

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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GENETEC TECHNOLOGY BERHAD

(445537-W)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The above proposal will be tabled as Special Business of the Nineteenth (19th) Annual General Meeting ("**AGM**") of Genetec Technology Berhad ("**the Company**") to be held at Multi-Purpose Hall, 2nd Floor, Lot 5, Jalan P10/12, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Tuesday, 29 August 2017 at 10.00 a.m. The Notice of the 19th AGM together with the Form of Proxy is set out in the Company's 2017 Annual Report, which is dispatched together with this Circular.

You may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, kindly complete and deposit the Form of Proxy at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time set for the AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Sunday, 27 August 2017 at 10.00 a.m.
Date and time of the 19th AGM : Tuesday, 29 August 2017 at 10.00 a.m.

DEFINITIONS

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

Act	: Companies Act, 2016, as amended from time to time and any re-enactment thereof
AGM	: Annual General Meeting
AMLR	: The Listing Requirements of Bursa Securities for the ACE Market and any amendments thereto that may be made from time to time
Board	: Board of Directors of Genetec
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd
Bursa Securities	: Bursa Malaysia Securities Berhad
Circular	: This circular to shareholders of Genetec dated 28 July 2017
Cotel	: Cotel Precision Industries Sdn Bhd, a wholly-owned subsidiary company of KVC Industrial Supplies Sdn Bhd
CLT	: CLT Engineering Sdn Bhd, a 51%-owned subsidiary company of Genetec
Director	: Directors shall have the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of Genetec or any other company which is its subsidiary or holding company or a chief executive officer of Genetec, its subsidiary or holding company
Genetec or the Company	: Genetec Technology Berhad
Genetec Group or the Group	: Collectively, Genetec and its subsidiary companies (including such subsidiary companies as may be incorporated and/or acquired from time to time)
KVC	: KVC Industrial Supplies Sdn Bhd, a 50%-owned company of KVC Properties Sdn Bhd
KVC Pty	: KVC Properties Sdn Bhd, a 51%-owned company of KVC Corporation Sdn Bhd
KVC Corp	: KVC Corporation Sdn Bhd
LPD	: 4 July 2017, being the latest practicable date prior to the printing of this Circular

DEFINITIONS (Cont'd)

- Major Shareholder(s) : A person who has an interest or interests in one or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:-
- (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or
 - (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation.
- For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act.
- Major Shareholder(s) includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed corporation or any other corporation which is its subsidiary or holding company
- Proposed Renewal of Shareholders’ Mandate : The proposed renewal of the shareholders’ mandate for RRPT which approval is being sought from the shareholders at the forthcoming AGM, as set out in Section 2 of this Circular
- RRPT : Recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations and are in the ordinary course of business of the Genetec Group, entered into by Genetec or its subsidiaries which involve the interest, direct or indirect, of a Related Party(ies)
- Related Party(ies) : A Director, Major Shareholder of Genetec or person connected with such Director or Major Shareholder including any person who is or was within the preceding six (6) months of the date on which terms of the transaction were agreed upon, a Director or a Major Shareholder of the Company or any other corporation which is its subsidiary or holding company, who are interested in the Proposed Renewal of Shareholders’ Mandate
- Related Transacting Parties : The parties transacting/to be transacting with the Genetec Group under the Proposed Renewal of Shareholders’ Mandate
- RM : Ringgit Malaysia
- Shareholders’ Mandate : The shareholders’ mandate for the Group to enter into RRPT with the Related Parties of a revenue or trading nature for which approval was obtained from the shareholders during the Eighteenth (18th) AGM held on 24 August 2016
- TSA : TSA Industries Sdn Bhd, a 50.10%-owned company of KVC Properties Sdn Bhd

DEFINITIONS (Cont'd)

In this Circular, 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 neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

For the purpose of this Circular, all references to time of day relates to Malaysian time.

All references to “you” in this Circular are to the shareholders of the Company.

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GENETEC TECHNOLOGY BERHAD

(445537-W)
(Incorporated in Malaysia)

Registered Office:

Lot 7, Jalan P10/11
Seksyen 10
Kawasan Perusahaan Bangi
43650 Bandar Baru Bangi
Selangor Darul Ehsan

28 July 2017

Board of Directors:

Hew Voon Foo (*Chairman, Independent Non-Executive Director*)
Wong Wai Tzing (*Independent Non-Executive Director*)
Teh Kim Seng (*Independent Non-Executive Director*)
Chen Khai Voon (*Non-Independent Non-Executive Director*)
Chin Kem Weng (*Managing Director*)
Tan Moon Teik (*Executive Director*)

To: The shareholders of Genetec

Dear Sir/Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RRPT OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")

1. INTRODUCTION

At the AGM held on 24 August 2016, the Company had obtained a mandate from the shareholders in respect of RRPT contemplated in the Shareholders' Mandate. The Shareholders' Mandate shall, in accordance with the AMLR, expire at the conclusion of the forthcoming AGM unless authority for its renewal is obtained from the shareholders at the forthcoming AGM.

On 18 July 2017, we had announced that the Company is proposing to seek its shareholders' approval for the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

The purpose of this Circular is to provide you with details of the Proposed Renewal of Shareholders' Mandate, to set out the views of the Board and to seek your approval for the ordinary resolution pertaining thereto to be tabled at the forthcoming AGM. The notice of the AGM and the form of proxy are enclosed in the Annual Report for the financial year ended 31 March 2017 which has been sent to you together with this Circular.

YOU ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

Under Rule 10.09 of Chapter 10 and Guidance Note 8 of the AMLR, a listed corporation may seek a shareholders' mandate in respect of related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations, subject to, inter alia, the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold as below:
 - (i) the consideration, value of assets, capital outlay or costs of the Recurrent Related Party Transaction is RM1 million or more; or
 - (ii) the percentage ratio of such Recurrent Related Party Transaction is 1% or more,

whichever is the lower.

- (c) the listed corporation's circular to shareholders for the shareholders' mandate includes the information as set out in the Guidance Note 8 of the AMLR. The draft circular must be submitted to Bursa Securities for perusal together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder must not vote on the resolution approving the transactions. An interested director or interested major shareholder must also ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) the listed corporation immediately announces to the Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the listed corporation, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular by 10% or more and must include the information as may be prescribed by the Bursa Securities in its announcement.

The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders at the forthcoming AGM, shall only continue to be in force until:

- (i) the conclusion of the next AGM of the Company, at which time it will lapse, unless renewed by a resolution passed at the meeting;
- (ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(1) and (2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

Thereafter, the approval of the shareholders will be sought for a renewal of the shareholders' mandate for the RRPT at each subsequent AGM of the Company.

2.2 Principal activities of the Group

The Company is principally engaged in investment holding activities, designing and building of customised factory automation equipment and integrated vision inspection system, from conceptual design, development of prototype to mass replication of equipment.

The principal activity of the Company's subsidiary company involved in the RRPT is as follow:-

Subsidiary	Principal activity
CLT	Fabrication of machine parts and tooling for equipment and replication of systems and equipment.

2.3 Class of Related Parties, Nature and Terms of the RRPT and Estimated Value

The Proposed Renewal of Shareholders' Mandate will apply to transactions involving the Group with the following Related Parties:

Party within the Group involved in transaction	Related Transacting Parties	Nature of Transaction	Nature of Interest / Relationship	Estimated aggregate value of transaction from date of 19 th AGM to the next AGM date * RM	#Existing Mandate	
					Estimated value disclosed in the preceding year's circular RM	Actual value transacted from the last AGM up to LPD RM
Genetec	TSA	Sale of fabrication parts by Genetec to TSA	Chen Khai Voon is a Director and indirect Major Shareholder of Genetec (via his shareholdings in KVC Corp). He is also a Director and an indirect Major Shareholder of TSA (via his shareholdings in KVC Corp and KVC Pty)	150,000	150,000	-
		Purchase of industrial hardware products by Genetec from TSA	KVC Corp is a Major Shareholder of Genetec and also an indirect Major Shareholder of TSA (via its shareholdings in KVC Pty)	300,000	300,000	6,317

Party within the Group involved in transaction	Related Transacting Parties	Nature of Transaction	Nature of Interest / Relationship	Estimated aggregate value of transaction from date of 19 th AGM to the next AGM date * RM	#Existing Mandate	
					Estimated value disclosed in the preceding year's circular RM	Actual value transacted from the last AGM up to LPD RM
Genetec	KVC	Sale of fabrication parts by Genetec to KVC	Chen Khai Voon is a Director and indirect Major Shareholder of Genetec (via his shareholdings in KVC Corp). He is also a Director and an indirect Major Shareholder of KVC (via his shareholdings in KVC Corp and KVC Pty)	250,000	250,000	-
		Purchase of electrical components by Genetec from KVC	KVC Corp is a Major Shareholder of Genetec and also an Indirect Major Shareholder of KVC (via its shareholdings in KVC Pty)	2,000,000	2,000,000	150,792

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Party within the Group involved in transaction	Related Transacting Parties	Nature of Transaction	Nature of Interest / Relationship	Estimated aggregate value of transaction from date of 19 th AGM to the next AGM date * RM	#Existing Mandate	
					Estimated value disclosed in the preceding year's circular RM	Actual value transacted from the last AGM up to LPD RM
Genetec	Cotel	Purchase of precision measuring instruments by Genetec from Cotel	Chen Khai Voon is a Director and indirect Major Shareholder of Genetec (via his shareholdings in KVC Corp). He is also an indirect Major Shareholder of Cotel (via his shareholdings in KVC Corp, KVC Pty and KVC) KVC Corp is a Major Shareholder of Genetec and also an indirect Major Shareholder of Cotel (via its shareholdings in KVC Pty and KVC)	750,000	750,000	12,085
Genetec	CLT	Sale of machines and components parts by Genetec to CLT	Tan Moon Teik is a Director of Genetec. He is also a Director and Major Shareholder of CLT	3,000,000	5,000,000	-
		Purchase of fabrication parts by Genetec from CLT	Chin Kem Weng is a Director of Genetec. He is also a Director and Indirect Major Shareholder of CLT (via his shareholdings in Genetec)	1,500,000	2,500,000	1,523
		Provision of engineering services by CLT to Genetec		1,000,000	1,000,000	-

Party within the Group involved in transaction	Related Transacting Parties	Nature of Transaction	Nature of Interest / Relationship	Estimated aggregate value of transaction from date of 19 th AGM to the next AGM date * RM	#Existing Mandate	
					Estimated value disclosed in the preceding year's circular RM	Actual value transacted from the last AGM up to LPD RM
CLT	KVC	Purchase of electrical components by CLT from KVC	<p>Chen Khai Voon is an indirect Major Shareholder of CLT (via his direct shareholdings in KVC Corp and indirect shareholdings in Genetec). He is also a Director and indirect Major Shareholder of KVC (via his shareholdings in KVC Corp and KVC Pty)</p> <p>KVC Corp is an indirect Major Shareholder of KVC (via its shareholdings in KVC Pty) and also an indirect Major Shareholder of CLT (via its shareholdings in Genetec)</p>	500,000	1,000,000	79,810
CLT	TSA	Purchase of industrial hardware products by CLT from TSA	<p>Chen Khai Voon is an indirect Major Shareholder of CLT (via his direct shareholdings in KVC Corp and indirect shareholdings in Genetec). He is also a Director and an indirect Major Shareholder of TSA (via his shareholdings in KVC Corp and KVC Pty)</p> <p>KVC Corp is an indirect Major Shareholder of TSA (via its shareholdings in KVC Pty) and also an indirect Major Shareholder of CLT (via its shareholdings in Genetec)</p>	150,000	150,000	39,796

Note:

- * *The values are merely estimates, includes value for transactions entered into from the date of forthcoming AGM up to the next AGM. The actual value transacted may vary and subject to changes.*
- # *The actual value transacted did not exceed the estimated value as approved under the existing mandate granted to the Company at the last AGM.*

2.4 Amount due and owing by Related Parties

As at financial year ended 31 March 2017, there were no amounts due and owing by the Related Parties to the Group, which has exceeded the credit term as per Section 2.3 of this Circular.

2.5 Benefits of the RRPT

The benefits to be derived from the RRPT are as follows:-

- a) the RRPT entered by the Group, are all in the ordinary course of business and intended to meet the business needs of the Group at the best possible terms so as to achieve synergistic benefits to the Group;
- b) the Related Parties with whom the Group transacts are reliable supplier of the goods/services required for the Group's business and therefore, risk of any interruption to the Group's day-to-day operations would be minimised;
- c) the prices of the RRPT are competitive and the terms are not more favourable to the Related Parties than those generally available to the public; and
- d) prompt and better service can be obtained as the Related Parties have in-depth understanding of the Group's business and industries in which the Group operates.

2.6 Methods or procedures on which transactions prices are determined for the RRPT

The Group has established various methods and procedures to ensure that the RRPT are undertaken on an arm's length basis and on normal commercial terms, which are consistent with the Group's usual business practices and policies and are on transaction prices and terms not more favourable to the Related Parties than those extended to the public and are not to the detriment of the minority shareholders.

The procedures and guidelines established by the Group for RRPT are as follows:

- (i) All companies within the Group have been informed of the related parties and the procedures applicable to all RRPT with related parties;
- (ii) All companies within the Group shall only enter into RRPT after taking into account the pricing, level of service, quality of product as compared to market prices and industry standards. Any RRPT entered into shall be treated and processed on normal commercial terms consistent with the Company's usual business practices and policies and will not be detrimental to the minority shareholders;
- (iii) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of produces/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Group's usual business practices.

- (iv) The transaction prices are determined by the prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms;
- (v) All RRPT shall be reviewed by the Audit Committee at quarterly meetings;
- (vi) Any member of the Audit Committee may, as he or she deems fit, request for additional information pertaining to the transactions including from independent sources or advisers;
- (vii) If a member of the Board and/or Audit Committee has an interest, direct or indirect, in any RRPT, he or she shall abstain from any deliberation and continue to abstain from voting on the matter at the Board and/or Audit Committee meeting in respect of such RRPT related to him/her only;
- (viii) Where any person(s) has an interest in the transactions to be reviewed, such person(s) is allowed to involve in the discussion and voting other than those RRPT which is related to him/her and review the procedures of RRPT; and
- (ix) There are no specific thresholds for approval of RRPT within the Group. All RRPT is reviewed by the Audit Committee and approved and/or ratified by the Board of Directors.

2.7 Audit Committee Statement

The Audit Committee has the overall responsibility of determining whether the procedures for reviewing all related party transactions are appropriate to ensure that the RRPT are within the limits approved pursuant to the Proposed Renewal of Shareholders' Mandate.

The Audit Committee of the Company has seen and reviewed the procedures as mentioned in Section 2.6 above and are of the view that the said procedures are sufficient to ensure that the RRPT are not more favourable to the Related Parties than those generally available to the public and are not to the detriment to the minority shareholders.

The Audit Committee has reviewed and is satisfied that the Company has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. These procedures and processes were reviewed annually.

2.8 Disclosures of RRPT

Proper records shall be maintained to capture all RRPT entered into pursuant to the shareholders' mandate to ensure accurate disclosure thereof. Disclosure will be made in the annual report of the breakdown of the aggregate value of the RRPT during the financial year, amongst others, based on the following information:-

- (a) the type of RRPT made; and
- (b) the name of the Related Parties involved in each type of the RRPT made and their relationship with the Company.

3. RATIONALE FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The RRPT entered by the Group are all in the ordinary course of business. They are recurring transactions of revenue or trading nature, which are likely to occur with some degree of frequency and arise at any time and from time to time. As these transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, it may be impractical to seek shareholders' approval on a case-by-case basis before entering into such RRPT. As such, the Company is seeking shareholders' mandate pursuant to Rule 10.09 of Chapter 10 and Guidance Note 8 of the AMLR to allow the Group to enter into such RRPT made on an arm's length basis and on normal commercial terms, which are not detrimental to the Company's shareholders.

The RRPT are intended to meet the business needs of the Group on the best possible terms. By transacting with the Related Parties, the Group would have an advantage of familiarity with the background and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, the Group and the Related Parties have close co-operation and a good understanding of each other's business needs thus providing a platform where all parties can benefit from conducting the RRPT.

By obtaining approval of the Proposed Renewal of Shareholders' Mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPT occur, would not arise. This will avoid expenses associated with the convening of general meetings on an ad hoc basis and prevent administrative inconvenience.

4. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will not have any effect on Major Shareholders' shareholdings, the share capital, earnings and consolidated net assets per share of the Company and the Group.

5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM

Save as disclosed below, none of the other Directors, Major Shareholders and/or persons connected to them have any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate.

Based on the Register of Directors' Shareholdings and Register of Substantial Shareholders as at 4 July 2017, the direct and indirect interests of the interested Directors and interested Major Shareholders in the Company are as follows:

	Direct No. of Shares	%	Indirect No. of Shares	%
Directors and Major Shareholders				
Chen Khai Voon	-	-	4,880,000 ⁽¹⁾	13.75
Directors				
Chin Kem Weng	2,099,450	5.92	-	-
Tan Moon Teik	1,860,200	5.24	-	-
Major Shareholders				
KVC Corp	4,880,000	13.75	-	-

Notes:

(1) Deemed interest held through KVC Corp

Chen Khai Voon is a Director and Major Shareholder of the Company. As at 4 July 2017, his interest in the Related Transacting Parties is as follows:

Related Transacting Parties	Direct		Indirect	
	No. of shares	%	No. of shares	%
(i) TSA	-	-	2,505,000 ⁽¹⁾	50.10
(ii) KVC	-	-	250,000 ⁽¹⁾	50.00
(iii) Cotel	-	-	100,000 ⁽²⁾	100.00
(iv) CLT	-	-	6,183,750 ⁽³⁾	51.00

Notes:

- (1) Deemed interest held through KVC Corp and KVC Pty
(2) Deemed interest held through KVC Corp, KVC Pty and KVC
(3) Deemed interest held through KVC Corp and Genetec

Chin Kem Weng is a Director of the Company. As at 4 July 2017, his interest in the Related Transacting Parties is as follows:

Related Transacting Parties	Direct		Indirect	
	No. of shares	%	No. of shares	%
(i) CLT	-	-	6,183,750 ⁽¹⁾	51.00

Notes:

- (1) Deemed interest held through Genetec

Tan Moon Teik is a Director of the Company. As at 4 July 2017, his interest in the Related Transacting Parties is as follows:

Related Transacting Party	Direct		Indirect	
	No. of shares	%	No. of shares	%
(i) CLT	5,456,250	45.00	6,668,750 ⁽¹⁾	55.00

Notes:

- (1) Deemed interest held through Genetec (51%) and his spouse (4%)

KVC Corp is a common Major Shareholder of both the Group and Related Transacting Parties. As at 4 July 2017, the interest of KVC Corp in the Related Transacting Parties is as follows:

Related Transacting Parties	Direct		Indirect	
	No. of shares	%	No. of shares	%
(i) TSA	-	-	2,505,000 ⁽¹⁾	50.10
(ii) KVC	-	-	250,000 ⁽¹⁾	50.00
(iii) Cotel	-	-	100,000 ⁽²⁾	100.00
(iv) CLT	-	-	6,183,750 ⁽³⁾	51.00

Notes:

- (1) Deemed interest held through KVC Pty
(2) Deemed interest held through KVC Pty and KVC
(3) Deemed interest held through Genetec

Accordingly, the interested Directors, namely Chen Khai Voon, Chin Kem Weng and Tan Moon Teik, have abstained and will continue to abstain from all Board deliberations and voting in respect of the RRPT in which they have an interest as detailed in Section 2 above. They will also abstain from voting in respect of their direct and/or indirect shareholdings and have undertaken to ensure that the persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings (if any), on the ordinary resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

The interested Major Shareholders, namely Chen Khai Voon and KVC Corp will abstain from voting in respect of their direct and/or indirect shareholdings and have undertaken to ensure that the persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings (if any), on the ordinary resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

6. APPROVALS REQUIRED

The Proposed Renewal of Shareholders' Mandate is subject to the approval of the shareholders of the Company being obtained at the forthcoming AGM.

7. DIRECTORS' RECOMMENDATION

The Board, save for the interested Directors named in Section 5 above, after due consideration of all aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interests of the Group. Accordingly, the Board, save for the interested Directors named in Section 5 above who have abstained from making any recommendation on the Proposed Renewal of Shareholders' Mandate, recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

8. AGM

The notice convening the AGM to vote on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate is set out in the Company's 2017 Annual Report accompanying this Circular. The AGM of the Company will be held at Multi-Purpose Hall, 2nd Floor, Lot 5, Jalan P10/12, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Tuesday, 29 August 2017 at 10.00 a.m., for the purpose of considering the Proposed Renewal of Shareholders' Mandate contained herein and if thought fit, passing the ordinary resolution to give effect to the Proposed Renewal of Shareholders' Mandate.

If you are unable to attend and vote in person at the AGM, please complete, sign and return the form of proxy, of which is enclosed in the 2017 Annual Report, in accordance with the instructions contained therein, so as to arrive at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time set for the AGM or any adjournment thereof. The lodging of the form of proxy will not, however, preclude you from attending and voting at the forthcoming AGM should you subsequently wish to do so.

9. ADDITIONAL INFORMATION

Shareholders are advised to refer to the Appendix I of this Circular for additional information.

Yours faithfully
For and on behalf of the Board of Directors of
GENETEC TECHNOLOGY BERHAD

Hew Voon Foo
Independent Non-Executive Chairman

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1. RESPONSIBILITY STATEMENT

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

2. MATERIAL CONTRACT

As at the date of this Circular, there are no material contracts (not being contracts entered into in the ordinary course of business of the Group) which have been entered into by the Company and/or the subsidiary companies within the two (2) years immediately preceding the date of this Circular.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the date of this Circular, neither the Company nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which may have a material effect on its financial position, and the Board are not aware of any proceedings, pending or threatened against the Group or of any facts likely to give rise to any proceedings which may materially and adversely affect its financial position or business of Genetec Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available at the registered office of the Company at Lot 7, Jalan P10/11, Seksyen 10, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan, 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 forthcoming AGM:-

- (i) Constitution of the Company; and
- (ii) audited financial statements for the past 2 financial years ended 31 March 2016 and 31 March 2017.