

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of mTouche Technology Berhad (“**mTouche**” or the “**Company**”) will be held at Kayangan Suites, Pulau Springs Resort Bhd, 20km, Jalan Pontian Lama, 81110 Pulau, Johor Darul Takzim, Malaysia on Monday, 23 January 2017 at 11.00 a.m., for the purpose of considering and, if thought fit, passing the following resolutions with or without any modification:-

SPECIAL RESOLUTION 1

PROPOSED CAPITAL RESTRUCTURING COMPRISING:-

- (a) **PROPOSED PAR VALUE REDUCTION VIA THE CANCELLATION OF RM0.05 OF THE PAR VALUE OF EACH EXISTING ORDINARY SHARE OF RM0.10 EACH IN ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY PURSUANT TO SECTION 64 OF THE COMPANIES ACT, 1965 (“ACT”)**
- (b) **PROPOSED SHARE CONSOLIDATION OF EVERY TWO (2) ORDINARY SHARES OF RM0.05 EACH INTO ONE (1) NEW ORDINARY SHARE OF RM0.10 EACH IN MTOUCHE AFTER THE PROPOSED PAR VALUE REDUCTION**

“**THAT** subject to the confirmation of the High Court of Malaya (“**High Court**”) pursuant to Section 64 of the Act and the approvals being obtained from the relevant authorities and parties (if required), approval be and is hereby given to the Company to effect the following:-

- (a) a reduction in the par value of each of the issued and paid-up ordinary shares in the capital of the Company from RM0.10 to RM0.05 each in mTouche so that the issued and paid-up share capital of the Company is reduced from RM25,469,510 divided into 254,695,100 ordinary shares of RM0.10 each to RM12,734,755 divided into 254,695,100 ordinary shares of RM0.05 each by the cancellation of RM0.05 per ordinary share (“**Proposed Par Value Reduction**”); and
- (b) the credit arising from such par value reduction shall be set-off against the accumulated losses of the Company and the remaining balance (if any) will be credited to the retained earnings of the Company which shall be utilised in a manner to be determined by the Board of Directors of the Company (“**Board**”) at a later date in the best interests of the Company as permitted by applicable law in Malaysia;

THAT upon the Proposed Par Value Reduction taking effect, the authorised share capital of the Company be increased from RM25,000,000 divided into 500,000,000 ordinary shares of RM0.05 each to RM50,000,000 divided into 1,000,000,000 ordinary shares of RM0.05 each by the creation of 500,000,000 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;

THAT upon the above transaction taking effect and the completion of the Proposed Par Value Reduction and the approvals being obtained from the relevant authorities, approval be and is hereby given to the Company to give effect to the consolidation of every two (2) ordinary shares of RM0.05 each in the Company into one (1) new ordinary share of RM0.10 each in the Company (“**Consolidated Share**”) (“**Proposed Share Consolidation**”);

THAT the Consolidated Shares shall, upon allotment and issuance, rank *pari passu* in all respects with one another **AND THAT** fractional entitlements arising from the Proposed Share Consolidation shall be disregarded and dealt with by the Board in such manner as its absolute discretion as it may deem fit or expedient and in the best interest of the Company;

AND THAT the Board be and is hereby authorised with full power to do all such acts, deeds and things and execute, sign and deliver on behalf of the Company all such documents and/or agreement as the Board may deem fit, necessary or expedient or appropriate in the best interest of the Company, in order to finalise, implement and/or give effect to the above transactions with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed or required by the relevant authorities and/or the High Court.”

ORDINARY RESOLUTION 1

PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE COMPANY FROM RM50,000,000 COMPRISING 500,000,000 ORDINARY SHARES OF RM0.10 EACH TO RM300,000,000 COMPRISING 3,000,000,000 ORDINARY SHARES OF RM0.10 EACH (“PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL”)

“**THAT** subject to the passing of Special Resolution 1 and the approvals of the relevant authorities / parties (where required) being obtained, the authorised share capital of the Company be and is hereby increased from RM50,000,000 comprising 500,000,000 ordinary shares of RM0.10 each to RM300,000,000 comprising 3,000,000,000 ordinary shares of RM0.10 each;

AND THAT the Board of Directors of the Company (“**Board**”) be and is hereby authorised to do all acts, deeds and things and execute all necessary documents as they may consider necessary or expedient in the best interests of the Company with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities, and to take all steps and actions as the Board may deem fit or expedient in order to carry out, finalise and give full effect to the Proposed Increase in Authorised Share Capital.”

SPECIAL RESOLUTION 2

PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

“**THAT** subject to the passing of Ordinary Resolution 1 and the approvals of the relevant authorities / parties (where required) being obtained, approval be and is hereby given to the Company to alter, modify, vary and delete the Memorandum of Association of the Company in the following manner (“**Proposed Amendment**”):-

| Memorandum of Association | Existing provision | Amended provision |
|---------------------------|---|--|
| Clause 6 | The capital of the Company is Ringgit Malaysia Fifty Million (RM50,000,000.00) divided into 500,000,000 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 Ringgit Malaysia Three Hundred Million (RM300,000,000.00) divided into 3,000,000,000 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. |

AND THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and execute all necessary documents as they may consider necessary or expedient in the best interests of the Company with full power to assent to any modifications, variations and/or amendment as may be required by the relevant authorities and to do all acts and things and take steps may be considered necessary to give full effect to the Proposed Amendment.”

ORDINARY RESOLUTION 2

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 557,500,566 NEW ORDINARY SHARES OF RM0.10 EACH IN THE COMPANY (“SHARES”) (AFTER THE PROPOSED PAR VALUE REDUCTION AND PROPOSED SHARE CONSOLIDATION) TOGETHER WITH UP TO 278,750,283 FREE DETACHABLE WARRANTS IN THE COMPANY (“WARRANTS C”) ON THE BASIS OF SIX (6) RIGHTS SHARES TOGETHER WITH THREE (3) FREE WARRANTS C FOR EVERY TWO (2) EXISTING SHARES HELD BY THE ENTITLED SHAREHOLDERS ON A RIGHTS ENTITLEMENT DATE TO BE DETERMINED

“**THAT** subject to the passing of the Ordinary Resolution 1 and Special Resolution 1 and the approval of all relevant authorities or parties being obtained (if required), including but not limited to the approval of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing and quotation of the Rights Shares and Warrants C to be issued hereunder and the new Shares to be issued pursuant to the exercise of the Warrants C, the Board of Directors of the Company (“**Board**”) be and is hereby authorised to undertake a renounceable rights issue of up to 557,500,566 new ordinary shares of RM0.10 each in the Company (after the implementation of the proposed par value reduction and proposed share consolidation to be undertaken by the Company) (“**Rights Shares**”) together with up to 278,750,283 free detachable warrants in the Company (“**Warrants C**”) to the shareholders of the Company (“**Shareholders**”) and for such purpose (“**Proposed Rights Issue With Warrants**”):-

- (i) to provisionally allot and issue by way of a renounceable rights issue the Rights Shares together with the Warrants C to 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 by the Board (“**Rights Entitlement Date**”) (“**Entitled Shareholders**”) and/or their renounee(s), on the basis of six (6) Rights Shares together with three (3) free Warrants C for every two (2) existing Shares held at a final issue price to be determined by the Board and on such terms and conditions and in such manner as the Board may determine;
- (ii) to issue the Warrants C in registered form to the Entitled Shareholders (and/or their renounee(s), as the case may be) and Excess Applicants (defined below), if any, who subscribe for and are allotted Rights Shares, each Warrant C conferring the right to subscribe for one (1) new Share at an exercise price to be determined by the Board, subject to any adjustment to the subscription rights attached to the Warrants C in accordance with the provisions of a deed poll to be executed by the Company constituting the Warrants C (“**Deed Poll C**”);
- (iii) to allot and issue such number of additional warrants pursuant to adjustments as provided under the Deed Poll C (“**Additional Warrants**”) and to adjust from time to time the exercise price of the Warrants C as a consequence of the adjustments under the provisions of the Deed Poll C and/or to effect such modifications, variations and/or amendments as may be imposed, required or permitted by Bursa Securities and any other relevant authorities or parties (if required); and
- (iv) to allot and issue such number of new Shares credited as fully paid-up to the holders of the Warrants C upon their exercise of the relevant warrants to subscribe for new Shares during the tenure of the Warrants C, and such further new Shares as may be required or permitted to be issued pursuant to the exercise of the Additional Warrants and such adjustments in accordance with the provisions of the Deed Poll C.

THAT any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever to the Entitled Shareholders and/or their renounee(s) shall be made available for excess applications in such manner and to such persons (“**Excess Applicants**”) as the Board shall determine at its absolute discretion;

THAT the Rights Shares, Warrants C and the new Shares to be issued pursuant to the exercise of the Warrants C shall be listed on the ACE Market of Bursa Securities;

THAT the proceeds of the Proposed Rights Issue with Warrants be utilised for the purposes as set out in Section 3 of the Circular to Shareholders dated 30 December 2016 and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject (where required) to the approval of the relevant authorities;

THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things, and to execute, enter into, sign, deliver and cause to be delivered for and on behalf of the Company all such transactions, arrangements, agreements and/or documents as it may consider necessary or expedient in order to implement, give full effect to and complete the Proposed Rights Issue with Warrants, with full powers to assent to and accept any condition, modification, variation, arrangement and/or amendment to the terms of the Proposed Rights Issue with Warrants as the Board may deem fit, necessary and/or expedient in the best interests of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the aforesaid conditions, modifications, variations, arrangements and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue with Warrants in order to implement and give full effect to the Proposed Rights Issue with Warrants;

THAT the Rights Shares shall, upon allotment, issuance and (where applicable) full payment, rank *pari passu* in all respects with the then existing issued and paid-up Shares, save and except that the holders of such Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of the Rights Shares;

THAT the new Shares to be issued pursuant to the exercise of the Warrants C (including the Additional Warrants, if any) shall, upon allotment, issue and full payment of the exercise price of the Warrants C (or the Additional Warrants, if any), rank *pari passu* in all respects with the then existing issued and fully paid-up Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment of such new Shares arising from the exercise of the Warrants C (including the Additional Warrants, if any);

AND THAT this Ordinary Resolution 2 constitutes a specific approval for the issuance of Shares and securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Rights Shares, Warrants C (including Additional Warrants, if any) and new Shares to be issued pursuant to or in connection with the Proposed Rights Issue with Warrants have been allotted and issued in accordance with the terms of the Proposed Rights Issue with Warrants.”

ORDINARY RESOLUTION 3

PROPOSED ESTABLISHMENT OF AN EMPLOYEES’ SHARE OPTION SCHEME INVOLVING UP TO 30% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF MTOUCHE (EXCLUDING TREASURY SHARES, IF ANY) FOR THE ELIGIBLE DIRECTORS AND EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES

“**THAT** subject to the passing of Ordinary Resolution 1 as well as the approval of all the relevant authorities (where required), including but not limited to the approval of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing and quotation of the new ordinary shares of the Company (“**Shares**”) to be issued pursuant to the exercise of the options (“**Options**”) granted under the proposed employees’ share option scheme of the Company (“**Scheme**”) having been obtained, approval be and is hereby given to the Company to establish the Scheme of up to 30% of the issued and paid-up ordinary share capital of the Company for the benefit of eligible directors and eligible employees of the Company and its subsidiaries, excluding the subsidiaries which are dormant (“**Proposed ESOS**”) and the Board of Directors of the Company (“**Board**”) be and is hereby authorised to:-

- (i) implement and administer the Scheme in accordance with the form set out in the by-laws (“**By-Laws**”), the draft of which is set out in Appendix II of the Circular, and to give full effect to the Scheme with full power to assent to any conditions, variations, modifications and/or amendments as may be deemed fit or expedient and/or imposed / required by the relevant authorities;
- (ii) make the necessary applications and do all the things necessary at the appropriate time or times to Bursa Securities for the listing and quotation of the new Shares which may from time to time be allotted and issued pursuant to the exercise of the Options granted under the Scheme;
- (iii) allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the Options granted under the Scheme provided that the aggregate number of the new Shares to be allotted and issued under the Scheme shall not exceed in aggregate of 30% of the issued and paid-up ordinary share capital of the Company at any point of time during the existence of the Scheme. The new Shares issued pursuant to the exercise of the Options granted under the Scheme shall, upon allotment and issuance, rank *pari passu* in all respect with the then existing issued and fully paid-up Shares except that the new Shares so issued will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new Shares;
- (iv) modify and/or amend the By-Laws from time to time as may be required / permitted by the authorities or deemed necessary by the authorities or the Board provided that such modifications and/or amendments are effected in accordance with the provisions of the By-Laws relating to modifications and/or amendments 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 Scheme; and
- (v) extend the Scheme for a further period of up to five (5) years without having to obtain the further approvals of the Shareholders in a general meeting (unless otherwise required by law or the relevant authorities) or the relevant regulatory authorities and to consent to and to adopt, if the Board so deems fit and expedient, such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in respect of the Scheme.

THAT the Board be and is hereby authorised to give effect to the Scheme with full power to consent to and to adopt and implement such conditions, modifications, variations and/or amendments as may be required by the relevant regulatory authorities or as the Board may deem fit or necessary at its absolute discretion;

AND THAT the By-Laws of the Scheme, a draft of which is set out in Appendix II of the Circular, be and is hereby approved and adopted.”

ORDINARY RESOLUTION 4

PROPOSED ALLOCATION TO TANG BOON KOON

“**THAT**, subject to the passing of Ordinary Resolution 1, Ordinary Resolution 3 and the approvals of all relevant authorities (where required) having been obtained, the Board of Directors of the Company (“**Board**”) be and is hereby authorised, at any time and from time to time throughout the duration of the Employees’ Share Option Scheme of the Company (“**ESOS**” or “**Scheme**”), to offer and grant to Tang Boon Koon, the Executive Director of the Company, options to subscribe for new Shares under the Scheme (“**Proposed Allocation to Tang Boon Koon**”), provided always that not more than ten percent (10%) of the total shares available under the ESOS should be allocated to Tang Boon Koon, as long as Tang Boon Koon either singly or collectively through persons connected with him, holds twenty percent (20%) or more of the issued and paid-up share capital of the Company (excluding treasury shares, if any);

AND THAT the Board be and is hereby authorised to take such steps as are necessary or expedient to implement, finalise or to give effect to the Proposed Allocation to Tang Boon Koon with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed and/or permitted by the relevant authorities or otherwise thought fit by the Board to be in the best interest of the Company, to execute, sign and deliver on behalf of the Company all such agreements, arrangements and documents as may be necessary to give full effect to, complete and implement the Proposed Allocation to Tang Boon Koon as well as to deal with all matters relating thereto and/or to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company.”

ORDINARY RESOLUTION 5

PROPOSED ALLOCATION TO CHEN HUEI PING

“**THAT**, subject to the passing of Ordinary Resolution 1, Ordinary Resolution 3 and the approvals of all relevant authorities (where required) having been obtained, the Board of Directors of the Company (“**Board**”) be and is hereby authorised, at any time and from time to time throughout the duration of the Employees’ Share Option Scheme of the Company (“**ESOS**” or “**Scheme**”), to offer and grant to Chen Huei Ping, the Executive Director of the Company, options to subscribe for new Shares under the Scheme (“**Proposed Allocation to Chen Huei Ping**”), provided always that not more than ten percent (10%) of the total shares available under the ESOS should be allocated to Chen Huei Ping, as long as Chen Huei Ping either singly or collectively through persons connected with him, holds twenty percent (20%) or more of the issued and paid-up share capital of the Company (excluding treasury shares, if any);

AND THAT the Board be and is hereby authorised to take such steps as are necessary or expedient to implement, finalise or to give effect to the Proposed Allocation to Chen Huei Ping with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed and/or permitted by the relevant authorities or otherwise thought fit by the Board to be in the best interest of the Company, to execute, sign and deliver on behalf of the Company all such agreements, arrangements and documents as may be necessary to give full effect to, complete and implement the Proposed Allocation to Chen Huei Ping as well as to deal with all matters relating thereto and/or to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company.”

By Order of the Board
MTOUCHE TECHNOLOGY BERHAD

NG SALLY (MAICSA 7060343)
LIM LEE KUAN (MAICSA 7017753)

Company Secretaries
Kuala Lumpur
30 December 2016

Notes:-

1. A member shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or at hand of an officer or attorney duly authorised.
2. Where a member of the Company is an exempt authorised nominee 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.
3. The instrument of appointing a proxy shall be deposited at the Company’s Share Registrar’s Office at ShareWorks Sdn. Bhd. at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting.
4. Form of Proxy sent through facsimile transmission shall not be accepted.
5. **GENERAL MEETING RECORD OF DEPOSITORS**

For the purposes of determining a member who shall be entitled to attend the Extraordinary General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 58 of the Company’s Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 16 January 2017. Only a depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxies to attend and/or vote on his/her behalf.