

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting of **D'nonce Technology Bhd.** ("the Company") will be held at Hall 3, Level 3, Northam All Suite Penang, 55 Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang on Tuesday, 30 January 2018 at 11.30 a.m.

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 August 2017 together with the Reports of the Directors and Auditors thereon. **Please refer to Note A**
2. (i) To re-elect Dato' Ahmad Ibhijahar who retires in accordance with Article 95(1) of the Company's Articles of Association. **Resolution 1**
- (ii) To re-elect Encik Roslan bin Abu who retires in accordance with Article 95(1) of the Company's Articles of Association. **Resolution 2**
3. To re-appoint Messrs BDO as Auditors and to authorise the Directors to determine their remuneration. **Resolution 3**

AS SPECIAL BUSINESS

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

Ordinary Resolutions

4. To approve the payment of Directors' fees of RM351,000 for the financial year ended 31 August 2017. **Resolution 4**
5. To approve the payment of Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 up to an amount of RM225,280 from 31 January 2017 until the next Annual General Meeting of the Company. **Resolution 5**
6. **Continuing in office as Independent Non-Executive Directors**
 - (i) "THAT subject to the passing of Resolution 1, authority be and is hereby given to Dato' Ahmad Ibhijahar who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting." **Resolution 6**
 - (ii) "THAT authority be and is hereby given to Mr Wong Thai Sun who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting." **Resolution 7**

7. Approval for issuance of new ordinary shares pursuant to Sections 75 and 76 of the Companies Act 2016 **Resolution 8**

"THAT, subject to the Companies Act 2016, the Articles of Association of the Company and the approvals from the relevant governmental/regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot new shares in the Company at any time until the conclusion of the next Annual General Meeting 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 10% of the issued share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad."

8. Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature **Resolution 9**

"THAT subject always to the provisions of the Companies Act 2016 ("the Act"), the Memorandum and Articles of Association of the Company, Bursa Malaysia Securities Berhad Main Market Listing Requirements or other regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions with the related parties as set out in Sections 2.4.1 and 2.4.2 of the Circular to Shareholders dated 29 December 2017 ("the Circular"), which are necessary for the day to day operations and are carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders as set out in the Circular ("Mandate")."

THAT the Directors be empowered to do all such acts and things considered necessary or expedient to give full effect to the Mandate with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be imposed by the relevant authorities.

THAT such Mandate shall commence upon passing this ordinary resolution and to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the authority shall lapse unless the authority is renewed by a resolution passed at the meeting;
 - (b) the expiration of the period within which the next AGM after that date it is required by law to be held; or
 - (c) revoked or varied by resolution of the shareholders of the Company in a general meeting;
- whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution."

9. Proposed renewal of the authority for the purchase of the Company's own ordinary shares of up to ten per centum (10%) of the Company's issued share capital **Resolution 10**

"THAT, subject to the Companies Act 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, the Directors of the Company be and are hereby unconditionally and generally authorised to make purchases of ordinary shares in the Company's issued share capital through Bursa Securities at any time and upon such terms and conditions and for such purposes as the Directors may, in their discretion deem fit, subject further to the following:

- (i) the aggregate number of ordinary shares which may be purchased and/or held by the Company shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company at the point of purchase ("D'nonce Shares");
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the D'nonce Shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s);
- (iii) the authority conferred by this resolution shall commence upon the passing of this ordinary resolution and will continue to be in force until the conclusion of the next Annual General Meeting ("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 unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting or the expiration of the period within which the next AGM is required by law to be held, whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company made before the aforesaid expiry date and, in any event, in accordance with the MMLR of Bursa Securities or any other relevant authority; and
- (iv) upon completion of the purchase(s) of the D'nonce Shares by the Company, the Directors of the Company be hereby authorised to deal with the D'nonce Shares in the following manner:
 - (a) cancel the D'nonce Shares so purchased; or
 - (b) retain the D'nonce Shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resale on the market of Bursa Securities and/or for cancellation subsequently; or
 - (c) retain part of the D'nonce Shares so purchased as treasury shares and cancel the remainder;

9. Proposed renewal of the authority for the purchase of the Company's own ordinary shares of up to ten per centum (10%) of the Company's issued share capital (cont'd)

and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the MMLR of Bursa Securities and any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient and to enter into any agreements, arrangements and guarantees with any party or parties to implement or to effect the purchase(s) of the D'nonce Shares with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be required by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company."

10. To transact any other business of which due notice shall have been received.

By Order of the Board

CHIEW SIEW CHENG (MAICSA 7019191)

LIM CHOO TAN (LS 0008888)

Company Secretaries

Penang

29 December 2017

Note A

This Agenda Item is meant for discussion only as the provision of Sections 248(2) and 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence is not put forward for voting.

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint at least one proxy but not more than two (who need not be members of the Company) to attend, participate, speak and vote on his behalf.
2. Where a member appoints two proxies, the appointments shall be invalid unless the percentage of the holding to be represented by each proxy is specified.
3. 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.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. The instrument appointing a proxy or proxies must be under the hand of the appointer or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than 48 hours before the time set for the meeting.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting in accordance with Section 333 of the Companies Act 2016.
8. Only members registered in the Record of Depositors as at 22 January 2018 shall be eligible to attend the meeting or appoint a proxy to attend and vote on his behalf.

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. Resolution 4 – To approve the payment of Directors' fees of RM351,000 for the financial year ended 31 August 2017

The proposed Ordinary Resolution 4, if passed, will authorise the payment of the Directors' fees for the financial year ended 31 August 2017 amounting to RM351,000.

2. Resolution 5 – To approve the payment of Directors' benefits

The proposed Ordinary Resolution 5, if passed, will authorise the payment of the Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 of up to an amount of RM225,280 from 31 January 2017 until the next Annual General Meeting of the Company.

3. Resolutions 6 and 7 – Continuing in office as Independent Non-Executive Directors

The Nomination Committee had assessed the independence of Dato' Ahmad Ibhijahar and Mr Wong Thai Sun who have served on the Board as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years. The Board has recommended that the approval of the shareholders be sought to re-appoint Dato' Ahmad Ibhijahar and Mr Wong Thai Sun as Independent Non-Executive Directors as both of them possess the following aptitudes necessary in discharging their roles and functions as Independent Non-Executive Directors of the Company:

- i) Have vast experience in the various industries the Group is involved in and as such could provide the Board with a diverse set of experience, expertise and independent judgment;
- ii) Consistently challenge management in an effective and constructive manner;
- iii) Have good and thorough understanding of the main drivers of the business in a detailed manner;
- iv) Actively participate in board deliberations and decision making in an objective manner; and
- v) Exercise due care in all undertakings of the Group and carry out their fiduciary duties in the interest of the Company and minority shareholders.

4. Resolution 8 – Approval for issuance of new ordinary shares pursuant to Sections 75 and 76 of the Companies Act 2016

This general mandate for issuance of shares ("the Mandate") was sought for in the preceding year and the Board did not carry out the Mandate since the last Annual General Meeting ("AGM") of the Company until the latest practicable date before the printing of this Annual Report. As the Mandate will expire on 30 January 2018, the Board is desirous of seeking a fresh general mandate at the forthcoming AGM.

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

The proposed Ordinary Resolution 8, if passed, will from the date of the above meeting give the Directors of the Company authority to allot and issue ordinary shares from the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. The authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting.

5. Resolution 9 - Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 9, if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature. This authority will, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders dated 29 December 2017 for more information.

6. Resolution 10 – Proposed renewal of the authority for the purchase of the Company's own ordinary shares of up to ten per centum (10%) of the Company's total number of issued shares

The proposed Ordinary Resolution 10, if passed, will empower the Company to purchase and/or hold up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders dated 29 December 2017 for more information.