



## 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 Thursday, 8 June 2017 at 10.30 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions with or without any modification:-

#### ORDINARY RESOLUTION 1

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 528,169,300 NEW ORDINARY SHARES IN MLABS ("**MLABS SHARES**" OR "**SHARES**") ("**RIGHTS SHARES**") TOGETHER WITH UP TO 264,084,650 FREE DETACHABLE WARRANTS IN MLABS ("**WARRANTS B**") , ON THE BASIS OF 2 RIGHTS SHARES TOGETHER WITH 1 FREE WARRANT B FOR EVERY 1 EXISTING MLABS SHARE HELD BY ENTITLED SHAREHOLDERS OF MLABS ("**SHAREHOLDERS**") ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("**PROPOSED RIGHTS ISSUE WITH WARRANTS**")**

"**THAT** subject to the approval of all relevant regulatory authorities or parties being obtained (if required), including but not limited to the approval-in-principle of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing and quotation of the rights shares and the warrants to be issued hereunder and the new ordinary shares in the Company to be issued pursuant to the conversion of the aforesaid warrants, the Board of Directors of the Company ("**Board**") be and is hereby authorised to:-

- (i) provisionally allot and issue by way of a renounceable rights issue of up to 528,169,300 new ordinary shares in the Company ("**MLABS Shares**" or "**Shares**") ("**Rights Shares**") together with up to 264,084,650 free detachable warrants ("**Warrants B**") 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 ("**Entitlement Date**") ("**Entitled Shareholders**"), and/or their renouncee(s), on the basis of 2 Rights Shares with 1 free Warrant for every 1 existing Share 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 ("**Proposed Rights Issue with Warrants**");
- (ii) enter into and execute the deed poll ("**Deed Poll**") and to do all acts, deeds and things as they deem fit or expedient in order to implement, finalise and give effect to the aforesaid Deed Poll wherein each of the Warrant will carry the rights to subscribe, subject to any adjustment in accordance with the Deed Poll to be executed, at any time during the "Exercise Period" as defined in the Deed Poll, for 1 new Share at an exercise price to be determined by the Board at a later date;
- (iii) allot and issue such number of additional Warrants B pursuant to adjustments as provided under the Deed Poll ("**Additional Warrants B**") and to adjust from time to time the exercise price of the Warrants B as a consequence of the adjustments under the provisions of the Deed Poll 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) allot and issue such number of new Shares credited as fully paid-up to the holders of the Warrants B upon their exercise of the relevant Warrants B to subscribe for new Shares during the tenure of the Warrants B, and such further new Shares as may be required or permitted to be issued pursuant to the exercise of the Additional Warrants B and such adjustments in accordance with the provisions of the Deed Poll.

**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 renouncee(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 B and the new Shares to be issued pursuant to the exercise of the Warrants B 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 4 of the Circular to shareholders of the Company dated 19 May 2017 ("**Circular**") 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 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 B (including the Additional Warrants B, if any) shall, upon allotment, issuance and full payment of the exercise price of the Warrants B (or the Additional Warrants B, if any), rank *pari passu* in all respects with the then existing issued 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 B (including the Additional Warrants B, if any);

**AND THAT** this Ordinary Resolution constitutes 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 B (including Additional Warrants B, 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 2

**PROPOSED ESTABLISHMENT OF A NEW EMPLOYEES' SHARE OPTION SCHEME ("**ESOS**" OR "**SCHEME**") INVOLVING UP TO 30% OF THE TOTAL NUMBER OF ISSUED SHARES OF MLABS (EXCLUDING TREASURY SHARES, IF ANY) FOR THE ELIGIBLE DIRECTORS AND EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES ("**PROPOSED ESOS**")**

"**THAT** subject to 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 employees' share option scheme ("**ESOS**" or "**Scheme**") options granted under the Scheme having been obtained, approval be and is hereby given to the Company to establish the Scheme of up to 30% of the total number of issued shares of the Company from time to time (excluding treasury shares, if any) for the benefit of eligible directors and eligible employees of the Company and its subsidiaries, excluding the subsidiaries which are dormant and the Board be and is hereby authorised to:-

- (i) establish, implement and administer the Scheme in accordance with the form set out in the by-laws, as set out in Appendix II of the Circular ("**By-Laws**"), 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 of the Company which may from time to time be allotted and issued pursuant to the exercise of the ESOS 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 ESOS 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 total number of issued shares of the Company (excluding treasury shares, if any) at any time during the existence of the Scheme and such new MLABS Shares to be issued pursuant to the exercise of the ESOS options granted under the Scheme shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued 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 pursuant Scheme and will be subject to all the provisions of Articles of Association of the Company relating to the transfer, transmission and otherwise of the 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

**AND 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."

#### By Order of the Board

SEOW FEI SAN

LOH LAI LING

Company Secretaries

Petaling Jaya

19 May 2017

#### Notes:-

1. Only depositors whose names appear in the Record of Depositors as at 2 June 2017 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. 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 2 proxies to attend and vote at the Extraordinary General Meeting. Where a member appoints more than 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 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 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.