

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting of the Company will be held on a fully virtual basis at the Broadcast Venue: Conference Room of Plot 19, Hilir Sungai Keluang 2, Taman Perindustrian Bayan Lepas, Fasa IV, 11900 Penang on Friday, 19 June 2020 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements of the Company for the year ended 31 December 2019 together with the Reports of the Directors and of the Auditors thereon. *(Please refer to Note A)*
2. To declare a Single Tier Final Dividend of 6 sen per share for the year ended 31 December 2019. (Resolution 1)
3. To approve the Directors' Fee of up to RM240,000/- for the period from 1 July 2020 until the next Annual General Meeting of the Company and payment of such fee to the Directors. (Resolution 2)
4. To approve the payment of other benefits (excluding Directors' Fee) of up to RM50,000/- for the period from 1 July 2020 until the next Annual General Meeting of the Company. (Resolution 3)
5. To re-elect the following Directors retiring under Paragraph 102(1) of the Company's Constitution and who, being eligible offer themselves for re-election:-
 - a. Lee Yoke Khay (Resolution 4)
 - b. Sung, Cheng-Hsi (Resolution 5)
6. To appoint Auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration:- (Resolution 6)

Notice of Nomination pursuant to Section 271(1) of the Companies Act 2016, a copy of which is annexed hereto and marked "Annexure A" has been received by the Company for the nomination of Messrs. Crowe Malaysia PLT for appointment as Auditors of the Company in place of the retiring Auditors, Messrs. Baker Tilly Monteiro Heng PLT and of the intention to move the following motion to be passed as an Ordinary Resolution:-

"THAT Messrs. Crowe Malaysia PLT be and are hereby appointed Auditors of the Company in place of the retiring Auditors, Messrs. Baker Tilly Monteiro Heng PLT to hold office until the conclusion of the next Annual General Meeting AND THAT authority be and is hereby given for the Directors to determine their remuneration."

SPECIAL BUSINESS

7. To consider and if thought fit, to pass the following resolutions: -

Ordinary Resolutions

- a) Authority to Issue Shares (Resolution 7)

"That pursuant to Companies Act 2016 and approvals from the Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant governmental/regulatory authorities where such authority shall be necessary, the Board of Directors be authorised to issue and allot shares in the Company from time to time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in its absolute discretion, deem fit provided that the aggregate number of shares to be issued shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, and that the Board of Directors be empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Securities."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

7. To consider and if thought fit, to pass the following resolutions: - (cont'd)

Ordinary Resolutions (cont'd)

b) Renewal of Authority to Purchase its own Shares

(Resolution 8)

"That subject to the Companies Act 2016, provisions of the Company's Constitution and the requirements of the Bursa Securities and other relevant governmental and regulatory authorities where such authority shall be necessary, the Board of Directors be authorised to purchase its own shares through Bursa Securities, subject to the following:-

- i) The maximum aggregate number of shares which may be purchased by the Company shall not exceed ten per centum (10%) of the total number of issued shares in the ordinary share capital of the Company at any point in time;
- ii) The maximum fund to be allocated by the Company for the purpose of purchasing the Company's shares shall not exceed the retained profits of the Company. As at the latest financial year ended 31 December 2019, the audited retained profits of the Company stood at RM27,241,230.
- iii) The authority conferred by this resolution will be effective immediately upon the passing of this resolution and shall continue to be in force until the conclusion of the next AGM of the Company, at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions or the expiration of the period within which the next AGM is required by law to be held or unless revoked or varied by ordinary resolution passed by the shareholders in a general meeting, whichever occurs first;
- iv) Upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with in the following manner:-
 - to cancel the shares so purchased; or
 - to retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of the Bursa Securities or subsequently cancelled; or
 - retain part of the shares so purchased as treasury shares and cancel the remainder; or
 - to retain the shares so purchased in treasury for distribution to eligible employee(s) pursuant to the Employees' Share Scheme of the Company (if applicable).

The Directors of the Company be and are hereby authorised to take all such steps as are necessary and entering into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/ or amendments, if any, as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares in accordance with the Companies Act 2016, provisions of the Company's Constitution, the requirements of the Bursa Securities and any other regulatory authorities, and other relevant approvals."

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board
HOW WEE LING (MAICSA 7033850)
OOI EAN HOON (MAICSA 7057078)
Secretaries

Penang
21 May 2020

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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NOTES:-

- A. *This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 and the Company's Constitution do not require a formal approval of the shareholders and hence, is not put forward for voting.*
- B. *For the purpose of determining a member who shall be entitled to attend and vote at this 18th Annual General Meeting, the Company shall be requesting the Record of Depositors as at 10 June 2020. Only a depositor whose name appears on the Record of Depositors as at 10 June 2020 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.*
- C. *As no shareholders should be physically present at the Broadcast Venue, we urge all shareholders to attend the general meeting(s) remotely using the Securities Services e-Portal ("e-Services") facilities which are available on <https://www.sshsb.net.my/login.aspx>.*

Proxy

1. *A member may appoint up to two (2) proxies in relation to the general meeting provided that he specifies the proportion of his shareholdings to be represented by each proxy.*
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 appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the corporation's seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.*
4. *The instrument appointing a proxy must be deposited at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submitted via fax at 03-2094 9940 and/or 03-2095 0292 or emailed to eservices@sshsb.com.my, at least 48 hours before the time for holding the Meeting or any adjournments thereof i.e. by Wednesday, 17 June 2020 at 10.00 a.m.. The proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://www.sshsb.net.my/login.aspx>. Please refer to the Administrative Guide on the Conduct of a Fully Virtual General Meeting for further details.*

Explanatory Note on Special Business:

1. Resolution pursuant to Authority to issue Shares

The proposed Resolution No. 7 [Item 7(a)], if passed, will grant a renewed general mandate (Mandate 2020) and empower the Directors of the Company to issue and allot shares up to an amount not exceeding in total ten per centum (10%) of total number of issued shares of the Company from time to time and for such purposes as the Directors consider would be in the interest of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval. This authority will, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The Mandate 2020 will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited for further placing of shares, for the purpose of funding future investment(s), acquisition(s) and/or working capital.

As at the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Seventeenth Annual General Meeting. The Company did not issue any share pursuant to the mandate granted because there was no investment, acquisition or working capital that required fund raising activity.

2. Resolution pursuant to the Authority to Purchase its own Shares

The proposed Ordinary Resolution No. 8 [Item 7(b)], if passed, will give the Company the authority to purchase its own ordinary shares of up to ten percent (10%) of the total number of issued shares of the Company for the time being. This authority, unless renewed or revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting after that date is required by law to be held, whichever occurs first. For further information on the Proposed Renewal of Share Buy-back Mandate, please refer to the Share Buy-back Statement accompanying this notice of 18th Annual General Meeting.

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NOTICE OF NOMINATION OF AUDITORS

“ANNEXURE A”

Lee, Hui-Ta also known as Li Hui Ta
34 Pantai Jerjak 18, Sungai Nibong,
11900 Bayan Lepas, Penang

Date: 16 March 2020

The Board of Directors
Dufu Technology Corp. Berhad
57-G Persiaran Bayan Indah,
Bayan Bay, Sungai Nibong,
11900 Penang

Dear Sirs,

NOTICE OF NOMINATION OF MESSRS. CROWE MALAYSIA PLT AS AUDITORS

I, Lee, Hui-Ta also known as Li Hui Ta, being a shareholder of the Company, hereby give notice, pursuant to Section 271(1) of the Companies Act 2016 of my nomination of Messrs. Crowe Malaysia PLT of Level 6, Wisma Penang Garden, 42, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang, Malaysia as Auditors of the Company.

Thank you.

Yours faithfully



Lee, Hui-Ta also known as Li Hui Ta

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

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NOTICE IS HEREBY GIVEN that the Single Tier Final Dividend of 6 sen per share for the year ended 31 December 2019 if approved, will be paid on 15 July 2020 to depositors registered in the Records of Depositors on 30 June 2020:-

A depositor shall qualify for entitlement to the Dividend in respect of: -

- a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on 30 June 2020 in respect of transfers;
- b) shares deposited into the Depositor's Securities Account before 12.30 p.m. in respect of securities exempted from mandatory deposit; and
- c) shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board
HOW WEE LING (MAICSA 7033850)
OOI EAN HOON (MAICSA 7057078)
Secretaries

Penang
21 May 2020

1. Disclaimer Statement

This Statement is important and if you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused the contents of this Share Buy-Back Statement in relation to the Proposed Share Buy-Back (as defined herein) prior to its issuance, takes no responsibility for the contents of the Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Statement.

2. Rationale for the Proposed Renewal of Authority to Dufu Technology Corp. Berhad ("DUFU" or the "Company") to Purchase Its Own Ordinary Shares ("Shares") of up to 10% of its total number of issued shares at any point in time ("Proposed Renewal of Share Buy-Back Mandate")

The Proposed Renewal of Share Buy-Back Mandate, if implemented, will enable the Company to utilize its financial resources not immediately required for use, to purchase its own Shares. The Proposed Renewal of Share Buy-Back Mandate may enhance the EPS which may have a positive impact on the market price of DUFU Shares. Other potential benefits of the Proposed Renewal of Share Buy-Back Mandate to the Company and its shareholder are as follows:-

- a) To allow the Company to take preventive measures against speculation particularly when DUFU Shares are undervalued which would in turn stabilize the market price of DUFU Shares and hence, enhance investors' confidence;
- b) To allow the Company flexibility in achieving the desired capital structure, in terms of the debt and equity composition, and the size of equity;
- c) The Purchased Shares may be held as treasury shares and distributed to shareholders as dividends and/or resold in the open market with the intention of realising a potential capital gain if the Purchased Shares are resold at price(s) higher than their purchase price(s); and
- d) The treasury shares may also be transferred for the purpose of rewarding employees under an employees' share scheme, or such other purposes as allowed under the Companies Act 2016.

3. Retained Earnings

Based on the Audited Financial Statements of the Company as at 31 December 2019 the retained earnings of the Company stood at RM27,241,230.

4. Source of Funding

The Proposed Renewal of Share Buy-Back Mandate will be financed from both internally generated funds and/or external borrowings as long as the amount of fund for the Share Buy-Back has not exceeded the amount of retained earnings. The Company has sufficient resource to undertake the Proposed Renewal of Share Buy-Back Mandate in view that the Company has net cash and cash equivalent balance of approximately RM3,401,883 based on the Audited Financial Statements of DUFU as at 31 December 2019.

In the event borrowings are used for the purchase of DUFU Shares, the Board of Directors of DUFU ("the Board") will ensure that the Company has the capability to repay the borrowings and that such repayment will not have a material effect on the Company's cash flow.

Any funds utilized by DUFU for the Proposed Renewal of Share Buy-Back Mandate will consequentially reduce the resources available to DUFU for its operations by a corresponding amount for shares bought back.

SHARE BUY-BACK STATEMENT (CONT'D)

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5. Interests of Directors' and Substantial Shareholders' and Persons Connected to Them

Save for the inadvertent increase in the percentage shareholdings and/or voting rights of the shareholders in the Company as a consequence of the Proposed Renewal of Share Buy-back Mandate, none of the Directors and Substantial Shareholders of DUFU nor persons connected to them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Mandate and, if any, the resale of the treasury shares.

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders of DUFU as at 30 April 2020 and assuming that DUFU implements the Proposed Renewal of Share Buy-back Mandate in full, the effects of the Proposed Renewal of Share Buy-back Mandate on the shareholdings of the Directors and Substantial Shareholders of DUFU are as follows:-

	Before the Proposed Renewal of Share Buy-Back Mandate				After the Proposed Renewal of Share Buy-Back Mandate							
	As at the LPD				Minimum Scenario				Maximum Scenario			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Directors	No. of Shares	% ^(a)	No. of Shares	% ^(a)	No. of Shares	% ^(b)	No. of Shares	% ^(b)	No. of Shares	% ^(c)	No. of Shares	% ^(c)
Lee, Hui-Ta also known as Li Hui Ta ⁽¹⁾	24,817,849	9.68	28,168,950 ⁽⁴⁾	10.99	24,817,849	10.48	28,168,950 ⁽⁴⁾	11.89	24,817,849	10.30	28,168,950 ⁽⁴⁾	11.70
Wu, Mao-Yuan	8,874,500	3.46	-	-	8,874,500	3.75	-	-	9,314,500	3.87	-	-
Sung, Cheng-Hsi	11,000	0.00	-	-	11,000	0.00	-	-	11,000	0.00	-	-
Joyce Wong Ai May	-	-	-	-	-	-	-	-	-	-	-	-
Yin, Chih-Chu also known as Laurence Yin	-	-	-	-	-	-	-	-	-	-	-	-
Lee Yoke Khay	-	-	-	-	-	-	-	-	-	-	-	-
Substantial Shareholder												
PCSB	26,033,250	10.16	-	-	26,033,250	10.99	-	-	26,033,250	10.81	-	-
PFYSB	28,168,950	10.99	-	-	28,168,950	11.89	-	-	28,168,950	11.70	-	-
Wong Ser Yian	15,572,393	6.08	-	-	15,572,393	6.57	-	-	15,572,393	6.47	-	-
Lee, Wen-Jung ⁽²⁾	147,000	0.06	26,033,250 ⁽⁵⁾	10.16	147,000	0.06	26,033,250 ⁽⁵⁾	10.99	202,000	0.08	26,033,250 ⁽⁵⁾	10.81
Lee, Su Hui-Fen	170,100	0.07	26,033,250 ⁽⁵⁾	10.16	170,100	0.07	26,033,250 ⁽⁵⁾	10.99	170,100	0.07	26,033,250 ⁽⁵⁾	10.81
Wang, Kuei-Hua ⁽³⁾	5,056,065	1.97	28,168,950 ⁽⁴⁾	10.99	5,056,065	2.13	28,168,950 ⁽⁴⁾	11.89	5,056,065	2.10	28,168,950 ⁽⁴⁾	11.70

Note:

Minimum Scenario - Assuming none of the 4,413,000[^] ESOS Options are exercised and DUFU implements the Proposed Renewal of Share Buy-back Mandate in full.

Maximum Scenario - Assuming full exercise of the 4,413,000[^] ESOS Options and DUFU implements the Proposed Renewal of Share Buy-back Mandate in full.

[^] A total of 9,023,000 ESOS options was granted under the Company's ESOS, out of which only 4,413,000 ESOS Options are allowed to be exercised from 1 July 2020 to 16 July 2024.

- (a) Based on the total number of issued shares of 256,309,123 Shares, exclusive of 6,896,244 shares held as treasury shares
- (b) Based on the total number of issued shares of 236,884,831 Shares without exercising the ESOS Options and the Proposed Share Buy-Back is carried out in full and all that shares so purchased are held as treasury shares
- (c) Based on the total number of issued shares of 240,856,531 Shares after full exercise of 4,413,000 ESOS Options with the assumption that the Directors / Substantial Shareholders (whose also an eligible person to the Company's ESOS) fully exercised their vested ESOS Options:-

- Wu, Mao-Yuan - 440,000 vested ESOS Options
- Lee, Wen-Jung - 55,000 vested ESOS Options

(1) Also Substantial Shareholder of the Company.

(2) Also an eligible person to the Company's ESOS

(3) Spouse of Mr. Lee, Hui-Ta also known as Li Hui Ta

(4) Indirect Interest by virtue of his/her substantial interest in Perfect Full Yen Sdn Bhd ("PFYSB").

(5) Indirect Interest by virtue of his/her substantial interest in Perfect Commerce Sdn Bhd ("PCSB").

6. Potential Advantages and Disadvantages of the Proposed Share Buy Back

6.1 Potential advantages of the Proposed Renewal of Share Buy-Back Mandate

The potential advantages of the Proposed Renewal of Share Buy-Back Mandate are set out in section 2 of the Statement.

6.2 Potential disadvantages of the Proposed Renewal of Share Buy-Back Mandate

The potential disadvantages of the Proposed Renewal of Share Buy-Back Mandate are as follows:-

- a) The Proposed Renewal of Share Buy-Back Mandate if implemented, will reduce the financial resources of DUFU and may result in DUFU foregoing interest income and/or better investment opportunities that may emerge in the future; and
- b) It would also result in the reduction of financial resources available for distribution in the form of cash dividends to shareholders of DUFU in the immediate future.

Nevertheless, the Board is of the view that the Proposed Renewal of Share Buy-Back Mandate is not expected to have any potential material disadvantages to the Company and its shareholders as it will be implemented only after careful consideration of the financial resources of DUFU and the resultant impact on the shareholders of the Company.

7. Material Financial Effect of the Proposed Renewal of Share Buy-Back Mandate

The material financial effect of the Proposed Renewal of Share Buy-Back Mandate on the share capital, consolidated Net Tangible Assets ("NTA") working capital, earnings, dividends and the substantial shareholders' shareholdings in DUFU are set out below:

7.1 Share Capital

The effects of the Proposed Renewal of Share Buy-Back Mandate on the total number of issued shares of DUFU are as follows:-

Minimum Scenario - Assuming none of the 4,413,000[^] ESOS Options are exercised and DUFU implements the Proposed Renewal of Share Buy-back Mandate in full.

Maximum Scenario - Assuming full exercise of the 4,413,000[^] ESOS Options and DUFU implements the Proposed Renewal of Share Buy-back Mandate in full.

[^] A total of 9,023,000 ESOS options was granted under the Company's ESOS, out of which only 4,413,000 ESOS Options are allowed to be exercised from 1 July 2020 to 16 July 2024.

	Minimum Scenario No. of Shares	Maximum Scenario No. of Shares
As at 30 April 2020	263,205,367	263,205,367
Shares to be issued pursuant to the ESOS (assuming full exercise of the 4,413,000 [^] ESOS Options)	-	4,413,000
	263,205,367	267,618,367
Proposed Renewal of Share Buy-Back Mandate (assuming all Purchased Shares are held as treasury shares)	(26,320,536)	(26,761,836)
Total number of issued share after the Proposed Renewal of Share Buy-Back Mandate	236,884,831	240,856,531

SHARE BUY-BACK STATEMENT (CONT'D)

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7. Material Financial Effect of the Proposed Renewal of Share Buy-Back Mandate (cont'd)

7.1 Share Capital (cont'd)

The Proposed Renewal of Share Buy-Back Mandate will not have any effect on the issued and paid-up share capital of the Company as the Shares purchased are to be retained as treasury shares. However, the rights attaching to the treasury shares as to voting, dividends and participation in other distributions or otherwise will be suspended. While these Shares remain as treasury shares, the Companies Act 2016 prohibits the taking into account of such Shares in calculating the number of percentage of Shares for a purpose whatsoever including substantial shareholdings, takeovers, notices, requisitioning of meetings, quorum for meetings and the result of votes on resolutions.

7.2 NTA

The effects of the Proposed Renewal of Share Buy-Back Mandate on the consolidated NTA of the Group would depend on the purchase price and number of Purchased Shares, the effective funding cost to DUFU to finance the Purchased Shares or any loss in interest income to DUFU.

The Proposed Renewal of Share Buy-Back Mandate will reduce the consolidated NTA per Share at the time of purchase if the purchase price exceeds the consolidated NTA per Share and conversely will increase the consolidated NTA per Share at the time of purchase if the purchase price is less than the consolidated NTA per Share.

Should the Purchased Shares be resold, the consolidated NTA will increase if the Company realizes a capital gain from the resale, and vice-versa. However, the quantum of the increase in NTA will depend on the selling price of the Purchased Shares and the number of Purchased Shares resold.

7.3 Working Capital

The Proposed Renewal of Share Buy-Back Mandate is likely to reduce the working capital of the Group, the quantum of which would depend on the purchase price of the Purchased Shares, the number of Purchased Shares and any associated costs incurred in making the purchase.

7.4 Earnings

The effects of the Proposed Renewal of Share Buy-Back Mandate on the EPS of the DUFU Group will depend on the purchase price of the DUFU Shares, the number of DUFU Shares purchased and the effective funding cost to DUFU to finance the Purchase Shares or any loss in interest income to the Group.

If the Purchased Shares are to be retained as treasury shares or cancelled subsequently, the number of Shares applied in the computation of the EPS will be reduced, and accordingly, all other things being equal, the Proposed Renewal of Share Buy-Back Mandate will have a positive impact on the EPS of the Group.

In the event the Purchased Shares are resold subsequently, depending on the price at which the said Shares are resold, the Proposed Renewal of Share Buy-Back Mandate may have a positive effect on the EPS of the Group if there is a gain on the disposal and vice-versa.

7.5 Dividends

Assuming the Proposed Renewal of Share Buy-Back Mandate is implemented in full, dividends would be paid on the remaining total number of issued Shares of DUFU (excluding the Shares already purchased). The Proposed Renewal of Share Buy-Back Mandate may have an impact on the Company's dividend policy for the financial year ending 31 December 2020 as it would reduce the cash available which may otherwise be used for dividend payments. Nevertheless, the treasury shares purchased may be distributed as dividends to shareholders of the Company, if the Company so decides.

Any dividends to be declared by DUFU in the future would depend on, *inter-alia*, the profitability and cash flow position of the Group.

7. Material Financial Effect of the Proposed Renewal of Share Buy-Back Mandate (cont'd)**7.6 Substantial Shareholders**

Shares bought back by the Company under the Proposed Renewal of Share Buy-Back Mandate that are retained as treasury shares will result in a proportionate increase in the percentage shareholdings of the Substantial Shareholders in the Company. Please refer to Section 5 of this Statement for further details.

8. Implications of the Proposed Share Buy-Back relating to Rules on Take-Overs, Merger, and Compulsory Acquisitions (The "Rules")

Based on the Company's total number of issued Shares and the current shareholdings of the substantial shareholders and/or parties acting in concert as at 30 April 2020, none of the substantial shareholders and/or parties acting in concert with them will be required to make a mandatory general offer in the event of the implementation of Proposed Share Buy-Back in full.

As it is not intended for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory offer under the Rules by any of the Company's shareholders and/or parties acting in concert with them, the Board will ensure that such number of Shares purchased, retained as treasury shares, cancelled or distributed pursuant to the Proposed Share Buy-Back would not result in triggering any mandatory offer obligation on the part of its shareholders and/or parties acting in concert with them.

In this connection, the Board will be mindful of the Rules when making any purchase of the Shares pursuant to the Proposed Share Buy-Back.

9. Purchases, Resold, Transfer and Cancellation made by the Company of its own Shares in the preceding twelve (12) months

The company had not purchased, resold, transferred or cancelled any shares in the preceding twelve (12) months except on 12 June 2019, 12,204,606 number of treasury shares was distributed as Single Tier Final Dividend for the year ended 31 December 2018 on the basis of one (1) treasury share for every twenty (20) existing ordinary shares held.

10. Proposed intention of the Directors to Deal with the Shares so Purchased

The proposed Renewal of Share Buy-Back Mandate, if exercised, the Shares shall be dealt with in the following manner:

- to cancel the Shares so purchased; or
- to retain the Shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of the Bursa Securities or subsequently cancelled; or
- retain part of the Shares so purchased as treasury shares and cancel the remainder; or
- to retain the Shares so purchased in treasury for distribution to eligible employee(s) pursuant to an employees' share scheme, or such other purposes as allowed under Companies Act 2016.

SHARE BUY-BACK STATEMENT (CONT'D)

11. Historical Share Prices

The monthly highest and lowest market prices of DUFU Shares traded on Bursa Securities for the preceding twelve (12) months are as follows:-

	Highest RM	Lowest RM
2019		
May	1.94	1.40
June	1.69	1.39
July	1.97	1.57
August	2.31	1.71
September	2.81	2.25
October	3.19	2.72
November	3.13	2.69
December	3.37	3.03
2020		
January	4.33	3.09
February	5.00	3.70
March	4.40	1.88
April	3.93	2.94

Last transacted market price as at 14 May 2020 (being the latest practical date prior to the printing of this Statement) was RM4.50.

(Source: Bloomberg)

12. Public Shareholding Spread

As at 30 April 2020, the public shareholding spread of the Company was approximately 56.23%. In this regard, the Board undertakes to purchase Shares only to the extent that the public shareholding spread of DUFU shall not fall below 25% of the total number of issued Shares of the Company (excluding treasury shares) at all times pursuant to the Proposed Renewal of Share Buy-back Mandate, in accordance with Para 8.02(1) and 12.14 of the Bursa Securities Main Market Listing Requirements.

13. Director's Statement

After taking into consideration all relevant factors, the Board is of the opinion that the Proposed Renewal of Share Buy-Back Mandate described above is in the best interest of the Company.

14. Director's Recommendation

The Board recommends that you vote in favour of the ordinary resolution to be tabled at the forthcoming Eighteenth Annual General Meeting to give effect to the Proposed Renewal of Share Buy-Back Mandate.

15. Responsibility Statement

This statement has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

16. Documents Available For Inspection

Copies of the following documents will be available for inspection at the registered office of the Company at 57-G Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, 11900 Penang during normal office hours from Monday to Friday (except on public holidays) from the date of this Statement up to and including the date of the forthcoming AGM:

- (i) Constitution of DUFU; and
- (ii) The audited consolidated financial statements of DUFU for the past two (2) financial years ended 31 December 2018 and 2019 and the latest unaudited quarterly results of Dufu for the financial period ended 31 March 2020.

17. Further Information

There is no other information concerning the Proposed Renewal of Share Buy-Back Mandate as shareholders and other professional advisers would reasonably require and expect to find in the Statement for the purpose of making informed assessment as to the merits of approving the Proposed Renewal of Share Buy-Back Mandate and the extent of the risks involved in doing so.

PROXY FORM

DUFU TECHNOLOGY CORP. BERHAD
Registration No. 200201013949 (581612-A)
(Incorporated in Malaysia)

No. of ordinary shares held		CDS Account No.	
Contact No.		Email Address	

*I/We, _____ (NRIC / Passport No. _____) of _____

being a *Member/Members of DUFU TECHNOLOGY CORP. BERHAD hereby appoint:-

Chairman of the Meeting

OR

The following proxy(ies):-

Name	NRIC / Passport No.	Address	Proportions of my/our holdings to be represented (%)
(1)			
(2)			
Total			100.0%

as *my/our proxy to vote for *me/us and on *my/our behalf at the 18th Annual General Meeting of the Company to be held on a fully virtual basis at the Broadcast Venue: Conference Room of Plot 19, Hilir Sungai Keluang 2, Taman Perindustrian Bayan Lepas, Fasa IV, 11900 Penang on Friday, 19 June 2020 at 10.00 a.m. and at any adjournment thereof as indicated below:-

Tick (✓) whichever is applicable

* Strike out whichever is inapplicable

(Please indicate with an "X" in the space provided below on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion)

Ordinary Resolutions		For	Against
1.	To declare a Single Tier Final Dividend of 6 sen per share for the year ended 31 December 2019.		
2.	To approve the Directors' Fee of up to RM240,000/- for the period from 1 July 2020 until the next Annual General Meeting of the Company and payment of such fee to the Directors.		
3.	To approve the payment of other benefits (excluding Directors' Fee) of up to RM50,000/- for the period from 1 July 2020 until the next Annual General Meeting of the Company.		
	To re-elect the following Directors retiring under Paragraph 102(1) of the Company's Constitution and who, being eligible offer themselves for re-election:-		
4.	Lee Yoke Khay		
5.	Sung, Cheng-Hsi		
6.	To appoint Messrs. Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration.		
	To pass the following resolution as Special Business :-		
Ordinary Resolutions			
7.	Authority to Issue Shares pursuant to the Companies Act 2016.		
8.	To approve the proposed renewal of authority to purchase up to ten percent (10%) of its own shares in the total number of issued shares of the Company.		

Signed this _____ day of _____ 2020

Signature of Member: _____

Notes:-

- For the purpose of determining a member who shall be entitled to attend and vote at this 18th Annual General Meeting, the Company shall be requesting the Record of Depositors as at 10 June 2020. Only a depositor whose name appears on the Record of Depositors as at 10 June 2020 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.
- As no shareholders should be physically present at the Broadcast Venue, we urge all shareholders to attend the general meeting(s) remotely using the Securities Services e-Portal ("e-Services") facilities which are available on <https://www.sshsb.net.my/login.aspx>.

Proxy:-

- A member may appoint up to two (2) proxies in relation to the general meeting provided that he specifies the proportion of his shareholdings to be represented by each proxy.
- 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.
- The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the corporation's seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.
- The instrument appointing a proxy must be deposited at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submitted via fax at 03-2094 9940 and/or 03-2095 0292 or emailed to eservices@ssh.com.my, at least 48 hours before the time for holding the Meeting or any adjournments thereof i.e. by Wednesday, 17 June 2020 at 10.00 a.m.. The proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://www.sshsb.net.my/login.aspx>. Please refer to the Administrative Guide on the Conduct of a Fully Virtual General Meeting for further details.

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then fold here

Affix
stamp

SS E Solutions Sdn Bhd
Level 7, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara, Damansara Heights,
50490 Kuala Lumpur, Wilayah Persekutuan

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