



## MLABS SYSTEMS BERHAD

(Company No. 653227-V)

(Incorporated in Malaysia under the Companies Act, 1965)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of Mlabs Systems Berhad (“**MLABS**” or the “**Company**”) will be held at Level 4, Menara Lien Hoe, No. 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Monday, 21 December 2015 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolution with or without any modification:-

#### **SPECIAL RESOLUTION**

**PROPOSED CAPITAL REDUCTION COMPRISING THE PROPOSED REDUCTION OF RM0.05 OF THE PAR VALUE OF EACH EXISTING ORDINARY SHARE OF RM0.10 EACH IN MLABS PURSUANT TO SECTION 64 OF THE COMPANIES ACT, 1965 (“ACT”) AND THE PROPOSED REDUCTION OF THE SHARE PREMIUM ACCOUNT OF MLABS PURSUANT TO SECTIONS 60 AND 64 OF THE ACT (“PROPOSED CAPITAL REDUCTION”)**

**THAT** subject to the sanction of the High Court of Malaya pursuant to Section 64 of the Companies Act, 1965 (“**Act**”) and the necessary approvals being obtained from the relevant authorities and parties (if required), approval be and is hereby given for the Board of Directors of the Company (“**Board**”) to reduce the Company’s share capital from RM50,000,000.00 divided into 500,000,000 ordinary shares of RM0.10 each (of which 186,866,900 shares of RM0.10 each have been issued and fully paid-up) to RM25,000,000.00 divided into 500,000,000 ordinary shares of RM0.05 each by reducing RM0.05 of the par value of each of the said shares from RM0.10 to RM0.05 and the credit of RM9,343,345.00 arising from the said reduction and cancellation shall be utilised by the Company to set-off against the Company’s accumulated losses and the balance, if any, is to be credited as capital reserves of the Company (“**Proposed Par Value Reduction**”).

**THAT** subject to the sanction of the High Court of Malaya and the necessary approvals being obtained from the relevant authorities and parties (if required), approval be and is hereby given for the Company to undertake a proposed reduction of the share premium account of the Company of up to RM9,389,978.00 pursuant to Sections 60 and 64 of the Act and the credit arising from the said reduction shall be utilised by the Company to set-off against the Company’s accumulated losses and the balance, if any, is to be credited as capital reserves of the Company (“**Proposed Share Premium Reduction**”).

(collectively, the Proposed Par Value Reduction and the Proposed Share Premium Reduction are referred to as “**Proposed Capital Reduction**”)

**THAT** immediately upon completion of the Proposed Capital Reduction, the authorised share capital of the Company which has been reduced to RM25,000,000.00 pursuant to the Proposed Capital Reduction shall be increased to RM50,000,000.00 by the creation of 1,000,000,000 new ordinary shares of RM0.05 each so as to restore the authorised share capital of the Company to its original amount of RM50,000,000.00 comprising 1,000,000,000 ordinary shares of RM0.05 each.

**AND THAT** the Board of the Company be and 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 Capital 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 of Malaya 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.

#### **By Order of the Board**

**SEOW FEI SAN**

**LOH LAI LING**

Company Secretaries

Petaling Jaya

20 November 2015

#### **Notes:-**

1. Only depositors whose names appear in the Record of Depositors as at 14 December 2015 shall be regarded as members and entitled to attend, speak and vote at the Extraordinary General Meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company and a member may appoint any persons to be his proxy. The provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A proxy appointed to attend and vote at a meeting of a company shall be entitled to vote on any question at any general meeting and have the same rights as the member to speak at the meeting.
3. A member shall be entitled to appoint more than two (2) proxies to attend and vote at the Extraordinary General Meeting. Where a member appoints more than two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holding to be represented by each proxy.
4. Where a Member is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (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.
5. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary share 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.
6. The instrument appointing a proxy and the power of attorney or other authority (if any), which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time for holding the Extraordinary General Meeting or any adjournment thereof.