

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of D’nonce Technology Bhd (“DTB” or “Company”) will be conducted on virtual basis through live streaming from the Broadcast Venue at Lot 18.2, 18th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 1 November 2022 at 10:30 a.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing the resolutions below with or without modifications:

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION BY D'NONCE TECHNOLOGY BHD (“DTB”) OF 333,997 ORDINARY SHARES IN KOMARK (THAILAND) COMPANY LIMITED (“KTCL”) (“KTCL SHARES” OR “SALE SHARES”), REPRESENTING 99.9991% EQUITY INTEREST IN KTCL FROM GENERAL LABELS & LABELLING (M) SDN BHD (“VENDOR” OR “GLLSB”) (A WHOLLY-OWNED SUBSIDIARY OF KOMARKCORP BERHAD (“KOMARKCORP”)) FOR A PURCHASE CONSIDERATION OF RM9,100,000 (“PURCHASE CONSIDERATION”) TO BE SATISFIED ENTIRELY VIA THE ISSUANCE OF 58,709,677 NEW ORDINARY SHARES IN DTB (“DTB SHARES” OR “SHARES”) AT AN ISSUE PRICE OF RM0.155 EACH (“CONSIDERATION SHARES”) (“PROPOSED ACQUISITION”)

“THAT, subject to the passing of the Ordinary Resolution 2 and the relevant conditions as stipulated in the Share Sale Agreement dated 11 August 2022 (“SSA”) between the Company and the Vendor for the Proposed Acquisition being met or waived (as the case may be) and the approvals of all relevant regulatory authorities being obtained (where applicable), and to the extent permitted by law and the Constitution of the Company, the Board be and is hereby authorised and empowered to acquire from the Vendor, 333,997 KTCL Shares, representing 99.9991% equity interest in KTCL for a purchase consideration of RM9,100,000 to be satisfied entirely via the issuance of 58,709,677 Consideration Shares at an issue price of RM0.155 each, subject to the terms and conditions of the SSA including any modifications, variations, amendments, and additions thereto from time to time in relation to the Proposed Acquisition;

“THAT the Consideration Shares shall, upon allotment and issuance, rank equally with the then existing DTB Shares. However, the Consideration Shares will not be entitled to any dividends, rights, allotments and/ or any other distributions which may be declared, made or paid to the Company’s shareholders unless such Consideration Shares were allotted and issued on or before the entitlement date of such rights, allotments and/ or other distributions;

“THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/ or arrangements as may be necessary to give effect and complete the Proposed Acquisition and to assent to any conditions, modifications, variations and/ or amendments in any manner as may be required by the relevant authorities or as Directors may deem fit, necessary and/ or expedient in order to implement, finalise, give full effect and to complete the Proposed Acquisition;

AND THAT the existing shareholders of the Company hereby waive any or all pre-emptive rights to new shares pursuant to Section 85(1) of the Companies Act 2016 (“Act”) and Clause 11 of the Constitution of the Company in order for the Consideration Shares to be allotted and issued to the Vendor under the Proposed Acquisition which rank equally with the existing issued shares in the Company.”

ORDINARY RESOLUTION 2

PROPOSED DIVERSIFICATION OF THE PRINCIPAL ACTIVITIES OF DTB AND ITS SUBSIDIARIES (“DTB GROUP” OR “GROUP”) TO INCLUDE MANUFACTURING AND SELLING OF SELF-ADHESIVE LABELS (“PROPOSED DIVERSIFICATION”)

“THAT, subject to the passing of the Ordinary Resolution 1 above and the approvals of all relevant regulatory authorities being obtained (where applicable), and to the extent permitted by law and the Constitution of the Company, the Board be and is hereby authorised and empowered to diversify the principal activities of DTB Group to include manufacturing and selling of self-adhesive labels;

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/ or arrangements as may be necessary to give effect and complete the Proposed Diversification and to assent to any conditions, modifications, variations and/ or amendments in any manner as may be required by the relevant authorities or as Directors may deem fit, necessary and/ or expedient in order to implement, finalise, give full effect and to complete the Proposed Diversification.”

ORDINARY RESOLUTION 3

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 434,690,877 DTB SHARES (“RIGHTS SHARES”) ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 1 EXISTING SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“ENTITLEMENT DATE”), TOGETHER WITH UP TO 434,690,877 FREE DETACHABLE WARRANTS (“WARRANTS”) ON THE BASIS OF 1 WARRANT FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR (“PROPOSED RIGHTS ISSUE”)

“THAT subject to the approvals of all the relevant authorities and/ or parties being obtained (where required), for the listing of and quotation for the Rights Shares and Warrants to be issued hereunder and the new Shares to be issued pursuant to the exercise of the Warrants, the Board be and is hereby authorised to undertake the Proposed Rights Issue as follows:

- to provisionally allot and issue by way of renounceable rights issues of up to 434,690,877 Rights Shares together with up to 434,690,877 Warrants. The Proposed Rights Issue is to be implemented on a renounceable basis of 1 Rights Share for every 1 existing DTB Share held by the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date (“Entitled Shareholders”), together with 1 Warrant for every 1 Rights Share subscribed for, at an issue price to be determined and announced by the Board at a later date, to raise minimum gross proceeds of RM6,500,000;
- to determine the issue price of the Rights Share and exercise price of the Warrants which shall be announced later by the Board on the price fixing date, with a discount of not more than 20% to the theoretical ex-all price of DTB Shares;
- to enter into and execute the deed poll constituting the Warrants (“Deed Poll”) and to do all acts, deeds and things as the Board may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll (including, without limitation, the affixing of the Company’s company seal, where necessary);
- allot and issue such number of additional Warrants pursuant to adjustments as provided under the Deed Poll and as may be imposed, required or permitted by Bursa Malaysia Securities Berhad (“Bursa Securities”) and/ or any other relevant authorities (where required) (“Adjustment Warrants”), and to adjust from time to time the exercise price of the Warrants 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/ or any other relevant authorities (where required);
- allot and issue new DTB Shares credited as fully paid-up to the holders of Warrants pursuant to the exercise of the Warrants (including the Adjustment Warrants, if any), during the tenure of the Warrants;
- utilise the proceeds to be derived from the Proposed Rights Issue in the manners as set out in Section 7.1 of the circular to the shareholders of the Company dated 17 October 2022 (“Circular”), and vary the manner and/ or purpose of utilisation of such proceeds as they may deem fit, necessary, expedient and/ or in the best interest of the Company, subject to the approval of the relevant authorities (where required); and
- to do all such acts and things including but not limited to the application to Bursa Securities for the listing and quotation for the Rights Shares and the new DTB Shares which may from time to time allotted and issued arising from the exercise of the Warrants;

THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/ or arrangements as may be necessary to give effect and complete the Proposed Rights Issue and to assent to any conditions, modifications, variations and/ or amendments in any manner as may be required by the relevant authorities or as Directors may deem fit, necessary and/ or expedient in order to implement, finalise, give full effect and to complete the Proposed Rights Issue;

THAT the Rights Shares and new Shares to be issued arising from the exercise of Warrants (including Adjustment Warrants), shall, upon allotment and issuance, rank equally in all respects with the existing DTB Shares. However, such new Shares will not be entitled to any dividends, rights, allotments and/ or any other distributions which may be declared, made or paid to the Company’s shareholders unless such new Shares were allotted and issued on or before the entitlement date of such rights, allotments and/ or other distributions.

THAT the Board be and is hereby entitled to deal with all or any of the fractional entitlements of the Rights Shares and the Warrants arising from the Proposed Rights Issue, if any, will be disregarded and/ or dealt with by the Board in such manner and on such terms and conditions as the Board in its absolute discretion may deem fit or expedient and in the best interest of the Company;

THAT the Rights Shares with Warrants which are not taken up or validly taken up shall be made available for excess applications by the Entitled Shareholders and/ or their renouncee(s)/ transferee(s) (if applicable). It is the intention of the Board to allocate the excess Rights Shares with Warrants in a fair and equitable manner on a basis to be determined by the Board and announced thereupon by the Company;

THAT the Warrants shall be allotted and issued in the registered form on the basis that, subject to any adjustments to the subscription rights attached to the Warrants under the provisions of the Deed Poll, each Warrant entitles its holder to subscribe for 1 DTB Share at an exercise price to be determined later by the Board and on such terms and conditions and in such manner as the Board may determine, during its prescribed exercise period;

THAT this Ordinary Resolution 3 constitutes specific approval for the issuance of 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, and new Shares to be issued pursuant to or in connection with the Proposed Rights Issue have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue;

AND THAT the existing shareholders of the Company hereby waive any or all pre-emptive rights to new shares which they may have pursuant to Section 85(1) of the Act and Clause 11 of the Constitution of the Company arising from or in relation to the Proposed Rights Issue including and not limited to any renunciation of right, in order for the DTB Shares to be allotted and issued under the Proposed Rights Issue which rank equally with the existing issued shares in the Company.”

ORDINARY RESOLUTION 4

PROPOSED TERMINATION OF THE EXISTING EMPLOYEES’ SHARE OPTION SCHEME (“ESOS”) (“EXISTING ESOS SCHEME”) OF DTB (“PROPOSED ESOS TERMINATION”)

“THAT, subject to the consents from all the eligible persons who have accepted the options granted pursuant to the Existing ESOS Scheme, the Board be and is hereby authorised to terminate the Existing ESOS Scheme which took effect on 18 May 2016 and extended until 17 May 2026;

AND THAT the Board be and is hereby authorised to do all such acts as they may consider necessary or expedient to give effect to the Proposed ESOS Termination with full power to consent to and to adopt such conditions, modifications, variations, and/ or amendments as may be required by the relevant regulatory 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 deem necessary or expedient to implement, finalise and give full effect to the Proposed ESOS Termination.”

ORDINARY RESOLUTION 5

PROPOSED ESTABLISHMENT OF A NEW SHARE ISSUANCE SCHEME (“SCHEME” OR “SIS”) OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT IN TIME DURING THE DURATION OF THE SCHEME, FOR ELIGIBLE EMPLOYEES, EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTORS OF THE COMPANY AND ITS NON-DORMANT SUBSIDIARIES (“PROPOSED NEW SIS” OR “SCHEME”)

“THAT, subject to and conditional upon the passing of the Ordinary Resolution 4 above, provisions under the Act and the approvals of all relevant regulatory authorities being obtained (where applicable), and to the extent permitted by law and the Constitution of the Company, the Board be and is hereby authorised and empowered to:

- establish, implement and administer the Proposed New SIS of up to 15% of the total number of issued Shares (excluding treasury shares, if any) of the Company at any point in time during the duration of the Scheme for the eligible employees, executive directors and non-executive directors (“Eligible Persons”, collectively) of DTB and its non-dormant subsidiaries (“DTB Group” or “Group”) who fulfil the eligibility criteria for participation in the Scheme as set out in the By-Laws governing the Scheme (“By-Laws”), a draft of which is set out in Appendix V 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 required by the relevant authorities;
- make the necessary applications to Bursa Securities and do all the things necessary at the appropriate time or times 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 SIS options under the Scheme (“SIS Options”);
- establish a committee to implement and administer the Scheme for the benefit of the Eligible Persons, in accordance with the By-Laws governing the Scheme as set out in Appendix V of the Circular;
- allot and issue and/ or procure from time to time such number of new Shares as may be required to be issued pursuant to the exercise of the SIS Options granted under the Scheme provided that the aggregate number of Shares to be allotted and issued under the Proposed New SIS shall not exceed in aggregate of 15% of the total number of issued Shares (excluding treasury shares, if any) at any point in time over the duration of the Scheme;
- new Shares to be issued arising from the exercise of SIS Options, shall upon allotment and issuance, carry the same rights with the then existing DTB Shares. However, such new Shares will not be entitled to any dividends, rights, allotments and/ or any other distributions which may be declared, made or paid to the Company’s shareholders unless such new Shares were allotted and issued on or before the entitlement date of such rights, allotments and/ or other distributions. The new DTB Shares to be issued arising from the exercise of SIS Options will be subject to the provisions of the Company’s Constitution relating to transfer, transmission or otherwise of the Shares including the rights of the holder of the Shares on the winding up of the Company;
- add, delete, modify and/ or amend all or any part of the terms and conditions as set out in the By-Laws governing the Proposed New SIS from time to time as may be required or permitted by the authorities or deemed necessary by the authorities or the Board or any committee of the Proposed New SIS established or appointed by it provided that such modifications and/ or amendments are effected and permitted in accordance with the provisions of the By-Laws relating to modifications and/ or amendments and to do all such acts, deeds and things and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to such modifications and/ or amendments of the Scheme;
- extend the duration of the Scheme, provided always that such extension of the Scheme made pursuant to the By-Laws shall not in aggregate exceed a duration of 10 years from the date on which the Scheme shall take effect following full compliance of all relevant requirements or such longer period as may be permitted by Bursa Securities or any other relevant regulatory authorities from time to time without having to obtain any further sanction, approval, consent or authorisation of the shareholders of the Company in a general meeting; and
- do all such acts and things, to execute all such documents and to enter into all such transactions, arrangements and agreements, deeds or undertakings and to make such rules or regulations, or impose such terms and conditions or delegate its power as may be necessary or expedient in order to give full effect to the Proposed New SIS and terms of the By-Laws;

THAT the By-Laws of the Scheme, a draft of which is set out in Appendix V of the Circular, be and is hereby approved and adopted;

THAT the Board be and is hereby authorised to give effect to the Proposed New SIS with full powers 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 existing shareholders of the Company hereby waive all or any pre-emptive rights to new shares pursuant to Section 85(1) of the Act and Clause 11 of the Constitution of the Company in order for the DTB Shares to be allotted and issued under the Proposed New SIS which rank equally with the existing issued shares in the Company.”

ORDINARY RESOLUTIONS 6 TO 9

PROPOSED ALLOCATIONS OF SIS OPTIONS TO THE DIRECTORS OF DTB (“PROPOSED ALLOCATIONS”)

“THAT, subject to the passing of Ordinary Resolution 4 and Ordinary Resolution 5 and the approvals of all relevant regulatory authorities (where required) having been obtained,

approval be and is hereby given to the Board to authorise the committee appointed and authorised by the Board from time to time to administer the Scheme (“SIS Committee”) in accordance with the By-Laws, to offer and grant, from time to time throughout the duration of the Scheme, such number of SIS Options to subscribe for new Shares under the SIS to the following Directors:

- Dato’ Moktar Bin Mohd Noor, Independent Non-Executive Chairman (*Ordinary Resolution 6*)
- Choong Lee Aun, Executive Director (*Ordinary Resolution 7*)
- Datuk Sham Shamrat Sen Gupta, Independent Non-Executive Director (*Ordinary Resolution 8*)
- Kang Teik Yih, Independent Non-Executive Director (*Ordinary Resolution 9*)

PROVIDED ALWAYS THAT:

- he must not participate in the deliberation or discussion of his own allocation as well as allocation to persons connected to him;
- not more than 10% of the total number of DTB Shares to be issued under the Proposed New SIS shall be allocated to him, if he, either singly or collectively through persons connected with him, holds 20% or more of the total number of issued DTB Shares (excluding treasury shares);
- not more than 75% of the total number of Shares to be issued under the Scheme shall be allocated, in aggregate, to the Directors and senior management of the Group who are Eligible Persons (where “senior management” shall be subject to any criteria as may be determined by the SIS Committee from time to time);
- it is in accordance with the Main Market Listing Requirements of Bursa Securities or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time and subject always to such terms and conditions and/ or adjustments which may be made in accordance with the By-Laws; and
- the Directors and senior management of the Group and members of the SIS Committee who are Eligible Persons shall not participate in the deliberation or discussion of their respective allocations as well as to persons connected with them, if any.

AND THAT subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the By-Laws, the Board be and is hereby authorised to take such steps as necessary or expedient to implement, finalise or to give full effect to the Proposed Allocations above 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 Allocations as above as well as to deal with all matters relating thereto and/ or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.”

BY ORDER OF THE BOARD

TAN KOK SIONG (LS0009932)
(SSM PC NO. 202008001592)
Company Secretary

Date: 17 October 2022

NOTES:

1. IMPORTANT NOTICE

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue of the meeting. Shareholders/ proxies WILL NOT BE ALLOWED to attend this Extraordinary General Meeting (“EGM”) in person at the Broadcast Venue on the day of the meeting. Shareholders who wish to participate remotely at the meeting will therefore have to register via the Remote Participation and Voting (“RPV”) facilities operated by Mlabs Research Sdn Bhd at <https://rebrand.ly/DTB-EGM>.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the EGM in order to participate remotely via RPV facilities.

2. APPOINTMENT OF PROXY

- For the purpose of determining who shall be entitled to participate in this EGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 25 October 2022. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this EGM via RPV.
- A member entitled to participate in this EGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his place. A proxy may but need not be a member of the Company.
- A member of the Company who is entitled to participate and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate and vote instead of the member at the EGM.
- If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“Central Depositories Act”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The instrument appointing a proxy and any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company’s Share Registrar at Workshire Share Registration Sdn Bhd of A1-2-2 Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned EGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/ or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed. The duly completed proxy form transmitted by facsimile or electronic mail will not be accepted.
- Please ensure ALL the particulars as required in the proxy form is completed, signed and dated accordingly.
- Last date and time for lodging the proxy form is Sunday, 30 October 2022 at 10:30 a.m.
- For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative executed in the manner as stated in the proxy form with the Company’s Share Registrar at Workshire Share Registration Sdn Bhd of A1-2-2 Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

3. Ordinary Resolutions 1, 3 and 5 – Proposed Acquisition, Proposed Rights Issue and Proposed New SIS

Section 85(1) of the Companies Act 2016 (“the Act”) provides that:

“Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders”.

Clause 11 of the Company’s Constitution states as follows:

“Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue be offered to such persons as at the date of the offer are entitled to received notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by the notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after expiration of that time, or the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Board may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Board may likewise also dispose of any new share or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Board, be conveniently offered under this Constitution.”

By approving the allotment and issuance of the DTB Shares in the Company pursuant to the Proposed Acquisition, Proposed Rights Issue and Proposed New SIS which will rank equally with the existing issued shares in DTB, the shareholders of the Company are waiving any or all pre-emptive rights to new shares pursuant to Section 85(1) of the Act and Clause 11 of the Constitution to be first offered the DTB Shares which will result in a dilution to their shareholding percentage in the Company.

Voting by Poll

Pursuant to Paragraph 8.29A(1) of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements, all resolutions set out in this Notice are to be voted by poll.