG) Sdn Bhd, an associated company of Elsoft, in the form of the Proposed RCPS Subscription to facilitate the expansion and redevelopment of the Penang Butterfly Farm into an edu-tourism project;

AND THAT the Board be and is hereby authorised to take all steps and do all such acts as it may consider necessary or expedient to give full effect to the Proposed Provision of Financial Assistance with full power to enter into all such transactions, arrangements and agreements in respect of any matter arising under or in connection with the Proposed Provision of Financial Assistance and to assent to any conditions, modifications, variations, additions and/or amendments as may be imposed by any relevant authorities and/or as the Board may deem fit or in the best interests of the Company."

By Order of the Board

Datuk Tan Leh Kiah (MAICSA 0719692)
Ooi Young Young (MAICSA 7020753)
Company Secretaries

Penang
11 November 2015

Notes:

- (i) There is no restriction as to the qualification of the proxy and the provisions of Section 149(1) (b)&(c) of the Companies Act, 1965 shall not apply to the Company.
- (ii) A member shall be entitled to appoint two (2) or more proxies to attend and vote at the same meeting.
- (iii) Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- (iv) 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 corporation's seal or under the hand of an officer or attorney duly authorised.
- (v) Where a Member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least 1 proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (vi) Where a Member of the Company is an exempt authorised nominee as defined under the Central Depositories Act, 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.
- (vii) To be valid, the proxy form duly completed must be deposited at the Registered Office, 39 Salween Road 10050 Penang not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting.
- (viii) Only a depositor whose name appears on the Record of Depositors of the Company, as at 19 November 2015 shall be entitled to attend this Extraordinary General Meeting or appoint proxies to attend, speak and/or vote on his/ her behalf.