

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of DATASONIC GROUP BERHAD ("the Company") will be held at Cindai 1 & 2, Cyberview Resort & Spa, Persiaran Multimedia, 63000 Cyberjaya, Selangor Darul Ehsan on Thursday, 1 August 2019 at 10:00 a.m. for the purpose of transacting the following businesses:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 March 2019 together with the Reports of the Directors and Auditors thereon.
(Please refer to Explanatory Note A)
2. To approve the Directors' fees payable to the Non-Executive Directors of the Company up to an amount of RM1,100,000 from the day after the Eleventh Annual General Meeting ("AGM") until the next AGM of the Company, to be paid monthly in arrears.
(Please refer to Explanatory Note B)
3. To approve the Directors' benefits payable to the Non-Executive Directors of the Company up to an amount of RM200,000 from the day after the Eleventh AGM until the next AGM of the Company.
(Please refer to Explanatory Note B)
4. To re-elect the following Directors who retire in accordance with Article 126 of the Articles of Association of the Company and being eligible, have offered themselves for re-election:-
 - a) Dato' Wan Mohd Safiain bin Wan Hasan
(Please refer to Explanatory Note C)
 - b) Mr. Chew Ben Ben
 - c) Encik Mohamed Zulkhormain bin Ab Ranees
 - d) Puan Talya Zholeikha binti Abu Hanifah
 - e) Mr. Yee Kim Shing @ Yew Kim Sing
(Please refer to Explanatory Note C)
5. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3
Ordinary Resolution 4
Ordinary Resolution 5
Ordinary Resolution 6

Ordinary Resolution 7
Ordinary Resolution 8

As Special Business

To consider and, if thought fit, to pass the following Resolutions, with or without modifications:-

6. Ordinary Resolution:

Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016

"THAT subject to Sections 75 and 76 of the Companies Act, 2016, the Constitution of the Company and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised and empowered to issue and allot shares in the Company, at any time, to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."
(Please refer to Explanatory Note D)

Ordinary Resolution 9

7. Ordinary Resolution:

Proposed Authority for the Company to Purchase Its Own Shares ("Proposed Share Buy Back")

"THAT subject to the Companies Act, 2016 ("the Act"), the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and the approvals of all relevant governmental and/or regulatory authorities (if any), approval be and is hereby given to the Company to purchase such number of ordinary shares as may be determined by the Directors of the Company from time to time through Bursa Malaysia upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:-

- a) the maximum aggregate number of ordinary shares to be purchased by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time;
- b) the maximum fund to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase; and
- c) the authority conferred by this resolution shall be effective immediately after the passing of this resolution and shall continue to be in force until:-
 - i) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which this resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that next AGM, the authority is renewed, either unconditionally or subject to conditions; or
 - ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - iii) revoked or varied by ordinary resolution passed by the shareholders in a general meeting, whichever, occur first.

THAT upon completion of the purchase(s) by the Company of its own ordinary shares, the Directors be and are hereby authorised to deal with the ordinary shares so purchased in their absolute discretion in the following manners:-

- a) cancel all the ordinary shares so purchased; or
- b) retain the ordinary shares so purchased as treasury shares; or
- c) retain part of the ordinary shares so purchased as treasury shares and cancel the remainder of the ordinary shares.

THAT where such ordinary shares are held as treasury shares, the Directors be and are hereby authorised to deal with the treasury shares in their absolute discretion, in the following manner:-

- a) distribute the ordinary shares as dividends to shareholders, such dividends to be known as "shares dividends"; or
- b) resell the ordinary shares or any of the ordinary shares in accordance with the relevant rules of Bursa Malaysia; or
- c) transfer the ordinary shares or any of the ordinary shares for the purposes of or under an employees' share scheme; or
- d) transfer the ordinary shares or any of the ordinary shares as purchase consideration; or
- e) cancel the ordinary shares or any of the ordinary shares; or
- f) sell, transfer or otherwise use the ordinary shares for such other purposes as the Minister charged with the responsibilities for companies may by order prescribe.

AND THAT the Directors be and are hereby authorised and empowered to take all such steps as are necessary or expedient (including the opening and maintaining of depository account(s) under the Securities Industry (Central Depositories) Act 1991 and to enter into and execute, on behalf of the Company, any instrument, agreement, arrangement and guarantee with any party or parties to implement, finalise, complete or to give full effect to the Proposed Share Buy-Back with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by Bursa Malaysia or the relevant regulatory authorities and with the fullest power to do such acts and things thereafter in accordance with the Act, the provisions of the Constitution of the Company and the requirements and/or guidelines of Bursa Malaysia and other relevant governmental and/or regulatory authorities."
(Please refer to Explanatory Note E)

Ordinary Resolution 10

8. Special Resolution:

Proposed Adoption of New Constitution of the Company ("Proposed New Constitution")

"THAT approval be and is hereby given to revoke the existing Memorandum and Articles of Association of the Company in its entirety with immediate effect and in place thereof, a new Constitution of the Company as set out in the Circular/Statement to Shareholders dated 3 July 2019 be and is hereby adopted as the Constitution of the Company with immediate effect.

AND THAT the Directors of the Company be and are hereby authorised to assent to any modification, variation and/or amendment as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the Proposed New Constitution."
(Please refer to Explanatory Note F)

Special Resolution

9. To transact any other business of which due notice has been given in accordance with the Companies Act, 2016.

By Order of the Board

NIU CHEW WEI (MAICSA 7022900)
Company Secretary

Kuala Lumpur
3 July 2019

NOTES:

- (1) A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his stead. A proxy need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
- (2) Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- (3) Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
- (4) 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 its Common Seal or the hand of its attorney or duly authorised officer.
- (5) The instrument appointing a proxy or proxies and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's Share Registrar's office, Boardroom Share Registrars Sdn Bhd (Company No. 378993-D) (formerly known as Symphony Share Registrars Sdn Bhd) at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.
- (6) In respect of deposited securities, only a depositor whose name appears on the Record of Depositors as at 25 July 2019 shall be entitled to attend the said meeting or appoint proxy(ies) to attend, speak and vote in his/her stead.
- (7) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice of the Eleventh Annual General Meeting of the Company shall be put to vote by way of a poll. The Company will appoint at least one (1) scrutineer to validate the votes cast at the Eleventh Annual General Meeting.

EXPLANATORY NOTES:

A) To receive the Audited Financial Statements

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

B) Ordinary Resolutions 1 and 2 – Directors' Fees and Benefits Payable to Non-Executive Directors

Section 230(1) of the Companies Act, 2016, provides amongst others, that the fees of the Directors and any benefits payable to the Directors of the Company shall be approved at a general meeting.

The proposed Ordinary Resolutions 1 and 2, if passed, will allow payment of Directors' fees and benefits to Non-Executive Directors ("NED") of the Company on a monthly basis and/or as and when incurred within the stipulated period.

The proposed Directors' benefits payable comprises of meeting allowance and other benefits.

The estimated amount of Directors' benefits payable is based on the size of the Board and Board Committees and the number of scheduled Board and Board Committees meetings for the period commencing from the day after the Eleventh Annual General Meeting until the next Annual General Meeting of the Company.

C) Annual Assessment of the Independence of the Independent Directors

The Board through the Nomination and Remuneration Committee has undertaken an annual assessment of the independence of all its Independent Directors, including Dato' Wan Mohd Safiain bin Wan Hasan and Mr. Yee Kim Shing @ Yew Kim Sing who are seeking for re-election as Directors of the Company at the Eleventh Annual General Meeting of the Company.

The Board is satisfied that they meet the criteria prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

D) Special Business
Ordinary Resolution 9 – Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016

The existing general mandate for the authority to issue and allot shares was approved by the shareholders of the Company at the Tenth Annual General Meeting held on 25 July 2018. As at the date of this Notice, the Company did not issue any new shares pursuant to this mandate obtained.

The proposed Ordinary Resolution 9, if passed, will empower the Directors pursuant to Sections 75 and 76 of the Companies Act, 2016, from the conclusion of this Annual General Meeting, to issue and allot shares in the Company provided that the aggregate number of shares issued does not exceed 10% of the total number of issued share capital of the Company at the time of issue for such purposes as they consider would be in the best interest of the Company.

This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

The renewal of this general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for purpose of funding investment project(s), working capital and/or acquisition. At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

E) Special Business
Ordinary Resolution 10 – Proposed Authority for the Company to Purchase Its Own Shares

The proposed Ordinary Resolution 10, if passed, will allow the Company to purchase its own shares up to 10% of the total issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Please refer to the Circular/Statement to Shareholders dated 3 July 2019, which is despatched together with the Company's Annual Report 2019, for further information.

F) Special Business
Special Resolution – Proposed Adoption of New Constitution of the Company

The proposed Special Resolution, if passed, will align the Constitution of the Company with the Companies Act, 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as well as to enhance administrative efficiency.

Please refer to the Circular/Statement to Shareholders dated 3 July 2019, which is despatched together with the Company's Annual Report 2019, for further information.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. **Details of individuals who are standing for election as Directors**
No individual is standing for election as Director at the Eleventh Annual General Meeting of the Company.
2. **Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**
Details of the general mandate for the Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016 are set out in Explanatory Note D of the Notice of Eleventh Annual General Meeting.