

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth (19<sup>th</sup>) Annual General Meeting of MLABS Systems Berhad (“MLABS” or “the Company”) will be conducted on a virtual basis and entirely via the Remote Participation and Voting (“RPV”) Facilities from the Broadcast Venue at Lot 4.1, 4<sup>th</sup> Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan via online meeting platform at <https://rebrand.ly/MLABS-AGM> on Wednesday, 29 November 2023 at 2.30 p.m. or any adjournment thereof, for the purpose of transacting the following businesses:

## AGENDA

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|----|---|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Directors’ and Auditors’ Reports thereon.   | <b>Please refer to Explanatory Note 1</b> |
| 2. | To approve the payment of Directors’ fees of up to RM600,000.00 from 29 November 2023 until the next Annual General Meeting of the Company.   | <b>Ordinary Resolution 1</b>              |
| 3. | To approve the payment of Directors’ benefits (excluding Directors’ fees) of up to RM50,000.00 to the Non-Executive Directors with effect from 29 November 2023 until the next Annual General Meeting of the Company. | <b>Ordinary Resolution 2</b>              |
| 4. | To re-elect the following Directors who retires pursuant to Clause 115 of the Company’s Constitution:   |   |
|    | (a) General Tan Sri Dato’ Sri Hj. Suleiman bin Mahmud RMAF (Rtd)  | <b>Ordinary Resolution 3</b>              |
|    | (b) Chuah Hoon Hong   | <b>Ordinary Resolution 4</b>              |
| 5. | To re-elect Karina binti Idris Ahmad Shah who retires pursuant to Clause 125 of the Company’s Constitution.   | <b>Ordinary Resolution 5</b>              |
| 6. | To re-appoint Messrs CAS Malaysia PLT as External Auditors of the Company and to authorise the Directors to fix their remuneration.   | <b>Ordinary Resolution 6</b>              |

## SPECIAL BUSINESSES :

To consider and, if thought fit, to pass the following Resolution:

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|----|---|------------------------------|
| 7. | <b>Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016</b> | <b>Ordinary Resolution 7</b> |
|----|---|------------------------------|

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”) and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT notwithstanding the provisions provided in the Company’s Constitution and Section 85 of the Act, approval be and is hereby given for the Company to waive the statutory preemptive rights of the shareholders and empowered the Directors of the Company to issue and allot new ordinary shares pursuant to Sections 75 and 76 of the Act without offering them to the existing members to maintain their relative voting and distribution right and such new shares shall rank pari passu in all respects with the existing class of ordinary shares.”

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## 8. **Proposed New Shareholders' Mandate and Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")** **Ordinary Resolution 8**

"THAT, subject to compliance with all applicable laws, regulations and guidelines, approval be and is hereby given to the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a revenue or trading nature with related parties as set out in Section 2.4 of the Circular to Shareholders dated 31 October 2023 for the purposes of Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**"), subject to the following:

- (i) the transactions are necessary for the day to day operations of the Company's subsidiary in the ordinary course of business, at arm's length, on normal commercial terms and are on terms not more favourable to the related party than those generally available to the public and not detrimental to minority shareholders of the Company;
  - (ii) the mandate is subject to annual renewal. In this respect, any authority conferred by a mandate shall only continue to be in force until:
    - (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
    - (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340 (2) of the Companies Act 2016 ("**the Act**") (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act); or
    - (c) revoked or varied by resolution passed by the shareholders in a general meeting, whichever is the earlier.
  - (iii) disclosure is made in the annual report of the Company of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the mandate during the current financial year, and in the annual reports for the subsequent financial years during which a shareholder's mandate is in force, where:
    - (a) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1.0 million; or
    - (b) any one of the percentage ratios of such aggregated transactions is equal to or exceeds 1%,
 whichever is the higher;
- and amongst other, based on the following information:
- (a) the type of the Recurrent Related Party Transactions made; and
  - (b) the names of the related parties involved in each type of the Recurrent Related Party Transactions made and their relationships with MLABS Group.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.

## 9. To transact any other business of the Company for which due notice shall have been given.

By order of the Board,

**CHONG VOON WAH (SSM PC No. 202008001343) (MAICSA 7055003)**  
**THAI KIAN YAU (SSM PC No. 202008001515) (MIA 36921)**  
 Company Secretaries

Kuala Lumpur  
 31 October 2023

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## Notes:

1. *Only depositors whose names appear in the Record of Depositors as at 22 November 2023 shall be regarded as members and entitled to participate, speak and vote at the Nineteenth (19<sup>th</sup>) Annual General Meeting (“AGM”).*
2. *A member entitled to participate and vote at the meeting is entitled to appoint a proxy to participate and vote in his stead. A proxy needs not be a member of the Company and a member may appoint any persons to be his proxy. A proxy appointed to participate and vote at a meeting of a company shall be entitled to vote on any question at any general meeting and have the same rights as the member to speak at the meeting.*
3. *A member shall be entitled to appoint more than two (2) proxies to participate and vote at the AGM. Where a member appoints more than two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holding to be represented by each proxy.*
4. *Where a Member is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*
5. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary share in the Company for multiple beneficial owners in one (1) securities account (“Omnibus Account”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
6. *The instrument appointing a proxy and the power of attorney or other authority (if any), which it is signed or a notarially certified copy thereof, must be deposited at the Poll Administrator’s office of the Company, ShareWorks Sdn. Bhd. at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur not less than 48 hours before the time appointed for holding the AGM or adjourned meeting at which the person named in the instrument, proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll.*
7. *Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out above will be put to vote by way of poll.*
8. *The AGM will be conducted virtually at the Broadcast Venue, the members are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.*

## EXPLANATORY NOTES

### 1. Audited Financial Statements for the Financial Year Ended 30 June 2023

The Agenda No. 1 is meant for discussion only as Section 340(1) (a) of the Companies Act 2016 provide that the audited financial statements are to be laid in the general meeting and do not require a formal approval of the shareholders. Hence, this Agenda item is not put forward for voting.

### 2. Ordinary Resolutions 1 & 2: Proposed Payment of Directors’ Fees and Proposed Payment of Directors’ Benefits to Non-Executive Directors

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders’ approval shall be sought at the Nineteenth (19<sup>th</sup>) AGM on the Directors’ fees and benefits in 2 separate resolutions as below:

- Ordinary Resolution 1 on payment of Directors’ fees from 29 November 2023 until the next AGM.
- Ordinary Resolution 2 on payment of Director’s benefits (excluding Directors’ fees) from 29 November 2023 until the next AGM.

The Directors’ benefits payable to the Directors is essentially includes meeting allowance for Board/Board Committee meeting attended/to be attended for the period from 29 November 2023 until the conclusion of the next AGM and is estimated not to exceed RM50,000.00. The Board will seek shareholders’ approval at the next AGM in the event the amount of the Directors’ benefits is insufficient due to an increase in Board/Board Committee meetings and increase in Board size.

Details of the Directors’ fees and benefits of the Non-Executive Directors for the financial year ended 30 June 2023 are disclosed in the Corporate Governance Overview Statement of the Company’s Annual Report 2023.

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## EXPLANATORY NOTES (CONTINUED)

### 3. Ordinary Resolutions 3 to 5: Re-election of Directors

The following Directors are standing for re-election as Directors of the Company pursuant to the provision of the Company's Constitution at the Nineteenth (19<sup>th</sup>) Annual General Meeting of the Company and are being eligible have offered themselves for re-election in accordance with the Company's Constitution:

- (i) General Tan Sri Dato' Sri Hj. Suleiman bin Mahmud RMAF (Rtd) (Clause 115);
- (ii) Chuah Hoon Hong (Clause 115); and
- (iii) Karina binti Idris Ahmad Shah (Clause 125).

*(collectively referred to as "Retiring Directors")*

The Board of Directors through the Nominating Committee ("**NC**") has deliberated on the suitability of the Retiring Directors to be re-elected as Directors. Upon deliberation, the Board (except for the Retiring Directors who had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board and Committees meetings) collectively agreed that the Retiring Directors meet the criteria of character, experience, integrity, competence and time commitment to effectively discharge their respective roles as Directors of the Company and recommended the Retiring Directors be re-elected as the Directors of the Company.

Further, the NC has considered and affirmed, and the Board has endorsed that Chuah Hoon Hong and Karina binti Idris Ahmad Shah, who are seeking re-election at the forthcoming Nineteenth (19<sup>th</sup>) Annual General Meeting of the Company comply with the independence criteria as prescribed in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and remained independent in exercising their judgment and in carrying out their duties as Independent Non-Executive Directors.

### 4. Ordinary Resolution 6: Re-appointment of External Auditors

The Board, through the Audit Committee, had conducted an assessment on the suitability, objectivity and independence of Messrs CAS Malaysia PLT in respect of the financial year ended 30 June 2023. The Board was satisfied with the performance of Messrs CAS Malaysia PLT and recommended the re-appointment of Messrs CAS Malaysia PLT as External Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company in accordance with Section 271 of the Companies Act 2016.

### 5. Ordinary Resolution 7: Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 7, if passed, is a renewal of general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company ("**General Mandate**"). This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next Annual General Meeting.

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

Pursuant to Section 85(1) of the Companies Act 2016 read together with Clause 70 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company:

**Section 85(1) of the Companies Act 2016 states:**

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

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## EXPLANATORY NOTES (CONTINUED)

### 5. Ordinary Resolution 7: Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 (continued)

#### Clause 70 of the Company's Constitution provides as follows:

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

In order for the Board to issue any new shares free of pre-emptive rights, such pre-emptive rights must be waived. The proposed Ordinary Resolution 7, if passed, will exclude your pre-emptive rights over all new shares in the Company to be issued under the General Mandate.

As at the date of this Notice, the Company has not issued any new shares pursuant to the General Mandate granted to the Directors at the Eighteenth (18<sup>th</sup>) Annual General Meeting held on 29 November 2022 and which the said General Mandate will lapse at the conclusion of the Nineteenth (19<sup>th</sup>) Annual General Meeting.

### 6. Ordinary Resolution 8: Proposed New Shareholders' Mandate and Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 8, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries, subject to the transactions being carried out in the ordinary course of business of the Company and/or its subsidiaries and on normal commercial terms which are generally available to the public and not detrimental to the minority shareholders of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next annual general meeting of the Company. For more information, please refer to the Company's Circular to Shareholders dated 31 October 2023.

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## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO RULE 8.29 (2) OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at the Nineteenth (19<sup>th</sup>) Annual General Meeting.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Rule 6.04 (3) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the proposed Ordinary Resolution 7 as stated in the Notice of Nineteenth (19<sup>th</sup>) Annual General Meeting of the Company for the details.