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# DATASONIC

GROUP BERHAD

## DATASONIC GROUP BERHAD

(Registration No. 200801008472 [809759-X])  
(Incorporated in Malaysia)

### CIRCULAR TO SHAREHOLDERS

#### IN RELATION TO THE

**PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 7.5% OF THE TOTAL NUMBER OF ISSUED ORDINARY SHARES IN DATASONIC GROUP BERHAD ("DATASONIC") (EXCLUDING TREASURY SHARES, IF ANY)**

**AND**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

*Adviser*



**AmInvestment Bank**

**AmInvestment Bank Berhad**

(Registration No. 197501002220 [23742-V])  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**") of Datasonic Group Berhad to be held at Cindai 1 & 2, Cyberview Resort & Spa, Persiaran Multimedia, 63000 Cyberjaya, Selangor Darul Ehsan on Thursday, 20 February 2020 at 10:00 a.m., together with the Form of Proxy are enclosed herewith.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend and to vote on his/her behalf. In such event, the Form of Proxy should be completed and lodged at the Company Share Registrar's office, Boardroom Share Registrars Sdn Bhd (Registration No.199601006647 [378993-D]) at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan before 10:00 a.m. on Tuesday, 18 February 2020. The lodgement of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

This Circular is dated 5 February 2020

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

<b>Act</b>	: Companies Act 2016
<b>AmInvestment Bank or Adviser</b>	: AmInvestment Bank Berhad (Registration No. 197501002220 [23742-V])
<b>Board</b>	: Board of Directors of Datasonic
<b>Bursa Depository</b>	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 [165570-W])
<b>Bursa Securities</b>	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 [635998-W])
<b>By-Laws</b>	: The by-laws governing the rules, terms and conditions of the Proposed ESOS as may be modified, varied and/or amended from time to time, the draft of which is set out in Appendix I of this Circular
<b>CDS</b>	: Central Depository System
<b>CDS Account</b>	: An account established by Bursa Depository for a depositor for the recording of deposit and withdrawal of securities and for dealings in such securities by the depositor
<b>Circular</b>	: This circular dated 5 February 2020 in relation to the Proposed ESOS
<b>Datasonic or Company</b>	: Datasonic Group Berhad (Registration No. 200801008472 [809759-X])
<b>Datasonic Group</b>	: Collectively, Datasonic and its subsidiaries
<b>Datasonic Shares or Shares</b>	: Ordinary shares in Datasonic
<b>Director(s)</b>	: Director shall have the same meaning as given in Section 2(1) of the Capital Markets and Services Act 2007 and being a person that:-  (a) occupies or act in the position of director;  (b) is in accordance with whose directions or instructions the directors of a corporation are accustomed to act; and  (c) is an alternate or substitute director
<b>DMSB</b>	: Demi Mekar Sdn Bhd (Registration No. 200901032073 [875183-U])
<b>EESB</b>	: Enrich Epitome Sdn Bhd (Registration No. 201401008291 [1084369-U])
<b>Effective Date</b>	: The date on which the last of the approvals and conditions in Section 2.4 of this Circular have been obtained and/or complied with
<b>EGM</b>	: Extraordinary General Meeting
<b>Eligible Person(s)</b>	: Eligible Directors or eligible employees of the Datasonic Group (excluding dormant subsidiary companies), as the case may be, who meet the eligibility criteria for participation in the ESOS as set out in the By-Laws
<b>EPS</b>	: Earnings per Share

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**DEFINITIONS (CONT'D)**

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<b>ESOS</b>	: Employees' Share Option Scheme
<b>ESOS Committee</b>	: The committee consisting of such persons as shall be appointed and duly authorised by the Board to implement and administer the Proposed ESOS in accordance with the provisions of the By-Laws
<b>ESOS Options</b>	: The options to be granted to a Participant which may be exercised to subscribe for new Datasonic Shares at a future period at a pre-determined price pursuant to the Proposed ESOS
<b>Exercise Price</b>	: The price of which a Participant is required to pay for each Datasonic Share pursuant to the exercise of an ESOS Option
<b>FYE</b>	: Financial year ended/ ending 31 March, as the case may be
<b>HESB</b>	: Hallmark Epitome Sdn Bhd (Registration No. 201901008367 [1317695-W])
<b>Initial Announcement</b>	: The announcement made on Bursa Securities on 6 December 2019 in relation to the Proposed ESOS
<b>Interested Directors</b>	: Directors of Datasonic whom have been offered and granted the ESOS Options pursuant to the Proposed ESOS
<b>Listing Requirements</b>	: Main Market Listing Requirements of Bursa Securities
<b>LPD</b>	: 31 January 2020, being the latest practicable date prior to the despatch of this Circular
<b>Market Day</b>	: Any day between Monday to Friday, both days inclusive, which is not a public holiday and on which Bursa Securities is open for official trading in securities
<b>Maximum ESOS Options</b>	: The maximum number of Datasonic Shares to be allotted and issued pursuant to the ESOS Options granted under the Proposed ESOS which shall not exceed 7.5% of the total number of issued ordinary shares of Datasonic (excluding treasury shares, if any) at any point in time during the duration of the Proposed ESOS
<b>Maximum Scenario</b>	: Assuming all the Warrants as at the LPD are exercised prior to the granting of ESOS Options pursuant to the Proposed ESOS
<b>MFRS 2</b>	: Malaysian Financial Reporting Standard 2 for Share-Based Payment as issued by the Malaysian Accounting Standards Board
<b>Minimum Scenario</b>	: Assuming all the Warrants as at the LPD are not exercised prior to the granting of ESOS Options pursuant to the Proposed ESOS
<b>NA</b>	: Net assets
<b>Offer</b>	: An offer to take up the ESOS Options to subscribe for Datasonic Shares made in writing by the ESOS Committee to the Eligible Person in accordance with the By-Laws
<b>Offer Date</b>	: The date of the Offer letter, being the date on which an Eligible Person is deemed to have been notified of an Offer by the ESOS Committee
<b>Offer Period</b>	: A period of 30 calendar days from the Offer Date or such longer period as may be determined by the ESOS Committee

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**DEFINITIONS (CONT'D)**

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<b>Participants</b>	: Eligible Persons who has duly accepted the Offer in accordance with the By-Laws
<b>Proposed ESOS</b>	: Proposed establishment of an ESOS of up to 7.5% of the total number of issued ordinary shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the ESOS
<b>Record of Depositors</b>	: The record of depositors in relation to the securities of the Company issued from time to time to the Company at the request of the Company under the provisions of Section 34 of the Securities Industry (Central Depositories) Act 1991 and Chapter 24.0 of the Rules of Bursa Depository
<b>RM and sen</b>	: Ringgit Malaysia and sen respectively, the lawful currency of Malaysia
<b>Termination Date</b>	: The effective date of termination of the Proposed ESOS
<b>UJSB</b>	: Urusharta Jamaah Sdn Bhd (Registration No. 201801045610 [1307642-V])
<b>VWAMP</b>	: Volume weighted average market price
<b>Warrants</b>	: 675,000,000 outstanding Datasonic warrants 2018/2023 which are expiring on 5 July 2023

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and/or neuter gender, and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment or guidelines is a reference to that enactment or guidelines as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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# DATASONIC

GROUP BERHAD

## DATASONIC GROUP BERHAD

(Registration No. 200801008472 [809759-X])  
(Incorporated in Malaysia)

### Registered Office:

Level 6, Bangunan Setia 1  
No.15, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur

5 February 2020

### Board of Directors:-

Jeneral Tan Sri (Dr) Mohamed Hashim bin Mohd Ali (B) (*Independent Non-Executive Chairman*)  
Dato' Wan Mohd Safiain bin Wan Hasan (*Independent Non-Executive Deputy Chairman*)  
Dato' Haji Razali bin Mohd Yusof (*Managing Director*)  
Chew Ben Ben (*Deputy Managing Director*)  
Dato' Wan Ibrahim bin Wan Ahmad (*Independent Non-Executive Director*)  
Yee Kim Shing @ Yew Kim Sing (*Independent Non-Executive Director*)

### To: The Shareholders of Datasonic

Dear Sir/Madam,

### **PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME OF UP TO 7.5% OF THE TOTAL NUMBER OF ISSUED ORDINARY SHARES IN DATASONIC GROUP BERHAD (EXCLUDING TREASURY SHARES, IF ANY)**

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#### 1. INTRODUCTION

On 6 December 2019, on behalf of the Board, AmlInvestment Bank announced that the Company proposed to establish and implement an employees' share option scheme of up to 7.5% of the total number of issued ordinary shares of Datasonic (excluding treasury shares, if any) at any point in time during the duration of the ESOS for the eligible Directors and employees of the Datasonic Group (excluding dormant subsidiaries).

On 20 January 2020, on behalf of the Board, AmlInvestment Bank announced that Bursa Securities had via its letter dated 20 January 2020 approved the listing of and quotation for such number of new Datasonic Shares, representing up to 7.5% of the total number of issued ordinary shares of Datasonic (excluding treasury shares, if any), to be issued pursuant to the Proposed ESOS on the Main Market of Bursa Securities subject to, *inter alia*, the conditions as set out in Section 7 of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS OF DATASONIC WITH THE RELEVANT INFORMATION ON THE PROPOSED ESOS AND TO SEEK THE SHAREHOLDERS' APPROVAL ON THE ORDINARY RESOLUTIONS IN RELATION TO THE PROPOSED ESOS TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.**

**SHAREHOLDERS OF DATASONIC ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE ORDINARY RESOLUTIONS TO GIVE EFFECT TO THE PROPOSED ESOS AT THE FORTHCOMING EGM.**

## **2. PROPOSED ESOS**

The Proposed ESOS involves the granting of ESOS Options of up to 7.5% of the total number of issued ordinary shares of Datasonic (excluding treasury shares, if any) at any point in time during the duration of the ESOS to the Eligible Persons to subscribe for Datasonic Shares in accordance with the By-Laws.

The Proposed ESOS will be administered by the ESOS Committee.

### **2.1 Size of the Proposed ESOS**

The maximum number of the ESOS Options which may be granted shall not at any point in time in aggregate exceed 7.5% of the total number of issued ordinary shares of Datasonic (excluding treasury shares, if any) during the duration of the Proposed ESOS.

In the event where Datasonic purchases its own shares or undertakes any other corporate proposal resulting in the number of shares to be issued under the Proposed ESOS to exceed 7.5% of its total number of issued ordinary shares (excluding treasury shares, if any), no further ESOS Options can be offered until the aggregate number of shares comprised in the ESOS Options granted and/or to be granted under the Proposed ESOS falls below the 7.5% threshold.

### **2.2 Eligibility**

Any Eligible Person shall be eligible to participate in the Proposed ESOS if, as at the Offer Date, the Eligible Person:

- (i) has attained the age of 18 years old;
- (ii) is employed on a full-time basis (inclusive of employee with fixed term contract) and is on the payroll of a company within Datasonic Group (excluding dormant subsidiaries);
- (iii) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (iv) in respect of an eligible Director, such eligible Director is a director named in the Register of Directors of Datasonic Group (excluding dormant subsidiaries); and
- (v) fulfils any other criteria including but not limited to the performance targets, appraisals and assessments as may be set by the relevant companies within the Datasonic Group (excluding dormant subsidiaries) that may be determined by the ESOS Committee from time to time, at its absolute discretion.

In determining the eligibility and allocation of Eligible Persons to participate in the Proposed ESOS, the ESOS Committee will take into account amongst others, the performance targets, appraisals and past and future contributions of the Eligible Persons to the Datasonic Group (excluding dormant subsidiaries) and such other factors that the ESOS Committee deems relevant from time to time. For avoidance of doubt, the selection of Eligible Persons for participation in the ESOS shall be at the sole and absolute discretion of the ESOS Committee. The decision of the ESOS Committee shall be final and binding.

In accordance with the Listing Requirements, the participation by each of the Directors, chief executive, major shareholders of the Company and/or persons connected with them who is an Eligible Person, their specific allotments under the Proposed ESOS must be approved by the shareholders of Datasonic in a general meeting.

### 2.3 Basis of Allocation and Maximum Allowable Allotment

The allocation of Datasonic Shares to Eligible Person shall be determined entirely at the discretion of the ESOS Committee and subject to the provision of the By-Laws after taking into consideration amongst others, the performance, contribution, employment grade, seniority, length of service and his/her potential contribution of the Eligible Person to the success of Datasonic Group.

Notwithstanding the foregoing, subject to any adjustments which may be made in accordance with the By-Laws, the aggregate number of Shares that may be allocated to an Eligible Person shall be subject to the following:-

- (i) not more than 70%\* of the total new Shares to be issued under the Proposed ESOS shall be allocated to the Directors and/or senior management of Datasonic Group; and

*Note:*

*\* The basis in arriving at this threshold was determined after taking into consideration the number of Eligible Persons and that the Eligible Persons are the key drivers to the growth of the Company's businesses. This is intended to incentivise the Eligible Persons for their contribution towards improving the Company's overall financial performance and enhancing the total returns. The Proposed ESOS also aims to reward and retain the Eligible Persons for their attainment of higher performance, commitment, dedication and loyalty.*

- (ii) not more than 10% of the total new Shares to be issued under the Proposed ESOS shall be allocated to any Eligible Persons who, either singly or collectively through persons connected with to them, hold 20% or more of the total number of issued ordinary shares of Datasonic (excluding treasury shares).

An Eligible Person who is a member of the ESOS Committee shall abstain from deliberations in respect of any ESOS Options granted to that Eligible Persons or held or to be held by him.

For the avoidance of doubt, the ESOS Committee shall have the sole and absolute discretion in determining whether the ESOS Options are to be granted to the Eligible Persons via:

- (a) 1 single offer at a time determined by the ESOS Committee; or
- (b) several offers where the vesting of the ESOS Options comprised in those offers is staggered or made in several tranches at such times and on such terms and conditions as may be determined by the ESOS Committee,

provided always that the aggregate number of new Shares in respect of the offers granted to any Eligible Person shall not exceed the amount stipulated in Sections 2.1 and 2.3(ii) above.

In the event the ESOS Committee decides that the vesting of the ESOS Options is to be staggered or made in several tranches, the number of ESOS Options to be granted pursuant to each vesting of the ESOS Options and the timing for the vesting of the same shall be decided by the ESOS Committee at its sole and absolute discretion and each vesting of the ESOS Options shall be separate and independent from the others.

### 2.4 Effective date and duration of the Proposed ESOS

The Proposed ESOS shall be in force for a period of 5 years commencing from the Effective Date, which shall be the date of full compliance with all relevant requirements including the following:

- (i) approval of Bursa Securities for the listing of and quotation for the new Datasonic Shares to be issued pursuant to the exercise of the ESOS Options under the Proposed ESOS;
- (ii) approval of the shareholders of the Company at a general meeting;
- (iii) submission of the final copy of the By-Laws to Bursa Securities together with a letter of compliance pursuant to Paragraph 2.12 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;
- (iv) approvals of any other relevant regulatory authorities, where applicable; and



- (v) fulfilment of all applicable conditions attached to the above approvals (if any).

The Proposed ESOS shall continue to be in force for a period of 5 years from the Effective Date provided always that on or before the expiry thereof, the Board shall have the discretion whether or not upon the recommendation of the ESOS Committee, to extend in writing the tenure of the ESOS for another 5 years or such shorter period as it deems fit immediately from the expiry of the first 5 years. The Proposed ESOS shall continue to be in force commencing on the date which the last of the approvals and/or conditions stipulated in the By-Laws have been obtained and/or complied with, or such longer period as may be allowed by the relevant authorities.

On expiry of the Proposed ESOS, any ESOS Options which have yet to be granted, vested or exercised (whether fully or partially) shall be deemed cancelled and be null and void.

## **2.5 Retention Period**

The ESOS Committee shall be entitled to prescribe or impose, in relation to any offer, any condition relating to any retention period or restriction on transfer as it deems fit. An Eligible Person should note that the Shares are encouraged for him/her to hold as an investment rather than for any speculative purposes and/or the realisation of any immediate gain.

A Participant who is a non-executive Director must not sell, transfer or assign Datasonic Shares received pursuant to the ESOS Options granted to him for a period of 1 year from the Offer Date.

## **2.6 Acceptance of Offer and Exercise Price**

An Offer made by the ESOS Committee to an Eligible Person shall be valid during the Offer Period, and shall be accepted by the Eligible Person within the Offer Period by giving a written notice to the ESOS Committee in such form as may be prescribed by the ESOS Committee of such acceptance and accompanied by a payment to the Company of a non-refundable cash consideration of Ringgit Malaysia One (RM1.00) only for the grant of the ESOS Options (regardless of the number of Datasonic Shares comprised therein). The day of receipt of such written notice shall constitute the date of acceptance.

The exercise price of each new Datasonic Share comprised in an ESOS Option will be determined by the ESOS Committee based on the 5-day VWAMP of Datasonic's Shares as traded on the Main Market of Bursa Securities immediately preceding the Offer Date (or such basis as the relevant authorities may permit), and at the ESOS Committee's discretion with either a:

- (i) premium; or
- (ii) discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities and any other relevant authorities from time to time.

## **2.7 Ranking of the New Shares**

The new Datasonic Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Datasonic Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or any other distributions where the entitlement date (namely the date as at the close of business on which shareholders must be entered in the Record of Depositors with the Bursa Depository in order to be entitled to any dividends, rights, allotments and/or other distributions) precedes the date of allotment and issuance of the new Datasonic Shares.

The ESOS Options shall not carry any rights to vote at any general meeting of Datasonic. The Participants shall not in any event be entitled to any dividends, rights, allotments and/or any other distributions until and unless such Participants exercise their ESOS Options into new Datasonic Shares and such new Datasonic Shares are credited into the Participants' respective CDS Accounts.

## **2.8 Listing of and Quotation for the new Datasonic Shares to be issued pursuant to the Proposed ESOS**

Bursa Securities had vide its letter dated 20 January 2020 approved the listing of and quotation for such number of new Datasonic Shares to be issued arising from the exercise of the ESOS Options pursuant to the Proposed ESOS on the Main Market of Bursa Securities.

## **2.9 Amendment and/or Modification to the Proposed ESOS**

Subject to compliance with the Listing Requirement and the approvals of any other relevant authorities, (if required), the ESOS Committee may at any time and from time to time recommend to the Board any modification, variation and/or amendment of the By-Laws as it shall in its discretion think fit and the Board shall have the power by resolution to make any modification, variation and/or amendment of the By-Laws upon such recommendation subject to the Company submitting a confirmation letter to Bursa Securities (within 5 Market Days after the effective date of the modification, variation and/or amendment of the By-Laws) each time any modification, variation and/or amendment is made, that the said modification, variation and/or amendment is in compliance with the provisions of the Listing Requirements pertaining to share issuance schemes and Rules of Bursa Depository pursuant to Paragraph 2.12 of the Listing Requirements.

The Participants shall be given written notice in the form prescribed by the ESOS Committee from time to time of any additions, amendments to and/or modifications of the By-Laws within 5 Market Days of any of the foregoing taking effect.

## **2.10 Termination of the Proposed ESOS**

Notwithstanding anything set out in the By-Laws and subject always to compliance with the Listing Requirements and any other relevant rules or requirements, the Proposed ESOS may be terminated by the Company at any time before its expiry without obtaining the approvals or consents from the Participants or its shareholders provided that the Company makes an announcement immediately to Bursa Securities. In the event of such termination:

- (i) no further Offers shall be made by the ESOS Committee from the Termination Date;
- (ii) all Offers which have yet to be accepted by Eligible Persons shall automatically lapse on the Termination Date; and
- (iii) all outstanding ESOS Options which have yet to be exercised by the Participants shall automatically lapse on the Termination Date.

## **3. RATIONALE FOR THE PROPOSED ESOS**

The Proposed ESOS is intended to:-

- (i) attract prospective skilled and experienced executives or personnel to join Datasonic Group as and when required and to reward/ retain eligible Directors and employees of Datasonic Group for their contribution towards Datasonic Group; and
- (ii) create a sense of loyalty and ownership amongst the employees towards the Datasonic Group, by giving the employees an opportunity to participate in the equity of the Company.

The Proposed ESOS is also extended to include the non-executive Directors of Datasonic Group, in recognition of their contributions towards the growth and performance of Datasonic Group. In addition, the opportunity to participate in the equity of the Company is an incentive for their continuous efforts and contributions to the development and growth of the Datasonic Group.

#### 4. UTILISATION OF PROCEEDS

The Company will not receive any immediate proceeds from the granting of ESOS Options. The actual proceeds to be received from the ESOS Options will be dependent on amongst others, the number of ESOS Options exercised at the relevant point in time and the exercise price. The Company intends to utilise such proceeds for the working capital of Datasonic Group.

The estimated expenses for the Proposed ESOS are approximately RM180,000, which will be funded through the Datasonic Group's internally generated funds.

#### 5. FINANCIAL EFFECTS OF THE PROPOSED ESOS

For illustrative purposes, the proforma effect of the Proposed ESOS shall take into consideration the following scenario:

**Minimum Scenario** : Assuming all the Warrants as at the LPD, are not exercised prior to the granting of the ESOS Options pursuant to the Proposed ESOS.

**Maximum Scenario** : Assuming all the Warrants as at the LPD, are exercised prior to the granting of the ESOS Options pursuant to the Proposed ESOS.

##### 5.1 Issued share capital

For illustrative purposes, the pro forma effects of the Proposed ESOS on the issued share capital of the Company are as follows:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares (‘000)	RM (‘000)	No. of Shares (‘000)	RM (‘000)
Issued share capital as at the LPD	1,350,000	135,000	1,350,000	135,000
Shares to be issued upon full exercise of the Warrants as at the LPD	-	-	675,000	735,750 <sup>(i)</sup>
	<b>1,350,000</b>	<b>135,000</b>	<b>2,025,000</b>	<b>870,750</b>
To be issued assuming full exercise of all the ESOS Options that may be granted under the Proposed ESOS <sup>(ii)</sup>	101,250	140,738 <sup>(iii)</sup>	151,875	211,106 <sup>(iii)</sup>
<b>Enlarged issued share capital</b>	<b>1,451,250</b>	<b>275,738</b>	<b>2,176,875</b>	<b>1,081,856</b>

##### Notes:-

(i) Based on exercise price of RM1.09 per Warrant.

(ii) The Proposed ESOS will not have an immediate effect on the existing issued share capital of Datasonic until and unless the ESOS Options are vested and exercised pursuant to the ESOS Options granted under the Proposed ESOS. The issued share capital of Datasonic will increase progressively depending on the number of ESOS Options vested and exercised.

The issued share capital of Datasonic pursuant to the Proposed ESOS as illustrated above is computed assuming the Company grants the Maximum ESOS Options.

(iii) Based on the indicative exercise price of RM1.39 per ESOS Option, representing a discount of approximately 10% to the 5-day VWAMP of Datasonic Shares up to and including the LPD of RM1.537 per Share.

## 5.2 Substantial Shareholders' Shareholdings

The Proposed ESOS is not expected to have any immediate effect on the substantial shareholders' shareholdings in the Company until and unless new Datasonic Shares are issued pursuant to the vesting and exercise of the ESOS Options under the Proposed ESOS. The actual effect on the substantial shareholders' shareholdings in Datasonic would depend on the number of new Datasonic Shares issued at the relevant point in time.

For illustration purposes only, the proforma effects of the Proposed ESOS on the substantial shareholders' shareholdings in Datasonic are set out in the table below:

### Minimum Scenario

Substantial shareholders	Shareholdings as at the LPD				Assuming full exercise of the ESOS Options to be offered under the Proposed ESOS			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chew Ben Ben	194,524,840	14.4	183,316,260 <sup>(a)</sup>	13.6	204,649,840 <sup>(c)</sup>	14.1	183,316,260	12.6
HESB	95,416,260	7.1	-	-	95,416,260	6.6	-	-
Dato' Haji Razali bin Mohd Yusof	66,923,000	5.0	87,162,000 <sup>(b)</sup>	6.5	77,048,000 <sup>(c)</sup>	5.3	87,162,000 <sup>(b)</sup>	6.0
Azlan bin Abdul Kadir	-	-	87,162,000 <sup>(b)</sup>	6.5	-	-	87,162,000 <sup>(b)</sup>	6.0
DMSB	87,162,000	6.5	-	-	87,162,000	6.0	-	-
UJSB	124,153,400	9.2	-	-	124,153,400	8.6	-	-

### Notes:-

- (a) Deemed interested through his substantial shareholding in EESB and HESB pursuant to Section 8 of the Act and shares held by his spouse, Madam Zhao Tong pursuant to Section 59(11)(c) of the Act.
- (b) Deemed interested through his substantial shareholding in DMSB pursuant to Section 8 of the Act.
- (c) Assuming 10% of the total number of ESOS Options is granted to Dato' Haji Razali bin Mohd Yusof and Chew Ben Ben.

## Maximum Scenario

Substantial shareholders	I						II						
	Shareholdings as at the LPD			Assuming full exercise of outstanding Warrants			Assuming full exercise of outstanding Warrants			After I and assuming full exercise of the ESOS Options to be offered under the Proposed ESOS			
	Direct	Indirect		Direct	Indirect		Direct	Indirect		Direct	Indirect		
No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chew Ben Ben	194,524,840	14.4	183,316,260 <sup>(a)</sup>	13.6	278,834,940 <sup>(c)</sup>	13.8	248,441,260 <sup>(a)(d)</sup>	12.3	294,022,440 <sup>(f)</sup>	13.5	248,441,260	11.4	
HESB	95,416,260	7.1	-	-	95,416,260	4.7	-	-	95,416,260	4.4	-	-	
Dato' Haji Razali bin Mohd Yusof	66,923,000	5.0	87,162,000 <sup>(b)</sup>	6.5	66,923,000	3.3	87,162,000 <sup>(b)</sup>	4.3	82,110,500 <sup>(f)</sup>	3.8	87,162,000	4.0	
Azlan bin Abdul Kadir	-	-	87,162,000 <sup>(b)</sup>	6.5	-	-	87,162,000 <sup>(b)</sup>	4.3	-	-	87,162,000 <sup>(b)</sup>	4.0	
DMSB	87,162,000	6.5	-	-	87,162,000	4.3	-	-	87,162,000	4.0	-	-	
UJSB	124,153,400	9.2	-	-	186,230,100 <sup>(e)</sup>	9.2	-	-	186,230,100	8.6	-	-	

### Notes:-

- (a) Deemed interested through his substantial shareholding in EESB and HESB pursuant to Section 8 of the Act and shares held by his spouse, Madam Zhao Tong pursuant to Section 59(1)(c) of the Act.
- (b) Deemed interested through his substantial shareholding in DMSB pursuant to Section 8 of the Act.
- (c) Chew Ben Ben holds 84,310,100 Warrants as at the LPD.
- (d) EESB holds 65,125,000 Warrants as at the LPD.
- (e) UJSB holds 62,076,700 Warrants as at the LPD.
- (f) Assuming 10% of the total number of ESOS Options is granted to Dato' Haji Razali bin Mohd Yusof and Chew Ben Ben.

### **5.3 Earnings and EPS**

The Proposed ESOS is not expected to have any immediate effect on the consolidated EPS of Datasonic Group. Nevertheless, Datasonic Group's EPS may be diluted as a result of the issuance of new Datasonic Shares pursuant to the Proposed ESOS. Any potential effect on the consolidated earnings and EPS in the future will depend on factors such as the number of ESOS Options granted and exercised/ vested at the relevant point in time, the exercise price and the utilisation of proceeds arises from the exercise of ESOS Options.

In addition, pursuant to the MFRS 2 as issued by the Malaysian Accounting Standards Board, which requires the recognition of an expense arising from the granting of the ESOS Options under the Proposed ESOS, the future consolidated earnings of Datasonic may be affected. However, the impact cannot be quantified at this juncture as it depends on various factors, amongst others, the number of ESOS Options granted and accepted, the fair value of such granted ESOS Options and the number of such granted ESOS Options that are expected to be vested. The Board has taken note of the potential impact of the MFRS 2 on the consolidated earnings and EPS of Datasonic and shall take into consideration such impact in the allocation and granting of the ESOS Options.

### **5.4 NA per share and Gearing**

The Proposed ESOS will not have an immediate effect on the consolidated NA of Datasonic Group, NA per Datasonic Share and gearing of Datasonic Group until such time when the ESOS Options are granted. Any potential effect on the consolidated NA of Datasonic Group and NA per Datasonic Share would depend on, amongst others, the number of Datasonic Shares to be issued pursuant to the ESOS Options, fair value of the Datasonic Shares and the exercise price of the ESOS Options.

### **5.5 Convertible Securities**

As at the LPD, there is 675,000,000 outstanding Warrants.

The Proposed ESOS will not give rise to any adjustments to the exercise price and the number of outstanding Warrants pursuant to the deed poll constituting the outstanding Warrants.

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## 6. HISTORICAL SHARE PRICES

The monthly high and low prices of Datasonic Shares traded on Bursa Securities for the past 12 months up to January 2020 are as follows:-

<b>Month</b>	<b>High (RM)</b>	<b>Low (RM)</b>
<b>2019</b>		
February	0.51	0.43
March	0.57	0.44
April	0.58	0.47
May	0.49	0.44
June	0.58	0.43
July	0.78	0.52
August	0.95	0.66
September	0.97	0.85
October	1.18	0.89
November	1.16	1.00
December	1.50	1.02
<b>2020</b>		
January	1.69	1.36

The last transacted market price of Datasonic Shares on 5 December 2019, being the last market day immediately prior to the Initial Announcement 1.06

The last transacted market price of Datasonic Shares as at the LPD 1.46

(Source: Bloomberg)

## 7. APPROVALS REQUIRED

The Proposed ESOS is subject to the following approvals being obtained:-

- (a) Bursa Securities for the listing of and quotation for such number of new Datasonic Shares to be issued pursuant to the exercise of the ESOS Options granted under the Proposed ESOS on the Main Market of Bursa Securities, which was obtained on 20 January 2020; and
- (b) shareholders of the Company at the forthcoming EGM for the Proposed ESOS.

Bursa Securities had, vide its letter dated 20 January 2020, granted its approval for the listing of and quotation for the new Datasonic Shares to be issued pursuant to the Proposed ESOS subject to the following conditions:

<b>No.</b>	<b>Conditions imposed</b>	<b>Status of compliance</b>
(i)	AmInvestment Bank is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed ESOS.	To be complied
(ii)	The Company is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of options under the Proposed ESOS as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

## **8. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDER AND/OR PERSONS CONNECTED WITH THEM**

Save for below, none of the Directors and/or major shareholders of Datasonic and/or persons connected with them has any interest, either direct or indirect, in the Proposed ESOS.

All the eligible Directors are deemed interested to the extent of any specific allocation to them and grant of ESOS Options to persons connected with them (if any). The Interested Directors will abstain from deliberating and voting on the respective resolution pertaining to the proposed grant of ESOS Options to them and/or persons connected with them at the relevant Board meetings.

The Interested Directors will also abstain from voting in respect of their shareholdings (if any) in Datasonic on the respective resolutions pertaining to the proposed grant of ESOS Options to them and/or persons connected to them at the general meeting to be convened. They will also undertake to ensure that persons connected with them will abstain from voting in respect of their shareholdings in Datasonic (if any) on the aforementioned resolution pertaining to them at the general meeting to be convened.

The proposed grant of ESOS Options to any Director, major shareholders and/or persons connected to them is subject to the approval of the shareholders of the Company.

## **9. DIRECTORS' RECOMMENDATION**

The Board, after having considered all aspects of the Proposed ESOS (including but not limited to the rationale and the financial effects of the Proposed ESOS), is of the opinion that the Proposed ESOS is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the resolutions pertaining to the Proposed ESOS to be tabled at the forthcoming EGM.

In respect of the respective allocation of the ESOS Options to the eligible Directors, all the eligible Directors have abstained from giving any opinion or recommendation on their respective entitlements and the entitlements to the person(s) connected with them, if any. Where the resolutions are not related to their respective allocations or to the person(s) connected with them, our Directors, after having considered all aspects of the Proposed ESOS, are of the view that the proposed grant of ESOS Options pursuant to the Proposed ESOS is in the best interest of Datasonic Group and recommend that you vote in favour of the resolutions pertaining to the Proposed ESOS at the forthcoming EGM.

## **10. CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposed ESOS, there are no other corporate exercises which have been announced by the Company but have yet to be completed as at the LPD.

The Proposed ESOS is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

## **11. ESTIMATED TIMEFRAME FOR IMPLEMENTATION**

Barring unforeseen circumstances and subject to receipt of all relevant approvals, the Proposed ESOS is expected to be implemented in the 1<sup>st</sup> quarter of the calendar year 2020.



## **12. EGM**

The EGM, the Notice of which is enclosed with this Circular, will be held at Cindai 1 & 2, Cyberview Resort & Spa, Persiaran Multimedia, 63000 Cyberjaya, Selangor Darul Ehsan on Thursday, 20 February 2020 at 10:00 a.m. for the purpose of considering and if thought fit, passing the ordinary resolutions, with or without modifications, to give effect to the Proposed ESOS.

The voting on the ordinary resolutions at the EGM will be by poll. If you are unable to attend and vote in person at the EGM, you may appoint a proxy to attend and vote on your behalf by completing, signing and returning the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible so as to arrive at the Company Share Registrar's office Boardroom Share Registrars Sdn Bhd (Registration No. 199601006647 [378993-D]) at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan before 10:00 a.m. on Tuesday, 18 February 2020.

The completion and lodgement of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

## **13. FURTHER INFORMATION**

Shareholders are advised to refer to the enclosed appendices of this Circular for further information.

Yours faithfully

For and on behalf of the Board of Directors of  
**DATASONIC GROUP BERHAD**

**JENERAL TAN SRI (DR) MOHAMED HASHIM BIN MOHD ALI (B)**  
Independent Non-Executive Chairman

**BY-LAWS OF THE EMPLOYEES' SHARE OPTION SCHEME OF  
DATASONIC GROUP BERHAD**

**1. DEFINITIONS AND INTERPRETATIONS**

1.1 In the By-Laws, the following terms shall, unless the context otherwise requires, have the following meanings:

“Act”	:	Companies Act 2016
“Adviser”	:	Any person who is eligible to act as a principal adviser under the Principal Adviser Guidelines issued by the Securities Commission Malaysia
“Auditor”	:	Any person who is eligible to act as an external auditor of a company under the applicable rules, regulations and guidelines in Malaysia, as issued by the relevant governing authority in Malaysia and who has been appointed by the Company to act as its external auditor
“Board”	:	Board of Directors of Datasonic
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 [165570-W])
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 [635998-W])
“By-Laws”	:	The rules, terms and conditions of the ESOS
“CDS”	:	Central Depository System
“CDS Account”	:	An account established by Bursa Depository for a depositor for the recording of deposit and withdrawal of securities and for dealing in such securities by the depositor
“Constitution”	:	Constitution of Datasonic
“Datasonic Company”	or	Datasonic Group Berhad (Registration No. 200801008472 [809759-X])
“Datasonic Group”	:	Collectively, Datasonic and its subsidiaries
“Datasonic Shares or Shares”	:	Ordinary shares in Datasonic
“Date of Acceptance”	:	The date on which the ESOS Committee receives the written notice from an Eligible Person accepting an Offer
“Depository Rules”	:	Rules of Bursa Depository
“Directors”	:	Director shall have the meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and being a person that: (a) occupies or act in the position of director; (b) is in accordance with whose directions or instructions the directors of a corporation are accustomed to act; and (c) is an alternate or substitute director

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**APPENDIX I – DRAFT BY-LAWS (CONT'D)**

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“Effective Date”	:	The date on which the last of the approvals and conditions in By-Law 18 have been obtained and/or complied with
“Eligible Person”	:	Eligible Directors or eligible employees of the Datasonic Group (excluding dormant subsidiary companies), as the case may be, who meet the eligibility criteria for participation in the ESOS as set out in this By-Laws
“ESOS”	:	Employees’ Share Option Scheme
“ESOS Committee”	:	The committee consisting of such persons as shall be appointed and duly authorised by the Board, to implement and administer the ESOS in accordance with the provisions of the By-Laws
“ESOS Option Certificate”	:	The certificate issued by the ESOS Committee confirming the grant of the ESOS Option to an Eligible Person, the Exercise Price together with the number of Datasonic Shares comprised in the ESOS Option, and where applicable, the ESOS Option Period and any vesting conditions as specified in the Offer Letter (as defined in By-Law 5.6)
“ESOS Option Period”	:	The period during which an ESOS Option may be exercised as may be specified in the Offer
“ESOS Options”	:	The options to be granted to a Participant which may be exercised to subscribe for new Datasonic Shares at a future period at a pre-determined price pursuant to the ESOS
“ESOS Period”	:	The duration of the ESOS as set out in By-Law 18.3
“Exercise Price”	:	The price at which a Participant is required to pay for each Datasonic Share pursuant to the exercise of an ESOS Option
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“Market Day”	:	Any day between Monday to Friday, both days inclusive, which is not a public holiday and day on which Bursa Securities is open for official trading in securities
“Maximum Allowable Allotment”	:	The maximum number of new Datasonic Shares that may be offered and allotted to an Eligible Person in accordance with the provisions of By-Law 4
“Offer”	:	An offer to take up ESOS Options to subscribe for Datasonic Shares made in writing by the ESOS Committee to any Eligible Person in accordance with the By-Laws and the granting of the ESOS Options to subscribe for the new Datasonic Shares to the Eligible Persons, in accordance with the By-Laws
“Offer Date”	:	The date on which an Offer is served in accordance with the By-Laws
“Offer Period”	:	A period of 30 calendar days from the date of the offer or such longer period as may be determined by the ESOS Committee
“Participants”	:	Eligible Person who has duly accepted the Offer in accordance with the By-Laws

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**APPENDIX I – DRAFT BY-LAWS (CONT'D)**

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- “Persons Connected” : Persons connected as defined in Paragraph 1.01 of the Listing Requirements
- “RM” and “sen” : Ringgit Malaysia and sen respectively, the lawful currency of Malaysia
- “Senior Management” : Such employees as the ESOS Committee may determine to be senior management, subject to criteria determined at the discretion of the ESOS Committee from time to time
- “Unexercised ESOS Options” : ESOS Options and any part thereof which have not been fully exercised at the relevant time and in respect of which the ESOS Option Period has not expired

1.2 In these By-Laws:

- (a) any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and Listing Requirements and any policies and/or guidelines of the relevant authorities (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities and/or the relevant authorities);
- (b) any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of the By-Laws so far as such modification or re-enactment applies or is capable of applying to any ESOS Options offered and accepted within the ESOS Period and shall also include any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
- (c) any reference to the Company and/or other person shall include a reference to its successors-in-title and permitted assigns;
- (d) words importing the singular meaning, where the context so admits, include the plural meaning and vice versa;
- (e) words importing the masculine gender include the feminine genders and all such words shall be construed interchangeably in that manner;
- (f) any liberty or power which may be exercised or any determination which may be made hereunder by the ESOS Committee may be exercised in the ESOS Committee’s absolute discretion and the ESOS Committee shall not be under any obligation to give any reasons thereof, except as may be required by the relevant authorities;
- (g) the heading in the By-Laws are inserted for convenience only and shall not be taken into account in the interpretation of the By-Laws; and
- (h) if an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day.

**2. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE ESOS**

- 2.1 The maximum number of new Datasonic Shares which may be made available under the ESOS shall not in aggregate exceed 7.5% of the total number of issued Datasonic Shares (excluding treasury shares, if any) limit prescribed by any guidelines, rules and regulations of the relevant authorities at any point of time during the duration of the ESOS as provided in By-Law 18.

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**APPENDIX I – DRAFT BY-LAWS (CONT'D)**

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- 2.2 Notwithstanding By-Law 2.1 or any other provision herein contained, in the event the maximum number of new Datasonic Shares comprised in the ESOS Options granted under the ESOS exceeds the aggregate of 7.5% of the total number of issued Datasonic Shares (excluding treasury shares, if any) as a result of the Company purchasing, cancelling or reducing its own shares in accordance with Section 127 of the Act or undertaking any other corporate proposal and thereby diminishing its issued Datasonic Shares, then such ESOS Options granted prior to the adjustment of the issued Datasonic Shares in the Company shall remain valid and exercisable in accordance with the provisions of the By-Laws. For the avoidance of doubt, no further Offers shall be made until the total number of new Datasonic Shares comprised in the ESOS Options to be allotted and issued under the ESOS falls below 7.5% of the total number of issued Datasonic Shares (excluding treasury shares, if any) in the Company.
- 2.3 Each ESOS Option shall be exercisable into 1 new fully paid-up Datasonic Share, in accordance with the provision of these By-Laws.

**3. ELIGIBILITY**

- 3.1 Only Eligible Persons of the Datasonic Group (excluding dormant subsidiary companies) who meet the following conditions as at the Offer Date are eligible to participate in the ESOS:
- (a) has attained the age of 18 years old;
  - (b) is employed on a full-time basis (inclusive of employee with fixed term contract) and is on the payroll of a company within Datasonic Group (excluding dormant subsidiaries);
  - (c) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
  - (d) in respect of an eligible Director, such eligible Director is a director named in the Register of Directors of Datasonic Group (excluding dormant subsidiaries); and
  - (e) fulfils any other criteria including but not limited to the performance targets, appraisals and assessments as may be set by Datasonic Group (excluding dormant subsidiaries) that may be determined by the ESOS Committee from time to time, at its absolute discretion.

In determining the eligibility and allocation of Eligible Persons to participate in the Proposed ESOS, the ESOS Committee will take into account amongst others, the performance targets, appraisals and past and future contributions of the Eligible Persons to the Datasonic Group (excluding dormant subsidiaries) and such other factors that the ESOS Committee deems relevant from time to time. For avoidance of doubt, the selection of Eligible Persons for participation in the ESOS shall be at the sole and absolute discretion of the ESOS Committee. The decision of the ESOS Committee shall be final and binding.

In accordance with the Listing Requirements, the participation by each of the Directors, chief executive officer, major shareholders of the Company and/or persons connected with them who is an Eligible Person, their specific allotments under the Proposed ESOS must be approved by the shareholders of Datasonic in a general meeting.

- 3.2 Eligibility, however, does not confer an Eligible Person a claim or right to participate in or any rights whatsoever under the ESOS and an Eligible Person does not acquire or have any rights over or in connection with the ESOS Options or the new Datasonic Shares comprised in the ESOS unless the ESOS Committee has made an Offer to the Eligible Person in the manner as set out in By-Law 5 and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the ESOS.
- 3.3 A set of eligibility and allocation criteria as determined by the ESOS Committee from time to time shall be made available to all Eligible Persons of the Datasonic Group. The Company and/or the ESOS Committee shall ensure that the allocation of the new Datasonic Shares pursuant to the ESOS shall be verified by the audit committee at the end of each financial year.

- 3.4 The ESOS Committee may, in its absolute discretion, change or waive any of the conditions of eligibility as set out in By-Law 3.1. The selection of any Eligible Person to participate and number of ESOS Options to be offered under the ESOS shall be at the sole discretion of the ESOS Committee and the decision of the ESOS Committee shall be binding and final.

**4. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOTMENT**

- 4.1 Subject to By-Law 2 and any adjustments which may be made under By-Law 14, the maximum number of new Datasonic Shares that may be offered to an Eligible Person under the ESOS shall be determined at the discretion of the ESOS Committee after taking into consideration, amongst others and where relevant, the performance, contribution, employment grade, seniority, length of service and his/her potential contribution of the Eligible Person to the success of Datasonic Group and shall be subject to the following:

- (a) not more than 70% of the total new Datasonic Shares to be issued under the ESOS shall be allocated to the Directors and/or Senior Management of Datasonic Group; and
- (b) not more than 10% of the total number of new Datasonic Shares to be issued under the ESOS shall be allocated to Eligible Persons who, either singly or collectively through persons connected with to them, hold 20% or more of the total number of issued shares of Datasonic (excluding treasury shares),

provided always that it is in accordance with the Listing Requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

- 4.2 At the time the Offer is made in accordance with By-Law 5, the ESOS Committee shall set out the basis of allotment, identifying the category or grade of the Eligible Person and the Maximum Allowable Allotment for the Eligible Person.
- 4.3 An Eligible Person who holds more than 1 position within the Datasonic Group, and by holding such positions, the Eligible Person is in more than 1 category, shall only be entitled to the Maximum Allowable Allotment of any 1 of those categories. The ESOS Committee shall be entitled at its discretion to determine the applicable category.
- 4.4 In the event that an Eligible Person is promoted, the Maximum Allowable Allotment applicable to such Eligible Person shall be the Maximum Allowable Allotment corresponding to the category of employee of which he then is a party, subject always to the maximum number of Datasonic Shares available under the ESOS as stipulated under By-Law 2.1.
- 4.5 The ESOS Committee may at its discretion decide whether the granting of the ESOS Options to the Eligible Person will be based on:
- (c) 1 single offer at a time determined by the ESOS Committee; or
  - (d) several offers where the vesting of the Options comprised in those offers is staggered or made in several tranches at such times and on such terms and conditions as may be determined by the ESOS Committee,

provided always that the aggregate number of new Shares in respect of the Offers granted to any Eligible Person shall not exceed the amount stipulated in By-Law 2 above.

In the event the ESOS Committee decides that the vesting of the Options is to be staggered or made in several tranches, the number of Options to be granted pursuant to each vesting of the Options and the timing for the vesting of the same shall be decided by the ESOS Committee at its sole and absolute discretion and each vesting of the Options shall be separate and independent from the others.

- 4.6 In the event any Eligible Person is a member of the ESOS Committee, such Eligible Person shall not participate in the deliberation or discussion of their own allocation of the ESOS Options.

**5. OFFER**

- 5.1 (a) The ESOS Committee shall, within the ESOS Period as specified in By-Law 18, make Offers to any Eligible Person (based on the eligibility criteria as set out in By-Law 3 whom the ESOS Committee may in its absolute discretion select to subscribe for new Datasonic Shares under the ESOS. Further Offers of ESOS Options may be made to those who become eligible to participate under the ESOS.
- (b) Notwithstanding subsection 5.1(a) above, where it involves a grant of ESOS Option to Eligible Persons who are members of the ESOS Committee, such grant of ESOS Options shall be decided by the Board subject to By-Law 3.
- 5.2 The actual number of new Datasonic Shares arising from the exercise of the ESOS Options which may be offered to an Eligible Person shall be at the discretion of the ESOS Committee and, subject to any adjustment that may be made under By-Law 14, shall be in multiples of and not less than 100 Datasonic Shares and always in multiples of 100 Datasonic Shares or such amount constituting 1 board lot as permitted by Bursa Securities to be traded on Bursa Securities but subject to the Maximum Allowable Allotment as set out in By-Law 4.
- 5.3 Subject to By-Law 4, nothing herein shall prevent the ESOS Committee from making more than 1 Offer to an Eligible Person after the first Offer made at any 1 time provided always that the total aggregate number of new Datasonic Shares to be offered to the Eligible Persons (inclusive of Datasonic Shares already offered under previous Offers, if any) shall not exceed the Maximum Allowable Allotment of such Eligible Person. Each Offer made to any Eligible Person by the ESOS Committee shall be separate and independent from any previous or later Offer made by the ESOS Committee to that Eligible Person.
- 5.4 Any Offer made by the ESOS Committee shall be in writing and such Offer is personal to the Eligible Person to whom the Offer is made, and is non-assignable, non-transferable, non-chargeable and non-disposable in any manner whatsoever.
- 5.5 Unless otherwise approved in writing by the ESOS Committee in its absolute discretion, an Offer shall within 3 months or such other period as the ESOS Committee may determine, automatically lapse and be null and void in the event of the death of the Eligible Person or the Eligible Person ceasing to be employed by the Datasonic Group for any reason whatsoever prior to the acceptance of the Offer by the Eligible Person in the manner set out in By-Law 6.
- 5.6 The ESOS Committee will in its letter of offer ("**Offer Letter**") to an Eligible Person set out the following information, including:
- (a) the number of ESOS Options that are being offered to the Eligible Person;
- (b) the number of the new Datasonic Shares that may be subscribed for under the Offer;
- (c) the Exercise Price;
- (d) the ESOS Option Period;
- (e) the closing date for acceptance of the Offer;
- (f) the manner of exercise of the ESOS Options; and
- (g) any vesting conditions as may be stipulated by the ESOS Committee, if any.
- 5.7 The Company shall keep and maintain at its expense a register of Participants and shall enter in that register:
- (a) the names of Participant;
- (b) the addresses of the Participant;

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**APPENDIX I – DRAFT BY-LAWS (CONT'D)**

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- (c) the Maximum Allowable Allotment;
- (d) the number of ESOS Options offered;
- (e) the number of ESOS Options accepted;
- (f) the number of ESOS Options exercised;
- (g) the Offer Date; and
- (h) the Exercise Price.

5.8 In the event the Offer Letter contains an error on the part of the Company in stating any of the particulars referred to in By-Law 5.6 above, the Company shall issue a revised Offer Letter, stating the correct particulars of the Offer within 14 days of discovering such error and the revised particulars of the Offer shall take effect on the date of the revised Offer Letter except for ESOS Options which have already been exercised as at the date of the revised Offer Letter.

5.9 The Company shall, on the Offer Date, announce the following to Bursa Securities upon the ESOS Options offered under the ESOS:

- (a) Offer Date;
- (b) Exercise Price of ESOS Options offered;
- (c) number of ESOS Options offered;
- (d) market price of its securities on the Offer Date;
- (e) number of ESOS Options offered to each Director, if any; and
- (f) vesting period of the ESOS Options offered.

## **6. ACCEPTANCE OF THE OFFER**

6.1 An Offer made by the ESOS Committee to an Eligible Person under By-Law 5 which shall be valid during the Offer Period, and such Offer shall be accepted by the Eligible Person within the Offer Period by giving a written notice to the ESOS Committee in such form as may be prescribed by the ESOS Committee of such acceptance and accompanied by a payment to the Company of a non-refundable cash consideration of Ringgit Malaysia One (RM1.00) only for the grant of the ESOS Options (regardless of the number of Datasonic Shares comprised therein). The day of receipt of such written notice shall constitute the Date of Acceptance.

6.2 If the Offer is not accepted in the manner prescribed by the ESOS Committee, such Offer shall upon the expiry of the Offer Period automatically lapse and shall be null and void and be of no effect, and the new Datasonic Shares comprised in such ESOS Options may, at the discretion of the ESOS Committee, be re-offered to other Eligible Persons.

6.3 Within 30 calendar days after due acceptance of the Offer in accordance with the provisions of the By-Laws, the ESOS Committee shall issue to the Participant an ESOS Option Certificate in such form as may be determined by the ESOS Committee from time to time confirming the grant of the ESOS Option to a Participant, the Exercise Price together with the number of Datasonic Shares comprised in the ESOS Option, and where applicable, the ESOS Option Period and any vesting conditions, if any, as specified in the Offer Letter.



**7. EXERCISE PRICE**

7.1 Subject to any adjustments in accordance with By-Law 14, the Exercise Price at which the Participant is entitled to subscribe for the new Datasonic Shares, to be determined by the Board upon recommendation of the ESOS Committee, shall be fixed based on the 5-day volume weighted average market price of the Datasonic Shares as traded on the Main Market of Bursa Securities immediately preceding the offer date (or such basis as the relevant authorities may permit), and at the ESOS Committee's discretion with either a:

- (a) premium; or
- (b) discount of not more than ten 10% or such other percentage of discount as may be permitted by Bursa Securities and any other relevant authorities from time to time.

The ESOS may be implemented in tranches, with each tranche being assigned with a different Exercise Price. The Exercise Price shall be stipulated in each ESOS Option Certificate.

7.2 The Exercise Price as determined by the Board shall be conclusive and binding on the Participants and shall be subject to any adjustments in accordance with By-Law 14.

**8. EXERCISE OF ESOS OPTIONS**

8.1 Subject to By-Law 9, an ESOS Option granted to a Participant under the ESOS is exercisable only by that Participant (in accordance with the terms set out in the Offer Letter) while the Participant is in the employment by or appointment in the Datasonic Group within the ESOS Option Period.

8.2 Subject to any adjustments in accordance with By-Law 14, the ESOS Committee may, at any time and from time to time before or after an ESOS Option is granted pursuant to By-Law 6, limit the exercise of the ESOS Option to a maximum number of new Datasonic Shares and/or such percentage of the total new Datasonic Shares relevant to the ESOS Options during such periods (as determined by the ESOS Committee) within the ESOS Option Period and impose any other terms and conditions deemed appropriate by the ESOS Committee at its absolute discretion including amending/varying any terms and conditions imposed earlier subject always to the provisions of By-Law 16.

8.3 All ESOS Options to the extent that they have not been exercised upon the expiry of the ESOS Option Period or ESOS Period (whichever the earlier) shall automatically lapse and become null and void and have no further effect.

8.4 The Participant shall notify the ESOS Committee in writing in the prescribed form of the Participant's intention to exercise the ESOS Option ("**Notice of Exercise**") within 5 Market Days or such other period that may be stipulated by the ESOS Committee. The ESOS Option may be exercised in respect of such lesser number of Datasonic Shares as the Participant may so decide to exercise the ESOS Option subject to By-Law 5.2. Such partial exercise of the ESOS Option shall not preclude the Participant from exercising the ESOS Option as to the balance thereof at any time in the future but within the ESOS Option Period. The ESOS Option Certificate shall be endorsed by the ESOS Committee stating, inter-alia, the number of new Datasonic Shares which remain capable of being exercised.

8.5 In the event the balance of Datasonic Shares exercisable by a Participant in accordance with the By-Laws shall be less than 100 Datasonic Shares, the said balance shall, if exercised, must be exercised in a single tranche.

8.6 Every such Notice of Exercise shall be accompanied by the relevant ESOS Option Certificate and a remittance in Ringgit Malaysia in the form of a banker's draft or cashier's order drawn and payable in Malaysia or any other mode acceptable to the ESOS Committee for the full amount of the subscription monies in relation to the number of Datasonic Shares in respect of which the written notice is given. The Company shall endeavour to allot and issue such new Datasonic Shares to the Participant in accordance with the provisions of the Constitution, the Central Depositories Act and the Depository Rules, despatch the notice of allotment to the Participant and make an application for the listing of and quotation for the new Datasonic Shares within 8 Market Days from the receipt by the Company of the aforesaid notice and remittance from the Participant or such other period as may be prescribed by Bursa Securities.

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**APPENDIX I – DRAFT BY-LAWS (CONT'D)**

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- 8.7 The Participant who exercises his ESOS Option shall provide the ESOS Committee with his CDS Account number in the notice referred to in By-Law 8.3. The new Datasonic Shares to be issued pursuant to the exercise of an ESOS Option will be credited directly into the CDS Account of the Participant and a notice of allotment stating the number of shares credited into the CDS Account will be issued to the Participant. No physical share certificate will be issued to the Participant.
- 8.8 Any failure to comply with the foregoing provisions and/or to provide all information as required in the Notice of Exercise or inaccuracy in the information provided shall result in the Notice of Exercise being rejected. The ESOS Committee shall inform the Participant of the rejection of the Notice of Exercise and the Participant shall then be deemed not to have exercised his ESOS Options.

**9. NON-TRANSFERABILITY, TERMINATION OF UNEXERCISED ESOS OPTIONS AND SUSPENSION**

- 9.1 Subject to By-Laws 9.2 and 9.3, any Unexercised ESOS Option in respect of the ESOS shall forthwith lapse and/or be deemed to be cancelled and/or cease to be exercisable, as the case may be, without any claim against the Company and the ESOS Committee upon occurrence any 1 or more of the following events:
- (a) service of a notice of resignation of the Participant; or
  - (b) service of a notice of termination on or termination or cessation of employment of the Participant with the Datasonic Group by reason of breach of contract or misconduct; or
  - (c) bankruptcy of the Participant.

The Datasonic Shares in respect of such Unexercised ESOS Option may be re-offered to other Eligible Persons at the discretion of the ESOS Committee.

- 9.2 In the event of the termination or cessation of employment of the Participant in any of the following circumstances:
- (a) retirement at or after attaining normal retirement age under the Datasonic Group's retirement policy; or
  - (b) retirement before the normal retirement age with the consent of his employer being a company within the Datasonic Group; or
  - (c) resignation or termination of the employment of the Participant by reason of ill-health, injury or physical or mental disability; or
  - (d) expiration of the employment contract of the Participant; or
  - (e) retrenchment or redundancy, pursuant to the acceptance by that Participant of a voluntary separation scheme offered by the Datasonic Group; or
  - (f) any other circumstances as may be determined by the ESOS Committee;

the ESOS Committee may, subject to their discretion, permit the exercise of any Unexercised ESOS Option by the Participant within 30 days (save an except for item 9.2(b) and (c) above, permit the exercise of any Unexercised ESOS Option by the Participant within 3 months) upon occurrence of any 3 or more of the above events subject to such terms and conditions as may be prescribed notwithstanding that:

- (i) the ESOS Option Period has not commenced; and/or
- (ii) other terms and conditions set out in the Offer have not been fulfilled or satisfied.

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**APPENDIX I – DRAFT BY-LAWS (CONT'D)**

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Any Unexercised ESOS Option shall forthwith lapse and/or be deemed to be cancelled and/or cease to be exercisable after 60 days upon occurrence of the events above, as the case may be, without any liability to or right to claim against the Company and the ESOS Committee. The Datasonic Shares in respect of such ESOS Option may be re-offered to other Eligible Persons at the discretion of the ESOS Committee.

9.3 In the event of death of the Participant, By-Law 9.2 shall apply mutatis mutandis to the Participant's legal or personal representatives as if the Participant's legal or personal representatives were the Participant.

9.4 All ESOS Options which the ESOS Committee permits to be exercisable pursuant to the By-Law 9.2 shall automatically lapse and shall become null and void to the extent unexercised by the date prescribed by the ESOS Committee notwithstanding that the ESOS Option Period has not commenced or has not expired.

9.5 In the event that a Participant is subject to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of services of such Participant), the ESOS Committee have the right, at its discretion, to suspend the rights of the Participant to exercise the Participant's ESOS Option pending the outcome of such disciplinary proceedings. The ESOS Committee may impose such terms and conditions as the ESOS Committee shall deem appropriate having regard to the nature of the charges made or brought against such Participant, provided always that:

(a) in the event such Participant shall subsequently be found not guilty of the charge which gave rise to such disciplinary proceedings, the ESOS Committee shall reinstate the rights of such Participant to exercise the Participant's ESOS Option as if such disciplinary proceeding had not been instituted in the first place; or

(b) in the event such Participant is found guilty of the charge and the same results in the dismissal or termination of service of such Participant, the ESOS Option shall immediately upon pronouncement of the dismissal or termination of service of such Participant, automatically lapse without notice and thereafter shall be null and void and be of no effect notwithstanding that such recommendation may be subsequently challenged by the Participant in any other forum; or

(c) in the event such Participant is found guilty of the charge but no dismissal or termination of service is recommended, the ESOS Committee shall have the right to determine at its absolute discretion whether or not the Participant may continue to exercise the Participant's ESOS Option and, if so, to impose such terms and conditions as it deems appropriate, for the exercise thereof; or

(d) in the event that no decision is made and/or disciplinary proceedings are not concluded prior to the expiry of the ESOS Option Period, the ESOS Option of such Participant shall immediately lapse on the expiry of the ESOS Option Period without notice;

and nothing herein shall impose any obligation on the ESOS Committee to enquire into or investigate the validity of such disciplinary proceedings and the ESOS Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the ESOS Committee's exercise of or failure to exercise any of its rights under the By-Laws.

9.6 Any Offer which has been made by the ESOS Committee to the Eligible Person but have not been accepted by the Eligible Person in the manner prescribed in By-Law 6 arising from the Participant's death, cessation or termination of employment with the Datasonic Group for whatever reason as the case may be, shall become null and void and be of no effect.

9.7 The ESOS Committee may, in its absolute discretion, change or waive any of the requirements and/or timing as set out in the By-Law 9.2.

**10. TAKE-OVER AND COMPULSORY ACQUISITION, DISPOSAL OF ASSETS, SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.**

10.1 In the event:

- (a) of a takeover offer being made for the Company through a general offer to acquire the whole of the issued share capital of the Company (or such part thereof not at the time owned by the person making the general offer (“Offeror”) or any persons acting in concert with the Offeror) and such takeover offer is announced by the Offeror as being unconditional or have become unconditional, any Unexercised ESOS Options may immediately be exercised by the Participant or Participant’s legal and personal representatives, as the case may be, during the offer period (as defined under the Rules on Take-Overs, Mergers and Compulsory Acquisitions) or until the expiry of the ESOS Option Period, whichever is earlier;
- (b) of the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of the Datasonic Shares under the provisions of the Act and/or Capital Markets And Services Act, 2007 or other relevant law applicable at the material time and gives notice to the Company that it intends to exercise such right on a specific date, any Unexercised ESOS Options may immediately be exercised by the Participant or Participant’s legal and personal representatives, as the case may be, from the date of service of the said notice to the Company until and inclusive of the date on which the right of the compulsory acquisition is exercised or until the expiry of the ESOS Option Period, whichever is earlier; or
- (c) the Company disposes of all or substantially all of its assets and the disposal becomes unconditional, any Unexercised ESOS Options may immediately be exercised by the Participant or Participant’s legal and personal representatives, as the case may be, commencing from the unconditional date of the said disposal until the date prescribed by the ESOS Committee within the ESOS Option Period;

subject to such terms and conditions (if any) as may be prescribed by the ESOS Committee notwithstanding that:

- (i) the ESOS Option Period has not commenced; and/or
- (ii) other terms and conditions set out in the Offer have not been fulfilled or satisfied.

10.2 In the event of:

- (a) the court sanctioning a compromise or arrangement between the Company and its members for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company or its amalgamation with any other company or companies or a privatisation via selective capital reduction, the ESOS Committee may permit the exercise of any Unexercised ESOS Options by the Participant or Participant’s legal and personal representatives, as the case may be, at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court or a date to be specified by the ESOS Committee within the ESOS Option Period up to such period as may be determined by the ESOS Committee provided that no ESOS Options shall be exercised after the expiry of the ESOS Option Period; or
- (b) in the event the Company decides to merge with other company or companies, the ESOS Committee may permit the exercise of any Unexercised ESOS Options by the Participant or Participant’s legal and personal representatives, as the case may be, at any time commencing from the unconditional date of the said transaction until the date prescribed by the ESOS Committee within the ESOS Option Period;

subject to such terms and conditions as may be prescribed notwithstanding that:

- (i) the ESOS Option Period has not commenced; and/or
- (ii) other terms and conditions set out in the Offer have not been fulfilled or satisfied.

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**APPENDIX I – DRAFT BY-LAWS (CONT'D)**

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- 10.3 All ESOS Options which the ESOS Committee permits to be exercisable pursuant to By-Law 10 shall automatically lapse and shall become null and void to the extent unexercised by the date prescribed by the ESOS Committee notwithstanding that the ESOS Option Period has not commenced or has not expired.

**11. RANKING OF NEW SHARES**

- 11.1 The new Datasonic Shares shall, upon allotment and issuance, rank pari passu, in all respects with the then existing issued Datasonic Shares except that they will not be entitled to any dividends, rights, allotments and/or any other distributions where the entitlement date (namely the date as at the close of business on which shareholders must be entered in the Record of Depositors with the Depository in order to be entitled to any dividends, rights, allotments and/or other distributions) precedes the date of allotment of the new Datasonic Shares.
- 11.2 The Participants shall not in any event be entitled to any dividends, rights, allotments and/or any other distributions until and unless such Participants exercise their ESOS Options into new Datasonic Shares and such new Datasonic Shares are credited into the Participant's respective CDS Accounts.
- 11.3 The new Datasonic Shares allotted and credited into the CDS Accounts would also carry rights to vote at any general meeting of the Company provided that the shareholder is registered on the entitlement date at the close of business to be entitled to attend and vote at the general meeting.
- 11.4 The new Datasonic Shares under the ESOS will be subjected to all the provisions of the Constitution relating to transfer, transmission or otherwise of the Datasonic Shares.

**12. RETENTION PERIOD**

- 12.1 The ESOS Committee shall be entitled to prescribe or impose, in relation to any offer, any condition relating to any retention period or restriction on transfer as it deems fit. An Eligible Person should note that the Shares are encouraged for him/her to hold as an investment rather than for any speculative purposes and/or the realisation of any immediate gain.

A Participant who is a non-executive Director must not sell, transfer or assign Shares received pursuant to the Options granted to him for a period of 1 year from the Offer Date.

**13. LISTING OF AND QUOTATION FOR THE NEW SHARES**

- 13.1 Upon the exercise of any ESOS Options in accordance with By-Law 8, the Company shall apply to Bursa Securities for the listing of and quotation for such new Datasonic Shares on the Main Market of Bursa Securities.
- 13.2 The Company and the ESOS Committee shall not under any circumstances be held liable for any costs, losses and damages whatsoever and however relating to the delay on the part of the Company in allotting and issuing the Datasonic Shares or in procuring Bursa Securities to list the Datasonic Shares for which the Participant is entitled to subscribe.

**14. ALTERATION OF SHARE CAPITAL DURING THE OPTION PERIOD**

14.1 In the event of any alteration in the capital structure of the Company during the ESOS Period, whether by way of capitalisation of profit or reserves, rights issue, bonus issue, reduction, subdivision or consolidation of shares or capital or any other variations of capital or howsoever otherwise taking place, the Board shall have the discretion and accordingly assess the practicality of complying with the requirement to cause such corresponding adjustments (if any) to be made to:

- (i) the Exercise Price; and/or
- (ii) the number of the new Datasonic Shares comprised in the ESOS Options granted to each Participant (excluding ESOS Options already exercised).

Any adjustment pursuant to this By-Law 14 shall be made in accordance with the following formula:

- (a) If and whenever a Datasonic Share by reason of any consolidation or subdivision or conversion of Datasonic Shares, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{A \times C}{B}$$

Where:

- A = the aggregate number of issued Datasonic Shares immediately before such consolidation or subdivision or conversion
- B = the aggregate number of issued Datasonic Shares immediately after such consolidation or subdivision or conversion
- C = existing Exercise Price

Each such adjustment will be effective from the close of business of the Market Day following the date on which the consolidation or subdivision or conversion becomes effective (being the date on which the Datasonic Shares are traded on Bursa Securities) or such other date as may be prescribed by Bursa Securities.

- (b) If and whenever the Company shall make any issue of Datasonic Shares to its ordinary shareholders credited as fully paid-up, by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature and including capital redemption reserve fund, if applicable), the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{A + B}$$

and the additional number of new Datasonic Shares comprised in the ESOS Options which a Participant may be entitled to be issued with, shall be calculated as follows:

$$\text{Additional number of Datasonic Shares comprised in the ESOS Options} = \left[ T \times \frac{A + B}{A} \right] - T$$

where:

- A = the aggregate number of issued and fully paid Shares on the entitlement date (namely the date as at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights allotments and/or other forms of distributions) immediately before such bonus issue or capitalisation issue;

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**APPENDIX I – DRAFT BY-LAWS (CONT'D)**

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B = the aggregate number of new Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature and including capital redemption reserve fund, if applicable); and

T = existing number of the new Shares comprised in the ESOS Options held.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the entitlement date for such issue.

(c) If and whenever the Company shall make:

- (i) a Capital Distribution (as defined below) to its ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for Datasonic Shares by way of rights; or
- (iii) any offer or invitation to its ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into Datasonic Shares or securities with rights to acquire or subscribe for Datasonic Shares,

then and in respect of each such case, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{C - D}{C}$$

and in respect of the case referred to in By-Law 14.1(c)(ii) hereof, the additional number of the new Datasonic Shares comprised in the ESOS Options which a Participant may be entitled to be issued with, shall be calculated as follows:

$$\text{Additional number of Datasonic Shares comprised in the ESOS Options} = \left[ T \times \frac{C}{C - D^*} \right] - T$$

where:

T = T in By-Law 14.1(b);

C = the Current Market Price (as defined in By-Law 14.1(g)) of each Datasonic Share on the Market Day immediately preceding the date on which the Capital Distribution, or as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and

- D = (aa) in the case of an offer or invitation to acquire or subscribe for the Datasonic Shares under By-Law 14.1(c)(ii) above or for securities convertible into the Datasonic Shares or securities with rights to acquire or subscribe for the Datasonic Shares under By-Law 14.1(c)(iii) above, the value of rights attributable to 1 Share (as defined below); or
- (bb) in the case of any other transaction falling within By-Law 14.1(c), the fair market value, as determined (with the concurrence of the Auditors and/or the Adviser), of that portion of the Capital Distribution attributable to 1 Share.

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**APPENDIX I – DRAFT BY-LAWS (CONT'D)**

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For the purpose of definition of “D” in (aa) above, the “value of rights attributable to 1 Share” shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

where:

C = C in By-Law 14.1(c);

E = the subscription price for 1 additional Share under the terms of such offer or invitation or subscription for 1 additional security convertible into Datasonic Shares or 1 additional security with rights to acquire or subscribe for Datasonic Shares;

F = the number of Datasonic Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for 1 additional Share or security convertible into Datasonic Shares or with right to acquire or subscribe for Datasonic Shares; and

D\* = the value of the rights attributable to 1 Share (as defined below).

For the purpose of D\* above, the “value of the rights attributable to 1 Share” shall be calculated in accordance with the formula:

$$\frac{C - E^*}{F^* + 1}$$

where:

C = C in By-Law 14.1(c);

E\* = the subscription price for 1 additional Share under the terms of such offer or invitation to acquire or subscribe for Datasonic Shares; and

F\* = the number of Datasonic Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for 1 additional Share.

For the purpose of By-Law 14.1(c) hereof, “Capital Distribution” shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of Datasonic Shares (other than an issue falling within By-Law 14.1(b)) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and including capital redemption reserve fund, if applicable).

Any dividend charged or provided for in the accounts of any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated profit and loss accounts of the Company.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the entitlement date for such issue.

(d) If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 14.1(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 14.1(c)(ii) or By-Law 14.1(c)(iii) above and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$$



**APPENDIX I – DRAFT BY-LAWS (CONT'D)**

and where the Company makes any allotment to its ordinary shareholders as provided in By-Law 14.1(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 14.1(c)(ii) above and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose of the offer or invitation, the additional number of Datasonic Shares comprised in the ESOS Options which a Participant may be entitled to be issued with, shall be calculated as follows:

$$\text{Additional number of Datasonic Shares comprised in the ESOS Options} = \left[ T \times \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

where:

B = B in By-Law 14.1(b);

C = C in By-Law 14.1(c);

G = the aggregate number of issued Datasonic Shares on the entitlement date;

H = the aggregate number of new Datasonic Shares under an offer or invitation to acquire or subscribe for Datasonic Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Datasonic Shares or rights to acquire or subscribe for Datasonic Shares, as the case may be;

H\* = the aggregate number of new Datasonic Shares under the offer or invitation to acquire or subscribe for Datasonic Shares by way of rights;

I = the subscription price of 1 additional Share under the offer or invitation to acquire or subscribe for Datasonic Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for 1 additional Share, as the case may be;

I\* = the subscription price of 1 additional Share under the offer or invitation to acquire or subscribe for Datasonic Shares; and

T = T in By-Law 14.1(b).

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the entitlement date for such issue.

(e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Datasonic Shares as provided in By-Law 14.1(c)(ii) together with an offer or invitation to acquire or subscribe for securities convertible into Datasonic Shares or securities with rights to acquire or subscribe for Datasonic Shares as provided in By-Law 14.1(c)(iii) above and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

and the additional number of Datasonic Shares comprised in the ESOS Options which a Participant may be entitled to be issued with, shall be calculated as follows:

$$\text{Additional number of Datasonic Shares comprised in the ESOS Options} = \left[ T \times \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

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**APPENDIX I – DRAFT BY-LAWS (CONT'D)**

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where:

C = C in By-Law 14.1(c);

G = G in By-Law 14.1(d)

H = H in By-Law 14.1(d);

H\* = H\* in By-Law 14.1(d);

I = I in By-Law 14.1(d);

I\* = I\* in By-Law 14.1(d);

J = the aggregate number of Datasonic Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Datasonic Shares by the ordinary shareholders of the company;

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for 1 additional Share; and

T = T in By-Law 14.1(b).

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the entitlement date for the above transaction.

(f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 14.1(b) and also makes an offer or invitation to acquire or subscribe for Datasonic Shares to its ordinary shareholders as provided in By-Law 14.1(c)(ii) above, together with rights to acquire or subscribe for securities convertible into or with rights to acquire or subscribe for Datasonic Shares as provided in By-Law 14.1(c)(iii) above and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose of offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$$

and the additional number of Datasonic Shares comprised in the ESOS Options which a Participant may be entitled to be issued with, shall be calculated as follows:

$$\text{Additional number of Datasonic Shares comprised in the ESOS Options} = \left[ T \times \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

where:

B = B in By-Law 14.1(b);

C = C in By-Law 14.1(c);

G = G in By-Law 14.1(d);

H = H in By-Law 14.1(d);

H\* = H\* in By-Law 14.1(d);

I = I in By-Law 14.1(d);

I\* = I\* in By-Law 14.1(d);

J = J in By-Law 14.1(e);

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**APPENDIX I – DRAFT BY-LAWS (CONT'D)**

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K = K in By-Law 14.1(e); and

T = T in By-Law 14.1(b).

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the entitlement date for the above transaction.

- (g) For the purposes of By-Laws 14.1(c), (d), (e) and (f) above, the “Current Market Price” in relation to 1 Share for any relevant day shall be the volume weighted average market prices for 5 consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by Bursa Securities.

Such adjustments (other than on a bonus issue) must be confirmed in writing by either the Auditor or Adviser, acting as an expert and not as arbitrator, by the ESOS Committee, to be in their opinion, fair and reasonable, provided always that:

- (A) any adjustment to the Exercise Price shall be rounded down to the nearest 1 sen;
- (B) in the event that a fraction of a new Share arising from the adjustment referred to in this By-Law 14 would otherwise be required to be issued, the Participant’s entitlement shall be rounded down to the nearest whole number;
- (C) upon any adjustment being made pursuant to this By-Law 14, the ESOS Committee shall, within 15 Market Days of the effective date of the alteration in the capital structure of the Company, notify the Participant (or his legal representatives where applicable) in writing informing him of the adjusted Exercise Price thereafter in effect and/or the revised number of new Options thereafter to be issued; and
- (D) any adjustments made must be in compliance with the provisions for adjustment as provided in this By-Law 14.

In addition, the Company shall, at the request of the Participant, furnish such Participant with a copy of the certificate from the Auditor to the effect that the opinion of such Auditor or Adviser, acting as an expert and not an arbitrator, an adjustment is fair and reasonable either generally or as regard such Participant, and such certification shall be final and binding on all parties.

For the avoidance of doubt, any adjustments to the Exercise Price and/or the number of the new Datasonic Shares comprised in the ESOS Options so far as unexercised arising from bonus issues, need not be confirmed in writing by the Auditor or the Adviser.

- 14.2 No adjustments shall be made to the Exercise Price and/or the number of the new Datasonic Shares comprised in the ESOS Options or any portion thereof that is unexercised when the alteration in the capital structure of the Company arises from:

- (a) an issue of new Datasonic Shares upon the exercise of ESOS Options pursuant to the ESOS;  
or
- (b) an issue of new Datasonic Shares arising from the exercise of any conversion rights attached to securities convertible to new Datasonic Shares or upon exercise of any other rights including warrants (if any) issued by the Company; or
- (c) an issue of securities as consideration or part consideration for an acquisition of securities, assets or business by the Datasonic Group; or
- (d) private placement or restricted issue or special issue of new Datasonic Shares by the Company;  
or
- (e) an issue of securities as a special issue of new Datasonic Shares to Bumiputera parties or investors approved by the Ministry of International Trade and Industry, Malaysia and/or other relevant governmental authorities to comply with the government policy on Bumiputera capital participation; or

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**APPENDIX I – DRAFT BY-LAWS (CONT'D)**

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- (f) a purchase by the Company of its own Datasonic Shares and the cancellation of all or a portion of the Datasonic Shares pursuant to the relevant provisions of the Act; or
- (g) an issue by the Company of Datasonic Shares or of securities convertible into Datasonic Shares or securities with rights to acquire or subscribe for Datasonic Shares to its officers, including Directors, or employees of the Company or any of its Subsidiaries pursuant to purchase or option schemes approved by the shareholders in general meeting; or
- (h) any issue of Datasonic Shares by the Company (other than bonus and rights issue) pursuant to a dividend reinvestment scheme undertaken in accordance with the Listing Requirements or for any purpose whatsoever.

14.3 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Subdivision 2 of Division 7 of the Act, By-Law 14.1 shall be applicable in respect of such parts of the scheme which involves any alteration in the capital structure of the Company to which By-Law 14.1 is applicable, but By-Law 14.1 shall not be applicable in respect of such parts of the scheme which involves any alteration in the capital structure of the Company to which By-Law 14.2 is applicable.

14.4 Notwithstanding the provisions referred to in the By-Laws, the ESOS Committee may exercise its discretion to determine whether any adjustments to the Exercise Price and/or the number of ESOS Options be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the Exercise Price and/or the number of Options notwithstanding that no such adjustment formula has been explicitly set out in this By-Laws.

## **15. ADMINISTRATION OF THE ESOS**

15.1 The ESOS shall be administered by the ESOS Committee consisting of such persons appointed by the Board from time to time. The Board shall have the discretion as it deems fit from time to time to approve, rescind and/or revoke the appointment of any person in the ESOS Committee and appoint replacement members to the ESOS Committee, assume and/or exercise or execute any of the powers and authorities conferred upon the ESOS Committee pursuant to the By-Laws, as well as to amend, modify or vary the terms of reference of the ESOS Committee. The ESOS Committee shall be vested with such powers and duties as are conferred upon it by the Board.

15.2 The ESOS Committee may for the purpose of administering the ESOS do all acts and things and/or caused the Company to enter into any transaction, agreement, deed, document or arrangement, make rules, regulations or impose terms and conditions or delegate part of its powers relating to the ESOS, which the ESOS Committee may in its discretion consider to be necessary or desirable to give full effect to the ESOS and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interest of the Company.

15.3 The ESOS Committee in the exercise of this power may correct any defect, supply any omission, or reconcile any inconsistency in the ESOS or in any agreement providing for an ESOS Option in a manner and to the extent it shall deem necessary to expedite and make the ESOS fully effective.

## **16. MODIFICATION, VARIATION AND/OR AMENDMENT TO THE ESOS**

16.1 Subject to By-Law 16.2 and compliance with the Listing Requirements and the approvals of any other authorities (if required), the ESOS Committee may at any time and from time to time recommend to the Board any modification, variation and/or amendment of the By-Laws as it shall in its discretion think fit and the Board shall have the power by resolution to make any modification, variation and/or amendment of the By-Laws upon such recommendation subject to the Company submitting a confirmation letter to Bursa Securities (within 5 Market Days after the effective date of the modification, variation and/or amendment of the By-Laws) each time any modification, variation and/or amendment is made, that the said modification, variation and/or amendment is in compliance with the provisions of the Listing Requirements pertaining to share issuance schemes and Depository Rules pursuant to Paragraph 2.12 of the Listing Requirements.

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**APPENDIX I – DRAFT BY-LAWS (CONT'D)**

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- 16.2 Subject to By-Law 16.3, the approval of the shareholders of the Company in general meeting shall not be required in respect of the modification, variation and/or amendment of the By-Laws provided that no modification, variation and/or amendment made to the By-Laws which would:
- (a) materially prejudice any rights which would have accrued to any Participant without his/her prior consent; or
  - (b) increase the number of Datasonic Shares available under the ESOS beyond the maximum imposed by By-Law 2.1; or
  - (c) alter any matter which are required to be contained in the By-Laws by virtue of Appendix 6E of the Listing Requirements to the advantage of any Participant or group of Participants or all Participants;

unless a shareholders' approval is obtained at a general meeting.

- 16.3 For the purpose of complying with the provisions of the Listing Requirements, the By-Laws shall not be amended or altered in any way whatsoever for the advantage of the participants of the ESOS without the prior approval of shareholders in general meeting.

- 16.4 The ESOS Committee shall within 5 Market Days of any modification and/or amendment made pursuant to these By-Laws, notify the Participant in writing of any modification and/or amendment made pursuant to these By-Laws.

**17. LIQUIDATION OF THE COMPANY**

- 17.1 In the event that any order is made or resolution is passed for the liquidation of the Company, all unexercised or partially exercised Options shall automatically lapse and shall be null and void and have no further effect, in which event the ESOS Option shall be automatically terminated on the following date:

- (a) in the case of a voluntary winding-up, the date on which a provisional liquidator is appointed by the Company; or
- (b) in the case of an involuntary winding-up, the date on which a petition for winding up is served on the Company.

Notwithstanding the above, the ESOS Committee will consider, to the extent permitted by law, whether or not to allow exercise of any unexercised or partially exercised ESOS Options subject to such terms and conditions as may be prescribed and will take into account all circumstances on case-to-case basis, including (but not limited to) the contributions of the Participants .

**18. DURATION**

- 18.1 The ESOS shall be in force for a period of 5 years commencing from the Effective Date, which shall be the date of full compliance with all relevant requirements including the following:

- (a) approval of Bursa Securities for the listing of and quotation for new Datasonic Shares to be issued pursuant to the exercise of the ESOS Options granted under the ESOS;
- (b) approval of the Shareholders' at a general meeting;
- (c) submission of the final copy of these By-Laws to Bursa Securities together with a letter of compliance pursuant to Paragraph 2.12 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;
- (d) approvals of any other relevant regulatory authorities, where applicable; and
- (e) fulfilment of all conditions attached to the above approvals (if any).

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**APPENDIX I – DRAFT BY-LAWS (CONT'D)**

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- 18.2 The Adviser of the Company shall submit a confirmation letter to Bursa Securities of full compliance with the relevant requirements of the Listing Requirements stating the effective date of implementation of the ESOS together with a certified true copy of a resolution passed by the shareholders of the Company in general meeting approving the ESOS. The confirmation letter shall be submitted to Bursa Securities no later than 5 Market Days after the Effective Date.
- 18.3 Subject to By-Law 22, on or before the expiry of the ESOS, the Board shall have the discretion whether or not, upon the recommendation of the ESOS Committee, to extend in writing the tenure of the ESOS for another 5 years or such shorter period as it deems fit immediately from the expiry of the first 5 years. The Proposed ESOS shall continue to be in force commencing on the date which the last of the approvals and/or conditions stipulated in the By-Laws have been obtained and/or complied with, or such longer period as may be allowed by the relevant authorities.

On expiry of the Proposed ESOS, any Options which have yet to be granted, vested or exercised (whether fully or partially) shall be deemed cancelled and be null and void.

- 18.4 Any extended ESOS under this provision shall be implemented in accordance with the terms of the By-Laws, subject however to any revisions and/or changes to the relevant laws and/or regulations then in force. Unless otherwise required by the relevant authorities, no further approvals shall be required for the extension of the ESOS provided that the Company shall serve appropriate notices on each Participant and make any announcements to Bursa Securities (if required) within 30 days prior to the expiry of the ESOS.

**19. FEES, COSTS, EXPENSES AND TAXES**

- 19.1 Save as otherwise provided for in the ESOS and the Constitution, all fees, costs and expenses incurred in relation to the ESOS relating to the allotment and issuance of the new Datasonic Shares pursuant to the exercise of any Option, shall be borne by the Company.

All taxes (including income tax), if any, arising from the exercise of any Option under the ESOS shall be borne by the Eligible Person.

- 19.2 Notwithstanding this, the Participant shall bear any fees, costs and expenses incurred in relation to his/her acceptance and exercise of the ESOS Options under the ESOS and any holding or dealing of Datasonic Shares to be allotted and issued pursuant to the exercise of the ESOS Options, including brokerage commissions and stamp duties.
- 19.3 Any cost in relation to the loss of ESOS Option Certificate will be fully borne by the Participant and such Participant will have to sign a statutory declaration to declare the loss of the ESOS Option Certificate.

**20. DISPUTES/ DIFFERENCES**

- 20.1 In the event of any dispute or difference between the ESOS Committee and an Eligible Person or Participant, as the case may be, as to any matter of any nature arising under the ESOS, the ESOS Committee shall determine such dispute or difference by a written decision (without any obligation to give any reason thereof) given to the Eligible Person or Participant, as the case may be. The said decision shall be final and binding on the parties unless the Eligible Person or Participant, as the case may be, within 14 calendar days of the receipt thereof by written notice to the ESOS Committee, disputes the same in which case such dispute or difference shall be referred to the Auditors, for the time being of the Company, which the ESOS Committee may at its discretion decide, acting as experts and not as arbitrators, whose decision shall be final and binding in all respects. Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the ESOS Committee shall be borne by such party.

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## APPENDIX I – DRAFT BY-LAWS (CONT'D)

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20.2 Notwithstanding the foregoing provisions of By-Law 20.1 above, matters concerning adjustments made pursuant to By-Law 14 shall be referred to the Auditor or Adviser, acting as an expert and not as arbitrator and whose decision shall be final and binding in all respects.

### 21. DIVESTMENT FROM AND TRANSFER TO/FROM THE DATASONIC GROUP

21.1 If the Participant who was in the employment of a company in the Datasonic Group which was subsequently divested from the Datasonic Group resulting in that company ceasing to be a subsidiary, unless approved by the ESOS Committee in writing, the ESOS Options unexercised on the date of such company ceasing to be a subsidiary, shall be null and void and be of no effect. Such Participant shall not be eligible to participate for further Option under the ESOS.

21.2 In the event that the Participant is transferred from the Datasonic Group to any associated companies of the Datasonic Group (which definition shall be that which is adopted by the Malaysian Accounting Standard Board) or to any related companies (as defined in Section 7 of the Act) of the Company which have an existing share issuance scheme in which the Participant will be entitled to participate, unless approved by the ESOS Committee in writing, the ESOS Options unexercised on the date of transfer shall be null and void and be of no effect.

If the associated company does not have an existing share issuance scheme in which the Participant will be entitled to participate, the ESOS Committee shall have the absolute discretion to determine whether the ESOS Options unexercised by the Participant will continue to be capable of exercise and the period in which it is capable of being exercised.

21.3 In the event that:

- (a) an employee who was employed in a company which is related to the Company pursuant to Section 7 of the Act (that is to say, a company which does not fall within the definition of “the Datasonic Group”) and is subsequently transferred from such company to any company within the Datasonic Group; or
- (b) an employee who was in the employment of a company which subsequently becomes a member of the Datasonic Group as a result of a restructuring or acquisition exercise or otherwise involving the Company and/or any company within the Datasonic Group with any of the first mentioned company stated in (a) above;

(the first abovementioned company in (a) and (b) herein referred to as the “**Previous Company**”), such an employee of the Previous Company will be eligible to participate in this ESOS for its remaining ESOS Option Period, if the affected employee becomes an Eligible Person within the meaning under the By-Laws.

For the avoidance of doubt, in the event of any acquisition or incorporation of any company into the Datasonic Group pursuant to subsection (b) above as a subsidiary as defined in Section 4 of the Act or any other statutory regulation in place thereof during the ESOS Period, the ESOS shall apply to the employees of such company on the date such company becomes a subsidiary of the Datasonic Group (provided that such subsidiary is not dormant) falling within the meaning of the expression of Eligible Person under By-Law 1 and the provisions of the By-Laws shall apply.

A company shall be deemed to be divested from the Datasonic Group or disposed of from the Datasonic Group in the event that the effective interest of the Company in such company is reduced from 50% and above to less than 50% so that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act.

### 22. TERMINATION OF THE ESOS

22.1 Subject to compliance with the requirements of Bursa Securities and any other authorities, the ESOS may be terminated by the Company at any time before its expiry without obtaining the approvals or consents from the Participants or its shareholders provided that the Company makes an announcement immediately to Bursa Securities. The announcement shall include:

- (a) the effective date of termination of the ESOS (“**Termination Date**”);

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**APPENDIX I – DRAFT BY-LAWS (CONT'D)**

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- (b) the number of ESOS Options exercised or Datasonic Shares vested; and
- (c) the reasons for termination of the ESOS.

22.2 In the event of termination as stipulated by By-Law 22.1 above, the following provisions shall apply:

- (a) no further Offers shall be made by the ESOS Committee from the Termination Date;
- (b) all Offers which have yet to be accepted by Eligible Persons shall automatically lapse on the Termination Date; and
- (c) all outstanding Options which have yet to be exercised by the Participants shall be automatically lapsed on the Termination Date.

### **23. DISCLAIMER OF LIABILITY**

23.1 Notwithstanding any provisions contained herein and subject to the Act, the Company, the Board and the ESOS Committee shall not under any circumstances and in any event be held liable to any person for any cost, charges, losses, expenses, damages or liabilities whatsoever arising, including but not limited to any delay on the part of the Company in allotting and issuing the new Datasonic Shares or in procuring Bursa Securities to list the new Datasonic Shares subscribed for by a Participant.

### **24. ESOS NOT A TERM OF EMPLOYMENT**

24.1 This ESOS does not form part of or constitute or in any way be construed as a term and condition of employment of any Eligible Person. The ESOS shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment in the Datasonic Group under which the Eligible Person is employed nor any rights additional to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment.

### **25. NO COMPENSATION**

25.1 No Eligible Person or Participant who ceases to hold office in or employment with the Datasonic Group shall be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the ESOS which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office.

25.2 The Company, the Board and/or the ESOS Committee shall not be liable for any compensation, loss or damages of any claim, action or proceeding by any Eligible Person or Participant or legal or personal representatives whatsoever and howsoever arising from the suspension of rights to exercise his ESOS Options, ceasing to be valid pursuant to the provisions of the By-Laws, as may be amended from time to time in accordance with By-Law 16 hereof.

### **26. RIGHTS OF PARTICIPANTS**

26.1 The ESOS Options shall not carry any right to vote at any general meeting of the Company. The Participant shall not in any event be entitled to any dividends, rights and/or other entitlement on his Unexercised ESOS Options.

26.2 Subject to the Constitution, all Participants are entitled to inspect the latest audited financial statements of the Company during the usual business hours on any working day at the registered office of the Company.



**27. ERRORS AND OMISSIONS**

27.1 If in consequence of an error or omission, the ESOS Committee discovers/determines that:

- (a) an Eligible Person who was selected by the ESOS Committee has not been given the opportunity to participate in the ESOS on any occasion; or
- (b) the number of Datasonic Shares allotted and issued to any Participant pursuant to an exercise of ESOS Options under the ESOS on any occasion is found to be incorrect,

and such error or omission cannot be corrected within the relevant period specified in the ESOS, the ESOS Committee may do all such acts and things to rectify such error or omission, but not limited to, all acts and things to ensure that the Eligible Person is given the opportunity to participate in the ESOS and/or the aggregate number of new Datasonic Shares to which the Participant is correctly entitled to is credited into his CDS Account and/or to withdraw the Offer given to the employee or Director who was erroneously selected as an Eligible Person.

**28. CONSTITUTION**

28.1 Notwithstanding the terms and conditions contained herein, if a situation of conflict should arise between the By-Laws of the ESOS and the Constitution, the provisions of the Constitution shall at all times prevail save and except where such provisions of the By-Laws are included pursuant to the Listing Requirements.

**29. NOTICE**

29.1 Any notice under the ESOS required to be given to or served upon the ESOS Committee by an Eligible Person or a Participant or any correspondence to be made between an Eligible Person or Participant to the ESOS Committee shall be given or made in writing and sent to the registered office of the Company or such other office which the ESOS Committee may have stipulated for a particular purpose by hand (with acknowledgement of receipt) or registered letter or electronic media, including but not limited to electronic mail.

29.2 Unless otherwise provided in the By-Laws, any notice which under the ESOS is required to be given to or served upon an Eligible Person or Participant or any correspondence to be made with an Eligible Person or Participant shall be deemed to be sufficiently given, served or made if it is given, served or made by hand, facsimile, registered letter or electronic media, including but not limited to electronic mail, addressed to the Eligible Person or Participant at the place of employment or at the last facsimile number or address known to the Company as being his facsimile number or address or electronic mail address. Any notice served by hand, facsimile or post as aforesaid shall be deemed to have been received at the time when such notice if by hand is received and duly acknowledged, if by facsimile is transmitted with a confirmed log print-out for the transmission indicating the date, time and transmission of all pages, if by registered letter would in the ordinary course of post be delivered and if by electronic mail, is sent with a notification received after the sending of notice.

29.3 Notwithstanding By-Law 29.2, where any notice is required to be given by the Company or the ESOS Committee under the By-Laws in relation to matters which may affect all the Eligible Persons or Participants, as the case may be, the Company or ESOS Committee may give notice through an announcement to all employees of the Datasonic Group to be made in such manner deemed appropriate by the ESOS Committee. Upon the making of such an announcement, the notice to be made under By-Law 29.2 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or Participants, as the case may be.

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**APPENDIX I – DRAFT BY-LAWS (CONT'D)**

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**30. SEVERABILITY**

- 30.1 If at any time any provision of the By-Laws is or becomes illegal, void or unenforceable in any respect, the same shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remainder thereof, and any such illegality, voidness or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

**31. DECISION OF THE ESOS COMMITTEE**

- 31.1 Any decision and/or determination made by the ESOS Committee under the By-Laws shall, in the absence of any manifest of error, be final and binding.

**32. GOVERNING LAW**

- 32.1 The ESOS, the By-Laws and all Options granted hereunder shall be governed by and construed in accordance with the laws of Malaysia. The Eligible Person, by accepting the Offer in accordance with the By-Laws and terms of the ESOS and the Constitution, irrevocably submit to the exclusive jurisdiction of the courts in Malaysia.
- 32.2 Any Eligible Person to whom the Offer is granted is required to ensure that they comply with all applicable laws and regulations in each country or jurisdiction in or from which they are granted the Offers.

**33. MULTIPLE ESOS**

- 33.1 The Company may implement more than 1 share issuance scheme, provided that the aggregate number of Datasonic Shares available under all the share issuance schemes do not exceed the maximum number of Shares stipulated in the Listing Requirements or by any other relevant authorities.

**[END OF BY-LAWS]**

**1. DIRECTORS RESPONSIBILITY STATEMENT**

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

**2. CONSENT AND CONFLICT OF INTEREST**

AmInvestment Bank, being the Adviser for the Proposed ESOS, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they so appear in this Circular.

AmInvestment Bank has given its written confirmation that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Adviser in respect of the Proposed ESOS.

**3. MATERIAL LITIGATION, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS****3.1 Material Litigation**

Save as disclosed below, Datasonic Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which may materially and adversely affect the financial position or business of Datasonic Group and the Board is not aware of any proceedings, pending or threatened, against Datasonic Group or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of Datasonic Group as at the LPD:-

**Kuala Lumpur High Court Civil Suit No. WA-22NCVC-486-07/2017 between Percetakan Keselamatan Nasional Sdn Bhd (“Plaintiff”) against Datasonic Technologies Sdn Bhd, a wholly-owned subsidiary of the Company (“Defendant”)**

The Defendant had on 1 August 2018 received a Writ of Summons and Statement of Claim dated 30 July 2018 filed by the Plaintiff, a wholly-owned subsidiary of Fima Corporation Berhad at the Kuala Lumpur High Court, claiming the disputed sum of RM24,975,000.00 (inclusive of Goods and Services Tax), interest rate of 5% per annum on the amount of RM24,975,000.00 until full and final payment or, alternatively, at such rate and period as the Court deems fit, costs and other reliefs as the Court deems fit, for the supply and purchase of 1.5 million e-passport booklets with polycarbonate data page which was delivered by the Plaintiff to the Defendant as the Defendant’s sub-contractor for the interim period of 6 months from 1 December 2016 to 31 May 2017, in respect of the supply of fully printed new Malaysian Passport booklets to the Government of Malaysia pursuant to the contract awarded by the Government of Malaysia to the Defendant. The claim concerns payment for goods sold and delivered pursuant to a printing work order assigned by the Defendant to the Plaintiff for which only the sub-contracting price is disputed. The sub-contracting price was not conclusively agreed between the parties as the draft sub-contracting agreement between the parties was never finalized.

During the case management held on 3 October 2018, the High Court had advised the parties to mediate the matter. Following the mediation session held on 17 October 2018 and 19 October 2018, the parties could not reach a resolution. On 2 November 2018, the High Court judge took note that the parties were still keen to settle the matter without going to trial. Pursuant thereto, several case managements were held on 7 December 2018, 15 January 2019, 22 January 2019 and 14 February 2019, where the parties informed the court on the status of the settlement negotiations.

On 14 February 2019, the High Court judge directed both parties to jointly resolve the outstanding matter pertaining to the goods and services tax with the Royal Malaysian Customs Department. Following case managements held on 1 March 2019, 10 April 2019 and 19 April 2019, the parties did not achieve a settlement. Consequently, the High Court judge fixed the matter for mediation before the High Court.

## APPENDIX II – FURTHER INFORMATION (CONT'D)

The matter is currently fixed for trial on 13 August 2020, 14 August 2020, 27 August 2020 and 28 August 2020. The hearing of the Plaintiff's application to amend the Writ of Summons and Statement of Claim, and the next case management for further trial directions are fixed on 6 April 2020.

The solicitors acting for the Defendant is of the view that on the balance of probabilities, the Court will allow the claim but on a lesser amount than claimed. The decision on the price for each e-passport booklet will be decided on the facts of the case and the evidence tendered and much will depend on the views of the independent witnesses from the Ministry of Home Affairs and Immigration Department of Malaysia and the Court's opinion as to what is a fair profit to be earned by both parties.

### 3.2 Contingent Liabilities

Save as disclosed below and in Section 3.1 of Appendix II, as at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Company, which upon becoming enforceable, may have a material impact on the financial position of the Company:

	RM('000)
Performance guarantees (secured) extended to customers	17,318
Performance guarantees (secured) extended to suppliers	20
<b>Total</b>	<b>17,338</b>

### 3.3 Material Commitments

Save as disclosed below, as at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by Datasonic Group which upon becoming enforceable may have a material and adverse impact on the financial position of Datasonic Group:

	RM('000)
<b>Capital Commitments</b>	
Approved and contracted for:	
- Renovation	781
- Acquisition of machineries and equipment	2,566
<b>Total</b>	<b>3,347</b>
<b>Operating Lease Commitments</b>	
Less than 1 year	457
Between 1 and 5 years	152
<b>Total</b>	<b>609</b>

## 4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of Datasonic at Level 6, Bangunan Setia 1, No.15, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM:-

- (a) the Constitution of the Company;
- (b) the audited consolidated financial statements of the Company for the past 2 FYEs 31 March 2018 and 31 March 2019 as well as the latest unaudited quarterly results for the 6 months' period ended 30 September 2019;
- (c) the Letter of Consent referred to in Section 2 above;
- (d) the cause paper in relation to the material litigation referred to in Section 3.1 above; and
- (e) the draft By-Laws.

# DATASONIC

GROUP BERHAD

## DATASONIC GROUP BERHAD

(Registration No. 200801008472 [809759-X])  
(Incorporated in Malaysia)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of Datasonic Group Berhad (“**Datasonic**” or the “**Company**”) will be held at Cindai 1 & 2, Cyberview Resort & Spa, Persiaran Multimedia, 63000 Cyberjaya, Selangor Darul Ehsan on Thursday, 20 February 2020 at 10:00 a.m. for the purpose of considering and if thought fit, passing with or without any modifications, the following ordinary resolutions:-

#### ORDINARY RESOLUTION 1

**PROPOSED ESTABLISHMENT OF AN EMPLOYEES’ SHARE OPTION SCHEME (“ESOS”) OF UP TO 7.5% OF THE TOTAL NUMBER OF ISSUED ORDINARY SHARES IN DATASONIC GROUP BERHAD (“DATASONIC”) (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT IN TIME DURING THE DURATION OF THE ESOS FOR THE ELIGIBLE DIRECTORS AND EMPLOYEES OF DATASONIC AND ITS SUBSIDIARIES (“DATASONIC GROUP”) (EXCLUDING DORMANT SUBSIDIARIES) (“PROPOSED ESOS”)**

**“THAT** subject to the approvals being obtained from all the relevant regulatory authorities in relation to the Proposed ESOS, approval and authority be and is hereby given to the Board of Directors of the Company to undertake the following:-

- (i) to establish and implement an ESOS for the benefit of the Directors (including non-executive Directors) and employees of Datasonic Group (excluding subsidiaries which are dormant) who fulfil certain specified conditions of eligibility for participation in the Proposed ESOS (“**Eligible Persons**”) and to implement and administer the same in accordance with the by-laws of the Proposed ESOS (“**By-Laws**”) (“**ESOS Options**”) which is set out in Appendix I of the circular to shareholders of the Company dated 5 February 2020 (“**Circular**”);
- (ii) offer and grant the ESOS Option under the Proposed ESOS and to allot and issue from time to time such number of new ordinary shares in Datasonic (“**Datasonic Shares**”) as may be required to be issued pursuant to the exercise of the ESOS Options under the Proposed ESOS provided that the total number of new Datasonic Shares to be issued under the Proposed ESOS shall not exceed 7.5% of the total number of issued ordinary shares in Datasonic (excluding treasury shares, if any) at any one point in time during the duration of the ESOS and that such new Datasonic Shares will, upon allotment and issuance, rank pari passu in all respects with then existing Datasonic Shares except that the Datasonic Shares so allotted will not be entitled to any dividend, rights, allotments or other distributions, the entitlement date of which is prior to the date of allotment of the new Datasonic Shares and will be subject to all the provisions of the Constitution of the Company relating to the transfer, transmission and otherwise of the Datasonic Shares. For the purpose hereof, the entitlement date means the date as at the close of business on which shareholders must be entered in the Record of Depositors with Bursa Malaysia Depository Sdn Bhd in order to be entitled to any dividends, rights, allotments and/or other distributions;
- (iii) to make the necessary application to Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for permission to deal in and for the listing of and quotation for the new Datasonic Shares (as adjusted or modified from time to time pursuant to the By-Laws) that may hereafter from time to time be allotted and issued pursuant to the Proposed ESOS;
- (iv) to do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds or undertakings and to make such rules and regulations, or to impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed ESOS and the terms of the By-Laws; and

- (v) to amend and/or modify all or part of the provisions of the By-Laws from time to time as may be required/permitted by the authorities or the Board or the ESOS Committee and to do all such acts, deeds and things as may be deemed fit, necessary, expedient and/or appropriate and to enter into all such transactions, arrangements and agreements as may be necessary, expedient and/or appropriate in order to give full effect to such modifications and/or amendments.

**AND THAT** the By-Laws which is in compliance with the Main Market Listing Requirements of Bursa Securities, be and is hereby approved and adopted and the Directors of the Company be and are hereby authorised to give effect to the Proposed ESOS with full power to modify and/or amend the By-Laws from time to time as may be required or deemed necessary in accordance with the provisions of the By-Laws relating to amendments and/or modifications and to assent to any conditions, modifications, revaluations, variations and/or amendments as may be required by any relevant 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 may deem necessary or expedient to implement, finalise and give full effect to the Proposed ESOS."

## **ORDINARY RESOLUTION 2**

### **PROPOSED ALLOCATION OF ESOS OPTIONS TO JENERAL TAN SRI (DR) MOHAMED HASHIM BIN MOHD ALI (B)**

**"THAT** subject to and conditional upon the passing of Ordinary Resolution 1, approval be and is hereby given to the ESOS Committee from time to time throughout the duration of the Proposed ESOS, to offer and grant ESOS Options to Jeneral Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (B), being the Independent Non-Executive Chairman of the Company, provided that not more than 10% of the ESOS Options shall be allocated to him if he is a Director of the Company and/or he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued ordinary shares of the Company (excluding treasury shares, if any), subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws."

## **ORDINARY RESOLUTION 3**

### **PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' WAN MOHD SAFIAIN BIN WAN HASAN**

**"THAT** subject to and conditional upon the passing of Ordinary Resolution 1, approval be and is hereby given to the ESOS Committee from time to time throughout the duration of the Proposed ESOS, to offer and grant ESOS Options to Dato' Wan Mohd Safiain bin Wan Hasan, being the Independent Non-Executive Deputy Chairman of the Company, provided that not more than 10% of the ESOS Options shall be allocated to him if he is a Director of the Company and/or he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued ordinary shares of the Company (excluding treasury shares, if any), subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws."

## **ORDINARY RESOLUTION 4**

### **PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' HAJI RAZALI BIN MOHD YUSOF**

**"THAT** subject to and conditional upon the passing of Ordinary Resolution 1, approval be and is hereby given to the ESOS Committee from time to time throughout the duration of the Proposed ESOS, to offer and grant ESOS Options to Dato' Haji Razali bin Mohd Yusof, being the Managing Director of the Company, provided that not more than 10% of the ESOS Options shall be allocated to him if he is a Director of the Company and/or he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued ordinary shares of the Company (excluding treasury shares, if any), subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws."

## **ORDINARY RESOLUTION 5**

### **PROPOSED ALLOCATION OF ESOS OPTIONS TO CHEW BEN BEN**

“**THAT** subject to and conditional upon the passing of Ordinary Resolution 1, approval be and is hereby given to the ESOS Committee from time to time throughout the duration of the Proposed ESOS, to offer and grant ESOS Options to Chew Ben Ben, being the Deputy Managing Director of the Company, provided that not more than 10% of the ESOS Options shall be allocated to him if he is a Director of the Company and/or he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued ordinary shares of the Company (excluding treasury shares, if any), subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws.”

## **ORDINARY RESOLUTION 6**

### **PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' WAN IBRAHIM BIN WAN AHMAD**

“**THAT** subject to and conditional upon the passing of Ordinary Resolution 1, approval be and is hereby given to the ESOS Committee from time to time throughout the duration of the Proposed ESOS, to offer and grant ESOS Options to Dato' Wan Ibrahim bin Wan Ahmad, being the Independent Non-Executive Director of the Company, provided that not more than 10% of the ESOS Options shall be allocated to him if he is a Director of the Company and/or he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued ordinary shares of the Company (excluding treasury shares, if any), subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws.”

## **ORDINARY RESOLUTION 7**

### **PROPOSED ALLOCATION OF ESOS OPTIONS TO YEE KIM SHING @ YEW KIM SING**

“**THAT** subject to and conditional upon the passing of Ordinary Resolution 1, approval be and is hereby given to the ESOS Committee from time to time throughout the duration of the Proposed ESOS, to offer and grant ESOS Options to Yee Kim Shing @ Yew Kim Sing, being the Independent Non-Executive Director of the Company, provided that not more than 10% of the ESOS Options shall be allocated to him if he is a Director of the Company and/or he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued ordinary shares of the Company (excluding treasury shares, if any), subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws.”

### **By Order of the Board**

Niu Chew Wei (MAICSA 7022900)  
Company Secretary

Kuala Lumpur  
5 February 2020

#### **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 Industries (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 Seal or under 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 office of Company's Share Registrar, Boardroom Share Registrars Sdn Bhd (Registration No. 199601006647 [378993-D]) at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 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 13 February 2020 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 Securities, all the resolutions set out in the notice of the EGM 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 EGM.*

## FORM OF PROXY

No. of Shares Held	CDS Account No.

**DATASONIC**  
GROUP BERHAD

(Registration No. 200801008472 [809759-X])  
(Incorporated in Malaysia)

\* I/We, .....

\* NRIC No./Passport No./Registration No. ....

of .....

being a \*member/members of DATASONIC GROUP BERHAD ("**the Company**"), hereby appoint .....

..... \*NRIC No./Passport No. ....

of .....

or failing \*him/her, .....

..... \*NRIC No. /Passport No. ....

of .....

or failing \*him/her, <sup>#</sup>the Chairman of the Meeting as \*my/our proxy to attend and vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting of the Company ("**EGM**") to be held at Cindai 1 & 2, Cyberview Resort & Spa, Persiaran Multimedia, 63000 Cyberjaya, Selangor Darul Ehsan on Thursday, 20 February 2020 at 10:00 a.m. or at any adjournment thereof.

Please indicate your voting instructions with an "X" in the appropriate space. Unless voting instructions are specified herein, the proxy/proxies will vote or abstain from voting as he/she thinks fit.

RESOLUTIONS	FOR	AGAINST
ORDINARY RESOLUTION 1 – PROPOSED ESTABLISHMENT OF AN EMPLOYEE'S SHARE OPTION SCHEME		
ORDINARY RESOLUTION 2 – PROPOSED ALLOCATION OF ESOS OPTIONS TO JENERAL TAN SRI (DR) MOHAMED HASHIM BIN MOHD ALI (B)		
ORDINARY RESOLUTION 3 – PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' WAN MOHD SAFIAIN BIN WAN HASAN		
ORDINARY RESOLUTION 4 – PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' HAJI RAZALI BIN MOHD YUSOF		
ORDINARY RESOLUTION 5 – PROPOSED ALLOCATION OF ESOS OPTIONS TO CHEW BEN BEN		
ORDINARY RESOLUTION 6 – PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' WAN IBRAHIM BIN WAN AHMAD		
ORDINARY RESOLUTION 7 – PROPOSED ALLOCATION OF ESOS OPTIONS TO YEE KIM SHING @ YEW KIM SING		

The proportion of \*my/our shareholdings to be represented by \*my/our proxies are as follows:-

	No. of Shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

<sup>#</sup> If you wish to appoint other person(s) to be your proxy/proxies, kindly strike out the words "The Chairman of the Meeting" and insert the name(s) of the person(s) desired.

\* Delete if not applicable





Dated this ..... day of ..... 2020.

.....  
Signature of Shareholder or Common Seal

Contact No. ....

**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 Industries (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 Seal or under 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 office of Company's Share Registrar, Boardroom Share Registrars Sdn Bhd (Registration No. 199601006647 [378993-DJ]) at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.*
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**DATASONIC GROUP BERHAD**  
**(Registration No. 200801008472 [809759-X])**

AFFIX  
STAMP

**c/o Boardroom Share Registrars Sdn Bhd (Registration No. 199601006647 [378993-D])**

11th Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13,  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

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