



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 (“EGM”) of Elsoft Research Berhad (“Elssoft” or “Company”) will be held at Conference Room of the Company, Plot 85B, Lintang Bayan Lepas 9, Bayan Lepas Industrial Park, Phase 4, 11900 Penang on Thursday, 24 November 2016 at 11.00 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 BONUS ISSUE OF UP TO 93,841,000 NEW ORDINARY SHARES OF RM0.10 EACH IN ELSOFT (“ELSOFT SHARES” OR “SHARES”) (“BONUS SHARES”) ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY TWO (2) EXISTING ELSOFT SHARES HELD, ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“ENTITLEMENT DATE”) (“PROPOSED BONUS ISSUE”)

“THAT subject to the passing of the Ordinary Resolution 2, Special Resolution and the approvals of all relevant authorities being obtained, the Board of Directors of Elsoft (“Board”) be and is hereby authorised to capitalise an amount of up to RM9,384,100 from the share premium account of the Company, and to apply such capitalised sums to make payment in full for up to 93,841,000 Bonus Shares to be credited as fully paid-up, on the basis of one (1) Bonus Share for every two (2) existing Elsoft Shares held by the shareholders whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later;

THAT any fractional entitlements arising from the Proposed Bonus Issue, if any, shall be disregarded and shall be dealt with in such manner as the Board shall in their absolute discretion deem fit or expedient, and in the best interest of the Company;

THAT the Bonus Shares shall, upon allotment and issue, rank *pari passu* in all respects with the then existing Elsoft Shares, save and except that the Bonus Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to shareholders of the Company, the entitlement date of which precedes the date of allotment of the Bonus Shares;

AND THAT the Board be and is hereby authorised to give effect to the Proposed Bonus Issue with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue.”

ORDINARY RESOLUTION 2

PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF ELSOFT FROM RM25,000,000 COMPRISING 250,000,000 ELSOFT SHARES TO RM50,000,000 COMPRISING 500,000,000 ELSOFT SHARES (“PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL”)

“THAT, subject to the passing of the Ordinary Resolution 1 and Special Resolution, the authorised share capital of Elsoft be and is hereby increased from RM25,000,000 comprising 250,000,000 Elsoft Shares to RM50,000,000 comprising 500,000,000 Elsoft Shares by the creation of an additional 250,000,000 new Elsoft Shares;

AND THAT the Board be and is hereby authorised to give effect to the Proposed Increase in Authorised Share Capital with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as it may deem necessary or expedient to implement, finalise and give full effect to the Proposed Increase in Authorised Share Capital.”

SPECIAL RESOLUTION

PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF ELSOFT (“PROPOSED AMENDMENT”)

“THAT subject to the passing of Ordinary Resolutions 1 and 2, approval be and is hereby given to the Board to approve the deletions, alterations, modifications, variations and additions to the Memorandum of Association of the Company as follows:

Clause	Existing provision	Amended provision
f)	The capital of the Company is RM25,000,000.00 divided into 250,000,000 shares of RM0.10 each. The Company shall have the power to increase, or reduce its capital, to consolidate or sub-divide the shares into shares of larger or smaller amounts and to divide the shares forming the capital (original, increased or reduced) of the Company into several classes and to attach thereto respectively, preferential, deferred or special rights, privileges or conditions as may be determined by, or in accordance with the regulations for the time being of the Company and to issue additional capital with any such rights, privileges or conditions as aforesaid, and any preference share may be issued on the terms that it is or at the option of the Company is liable to be redeemed.	The capital of the Company is RM50,000,000.00 divided into 500,000,000 shares of RM0.10 each. The Company shall have the power to increase, or reduce its capital, to consolidate or sub-divide the shares into shares of larger or smaller amounts and to divide the shares forming the capital (original, increased or reduced) of the Company into several classes and to attach thereto respectively, preferential, deferred or special rights, privileges or conditions as may be determined by, or in accordance with the regulations for the time being of the Company and to issue additional capital with any such rights, privileges or conditions as aforesaid, and any preference share may be issued on the terms that it is or at the option of the Company is liable to be redeemed.

AND THAT the Board be and is hereby authorised to give effect to the Proposed Amendment and to take all steps and do all acts and things in any manner as they may deem necessary to complete, finalise, implement and give full effect to the Proposed Amendment.”

By Order of the Board

Datuk Tan Leh Kiah (MAICSA 0719692)

Ooi Young Young (MAICSA 7020753)

Company Secretaries

Penang

27 October 2016

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 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.
- (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 17 November 2016 shall be entitled to attend this Extraordinary General Meeting or appoint proxies to attend, speak and/ or vote on his/ her behalf.