

**SYSTECH BHD.**  
**(Registration No. 201001012883 (897114-T))**

**BY-LAWS OF SYSTECH GROUP'S EMPLOYEES' SHARES SCHEME 2023**

**1. DEFINITIONS AND INTERPRETATIONS**

1.1 In these By-Laws, except where the context otherwise requires, the following expression in these By-Laws shall have the following meanings:

<b>Systech or Company</b>	: Systech Bhd. (Registration No. 201001012883 (897114-T))
<b>Systech Group or Group</b>	: Systech and its Subsidiaries or any one or more of them as the context permits
<b>Systech Shares or Shares</b>	: Ordinary shares in Systech.
<b>Act</b>	: The Companies Act, 2016, as amended from time to time and all regulations made thereunder and any re-enactment thereof
<b>Adviser</b>	: The Company's recognised principal adviser under the Securities Commission's Licensing Handbook
<b>Authorised Nominee</b>	: A person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under Part VIII of the Rules of the Bursa Depository
<b>Award(s)</b>	: The Shares Grant and/or the ESS Option(s) as the case may be
<b>Award Letter</b>	: A letter of offer to Eligible Person(s) issued pursuant to an offer made by the ESS Committee under Part B or Part C, as the case may be, of these By-Laws
<b>Board</b>	: Board of Directors of Systech, as may be constituted from time to time
<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 rules, terms and conditions of the Scheme as set out herein, and shall include any amendments or variations made thereto from time to time
<b>CDS</b>	: Central Depository System
<b>CDS Account</b>	: a Central Depository System account established by Bursa Depository for a Depositor for the recording of deposits of securities and dealings in such securities by the Depositor
<b>Central Depositories Act</b>	: The Securities Industry (Central Depositories) Act 1991 including any amendments made thereto from time to time
<b>CMSA</b>	: Capital Markets and Services Act 2007
<b>Constitution</b>	: The constitution of the Company, including any amendments thereto that may be made from time to time
<b>Date of Expiry</b>	: The last day of the duration of this Scheme pursuant to By-Law 6.1 hereof
<b>Date of Offer</b>	: The date of the Award Letter in which Shares Grant and/or ESS Options is/are awarded to the Selected Person(s)
<b>Depositor</b>	: A holder of a CDS Account

<b>Director(s)</b>	: A natural person who holds a directorship in an executive or non-executive capacity in any corporation in the Systech Group but shall not include alternate and/or similar substitute directors
<b>Effective Date</b>	: The date for the launch and implementation of the Scheme being the date of full compliance with all relevant requirements of Chapter 6 of the ACE Market Listing Requirements including the last of the approvals and/or conditions referred to in By-Laws 6.1 hereof have been obtained and/or complied with and to be determined by the ESS Committee;
<b>Eligible Person(s)</b>	: Employee(s) or Director(s) of the Systech Group (excluding dormant Subsidiaries) who meets the criteria of eligibility for participation in the Scheme as set out in By-Law 7
<b>Employee(s)</b>	: A natural person who is employed by and on the payroll of any corporation the Systech Group, including Director(s)
<b>Entitlement Date</b>	: The date as at the close of business on which the names of the shareholders of Systech must appear on Systech's record of depositors in order to participate in any dividends, rights, allotments or other distributions
<b>ESS Option(s) or Option(s)</b>	: The right granted to the Participant to subscribe for Systech Share(s) at the Exercise Price in the manner indicated in By-Law 36
<b>ESS Committee</b>	: The committee comprising Director(s) and/or Senior Management of Systech Group duly appointed from time to time and authorised by the Board pursuant to By-law 16 to administer the Scheme in accordance with these By-Laws
<b>ESS or Scheme</b>	: The Employees' Shares Scheme of Systech Group comprising the ESS Options and Shares Grant on the terms as set out in these By-Laws
<b>ESS Period</b>	: A period commencing from the date the offer for the ESS Options or Shares Grant, as the case may be, is accepted in accordance with these By-Laws and expiring on the last day of the period referred to in By-Law 6 or such other date which the ESS Committee may in its discretion decide, subject always to early termination in accordance with the provisions of By-Law 6, provided that no ESS Period shall extend beyond the period referred to in By-Law 6
<b>Exercise Period</b>	: The specific period or periods within the ESS Period during which ESS Options may be exercised by Participants, as determined by the ESS Committee subject to By-Law 6
<b>Exercise Price</b>	: The price at which the Participant shall be entitled to subscribe for every Systech Share by exercising his/her ESS Option(s) as determined in accordance with By-Law 37
<b>Government</b>	: The Government of Malaysia
<b>ACE Market Listing Requirements</b>	: The ACE Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time
<b>Market Day(s)</b>	: Any day(s) on which Bursa Securities is open for trading in securities
<b>Maximum Allowable Allocation</b>	: The maximum number of Systech Shares comprised in the Awards, that can be offered to the Selected Persons as stipulated in By-Law 8
<b>Participant(s)</b>	: The Selected Person(s) who has(have) accepted the Shares Grant and/or ESS Options in accordance to the Award Letter(s)
<b>Person connected</b>	: Has the meaning given to "person connected" adopted in Paragraph 1.01 of the ACE Market Listing Requirements
<b>Registered Office</b>	: The registered address of Systech being Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur Wilayah Persekutuan

<b>RM and sen</b>	:	Ringgit Malaysia and sen, respectively
<b>Rules of Bursa Depository</b>	:	The Rules of Bursa Depository as issued pursuant to the Central Depositories Act
<b>Selected Person(s)</b>	:	An Eligible Person to whom an offer has been made under the Scheme via an Award Letter
<b>Senior Management</b>	:	An Employee of Systech Group holding the position of senior manager and above (including executive Director) or other senior position as may be determined by the ESS Committee from time to time to be senior management and which shall be subject to any criteria as may be determined at the sole discretion of the ESS Committee from time to time
<b>Shares Grant(s)</b>	:	The right granted to the Participant to have a number of Systech Shares vested in the Participant on the vesting date (if any) specified in the Award Letter, subject to the terms and conditions provided in these By-Laws
<b>Subsidiaries</b>	:	Subsidiary corporations within the meaning of Section 4 of the Act of Systech and shall include subsidiary corporations which are existing as at the Effective Date and those which are incorporated or acquired at any time during the duration of the Scheme but exclude subsidiary corporations which have been divested in the manner provided for in By-Law 24.2 and which is determined by the ESS Committee at its absolute discretion from time to time to be a corporation participating under the Scheme in accordance with By-Law 7
<b>Trust</b>	:	The trust that may be established to facilitate the implementation of the Scheme
<b>Trust Deed</b>	:	The trust deed(s) constituting the Trust to be executed between the Trustee and the Company (if applicable)
<b>Trustee</b>	:	The trustee(s) or its authorised nominee that may be appointed by the Company for the Scheme from time to time
<b>Vesting Conditions</b>	:	The conditions which are required to be fulfilled by a Participant before the ESS Option(s) and/or Shares Grant(s) is capable of being vested onto the Participant pursuant to the terms of these By-Laws

1.2 In these By-Laws:

- (i) any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and any listing requirements, policies and/or guidelines of Bursa Securities and/or any other relevant regulatory authority (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 any other relevant regulatory authority);
- (ii) 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 these By-Laws so far as such modification or re-enactment applies or is capable of applying to any Award offered and accepted prior to the expiry of the Scheme and shall include also any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly been replaced;
- (iii) words denoting the singular shall include the plural and references to gender shall include both genders and the neuter;
- (iv) any liberty or power which may be exercised or any determination which may be made hereunder by the ESS Committee or the Board may be exercised at the ESS Committee's or the Board's absolute and unfettered discretion and the ESS Committee and/or the Board shall not be required to give any reason therefore except as may be required by the relevant authorities;
- (v) the headings in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws;

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**APPENDIX VIII – DRAFT BY-LAWS IN RELATION TO THE PROPOSED ESS (CONT'D)**

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- (vi) if an event occurs 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 provided always if such date shall fall beyond the duration of the Scheme, then the stipulated day shall be taken to be the preceding Market Day;
- (vii) any reference to the Company and/or other person shall include a reference to the successors-in-title and permitted assigns; and
- (i) unless otherwise stated herein and whenever applicable, the currency adopted for any matter referred to in this By-Laws is RM and sen, being the lawful currency of Malaysia.

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**PART A: GENERAL PROVISIONS OF THE SCHEME**

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**2. NAME OF THE SCHEME**

This Scheme will be called the “**Systech Group’s Employees’ Shares Scheme 2023**” and shall comprise of the ESS Options and/or the Shares Grant.

**3. THE OBJECTIVES OF THE SCHEME**

The establishment of this Scheme is to: -

- i. reward Eligible Persons for their contribution towards Systech Group;
- ii. create a sense of loyalty and ownership amongst the Employees, by giving the Employees an opportunity to participate in the equity of the Company;
- iii. increase the level of commitment and dedication of the Eligible Persons by rewarding them with an equity stake in the Company; and
- iv. provide incentive for the Eligible Persons to participate more actively in the operations of the Systech Group and encourage them to contribute to the future growth of the Systech Group.

This Scheme is also extended to non-executive Directors in the Systech Group (excluding dormant Subsidiaries) in recognition of their contributions towards the growth and performance of the Systech Group.

**4. APPLICATION OF PART A**

Unless otherwise expressly provided, the provisions of this Part A shall apply generally to the ESS Options and the Shares Grant.

**5. MAXIMUM NUMBER OF SYSTECH SHARES AVAILABLE UNDER THE SCHEME**

- 5.1 The total number of Systech Shares comprised in the Awards, which may be made available under the Scheme shall not in aggregate be more than fifteen per centum (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any one time during the duration of the Scheme (“**Maximum Awards**”) whether or not such total number of Systech Shares which may be made available under the Scheme shall be made available, offered and/or issued in a staggered manner over the duration of the Scheme. The ESS Committee has the discretion in determining whether the total number of Systech Shares which may be made available under the Scheme shall be staggered over the duration of the Scheme.
- 5.2 Notwithstanding the provision of By-Law 5.1 above or any other provisions contained herein, in the event the aggregate number of Systech Shares granted under the Scheme exceeds the Maximum Awards at any point in time as a result of the Company purchasing its own shares or the Company undertaking any corporate proposal, no further Awards shall be made until such aggregate number of Systech Shares granted falls below the Maximum Awards. Any Award(s) made prior to the adjustment of the number of issued Systech Shares shall remain valid and exercisable in accordance with the provisions of this Scheme.
- 5.3 Systech Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards made by the ESS Committee under the Scheme.
- 5.4 Notwithstanding the above, the Company may implement more than one (1) employee share scheme during the duration of this Scheme provided that the aggregate ESS Shares available for issuance under all the share issuance schemes implemented by Systech are not more than fifteen per centum (15%) of its total number of issued shares (excluding treasury shares, if any) at any one time or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.

- 5.5 Systech will use all reasonable efforts to make available/ensure that it has available and sufficient Systech Shares to satisfy the Awards made during the Scheme.

**6. DURATION AND TERMINATION OF THE SCHEME**

- 6.1 The Effective Date for launch or implementation of the Scheme shall be the date the last of the following approvals and/or conditions have been obtained and/or complied with:

- (a) the submission to Bursa Securities of the final copy of the By-Laws together with a letter of compliance pursuant to paragraphs 2.12 and 6.42 of the ACE Market Listing Requirements and a checklist showing compliance with Appendix 6E of the ACE Market Listing Requirements;
- (b) receipt of the approval-in-principle from Bursa Securities for the listing of the new Systech Shares to be issued under the Scheme;
- (c) procurement of the shareholders' approval for the Scheme at a general meeting;
- (d) the approval of any other relevant authorities for the Scheme, if any; and
- (e) the fulfilment of all conditions attached to the above approvals, if any.

The Scheme, when implemented, shall be in force for a period of five (5) years from the Effective Date and may be extended for further period immediately from the expiry of the original five (5) years period, at the absolute discretion of the Board, whether or not upon the recommendation of the ESS Committee, provided always that the initial Scheme period stipulated above and such extension of the Scheme made pursuant to the By-Laws shall not in aggregate exceed a duration of ten (10) years or such other period as may be prescribed by Bursa Securities or any other relevant authorities from the Effective Date.

Such extended Scheme shall be implemented in accordance with the terms of these By-Laws, subject however to any revisions and/or changes to the relevant statutes, laws and/or regulations then in force. In the event that the Scheme is extended, the Company shall make the necessary announcements to Bursa Securities prior to the proposed extension of the Scheme. For avoidance of doubt, unless otherwise required by the relevant authorities, no further sanction, approval, consent or authorisation of the shareholders of the Company in a general meeting is required for any such extension. In the event the Scheme is extended, the Company shall serve appropriate notices on each Participant within thirty (30) days prior to the Date of Expiry.

- 6.2 Awards can only be made during the duration of the Scheme before the Date of Expiry.
- 6.3 Subject to By-Law 6.4, the Board, upon consultation with the ESS Committee may at any time during the duration of the Scheme terminate the Scheme and, upon expiry of the notice period stipulated in By-Law 6.4, shall immediately announce to Bursa Securities the:
- (a) effective date of termination of the Scheme ("**Termination Date**");
  - (b) number of ESS Options vested and/or exercised and Shares Grant vested pursuant to the Scheme; and
  - (c) reasons for termination of the Scheme.
- 6.4 Subject to By-Law 15.3, prior to the termination of the Scheme pursuant to By-Law 6.3, the Company shall provide thirty (30) days' notice to all Participants and allow the Participants to (a) exercise any vested but unexercised ESS Options; and (b) transfer any Shares of any vested Shares Grant prior to the Termination Date.
- 6.5 Notwithstanding anything to the contrary, all unvested and/or unexercised ESS Options and/or Shares Grant (whether fully or partially) shall lapse on the Date of Expiry or earlier termination of the Scheme pursuant to By-Law 6.3 and shall be deemed cancelled and be null and void.
- 6.6 The Company shall through its Adviser submit no later than five (5) Market Days after the Effective Date of the implementation of these By-Laws, a confirmation to Bursa Securities of the full compliance of By-Law 6.1 above stating the Effective Date of implementation of the Scheme, together with a certified true copy of the relevant resolutions passed by the shareholders of the Company in the general meeting approving the Scheme.

- 6.7 In the event of termination as stipulated in By-Law 6.3 above, the following provisions shall apply:
- (a) no further Offer(s) shall be granted by the ESS Committee from the Termination Date;
  - (b) all Offer(s) which have yet to be accepted by Selected Persons shall automatically lapse on the Termination Date;
  - (c) all outstanding ESS Options which have yet to be exercised by the Participants shall automatically lapse on the Termination Date and
  - (d) all unvested Awards will cease to be capable of being vested in the relevant Participants.
- 6.8 Approval or consent of the shareholders of the Company by way of a resolution in a general meeting and written consent of Participant(s) in relation to unvested and/or unexercised Award(s) are not required to effect a termination of the Scheme, subject always to compliance with the ACE Market Listing Requirements and any other relevant rules or requirements.

## **7. ELIGIBILITY**

- 7.1 Subject to By-Laws 7.2, 7.4 and 7.5 below, any Director or Employee of the Systech Group shall be eligible to be considered for participation in the Scheme.
- 7.2 In the case of an Eligible Person, he/ she will be eligible if at the Date of Offer, the following eligibility criteria is fulfilled:
- (a) the Director or Employee shall have attained the age of eighteen (18) years on the Date of Offer and shall neither be an undischarged bankrupt nor subject to any bankruptcy proceedings;
  - (b) if an executive Director or Employee, he/she must have been employed by the Systech Group (excluding dormant Subsidiaries) and his/her employment as an Eligible Person must have been confirmed on the Date of Offer, employed on a full-time basis and has not served a notice to resign nor received a notice of termination;
  - (c) if a non-executive Director, he/she must have been appointed and remain appointed as a Director of the Systech Group (excluding dormant Subsidiaries), as at the Date of Offer;
  - (d) if the Director or Employee is employed by a company which is acquired by the Systech Group during the duration of the Scheme and becomes a subsidiary upon such acquisition, the said Director or Employee must become an Eligible Person within the meaning of the By-Laws following the date that such company becomes or is deemed to be a subsidiary of the Group; and
  - (e) such other eligibility criteria as may be determined by the ESS Committee from time to time at its absolute discretion,

**PROVIDED ALWAYS THAT** the selection of any Director or Employee for participation in the Scheme and the determination of the number of Awards shall be at the discretion of the ESS Committee and the decision of the ESS Committee shall be final and binding. In determining the eligibility of an Eligible Person to participate in the Scheme, the ESS Committee may take into account amongst other factors, the provisions of the ACE Market Listing Requirements or other applicable regulatory requirements prevailing during the tenure of the Scheme relating to employees' and/ or Directors' share issuance scheme, designation, role, function, performance, job class or grading, annual appraised performance, seniority, length of service and/or contribution to the relevant corporation within the Systech Group, and/or such other factors that the ESS Committee may in its sole and absolute discretion deem fit. The ESS Committee may, in its absolute discretion, waive any of the conditions of eligibility as set out above.

- 7.3 No Award, allocation under the Scheme and the related allotment and/or vesting of Systech Shares shall be made to the following persons unless the shareholders of Systech in a general meeting shall have approved the specific allocation and allotment and/or award to such persons:
- (a) any Eligible Person who is a Director, major shareholder or chief executive officer of Systech or holding company of Systech (if any) ("**Interested Director**", "**Interested Major Shareholder**" and "**Interested Chief Executive**"); or

- (b) an Eligible Person who is connected with an Interested Director, Interested Major Shareholder or Interested Chief Executive ("**Interested Person Connected with a Director, Major Shareholder or Chief Executive**").

In a meeting to obtain shareholder approval in respect of the above allocation, allotment and/or grant:

- (a) to an Eligible Person who is the Interested Director, Interested Major Shareholder, Interested Chief Executive or Interested Person connected with a Director, major shareholder or chief executive; and
- (ii) where the allocation and allotment is in favour of an Eligible Person who is an Interested Person Connected with a Director, Major Shareholder or Chief Executive, such Director, major shareholder or chief executive,

must not vote on the resolution approving the said allocation and allotment and/or award. An Interested Director, Interested Major Shareholder or Interested Chief Executive must ensure that such persons connected with him/her abstain from voting on the resolution approving the said allocation and allotment and/or award.

7.4 For the avoidance of doubt, the following persons are not Eligible Persons and do not qualify for participation in the Scheme:

- (a) subject to By-Law 24 below, employees of a corporation which has ceased to be a subsidiary of Systech;
- (b) a Director or employee of a corporation within the Systech Group which is dormant;
- (c) person serving under the contract of service; and
- (d) employees that are on probation.

7.5 Unless otherwise determined by the ESS Committee, a Participant under the Scheme shall not be entitled to participate in any other share issuance scheme, share grant scheme or share scheme which may be implemented by any other corporation in the Systech Group during the duration of the Scheme.

7.6 Directors and Employees of Systech Group may be eligible to participate in either or both the ESS and/or the Shares Grant, as may be determined by the ESS Committee.

7.7 Eligibility under the Scheme does not confer on an Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the ESS Options and/or Shares Grant comprised herein unless an Award pursuant to an Award Letter has been made by the ESS Committee to the Eligible Person and the Eligible Person has accepted the Award and has fulfilled the conditions in the Award (if any).

7.8 Notwithstanding anything to the contrary in these By-Laws subject always to By-Laws 17 and 18, the ESS Committee may, in its discretion, waive the eligibility criteria set out in By-Law 7.2 or at its discretion decide not to make an Award(s). The eligibility and number of Award(s) to be awarded to a Selected Person under the Scheme shall be at the sole and absolute discretion of the ESS Committee and the decision of the ESS Committee shall be final and binding.

7.9 Where an Award is to Selected Person who is a member of the ESS Committee, such Award shall be decided and carried out by the ESS Committee PROVIDED ALWAYS that such Selected Person and persons connected to him/her who are also members of the ESS Committee shall abstain from all deliberations and voting in respect of the Award proposed to be offered or awarded to him/her or the vesting of ESS Options and/or Shares Grant to him/her at the relevant ESS Committee meetings.

## **8. MAXIMUM ALLOWABLE ALLOCATION AND BASIS OF ALLOCATION**

8.1 Subject to By-Law 5 and any adjustments which may be made under these By-Laws, the aggregate number of Systech Shares that may be allocated to any of the Selected Persons of the Systech Group who are entitled to participate in the Scheme shall be determined by the ESS Committee on the basis set out in By-Law 8.2 subject always to the following main parameters:

- (a) the Selected Persons including Directors and Senior Management do not participate in the deliberation or discussion of their own allocation as well as to persons connected with them, if any;



- (b) the number of Systech Shares comprised in the Awards, to be allocated to any Selected Person who, either singly or collectively through persons connected with the Selected Person, holds twenty per centum (20%) or more of the total number of issued shares (excluding treasury shares) of the Company, does not exceed ten per centum (10%) of the Maximum Awards (or such other percentage as may be permitted by Bursa Securities and/or any other relevant authorities from time to time); and
- (c) not more than 80% of the Maximum Awards shall be allocated in aggregate to the Directors and Senior Management of the Systech Group (excluding dormant Subsidiaries),

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

- 8.2 The ESS Committee shall at its absolute discretion decide in relation to an Offer, amongst others, the Date of Offer, forms of Awards (whether in Shares Grant and/or ESS Options), whether the Awards will be staggered, performance targets, performance period(s), service period(s), the vesting period(s), vesting date(s), release schedule(s), retention period(s) and the extent to which the Systech Shares which are the subject of the Award shall be released on the performance targets being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the vesting period(s).
- 8.3 Subject to By-Law 17, the ESS Committee may at its sole and absolute discretion and pursuant to By-Law 16, amend or vary and/or include or preclude any basis or criteria which is applied in considering Awards to Eligible Persons including the including details of the category of Employees and/or thresholds of Maximum Allowable Allocation for which it shall deem necessary to introduce during the duration of the Scheme provided that these bases are in compliance with the relevant ACE Market Listing Requirements and applicable laws.
- 8.4 In the event that a Selected Person is promoted to a higher category, he/she shall be entitled to continue to hold all unvested ESS Options and to exercise all vested but unexercised ESS Options and/or be entitled to hold all unvested Shares Grant held by him/her. The Maximum Allowable Allocation applicable to such Selected Person shall be the Maximum Allowable Allocation that may be awarded corresponding to the category of the employee of which he/she then is a party, subject always to the maximum number of Systech Shares available under the Scheme as stipulated under By-Law 5.
- 8.5 In the event that a Selected Person is demoted to a lower category, he shall be entitled to exercise all vested but unexercised ESS Options and/or to all vested Shares Grant unless otherwise determined by the ESS Committee and the number of unvested ESS Options and/or Shares Grant held by him/her at that time may be reduced by the ESS Committee in its sole and absolute discretion. In the event the total number of Systech Shares in respect of ESS Option(s) and/or Shares Grant which have been accepted by such demoted Selected Person up to the effective date of his/her demotion is higher than the Maximum Allowable Allotment for his/her new category pursuant to such demotion, he/she shall not be entitled to be offered any further ESS Option(s) and/or Shares Grant unless and until he/she is subsequently promoted to a higher category or in such event where the Maximum Allowable Allotment is amended as provided in By-Law 8.3 or revised by the ESS Committee resulting in his/her Maximum Allowable Allotment being increased to an amount greater than the total number of Systech Shares in respect of ESS Option(s) and/or Shares Grant which have already been accepted by him/her.
- 8.6 The ESS Committee shall not be obliged in any way to award, grant or vest to any Eligible Person any ESS Options and/or Shares Grant. The decision of the ESS Committee shall be final and binding.
- 8.7 The allocation of ESS Options and Shares Grant pursuant to the Scheme shall be verified by the Company's Audit Committee, as being in compliance with the criteria set out in these By-Laws (where relevant) at the end of each financial year of the Company.
- 8.8 The ESS Committee may at its sole and absolute discretion determine whether granting of the Award(s) to the Selected Person will be staggered over the duration of the Scheme or in one (1) single grant and/or whether the Award(s) are subject to any vesting period and if so, to determine the Vesting Conditions including whether such Vesting Conditions are subject to performance target.
- 8.9 If any Selected Person is a member of the ESS Committee, such Selected Person shall not participate in the deliberation or discussion of his/her allocations as well as persons connected with them, if any.

- 8.10 Subject to By-Law 35 and By-Law 40, the ESS Committee shall be entitled to determine the maximum number of Award(s) that will be made available to a Selected Person. At the time the Award(s) is awarded in accordance with these By-Laws, the ESS Committee shall set out the basis of the award, identifying the class, category or grade of the Selected Person and the Maximum Allowable Allocation that may be awarded to such Selected Person under the Award(s), all of which may be amended and varied by the ESS Committee from time to time at its discretion in accordance with applicable laws and the ACE Market Listing Requirements, and the decision of the ESS Committee shall be final and binding.
- 8.11 Any Selected Person who holds more than one (1) position within the Systech Group (including a Director who is an Employee of the Systech Group (excluding dormant Subsidiaries) and who sits on the board(s) of directors of any one (1) or more corporations within the Systech Group (excluding dormant Subsidiaries)), and is therefore a Selected Person in more than one category or capacity, shall be entitled to the Maximum Allowable Allotment of only one (1) category to be determined by the ESS Committee at its sole and absolute discretion.

**9. RIGHTS ATTACHING TO AWARDS AND THE NEW SYSTECH SHARES**

- 9.1 The ESS Options and/or Shares Grant (as the case may be) shall not carry any right to vote at any general meeting of the Company until and unless such Systech Shares have been issued, allotted and credited into the CDS Account of the Participant.
- 9.2 A Participant shall not be entitled to any dividends, right or other entitlements (including but not limited to offer of further securities) on his/her unvested or unexercised ESS Options and/or unvested Shares Grant (as the case may be).
- 9.3 The Systech Shares to be allotted and issued and/or transferred from treasury shares (as the case may be) upon the vesting of the Shares Grant and/or upon the exercise of the ESS Options pursuant to the Awards, shall upon allotment and issuance and/or transfer from treasury shares (as the case may be), carry the same rights with existing Systech Shares, save and except that the Systech Shares so issued and/or transferred will not be entitled for any dividends, rights, allotments and/or other distribution declared, made or paid to shareholders of Systech, the entitlement date of which is prior to the date of allotment or transfer of the Systech Shares.
- 9.4 All dividends, rights, allotments and/or any other distribution declared, made, paid or attached to the Systech Shares held in trust by the Trustee (if any) shall form part of the Trust assets until such Systech Shares are credited into the CDS Accounts of the respective Participants in which event By-Laws 9.1, 9.2 and 9.3 shall apply.
- 9.5 All Systech Shares will be subject to all provisions of the Constitution of the Company.

**10. TRUSTEE**

- 10.1 The Company and/or the ESS Committee may establish a Trust to be administered by the Trustee for the purposes of implementing the Scheme. To enable the implementation of the Scheme and the acquisition or subscription of the Systech Shares to satisfy the exercise of the ESS Options or Shares Grant, the Trustee may, to the extent permitted by law and as set out under these By-Laws, receive funds from the Systech Group or any other person in such bank account(s) to be established by the Trustee for the purpose of the Trust.
- 10.2 If a Trust is established, the Trustee shall administer the Trust in accordance with the Trust Deed. For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements or make rules, regulations or impose terms and conditions or delegate part of its power relating to the administering of the trust as the ESS Committee may in its discretion direct for the purpose of implementation or administration of the Trust.
- 10.3 The Company shall have the power from time to time to appoint, rescind or terminate the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed. The ESS Committee shall not be under any obligation to give any reasons for such appointment, rescission or termination. The ESS Committee shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.

**11. NON-TRANSFERABILITY**

- 11.1 An ESS Option and/or Shares Grant (as the case may be) is personal to the Participant and, prior to the allotment and/or transfer to the Participant of the Shares to which the Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of (in whole or in part) in any manner whatsoever.
- 11.2 Unless permitted under these By-Laws, an Award or the rights of the Participants under the ESS Options and/or Shares Grant shall not be transferred, assigned, disposed of or subject to any encumbrances by the Participant. Any attempt to transfer, assignment, disposal or encumbrance shall result in the automatic cancellation of the Award, ESS Option and/or Shares Grant (as the case may be).

**12. TERMINATION OF THE ESS OPTIONS AND/OR SHARES GRANT**

- 12.1 Upon occurrence of one or more of the following events prior to the full vesting and allotment/transfer of any Shares Grant and/or full vesting and exercise of any ESS Option (as the case may be), such ESS Option and/or Shares Grant or the balance thereof that remained unvested, not allotted/transferred or unexercised, as the case may be, shall forthwith cease to be valid without any claim against the Company:
- (a) resignation, termination or cessation of employment of the Selected Person or Participant, for any reason; or
  - (b) resignation, retirement or removal of a Director, for any reason.

PROVIDED ALWAYS THAT the ESS Committee may, at its absolute discretion, by notice in writing, stipulate the times or period at or within which such Shares Grant and/or ESS Options shall vest all or in part (provided that no Systech Shares and/or ESS Options shall vest after the expiry of the ESS Period) or permit such vested but unexercised ESS Option to remain exercisable during the ESS Period all or in part if such cessation occurs by reason of:

- (a) retirement upon or after attaining the retirement age under Systech Group's retirement policy; or
  - (b) retirement before attaining the normal retirement age with the consent of his/her employer; or
  - (c) redundancy or retrenchment pursuant to the acceptance by that Participant or a voluntary separation scheme offered by a corporation within the Systech Group; or
  - (d) resignation, retirement or removal of a Director, for any reason, save where such resignation, retirement or removal was due to the breach of duty, gross negligence or wilful misconduct of such Director; or
  - (e) transfer to any corporation outside the Systech Group at the direction of the Company; or
  - (f) ill-health, injury, physical or mental disability; or
  - (g) any other circumstances which are acceptable to the ESS Committee.
- 12.2 Unless otherwise agreed in writing by the ESS Committee at its absolute discretion, upon the resignation of the Participant from his/her employment with the Systech Group, an ESS Option and/or Shares Grant (as the case may be) shall lapse forthwith on the date the Participant tenders his/her resignation.
- 12.3 In the event a bankruptcy proceeding has commenced against a Participant, the ESS Option or Shares Grant (as the case may be) shall be suspended pending the outcome of the bankruptcy proceedings. If the bankruptcy proceeding is withdrawn, the suspension shall be lifted and the unvested and/or unexercised ESS Options and/or Shares Grant in respect of the Award shall be capable to be vested to the said Participant. However, an ESS Option or Shares Grant (as the case may be) shall immediately become void and of no further force and effect upon the Participant being adjudicated a bankrupt.
- 12.4 In the event of the liquidation of the Company or termination of the Scheme, all unexercised or unvested or partially unexercised or partially unvested ESS Options and Shares Grant shall lapse.
- 12.5 An ESS Option or Shares Grant (as the case may be) shall cease to be valid without any claim against the Company upon the happening of any event which results in the Participant being deprived of the beneficial ownership of the ESS Option or Shares Grant on the date such event occurs.

- 12.6 An ESS Option or Shares Grant (as the case may be) shall cease to be valid upon termination of the Scheme pursuant to By-Law 6.
- 12.7 Upon the termination of the ESS Options and/or Shares Grant (as the case may be) pursuant to this By-Law 12, the Participant shall have no right to compensation or damages or any claim against the Company for any loss of any right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his/her ceasing to hold office or employment or from the suspension of his/her right to exercise or be vested his/her ESS Options and/or Shares Grant (as the case may be) or his/her ESS Options and/or Shares Grant (as the case may be) ceasing to be valid.
- 13. ALTERATION OF SHARE CAPITAL**
- 13.1 Notwithstanding anything contained in these By-Laws and subject to any applicable laws and the ACE Market Listing Requirements, in the event of any alteration in the capital structure of the Company prior to the Date of Expiry, whether by way of a capitalisation of profit or reserves, rights issue, reduction, subdivision or consolidation of capital or otherwise but excluding any cancellation of capital which is lost or unrepresented by available assets, the Company may in its discretion in good faith cause such adjustment to be made to the number of Systech Shares which shall be exercisable or vested under an ESS Option(s) or Shares Grant(s) and/or the Exercise Price.
- 13.2 The following provisions shall apply in relation to an adjustment which is made pursuant to By-Law 13.1:
- (a) any adjustment to the Exercise Price; and
  - (b) in determining a Participant's entitlement to subscribe for Systech Shares and/or the number of Systech Shares to be vested, of which any fractional entitlements will be disregarded.
- 13.3 By-Law 13.1 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:
- (a) an issue of new Systech Shares or other securities convertible into Systech Shares or rights to acquire or subscribe for Systech Shares in consideration or part consideration for an acquisition of any other securities, assets or business;
  - (b) a special issue of new Systech Shares to Bumiputera investors nominated by the Ministry of International Trade and Industry, Malaysia and/or other government authority to comply with the Government policy on Bumiputera capital participation;
  - (c) a private placement/restricted issue of new Systech Shares by the Company;
  - (d) an issue of new Systech Shares arising from the exercise of any conversion rights attached to securities convertible to Systech Shares or upon exercise of any other rights including warrants and/or convertible loan stocks (if any) issued by the Company;
  - (e) an issue of new Systech Shares upon the exercise of ESS Option(s) or Shares Grant(s) (if any) pursuant to the Scheme;
  - (f) any issue of Systech Shares pursuant to a dividend reinvestment scheme in accordance with the ACE Market Listing Requirements so long as it is not a Capital Distribution (as defined below) or bonus issue;
  - (g) a share buy-back arrangement by the Company, pursuant to Section 127 of the Act;
  - (h) an issue of further ESS Option(s) or Shares Grant(s) to Eligible Persons under these By-Laws; and
  - (i) any other proposals which will not result in an adjustment to the reference price of the Systech Shares and as amended from time to time by the relevant authorities such as Bursa Securities and Securities Commission Malaysia.
- 13.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part III (Division 7, Subdivision 2) of the Act, By-Law 13.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company, save that By-Law 13.3 shall be applicable in respect of such part(s) of the Scheme which involve(s) any alteration(s) in the capital structure of the Company which falls within By-Law 13.3.

- 13.5 An adjustment pursuant to By-Law 13.1 shall be made according to the following terms:
- (a) in the case of a rights issue, bonus issue or other capitalisation issue, on the next Market Day immediately following the Entitlement Date in respect of such issue; or
  - (b) in the case of a consolidation or subdivision of Systech Shares or reduction of capital, on date on which the consolidation or subdivision or capital reduction becomes effective, or such period as may be prescribed by Bursa Securities.
- 13.6 Save for any alteration in the capital structure of the Company during the duration of the Scheme arising from bonus issues, subdivision or consolidation of shares, all adjustments must be confirmed in writing by an approved company auditor or Adviser, acting as an expert and not as an arbitrator, to be in his/her opinion fair and reasonable. Such confirmation shall be final and binding on all parties. In addition, the Company shall, at the request of any Participant, furnish such Participant with a certificate from an approved company auditor or Adviser (as the case may be) to the effect that in the opinion of such approved company auditor or Adviser (as the case may be), acting as an expert and not as an arbitrator, an adjustment is fair and reasonable either generally or as regards such Participant, and such certification shall be final and binding on all parties. For the purposes of these By-Laws, an “approved company auditor” shall have the meaning given in Section 2 of the Act and shall be the external auditors for the time being of the Company or such other external auditors as may be nominated by the Board.
- 13.7 The Board shall be guided by the adjustments as provided in the Schedule in determining the adjustments to be made pursuant to this By-Law 13.
- 13.8 Upon any adjustment being made, the ESS Committee shall within ten (10) Market Days give notice in writing to the Participant, to inform him/her of the adjustment and the event giving rise thereto.
- 13.9 Notwithstanding the other provisions referred to in the Schedule, in any circumstances where the ESS Committee considers that adjustments to the Exercise Price and/or any Systech Shares relating to ESS Options and/or Shares Grant to be issued or vested as provided for under the provisions hereof should not be made, or should be or should not be calculated on a different basis or different date or that an adjustment to the Exercise Price and/or the adjustments to the number of Systech Shares to be issued or vested relating to ESS Options and/or Shares Grant should be made notwithstanding that no adjustment is required under the provisions hereof, the Company may appoint an Adviser and/or an approved company auditor to consider whether for any reasons whatever the adjustment calculation or determination to be made (or the absence of an adjustment calculation or determination) is appropriate or inappropriate as the case may be. If such Adviser and/or approved company auditor shall consider the adjustment calculation or determination to be inappropriate, the adjustments shall be modified or nullified (or an adjustment calculation or determination made even though not required to be made) in such manner as may be considered by such Adviser and/or approved company auditor to be in their opinion appropriate.

#### **14. LISTING OF NEW SHARES**

- 14.1 If at the time of allotment of the new Systech Shares pursuant to the exercise of an ESS Option or allotment of Systech Shares pursuant to a Shares Grant (if any), the Company shall make an application to Bursa Securities for its permission for the listing of the new Systech Shares so allotted in accordance with By-Law 39.4 and By-Law 43.1 (as the case may be).
- 14.2 The Company and the ESS Committee shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and however relating to the delay on the part of the Company in allotting and issuing the Systech Shares or in procuring Bursa Securities to list the Systech Shares for which the Participant(s) is entitled to.

#### **15. RETENTION PERIOD**

- 15.1 The Systech Shares to be allotted and issued or transferred to the Participant pursuant to this Scheme will not be subjected to any retention period unless otherwise as stated in the Award(s) as determined by the ESS Committee from time to time. The expression “retention period” shall mean the period in which the Systech Shares are awarded and issued pursuant to the Scheme must not be sold, transferred, assigned or otherwise disposed by the Participant(s). However, the Participant is encouraged to hold the Systech Shares as an investment rather than to realise immediate gains from disposal.
- 15.2 Notwithstanding By-Law 15.1 above, the ESS Committee shall be entitled to prescribe or impose, in relation to any Award(s), any condition relating to any retention period or restriction on transfer (if applicable) as the ESS Committee sees fit.

15.3 Notwithstanding By-Law 15.1 above, an Eligible Person who is a non-executive director must not sell, transfer or assign Systech Shares obtained through the Shares Grant and/or exercise of ESS Options within one (1) year from the Date of Offer pursuant to Paragraph 8.22 of the ACE Market Listing Requirements.

**16. ADMINISTRATION**

16.1 This Scheme shall be administered by the ESS Committee comprising such persons as shall be appointed from time to time by the Board of Systech, including but not limited to persons from the Board of Systech and/or senior management of the Systech Group, and shall ensure the respective members of ESS Committee do not participate in the deliberation or discussion of their own allocation and/or allocation to persons connected to them. The Board of Systech shall have the discretion as it deems fit to approve, rescind and/or revoke the appointment of any person in the ESS Committee.

16.2 The ESS Committee shall be vested with such powers and duties as are conferred upon it by the Board of Systech to administer the Scheme in such manner as it shall in its discretion deem fit, in accordance with the provisions set out in these By-Laws and the terms of reference which the Board of Systech may establish to regulate and govern the ESS Committee's functions and responsibilities.

16.3 Without limiting the generality of By-Law 16.2, the ESS Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any error(s) in the Award(s), enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the Scheme which the ESS Committee may in its discretion consider to be necessary or desirable for giving full effect to the Scheme, including the powers to:

- (a) subject to the provisions of the Scheme, construe and interpret the Scheme and Award(s) granted under it, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the Scheme and its administration. The ESS Committee in the exercise of this power may correct any defects, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for the Award(s) in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective; and
- (b) determine all questions of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts as are deemed necessary and/or expedient to promote the best interests of the Company.

16.4 In implementing the Scheme, the ESS Committee may at its absolute discretion decide that the Awards be satisfied by the following methods:

- (a) issuance of new Systech Shares;
- (b) acquisition of existing Systech Shares from the open market;
- (c) transfer of the Company's treasury shares, Systech Shares held by the Trustee and/or any other methods as may be permitted by the Act;
- (d) payment by cash; or
- (e) a combination of any of the above.

In considering the settlement of the Awards, the ESS Committee will take into consideration, amongst others, factors such as the prevailing market price of Systech Shares, funding considerations and dilutive effects on Systech's capital base.

16.5 Any decision or determination of the ESS Committee made pursuant to the provisions of the Scheme (other than a matter to be certified and/or approved by the approved company auditors or Adviser) shall be final, binding and conclusive (including for the avoidance of doubt, any decision pertaining to any dispute as to the interpretation of the Scheme or any rule, regulation or procedure hereunder or as to any rights under the Scheme). The ESS Committee shall not be required to furnish any reason for any decision or determination made by it except as may be required by the relevant authorities.

16.6 Neither the Scheme nor Award under the Scheme shall impose on the Company, the Board, or the ESS Committee or any of its members any liability whatsoever in connection with:

- (a) the lapse of any Award pursuant to any provision of the Scheme;
- (b) the failure or refusal by the ESS Committee to exercise, or the exercise by the ESS Committee of, any discretion under the Scheme; and/or
- (c) any decision or determination of the ESS Committee made pursuant to any provision of the Scheme.

**17. AMENDMENT AND/OR MODIFICATION TO THE SCHEME**

- 17.1 Subject to the compliance with the requirements of Bursa Securities and any other relevant authorities and their approvals being obtained (if required under the ACE Market Listing Requirements and applicable laws and regulations), the ESS Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of these 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 any of these By-Laws upon such recommendation **PROVIDED ALWAYS THAT** no additions or amendments to or deletions of these By-Laws shall be made which will:
- (a) materially prejudice any rights then accrued to any Participant without the prior consent or sanction of that Participant (as the case may be);
  - (b) increase the number of Systech Shares available under the Scheme beyond the Maximum Awards set out in By-Law 5 above;
  - (c) prejudice any rights of the shareholders of the Company without the prior approval of the Company's shareholders in a general meeting; or
  - (d) alter to the advantage of any Participant or group of Participants or all the Participants in respect of any matters which are required to be contained in these By-Laws unless allowed otherwise by the provisions of the ACE Market Listing Requirements.
- 17.2 Any amendments/modifications to these By-Laws shall not contravene any of the provisions stipulated under the ACE Market Listing Requirements and/or any other relevant regulatory authority in relation to share issuance schemes and/or share grant schemes.
- 17.3 Upon amending and/or modifying all or any of the provisions of the Scheme, the Company shall within five (5) Market Days after the effective date of the amendments caused to be submitted to Bursa Securities the amended By-Laws and a confirmation letter in the form required under the ACE Market Listing Requirements that the said amendment and/or modification complies and does not contravene any of the provisions of the ACE Market Listing Requirements on share issuance schemes and/or share grant schemes (as the case may be) and the Rules of Bursa Depository.
- 17.4 The ESS Committee shall within five (5) Market Days of any amendment and/or modification made pursuant to these By-Laws notify the Participants in writing of any amendment and/or modification made pursuant to these By-Laws.

**18. DISPUTES AND ERRORS AND OMISSIONS**

- 18.1 In the event of any dispute or difference arising between the ESS Committee and an Eligible Person or a Participant, as to any matter or thing of any nature arising hereunder, the ESS Committee shall determine such dispute or difference by a written decision (without the obligation to give any reason thereof) to the Eligible Person or the Participant, as the case may be **PROVIDED THAT** where the dispute or difference is raised by a member of the ESS Committee, the said member shall abstain from voting in respect of the decision of the ESS Committee in that instance.
- 18.2 In the event the Eligible Person or the Participant, as the case may be, shall dispute the decision made by the ESS Committee within fourteen (14) days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, provided that any Director of the Company who is also in the ESS Committee shall abstain from voting in respect of the decision and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws.
- 18.3 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 ESS Committee shall be borne by such party.

- 18.4 If in consequence of an error or omission, the ESS Committee discovers or determines that:
- (a) an Eligible Person who was selected by the ESS Committee as a Selected Person, has not been given the opportunity to participate in the Scheme on any occasion; or
  - (b) the number of Systech Shares allotted, issued, transferred or vested to any Participant on any occasion is found to be incorrect;

the ESS Committee and/or the Trustee may do all such acts and things to rectify such error or omission and ensure that the Eligible Person is given the opportunity to participate in the Scheme and/or the aggregate number of Systech Shares to which the Participant is correctly entitled to is credited into the Participant's CDS account.

**19. SCHEME NOT A TERM OF EMPLOYMENT**

This Scheme shall not form part of or constitute or in any way be construed as a term or condition of employment of any Eligible Person. This Scheme 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 Systech Group nor any rights in addition to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment. The terms of employment of an Eligible Person shall not be affected by his/ her participation in the Scheme.

**20. COSTS AND EXPENSES**

All fees, costs and expenses incurred in relation to the administration and management of the Scheme including but not limited to the fees, costs and expenses (including stamp duty, if any) relating to the grant, vesting, allotment and issue and/or transfer of the Systech Shares pursuant to the exercise or vesting of any ESS Option or Shares Grant shall be borne by the Company. Notwithstanding this, the Participant shall bear any fees, costs and expenses incurred in relation to his/ her acceptance of an Award and exercise of the ESS Option, opening and maintaining of his/ her respective CDS Account and sale of Systech Shares in the market.

**21. CONSTITUTION**

Notwithstanding the terms and conditions contained in these By-Laws, if a situation of conflict should arise between these By-Laws and the Constitution of the Company, the provisions of the Constitution of the Company shall prevail at all times save and except where such provisions of these By-Laws are included pursuant to the ACE Market Listing Requirements in which event such provisions of these By-Laws shall prevail.

**22. INSPECTION OF AUDITED ACCOUNTS**

All Participants are entitled to inspect the latest audited accounts of the Company during the normal office hours on any working day at the Registered Office of the Company.

**23. TRANSFER FROM OTHER CORPORATIONS TO THE SYSTECH GROUP**

In the event that:

- (i) a Director or an Employee who was employed in a corporation which is not within the Systech Group and is subsequently transferred from such corporation to any corporation within the Systech Group; or
- (ii) a Director or an Employee who was in the employment with a corporation which subsequently becomes a member of the Systech Group as a result of a restructuring exercise or otherwise involving Systech and/or any corporation within the Systech Group with any of the first mentioned corporation stated in (i) above;



(the first mentioned corporation in (i) and (ii) above are hereinafter referred to as the “**Previous Company**”), such a Director or an Employee of the Previous Company (“**the Affected Director/Employee**”), subject to By-Law 6, will be eligible to participate in the Scheme only for the remaining duration of the Scheme, if the affected Director or Employee becomes an “Eligible Person” within the meaning under these By-Laws, subject always to the ESS Committee’s discretion.

For the avoidance of doubt, in the event of any acquisition or incorporation of any corporation into the Systech Group pursuant to part (ii) above as a subsidiary pursuant to Section 4 of the Act, the Scheme shall apply to the Directors and Employees of such corporation on the date such corporation becomes a subsidiary of Systech Group (provided that such subsidiary is not dormant) falling within the meaning of the expression of “Eligible Person” under these By-Laws.

**24. DIVESTMENT FROM THE SYSTECH GROUP**

24.1 If a Participant who held office or was in employment with a corporation which ceases to be a corporation within the Systech Group due to a subsequently disposal or divested (in whole or in part) from the Systech Group, then such Participant:

- (a) shall cease to be capable of being vested any unvested Awards awarded to him/her under the Scheme, unless otherwise determined by the ESS Committee;
- (b) will not be entitled to exercise any unexercised vested ESS Options, unless the ESS Committee at its discretion permit such exercise of the unexercised vested ESS Option or the vesting of the unvested Awards including its allocation thereof. For the avoidance of doubt, save and except to the extent permitted by the ESS Committee, all existing Awards shall automatically lapse and be null and void and of no further force and effect, and
- (c) shall not be eligible to participate for further Awards under the Scheme.

24.2 For the purpose of By-Law 24.1, a corporation shall be deemed to be divested from the Systech Group in the event that such corporation would no longer be a subsidiary of Systech pursuant to Section 4 of the Act.

**25. TAKEOVER AND DISPOSAL OF ASSETS**

Subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant regulatory authorities, in the event of:

- (a) a take-over offer being made for the Company, under the Malaysian Code on Take-Overs and Mergers 2016 and Rules on Take-overs, Mergers and Compulsory Acquisitions (or any replacement thereof), to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the take-over offer (“**Offeror**”) or any persons acting in concert with the Offeror); or
- (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Systech Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the Participants that it intends so to exercise such rights on a specific date (“**Specified Date**”); or
- (c) the Company disposes of all or substantially all of its assets and the disposal becomes unconditional;

the ESS Committee may at its discretion to the extent permitted by law permit the vesting of the Awards and the Participant(s) will be entitled to within such period to be determined by the ESS Committee to subscribe and/or exercise all or any of his/her Awards and the Board shall use their best endeavours to procure that such a general offer be extended to the new Systech Shares that may be issued pursuant to the Award(s) under these By-Laws.

In the foregoing circumstances, all Award(s) which the ESS Committee permits to be vested and/or exercisable, shall automatically lapse and become null and void to the extent remain unvested and/or unexercised by the date prescribed by the ESS Committee notwithstanding that the Award vesting date has not commenced or has not expired.

**26. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION AND MERGER**

Notwithstanding By-Laws 39 and 41 and subject to the discretion of the ESS Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company or its amalgamation with any other corporation or corporations, including but not limited to a mandatory general take-over offer made or to be made under subsections 218(2) and 218(3) of the CMAA, the ESS Committee may at its absolute discretion decide whether a Participant may be entitled to be vested and/or to exercise all or any of his/her unvested and/or unexercised Awards at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending on the date upon which it becomes effective **PROVIDED ALWAYS THAT** no Awards shall be vested and Awards shall be subscribed and/or exercised after the expiry of the effective date of the compromise or arrangement. Upon the compromise or arrangement becoming effective, all unvested and/or unexercised Awards shall automatically lapse and shall become null and void and of no further force and effect.

**27. SUBSEQUENT EMPLOYEE SHARE SCHEMES**

Subject to the ACE Market Listing Requirements, approval of the relevant authorities and/or the shareholders of the Company and without derogating the right of the Company to implement more than one employee share scheme, share issuance scheme and/or share grant scheme under By-Law 5.4, the Company may establish a new employee share scheme, share issuance scheme and/or share grant scheme after the expiry date of this Scheme or upon termination of this Scheme.

**28. NO COMPENSATION**

28.1 No Eligible Person shall be entitled to any compensation for damages or otherwise arising from the termination of the Award(s) or this Scheme or prospective right or benefit under this Scheme pursuant to the provisions of these By-Laws.

28.2 Notwithstanding any provisions of these By-Laws:

- (a) this Scheme shall not form part of any contract of employment between the Company or any corporation within the Systech Group and any Eligible Person of any corporation of the Systech Group. The rights of any Eligible Person under the terms of his/her office and/or employment with any corporation within Systech Group shall not be affected by his/her participation in the Scheme, nor shall such participation of the Award(s) or consideration for the Award(s) afford such Eligible Person any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;
- (b) this Scheme shall not confer on any person any legal or equitable right or other rights under any other law (other than those constituting the Award(s)) against the Company or any corporation of Systech Group, directly or indirectly, or give rise to any course of action in law or in equity or under any other law against any corporation within Systech Group;
- (c) no Participant(s) or his/her legal representative (as the case may be) shall bring any claim, action or proceeding against any corporation of Systech Group, their directors, the ESS Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/cancellation of his/her rights to his/her Award(s) or his/her Award(s) ceasing to be valid pursuant to the provisions of these By-Laws; and
- (d) the Company, the Board (including Directors that had resigned but were on the Board during the duration of the Scheme), the Trustee or the ESS Committee shall in no event be liable to the Participant(s) or his/her legal representative (as the case may be) or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation lost profits or savings, directly or indirectly arising from the breach or non-performance of these By-Laws or any loss suffered by reason of any change in the price of the Systech Shares or from any other cause whatsoever whether known or unknown, contingent, absolute or otherwise, whether based in contract, tort, equity, indemnity, breach of warranty or otherwise and whether pursuant to common law, statute, equity or otherwise, even if any corporation of Systech Group, the Board or the ESS Committee has been advised of the possibility of such damage.

**29. TAXES**

All costs, fees, levies, charges and/or taxes (including, without limitation, income tax), if any, arising from the acceptance and vesting of the Systech Shares pursuant to the Shares Grant(s) and/or exercising of the ESS Option(s) under the Scheme shall be borne by the Participant(s) for his own account and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

**30. WINDING UP**

All outstanding ESS Options and Shares Grant shall be automatically terminated in the event that a resolution is passed or a court order is made for the winding up of the Company.

**31. SEVERABILITY**

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

**32. GOVERNING LAW AND JURISDICTION**

32.1 These By-Laws shall be governed by and construed in accordance with the laws of Malaysia and the Participant shall submit to the exclusive jurisdiction of the Courts of Malaysia in all matters connected with the obligations and liabilities of the parties hereto under or arising out of these By-Laws.

32.2 Any proceeding or action shall be instituted or taken in Malaysia and the Participant irrevocably and unconditionally waives any objection on the ground of venue or forum non-convenience or any other grounds.

32.3 Any Award made to Eligible Persons pursuant to the Scheme shall be valid strictly in Malaysia only and shall not be deemed to be made or offered in any country or jurisdiction other than Malaysia unless specifically mentioned otherwise by the ESS Committee in the Award.

32.4 In order to facilitate and Award (and/or the benefit thereof) under this Scheme, the ESS Committee may provide for such special terms to the Eligible Persons who are employed or appointed by any corporation in the Systech Group in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, as the ESS Committee may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction.

32.5 The ESS Committee may further approve such supplements to or amendments, restatements or alternative versions of the Scheme as it may consider necessary or appropriate for such purposes without affecting the terms of the Scheme as in effect for any other purpose, and the secretary of the Company or any other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the Scheme. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Scheme, as then in effect unless this Scheme has been amended to eliminate such inconsistency. Notwithstanding the above, any Award offered to such Selected Person pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the ESS Committee in the Award.

32.6 No action has been or will be taken by the Company to make the Scheme valid in any country or jurisdiction other than Malaysia or to ensure compliance of the Award with all applicable laws and regulations in any other country or jurisdiction other than Malaysia. No action has or will be taken also by the Company to ensure compliance by the Selected Person to whom the Award is offered, with all applicable laws and regulations in such other country or jurisdiction in which the Eligible Person accepts the Award or be vested the new Systech Shares under the Award.

32.7 Any Selected Person to whom the Award is offered is required to ensure that they comply with all applicable laws and regulations in each country or jurisdiction in or from which they accept the Award or be vested the Systech Shares under the Award. By their acceptance of the Award, each Participant has represented, warranted and agreed that they have and will continue to observe all applicable laws and regulations in the jurisdiction in which they accept the Award and/or be vested the Systech Shares under the Award.

**33. NOTICE**

33.1 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person, Selected Person or the Participant pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given:

- (a) if it is sent by ordinary post by the Company to the Eligible Person, Selected Person or the Participant at the last address known to the Company as being his/her address, such notice shall be deemed to have been received three (3) Market Days after posting;
- (b) if it is given by hand to the Eligible Person, Selected Person or the Participant, such notice or request shall be deemed to have been received on the date of delivery; and
- (c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person, Selected Person or the Participant, such notice or request shall be deemed to have been received upon confirmation or notification received after the sending of notice or request by the Company.

Any change of address of the Eligible Person, Selected Person or the Participant shall be communicated in writing to the Company and the ESS Committee.

33.2 Any certificate, notification, correspondence or other notice required to be given to the Company or the ESS Committee shall be properly given if in writing and sent by registered post or delivered by hand (with acknowledgement of receipt) to the Company at its business address at B-01-08, Tower B, The Vertical Business Suite, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur Wilayah Persekutuan or any other business address which may be notified in writing by the ESS Committee from time to time.

33.3 Notwithstanding By-Law 33.1, where any notice is required to be given by the Company or the ESS Committee under these By-Laws in relation to matters which may affect all the Eligible Persons or Participants, as the case may be, the Company or the ESS Committee may give notice through an announcement to all Employees of the Systech Group to be made in such manner deemed appropriate by the ESS Committee. Upon the making of such an announcement, the notice to be made under By-Law 33.1 shall be deemed to be sufficiently given, served or made to all affected Eligible Person or Participants, as the case may be.

**34. DECISION OF ESS COMMITTEE**

34.1 Any decision made by the ESS Committee under these By-Laws shall, save for any manifest or error, be final and binding.

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**PART B: ESS OPTIONS**

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**35. AWARD OF ESS OPTIONS**

- 35.1 The ESS Committee may, at any time during the duration of the Scheme as defined in By-Law 6, offer ESS Options (whether on an annual basis or otherwise at the sole and absolute discretion of the ESS Committee) in writing to any Selected Person (based on the criteria of allocation as set out in By-Law 8) selected by the ESS Committee which selection shall be at the absolute discretion of the ESS Committee and the Company shall make the requisite announcements in respect thereof to Bursa Securities.
- 35.2 The actual number of Systech Shares arising from the exercise of the ESS Options, which may be offered to a Selected Person shall be at the sole and absolute discretion of the ESS Committee and, subject to any adjustments that may be made under By-Law 13, shall not be less than one hundred (100) Systech Shares but not more than the Maximum Allowable Allocation and shall always be in multiples of one hundred (100) Systech Shares.
- 35.3 An Award of ESS Options may be made upon such terms and conditions as the ESS Committee may decide from time to time. Each Award of ESS Options shall be made in writing and is personal to the Selected Person and is non-assignable and non-transferable.
- 35.4 The ESS Committee may state the following particulars in the Award Letter (where applicable):
- (a) the number of ESS Options that are being offered to the Selected Person;
  - (b) the number of Systech Shares which the Selected Person shall be entitled to upon the vesting and exercise of the ESS Options being offered;
  - (c) the ESS Period;
  - (d) the Exercise Period;
  - (e) the Exercise Price;
  - (f) the Validity Period as defined in By-Law 36.1;
  - (g) whether the ESS Options is conditional, any vesting, service and/or performance conditions ("**Vesting Conditions**"), the performance period, service period, vesting period, and vesting date(s) but in any event such period(s) and date(s) shall not be later than the Date of Expiry; and
  - (h) any other information deemed necessary by the ESS Committee.
- 35.5 Without prejudice to By-Laws 17 and 18, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 35.4, the following provisions shall apply:
- (a) within one (1) month after discovery of the error, the Company shall issue a supplemental Award Letter, stating the correct particulars referred to in By-Law 35.4;
  - (b) in the event that the error relates to particulars other than the Exercise Price, the Exercise Price applicable in the supplemental Award Letter shall remain as the Exercise Price as per the original Award Letter; and
  - (c) in the event that the error relates to the Exercise Price, the Exercise Price applicable in the supplemental Award Letter shall be the Exercise Price applicable as at the date of the original Award Letter, save and except with respect to any ESS Option which have already been exercised as at the date of issue of the supplemental Award Letter.
- 35.6 Subject to By-Law 35, nothing herein shall prevent the ESS Committee from making more than one (1) Award of ESS Options to any Selected Person **PROVIDED ALWAYS THAT** the total aggregate number of Systech Shares which may be offered to any Selected Person (inclusive of Systech Shares previously offered under the Scheme, if any) shall not exceed the Maximum Allowable Allocation of that Selected Person as set out in By-Law 8.

- 35.7 The ESS Committee has the discretion not to make further additional Awards of ESS Options. Subject to the above limit, each Award of ESS Options made to any Selected Person by the ESS Committee shall be separate and independent from any previous or later Award of ESS Options made by the ESS Committee to that Selected Person.
- 35.8 The Awards of ESS Options shall automatically lapse and be null and void in the event of the death of the Selected Person or cessation of employment or contract services of the Selected Person for any reason whatsoever prior to the acceptance of the Awards of ESS Options by the Selected Person in the manner set out in By-Law 36.
- 35.9 After each adjustment following an alteration of the Company's share capital as stipulated in By-Laws 13.1 and 13.2 and the Company informing the Participant of such adjustment pursuant to By-Law 13.8, upon the return by a Participant of the original Award Letter to the Company, that letter shall be amended or a new Award Letter shall be issued within one (1) month from the date of return of the original Award Letter, to reflect the adjustment made to the number of ESS Options granted to the Participant and/or the Exercise Price.
- 35.10 The ESS Committee may, by giving notice in writing to the Selected Person, vary or waive the terms of any Vesting Condition, performance period, service period, vesting period or other conditions.
- 35.11 The Company shall keep and maintain at its own expense a register of Participants and shall enter the names, addresses and identity card issued under the National Registration Act 1959, or passport numbers or other identification number, and the nationality of the Participants, the Maximum Allowable Allocation, the number of ESS Options offered, the number of ESS Options accepted and exercised, the Date of Offer and the exercise price and other particulars as may be prescribed under Section 129 of the Act.
- 35.12 For the avoidance of doubt, there shall be no legal, equitable or other obligation whatsoever on the part of the ESS Committee to consider making, or to make, any Award of ESS Options to any or all of the Eligible Persons.
- 35.13 The ESS Committee shall have the absolute discretion in determining whether the Awards of ESS Options will be granted in one (1) single award or on a staggered basis and/or in several tranches over the duration of the Scheme.
- 35.14 Each vested ESS Option shall be exercisable into one (1) Systech Share, fully issued and paid-up, in accordance with the provisions of these By-Laws.

### **36. ACCEPTANCE OF THE AWARD OF ESS OPTIONS**

- 36.1 An Award of ESS Option(s) shall be valid for a period of thirty (30) calendar days from the Date of Offer or such period as the ESS Committee at its discretion, determines on a case-to-case basis ("**Validity Period**"). Acceptance of the said Award of ESS Options by a Selected Person shall be made by way of a written notice from the Selected Person to the ESS Committee in the form prescribed by the ESS Committee and accompanied by the payment of Ringgit Malaysia One (RM1.00) only as non-refundable consideration for the acceptance of each Award of ESS Options (regardless of the number of shares comprised therein).
- 36.2 In the event that the Selected Person fails to accept the Award of ESS Options or pay the acceptance consideration as set out in By-Law 36.1 within the Validity Period and in the manner aforesaid, or in the event of death or cessation of employment of the Selected Person or the Selected Person becomes a bankrupt prior to his/her acceptance of the Award(s) of ESS Options, the said Award of ESS Options shall be deemed to have lapsed. The Award(s) of ESS Options may, at the discretion of the ESS Committee, be re-offered to the same or other Selected Person.
- 36.3 Upon acceptance of the Award(s) of ESS Options by the Selected Person(s), the Award(s) of ESS Options will be vested to the Participant(s) on the vesting date during the duration of the Scheme, subject to the Participant(s) fulfilling the Vesting Condition(s), if any, as determined by the ESS Committee.
- 36.4 The date of receipt by the ESS Committee of such form together with the money shall be the date of acceptance of the Offer by the Selected Person, provided that the Scheme is not terminated pursuant to the By-Laws.

**37. EXERCISE PRICE**

37.1 The Exercise Price of each Share comprised in any ESS Option shall be:

- (a) the weighted average market price of the Systech Shares for the five (5) Market Days at the Date of Offer less a discount of not more than ten per centum (10%) therefrom or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time; or
- (b) such minimum price payable for shares under a share issuance scheme as may be permitted by the provisions of the Act and the ACE Market Listing Requirements;

as determined by the Board upon recommendation of the ESS Committee which shall be binding and conclusive.

37.2 The Exercise Price shall be subject to any adjustments provided under By-Law 13.

**38. VESTING CONDITIONS**

38.1 Subject to By-Laws 6, 7 and 38.2, the ESS Option(s) or such part thereof will only vest to the Participant on the vesting date(s) if:

- (a) the Participant remains in employment by or appointment in the Systech Group as at the vesting date; and
- (b) the other Vesting Conditions (if any) are fully and duly satisfied.

38.2 The ESS Committee shall have the discretion to determine whether any Vesting Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the ESS Committee shall have the right to make reference to (among others) the audited results of the Systech Group, to take into account such factors as the ESS Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, to amend any Vesting Conditions if the ESS Committee decides that a changed performance target would be a fairer measure of performance.

38.3 Where the ESS Committee has made the determination that the Vesting Conditions and all other stipulated conditions have been fulfilled (whether fully or partially) pursuant to the ESS Option, the ESS Committee shall notify the Participant of the number of ESS Options vested and the vesting date of such ESS Option. No Participant shall have any right to exercise any ESS Options granted to the Participant until the ESS Options are vested on the Participant pursuant to these By-Laws. The decision and/or determination of the ESS Committee on the vesting of the ESS Option on the Participant pursuant to these By-Laws shall be final and conclusive.

38.4 Unless otherwise determined by the ESS Committee if the Vesting Conditions are not fulfilled in accordance with the period as set out in the Award Letter, that ESS Option(s) shall lapse and be of no value.

**39. EXERCISE OF ESS OPTIONS**

39.1 Subject to By-Laws 39.2 and 39.7, an ESS Option can be exercised by the Participant by notice in the prescribed form to the Company on the first or fifteenth of every month during the Exercise Period in respect of all or any part of the Systech Shares comprised in the ESS Option, such part being in multiples of one hundred (100) Systech Shares. For the avoidance of doubt, if the first or fifteenth day of any month shall fall on a day which is not a Market Day, then the notice in writing by the Participant to the Company shall be submitted on the Market Day immediately following the first or fifteenth of the said month. Any partial exercise of an ESS Option shall not preclude the Participant from exercising the ESS Option in respect of the balance of the Systech Shares comprised in the ESS Option. In the event that a Participant's balance of ESS Option(s) exercisable in accordance with these By-Laws shall be less than one hundred (100) new Systech Shares, the said balance shall, if exercised, be exercised in a single tranche.

- 39.2 Subject to By-Laws 13 and 17, the ESS Committee may, at any time and from time to time, before and after an ESS Option is granted, limit the exercise of the ESS Option to a maximum number of Systech Shares and/or such percentage of the total Systech Shares comprised in the ESS Option during such periods within the ESS Period, subject to the exercise of the ESS Option to any Vesting Condition determined by the ESS Committee at its sole and absolute discretion including but not limited to performance/ service targets being achieved before an ESS Option(s) can be exercised and/or impose any other terms and/or conditions (including the time period to exercise the ESS Option) as the ESS Committee may, in its sole discretion deem appropriate including amending or varying any terms or conditions imposed earlier.
- 39.3 Every such notice to exercise the ESS Option referred to in By-Law 39.1 shall be accompanied by a remittance in RM in the form of a bankers' draft or cashiers' order drawn and payable in Malaysia or any other from acceptable to the ESS Committee for the full amount of subscription monies (calculated in accordance with the provisions of By-Law 39) in relation to the number of Systech Shares in respect of which the written notice is given.
- 39.4 The Company shall allot and issue such new Systech Shares and/or transfer from its treasury shares to the Participant in accordance with the provisions of the Company's Constitution, the Central Depositories Act and the Rules of Bursa Depository, despatch the notice of allotment or transfer to the Participant and make an application for the listing of the new Systech Shares within eight (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.
- 39.5 The ESS Committee, the Board of Systech and the Company shall not under any circumstances whatsoever be liable for any costs, expenses, charges and damages whatsoever and howsoever arising whether arising directly or indirectly from any delay on the part of the Company in allotting and issuing of the new Systech Shares and/or transferring from its treasury shares or in procuring Bursa Securities to list the new Systech Shares for which the Participant is entitled to subscribe or otherwise or any delay in receipt or non-receipt by the Company of the notice to exercise the ESS Option or for any errors in any Award of ESS Options or any other matters or dealings which are outside the control of the Company, the Board and/or the ESS Committee.
- 39.6 The Participant who exercises his/her ESS Option shall provide the ESS Committee with his/her CDS Account number or the CDS Account number of his/her Authorised Nominee, as the case may be, in the notice referred to in By-Law 39.1. The Systech Shares to be issued and/or transferred pursuant to the exercise of an ESS Option will be credited directly into the CDS Account of the Participant or his/her Authorised Nominee, as the case may be and a notice of allotment stating the number of shares credited into such CDS Account will be issued and/or transferred to the Participant within eight (8) Market Days from the receipt by the Company of the written notice of exercise of the ESS Option together with the requisite remittance of monies or such other period as may be prescribed or allowed by Bursa Securities and no physical share certificate will be issued.
- 39.7 In the event that an Participant is subject to a performance improvement plan ("PIP")/ disciplinary proceedings (whether or not such PIP/disciplinary proceedings will give rise to a dismissal or termination of service) the ESS Committee shall have the right, to suspend the Participant's ESS Option from being vested and/or exercised pending the achievement of the stipulated improvement plan targets by the Participant/ the outcome of such disciplinary proceedings. The ESS Committee may impose such terms and conditions as the ESS Committee shall deem appropriate having regard to the nature of the PIP/charges made or brought against the Participant **PROVIDED ALWAYS THAT:**
- (a) in the event that such Participant shall subsequently achieve the stipulated improvement plan targets/be found not guilty of the charges which give rise to such disciplinary proceedings, the ESS Committee shall reinstate the rights of such Participant to be vested and/or to exercise his/her vested ESS Option;
  - (b) in the event the Participant fails to achieve the stipulated improvement plan targets/disciplinary proceedings result in a recommendation for the dismissal or termination of service of such Participant, the ESS Option (whether or not vested) shall immediately cease without notice and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of service of such Participant notwithstanding that such recommendation may be subsequently challenged by the Participant in any other forum; and



- (c) in the event such Participant only partially achieves the stipulated improvement plan targets/is found guilty but not dismissed or termination of service is not recommended, the ESS Committee shall have the right to determine at its discretion whether or not the Participant may continue to be vested and/or to exercise his/her ESS Option and/or adjust such number of ESS Options to be vested and if so, to impose such limits, terms and conditions as it deems appropriate, on such vesting and/or exercise.

The ESS Committee may, after a warning /caution letter has been issued to an Participant by the relevant corporation within the Systech Group suspend the Participant's ESS Option from being vested and/or exercised until such time as the ESS Committee determines at its discretion whether or not the Participant may continue to be vested and/or exercise his/her ESS Option and if so, whether to impose such limits, terms and conditions as the ESS Committee deems appropriate, on such vesting and/or exercise.

For the purpose of this By-Laws, an Participant shall be deemed to be subject to "disciplinary proceedings" if:

- (i) he/ she is suspended from work pending investigation into his/ her conduct;
- (ii) he/ she is issued with a letter requiring him/ her to attend an internal domestic inquiry; or
- (iii) such other instances as the ESS Committee may deem as being subject to disciplinary proceedings.

- 39.8 All ESS Options to the extent unexercised and/or unvested on the expiry or earlier termination of the ESS Period applicable thereto shall lapse.
- 39.9 Any failure to comply with the procedures specified by the ESS Committee or to provide information as required by the Company in the notice to exercise or inaccuracy in the CDS Account number provided shall result in the notice to exercise being rejected at the discretion of the ESS Committee. The ESS Committee shall inform the Participant of the rejection of the notice of exercise within ten (10) Market Days from the date of rejection and the Participant shall not have deemed to have exercised his/her ESS Option.
- 39.10 The Company, the Board and the ESS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities whatsoever and howsoever arising in the event of any delay on the part of the Company in allotting and issuing or crediting the Systech Shares or in procuring the relevant authorities to list and quote the Systech Shares subscribed for by an Participant (where applicable) or any delay in receipt or non-receipt by the Company of the notice to exercise the ESS Options or for any errors in any ESS Options or any other matters or dealings which are outside the control of the Company, the Board and/or the ESS Committee.
- 39.11 Every ESS Option shall be subjected to the condition that no Systech Shares shall be vested, issued, transferred and/or credited pursuant to the exercise of an ESS Option if such vesting, issue, transfer and/or crediting would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the ESS Period or such period as may be extended.
- 39.12 In implementing this Scheme but subject to the Act, ACE Market Listing Requirements, Constitution and the applicable laws, the ESS Committee may at its absolute discretion decide that the ESS Option be satisfied by the following methods:
  - (a) issuance of new Systech Shares;
  - (b) acquisition of existing Systech Shares from the open market;
  - (c) transfer of Systech's treasury shares (if any) or any other methods as may be permitted by the Act; or
  - (d) payment by cash; or
  - (e) a combination of any of the above.

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**PART C: SHARES GRANT**

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**40. SHARES GRANT**

- 40.1 The ESS Committee may, at any time during the duration of the Scheme as defined in By-Law 6, grant a Shares Grant(s) (whether on an annual basis or otherwise at the sole and absolute discretion of the ESS Committee) in writing to any Eligible Person (based on the criteria of allocation as set out in By-Law 8) selected by the ESS Committee which selection shall be at the absolute discretion of the ESS Committee and the Company may make the requisite announcements in respect thereof to Bursa Securities.
- 40.2 The actual number of Systech Shares which may be offered to an Eligible Person shall be at the sole and absolute discretion of the ESS Committee and, subject to any adjustments that may be made under By-Law 13, shall not be less than one hundred (100) Systech Shares but not more than the Maximum Allowable Allocation and shall always be in multiples of one hundred (100) Systech Shares.
- 40.3 A Shares Grant may be made upon such terms and conditions as the ESS Committee may decide from time to time. Each Shares Grant shall be made in writing and is personal to the Selected Person and is non-assignable and non-transferable.
- 40.4 The ESS Committee may state the following particulars in the Award Letter (where applicable):
- (a) the number of Systech Shares to be granted to the Selected Person;
  - (b) the ESS Period;
  - (c) the Date of Offer;
  - (d) whether the Shares Grant is conditional, the Vesting Conditions, the performance period, service period, vesting period, and vesting date(s) but in any event such period(s) and date(s) shall not be later than the Date of Expiry; and
  - (e) any other information deemed necessary by the ESS Committee.
- 40.5 The ESS Committee shall notify each Participant of the Shares Grant of such performance targets, performance period, service period, vesting period, Vesting Conditions, vesting date(s) or such other conditions to be stipulated by the ESS Committee and the number of Systech Shares vested onto him/her on the vesting dates PROVIDED THAT there may be excluded from such notice any information the disclosure of which the ESS Committee shall reasonably consider would prejudice confidentiality.
- 40.6 Without prejudice to By-Laws 17 and 18, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Laws 40.4 and/or 40.5, the Company shall issue a supplemental Award Letter, stating the correct particulars referred to in By-Law 40.4 and/or 40.5 within one (1) month after discovery of the error.
- 40.7 Subject to By-Law 40, nothing herein shall prevent the ESS Committee from making more than one (1) Shares Grant to any Selected Person **PROVIDED ALWAYS THAT** the total aggregate number of Systech Shares which may be offered to any Selected Person (inclusive of Systech Shares previously offered under the Scheme, if any) shall not exceed the Maximum Allowable Allocation of that Selected Person as set out in By-Law 8.
- 40.8 The ESS Committee has the discretion not to make further additional Shares Grant. Subject to the above limit, each Shares Grant made to any Selected Person by the ESS Committee shall be separate and independent from any previous or later Award made by the ESS Committee to that Selected Person.
- 40.9 The Shares Grant shall automatically lapse and be null and void in the event of the death of the Selected Person or the Selected Person ceasing to be employed by the Systech Group for any reason whatsoever prior to the acceptance of the Shares Grant by the Selected Person in the manner set out in By-Law 41.
- 40.10 After each adjustment following an alteration of the Company's share capital as stipulated in By-Laws 13.1 and 13.2 and the Company informing the Participant of such adjustment pursuant to By-Law 13.8, upon the return by an Participant of the original Award Letter to the Company, that letter shall be amended or a new Award Letter shall be issued within one (1) month from the date of return of the original Award Letter, to reflect the adjustment made to the number of Systech Shares granted to the Participant.

- 40.11 The ESS Committee may, by giving notice in writing to the Eligible Person, vary or waive the terms of any Vesting Condition, performance period, service period, vesting period or other conditions.
- 40.12 For the avoidance of doubt, there shall be no legal, equitable or other obligation whatsoever on the part of the ESS Committee to consider making, or to make, any Shares Grant to any or all of the Eligible Persons.
- 40.13 The ESS Committee shall have the absolute discretion in determining whether the Shares Grant will be granted in one (1) single award or on a staggered basis and/or in several tranches over the duration of the Scheme.

**41. ACCEPTANCE OF THE SHARES GRANT**

- 41.1 A Shares Grant shall be valid for a period of thirty (30) calendar days from the Date of Offer or such period as the ESS Committee at its discretion, determines on a case-to-case basis (“**Validity Period**”). Acceptance of the said Shares Grant by the Selected Person shall be made by way of a written notice from the Selected Person to the ESS Committee in the form prescribed by the ESS Committee and accompanied by the payment of Ringgit Malaysia One (RM1.00) only as non-refundable consideration for the acceptance of each Shares Grant (regardless of the number of shares comprised therein).
- 41.2 In the event that the Selected Person fails to accept the Shares Grant or pay the acceptance consideration as set out in By-Law 41.1 within the Validity Period and in the manner aforesaid, or in the event of death or cessation of employment of the Selected Person or the Selected Person becomes a bankrupt prior to his/her acceptance of the Shares Grant(s), the said Shares Grant shall be deemed to have lapsed. The Systech Shares comprised in such Shares Grant(s) may, at the discretion of the ESS Committee, be re-offered to other Selected Person.
- 41.3 Upon acceptance of the Shares Grant(s) by the Selected Person(s), the Shares Grant(s) will be vested to the Participant(s) on the Shares Grant vesting date during the duration of the Scheme, subject to the Participant(s) fulfilling the Vesting Condition(s), if any, as determined by the ESS Committee.

**42. VESTING CONDITIONS**

- 42.1 Subject to By-Laws 6, 7 and 42.2, the Systech Shares comprised in the Shares Grant or such part thereof will only vest to the Participant on the vesting date(s) if:
- (a) the Participant remains in employment with the Systech Group as at the vesting date; and
  - (b) the other Vesting Conditions (if any) are fully and duly satisfied.
- 42.2 The ESS Committee shall have the discretion to determine whether any Vesting Condition has been satisfied (whether fully or partially) or exceeded, and in making any such determination, the ESS Committee shall have the right to make reference to (among others) the audited results of the Systech Group, to take into account such factors as the ESS Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, to amend any Vesting Conditions if the ESS Committee decides that a changed performance target would be a fairer measure of performance.
- 42.3 Where the ESS Committee has made the determination that the Vesting Conditions and all other stipulated conditions have been fulfilled (whether fully or partially) pursuant to the Shares Grant, the ESS Committee shall notify the Participant of the number of Systech Shares vested or which will be vested to the Participant on the vesting date of such Systech Shares. The ESS Committee shall also have the sole and absolute discretion to settle the vesting of the Shares by way of cash to a Participant. No Participant shall have any right to or interest in the Systech Shares granted to him unless and until the Systech Shares are vested in him on and with effect from the date of vesting of the said Systech Shares. The decision and/or determination of the ESS Committee on the vesting of the Systech Shares on the Participant pursuant to these By-Laws shall be final and conclusive.
- 42.4 Unless otherwise determined by the ESS Committee if the Vesting Conditions are not fulfilled in accordance with the period as set out in the Award Letter, that Shares Grant shall lapse and be of no value.
- 42.5 For the avoidance of doubt and subject to By-Law 41.1, the Systech Shares will vest with the Participants at no cost to the Participants upon fulfilment of the Vesting Conditions and all other conditions as stipulated Clause 42.2 (if any).

**43. DELIVERY OF SYSTECH SHARES**

- 43.1 In respect of Systech Shares which are vested onto a Participant pursuant to By-Law 42, the Company within eight (8) Market Days after the receipt of the Participant's notice of his/her CDS Account number pursuant to By-Law 42.3 and By-Law 43.3 (or such other period as may be prescribed or allowed by Bursa Securities), credit such Systech Shares to the Participant's CDS Account or his/her authorised nominee, in accordance with the provisions of the Company's Constitution, the Central Depositories Act and the Rules of Bursa Depository, despatch the notice stating such number of Systech Shares credited into the CDS Account of the Participant or his/her authorised nominee. Where new Systech Shares are to be allotted and issued following the vesting, the Company shall allot and issue and/or transfer such Systech Shares to the Participant in accordance with the provisions of the Company's Constitution, the Central Depositories Act and the Rules of Bursa Depository, despatch the notice of allotment or transfer to the Participant and make an application for the listing of the new Systech Shares.
- 43.2 The ESS Committee, the Board of Systech and the Company shall not under any circumstances whatsoever be liable for any costs, expenses, charges and damages whatsoever and howsoever arising whether arising directly or indirectly from any delay on the part of the Company in crediting the Systech Shares or in procuring the relevant authorities to list and quote the Systech Shares vested to a Participant (where applicable) or any delay in receipt or non-receipt by the Company of the notice or for any errors in any Shares Grant or any other matters or dealings which are outside the control of the Company, the Board and/or the ESS Committee.
- 43.3 The Participant shall provide the ESS Committee with his/her CDS Account number or the CDS Account number of his/her Authorised Nominee, as the case may be. The Systech Shares to be credited pursuant to the vesting will be credited directly into the CDS Account of the Participant or his/her Authorised Nominee, as the case may be and a notice stating the number of shares credited into such CDS Account will be issued to the Participant and no physical share certificate will be issued.
- 43.4 In the event that a Participant is subject to a PIP/ disciplinary proceedings (whether or not such PIP/disciplinary proceedings will give rise to a dismissal or termination of service) the ESS Committee shall have the right, to suspend the Participant's Shares Grant from being vested pending the achievement of the stipulated improvement plan targets by the Participant/ the outcome of such disciplinary proceedings. The ESS Committee may impose such terms and conditions as the ESS Committee shall deem appropriate having regard to the nature of the PIP/charges made or brought against the Participant **PROVIDED ALWAYS THAT:**
- (a) in the event that such Participant shall subsequently achieve the stipulated improvement plan targets/be found not guilty of the charges which give rise to such disciplinary proceedings, the ESS Committee shall reinstate the rights of such Participant to continue to hold or be vested his/her Shares Grant;
  - (b) in the event the Participant fails to achieve the stipulated improvement plan targets/disciplinary proceedings result in a recommendation for the dismissal or termination of service of such Participant, the Shares Grant shall immediately cease without notice and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of service of such Participant notwithstanding that such recommendation may be subsequently challenged by the Participant in any other forum; and
  - (c) in the event such Participant only partially achieves the stipulated improvement plan targets/ is found guilty but not dismissed or termination of service is not recommended, the ESS Committee shall have the right to determine at its discretion whether or not the Participant may continue hold or be vested his/her Shares Grant and/or adjust such number of Shares Grant to be vested and if so, to impose such limits, terms and conditions as it deems appropriate, on such vesting.

The ESS Committee may, after a warning /caution letter has been issued to a Participant by the relevant corporation within the Systech Group suspend the Participant's Shares Grant from being vested until such time as the ESS Committee determines at its discretion whether or not the Participant may continue to be vested Systech Shares under his/her Shares Grant and if so, whether to impose such limits, terms and conditions as the ESS Committee deems appropriate, on such vesting.

For the purpose of this By-Laws, an Participant shall be deemed to be subject to "disciplinary proceedings" if:

- (i) he/ she is suspended from work pending investigation into his/ her conduct;
- (ii) he/ she is issued with a letter requiring him/ her to attend an internal domestic inquiry; or

- (iii) such other instances as the ESS Committee may deem as being subject to disciplinary proceedings.
- 43.5 All Shares Grant to the extent unvested on the expiry or earlier termination of the ESS Period applicable thereto shall lapse.
- 43.6 The Company, the Board and the ESS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities whatsoever and howsoever arising in the event of any delay on the part of the Company in crediting the Systech Shares or in procuring the relevant authorities to list and quote the Systech Shares subscribed for by a Participant (where applicable) or any delay in receipt or non-receipt by the Company of the notice or for any errors in any Shares Grant or any other matters or dealings which are outside the control of the Company, the Board and/or the ESS Committee.
- 43.7 Every Shares Grant shall be subjected to the condition that no Systech Shares shall be vested and/or credited pursuant to a Shares Grant if such vesting and/or crediting would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the ESS Period or such period as may be extended.

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**THE SCHEDULE**

In addition to By-Law 13.1 and not in derogation thereof, the Exercise Price and the number of Systech Shares relating to the ESS Option so far unvested and/or unexercised and/or relating to a Shares Grant in so far as unvested shall from time to time be adjusted by the ESS Committee in accordance with the following relevant provisions in consultation with an Adviser and/or an approved company auditor:

- (a) If and whenever a Systech Share by reason of any consolidation or subdivision (including if so permitted by the relevant authorities, a subdivision by way of a bonus issue by the Company of Systech Shares without capitalisation of profits or reserves) or conversion occurs, the Exercise Price shall be adjusted and the adjusted number of Systech Shares relating to the ESS Option / Shares Grant (where applicable) to be issued or transferred shall be calculated in accordance with the following formula:

$$(i) \quad \text{New Exercise Price} = \frac{S \times L}{M}$$

$$(ii) \quad \text{Adjusted number of Systech Shares} = \frac{T \times M}{L}$$

Where:

L = the aggregate number of Systech Shares in issue and fully paid-up immediately prior to the consolidation or subdivision or conversion; and

M = the aggregate number of Systech Shares in issue and fully paid-up immediately after such consolidation or subdivision or conversion; and

S = existing Exercise Price; and

T = Existing number of Systech Shares relating to the ESS Option/ Shares Grant; and

Each such adjustment will be effective from the day on which the consolidation or subdivision or conversion becomes effective.

- (b) If whenever the Company shall make any issue of Systech Shares to ordinary shareholders for which no consideration is payable or which are credited as fully paid, by way of capitalisation of profits or reserves (other than an issue of Ordinary Shares to its members who had an option to take cash or other dividend in lieu of the relevant Ordinary Shares), the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the adjusted number of Systech Shares relating to the ESS Option to be issued / the additional number of Systech Shares to be vested and transferred under the Shares Grant shall be calculated as follows:

$$\text{Adjusted number of Systech Shares} = \frac{T \times (A + B)}{A}$$

where

A = the aggregate number of issued and fully paid-up Systech Shares on the Entitlement Date immediately before such capitalisation;

B = the aggregate number of Systech Shares to be issued pursuant to any allotment to ordinary shareholders credited as fully paid by way of capitalisation of profits or reserves (other than an issue of Ordinary Shares to its members who had an option to take cash or other dividend in lieu of the relevant Ordinary Shares);

S = as above.

T = as above.

**APPENDIX VIII – DRAFT BY-LAWS IN RELATION TO THE PROPOSED ESS (CONT'D)**

Each such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

(c) If and whenever the Company shall make:

- (i) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (save and except any capital reduction involving the cancellation of capital which is lost or unrepresented by available assets or involving any purchase by the Company of its own Ordinary Shares in accordance with the Companies Act 2016 (Act 777) and all other applicable laws and regulations); or
- (ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for Systech 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 Systech Shares or securities with rights to acquire or subscribe for Systech 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 Clause (c)(ii) above, the adjusted number of Systech Shares comprised in the ESS Option to be issued / the adjusted number of Systech Shares to be vested and transferred under a Shares Grant shall be calculated as follows:

$$\text{Adjusted Number of Systech Shares} = T \times \left[ \frac{C}{C-D^*} \right]$$

where

T = as above;

C = the Current Market Price of each 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 announcement of the Entitlement Date of the Capital Distribution or, as the case may be, of the offer or invitation; and

D = (i) in the case of an offer or invitation to acquire or subscribe for Systech Shares by way of rights under Clause (c)(ii) above or for securities convertible into Systech Shares or securities with rights to acquire or subscribe for Systech Shares under Clause (c)(iii) above, the value of rights attributable to one (1) Share (as defined below); or

(ii) in the case of any other transaction falling within Clause (c), the fair market value, as determined by the Adviser and/or an approved company auditor, of that portion of the Capital Distribution attributable to one (1) Share.

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

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

where:

C = as C above;

E = the subscription consideration for one (1) additional Share under the terms of such offer or invitation or subscription price for one (1) additional Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Share under the offer or invitation;

- F = the number of Systech Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or security convertible into rights to acquire or subscribe for one (1) additional Share; and
- D\* = the value of rights attributable to one (1) Share (as defined below).

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

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

where:

- C = as C above;
- E\* = the subscription price for one (1) additional Share under the terms of such offer or invitation; and
- F\* = the number of Systech Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

For the purpose of Clause (c), “Capital Distribution” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividend) or by way of issue of Systech Shares (not falling under Clause (b)) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (but excluding an issue of Ordinary Shares to its members who had an option to take cash or other dividend in lieu of the relevant Ordinary Shares).

Any distribution out of profits or reserves made (whenever paid) shall 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.

Such adjustments will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Effective Date for the above transactions.

- (d) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Clause (b) above and also makes an offer or invitation to its ordinary shareholders as provided in Clause (c)(ii) or (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:

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

and where the Company makes an allotment to its ordinary shareholders as provided in Clause (b) above and also makes an offer or invitation to its ordinary shareholders as provided in Clause (c)(ii) above and the entitlement date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the adjusted number of Systech Shares relating to the ESS Option to be issued / Systech Shares to be vested and transferred under the Shares Grant shall be calculated as follows:

$$\text{Adjusted Number of Shares (ESS Option)} = T \times \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)}$$

$$\text{Adjusted Number of Systech Shares (Shares Grant)} = T \times \frac{(G + H + B) \times C}{(G \times C) + (H \times I)}$$

Where:

- B = as B above;
- C = as C above;
- G = the aggregate number of issue and fully paid-up Systech Shares on the Entitlement Date;



**APPENDIX VIII – DRAFT BY-LAWS IN RELATION TO THE PROPOSED ESS (CONT'D)**

- H = the aggregate number of new Systech Shares under an offer or invitation to acquire or subscribe for Systech Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Systech Shares or rights to acquire or subscribe for Systech Shares, as the case may be;
- H\* = the aggregate number of new Systech Shares under an offer or invitation to acquire or subscribe for Systech Shares by way of rights;
- I = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Systech Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Systech Share, as the case may be;
- I\* = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Systech Shares; and
- T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately 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 **Systech** Shares as provided in Clause (c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into or rights to acquire or subscribe for ordinary shareholders as provided in Clause (c)(iii) above, 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 adjusted number of Systech Shares relating to the ESS Option to be issued / Systech Shares to be vested and transferred under the Shares Grant shall be calculated as follows:

$$\text{Adjusted Number of Systech Shares (ESS Option)} = T \times \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)}$$

$$\text{Adjusted Number of Systech Shares (Shares Grant)} = T \times \frac{(G + H + J) \times C}{(G \times C) + (H \times I) + (J \times K)}$$

where:

- C = as C above;
- G = as G above;
- H = as H above;
- H\* = as H\* above;
- I = as I above;
- I\* = as I\* above;
- J = the aggregate number of Systech Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Systech Shares by the ordinary shareholders;
- K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Systech Share; and
- T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions.

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

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

and the adjusted number of Systech Shares relating to the ESS Option to be issued / Systech Shares to be vested and transferred under the Shares Grant shall be calculated as follows:

$$\text{Adjusted Number of Systech Shares (ESS Option)} = T \times \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)}$$

$$\text{Adjusted Number of Systech Shares (Shares Grant)} = T \times \frac{(G + H + J + B) \times C}{(G \times C) + (H \times I) + (J \times K)}$$

where:

- B = as B above;  
 C = as C above;  
 G = as G above;  
 H = as H above;  
 H\* = as H\* above;  
 I = as I above;  
 I\* = as I\* above;  
 J = as J above;  
 K = as K above; and  
 T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transaction.

- (g) For the purpose of this Schedule:
- (i) "Current Market Price" means in relation to each Systech Share for any relevant day the five (5) day volume weighted average market price for each Systech Share on Bursa Securities for the five (5) consecutive Market Days before such date for one or more board lots of Systech Shares on Bursa Securities or in such other manner as may from time to time be stipulated in any guidelines prescribed by any competent authorities, if any.

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## APPENDIX IX – HISTORICAL FINANCIAL INFORMATION OF SYSTECH GROUP

The summary of the historical financial performance and financial position of Systech based on the audited financial statements for the FYE 31 March 2021, FYE 31 March 2022 and FYE 31 March 2023 and the unaudited financial statements for the 9-month FPE 31 December 2022 and 9-month FPE 31 December 2023 are as follows:

	Audited			Unaudited	
	FYE 31 March 2021	FYE 31 March 2022 (Restated) <sup>(a)</sup>	FYE 31 March 2023	9-month FPE 31 December 2022 (Restated) <sup>(a)</sup>	9-month FPE 31 December 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>					
Revenue	22,818	16,381	17,449	11,853	17,902
Gross profit	9,982	6,432	6,681	3,870	7,216
(LBT)/PBT	(246)	(5,525)	718	(586)	(1,020)
(Loss)/Profit from continuing operations	(415)	(5,928)	293	(691)	(1,331)
<b>Discontinued Operations</b>					
(Loss)/Profit from discontinued operations	-	(15,758)	(6,054)	(771)	44
<b>Loss for the financial year/period</b>	<b>(415)</b>	<b>(21,686)</b>	<b>(5,761)</b>	<b>(1,462)</b>	<b>(1,287)</b>
(LAT) / PAT attributable to:					
- Owners of the Company	(1,342)	(21,654)	(5,978)	(1,193)	(1,701)
- Non-controlling interest	927	(32)	217	(269)	414
<b>Loss for the financial year/period</b>	<b>(415)</b>	<b>(21,686)</b>	<b>(5,761)</b>	<b>(1,462)</b>	<b>(1,287)</b>
NA	48,315	25,965	20,395	25,552	19,092
Total equity	50,918	28,540	23,219	27,887	22,236
Total borrowings (including lease liabilities)	6,582	5,861	5,562	5,659	705
Current assets	12,600	10,740	24,272	10,747	14,158
Current liabilities	3,179	2,941	9,840	3,093	16,485
Number of ordinary shares ('000)	347,708	347,708	347,708	347,708	347,708
Loss per share ("LPS") (sen)	(0.39)	(6.23)	(1.72)	(0.34)	(0.49)
NA per share (sen)	13.90	7.47	5.87	7.35	5.49
Current ratio (times)	3.96	3.65	2.47	3.47	0.86
Gearing ratio (times)	0.14	0.23	0.27	0.22	0.04

### Note:-

- (a) The restatement was due to the Group presented separately the results from the continuing operations and discontinued operations in view that the Company had on 13 February 2023 announced the disposal of the subsidiaries in the e-Business solutions segments.

**Commentaries:-****FYE 31 March 2021 (“FYE 2021”) compared to FYE 31 March 2020 (“FYE 2020”)**

The Group’s revenue had decreased by RM5.2 million or 18.7% from RM28.1 million in FYE 2020 to RM22.8 million in FYE 2021 which was mainly attributed to the softening market within the e-Business solutions segment and e-Logistics solutions segment with lower demand for the solutions and services provided by the subsidiaries following the implementation of various movement control and border closure during the COVID-19 pandemic, with their revenue reduced by RM3.4 million and RM4.1 million respectively. However, the decrease in the revenue of the 2 segments was negated by the higher revenue of RM2.3 million from the CyberSecurity solutions and services segment.

The Group had recorded a LAT of RM0.4 million in FYE 2021 as compared to a PAT of RM0.2 million in FYE 2020 which was mainly attributed to lower revenue from the Group’s e-Business solutions segment and e-Logistics solutions segment. The reduction in revenue from e-Business solutions was mainly caused by the closure of borders by the respective Government with travel restriction imposed locally which affected the business of the Group’s regional customers and reduction in revenue from e-Logistics solutions was mainly caused by implementation of lockdown during the COVID-19 pandemic which accelerated the adoption of digitalisation of documents (i.e. annual report), which both caused lower demand for the Group’s product and services from them.

**FYE 31 March 2022 (“FYE 2022”) compared to FYE 2021**

The financial results for FYE 2022 had been restated in view that the Company had on 13 February 2023 announced the disposal of the subsidiaries in the e-Business solutions segment, in which the e-Business solutions segment had been presented as discontinued operations, in compliance with MFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

The Group’s overall revenue decreased marginally by RM0.4 million or 1.9% from RM22.8 million in FYE 2021 to RM22.4 million in FYE 2022 which was mainly attributed to the softening market within the segments of e-Business solutions and e-Logistics solutions as a result of the implementation of various movement control and border closure during the COVID-19 pandemic, with their revenue reduced by RM0.8 million and RM2.1 million respectively. However, the decrease was negated by increase in the revenue from the CyberSecurity solutions segment of RM2.4 million.

**Continuing operations:**

The Group’s revenue from its continuing operations i.e. CyberSecurity solutions and e-Logistics segments, increased by RM0.3 million or 2.1% from RM16.1 million in FYE 2021 to RM16.4 million in FYE 2022 which was mainly contributed by the increase in revenue from the CyberSecurity solutions segment of RM2.4 million. This was due to higher revenue generated from cyber-security monitoring services from both existing and new customers as a result of increased awareness in the importance of cyber-security in accordance with rising digital adoption across various businesses. However, the aforementioned increase was offset by the decrease in the revenue from the e-Logistics solution segment of RM2.1 million due to implementation of lockdown during the COVID-19 pandemic which accelerated the adoption of digitalisation of documents (i.e. annual report) which significantly reduce the demand of physical printing.

The Group’s LAT from its continuing operations had increased by RM5.5 million or 1,328.4% from RM0.4 million in FYE 2021 to RM5.9 million in FYE 2022, which was mainly due to an impairment loss on goodwill made amounting to RM6.0 million (FYE 2021: RM0.7 million) on a subsidiary from e-Logistics solutions segment i.e. Postlink Pte. Ltd. The impairment was due to the higher carrying amount as compared to the recoverable amount as a result of changes in the estimated future cash flows to be generated from the subsidiary.

Discontinued operations:

The Group's revenue from its discontinued operations i.e. e-Business solutions segment decreased by RM0.8 million or 11.3% from RM6.8 million in FYE 2021 to RM6.0 million in FYE 2022 which was mainly due to closure of borders by the respective Government with travel restriction imposed locally which affected the business of the Group's regional customers leading to lower demand for the products and services from them.

The Group recorded a LAT of RM15.8 million from its discontinued operations in FYE 2022, which was mainly due to the following:

- (i) impairment loss on goodwill made amounting to RM13.8 million (FYE 2021: RM0.9 million) on two of the subsidiaries from e-Business solutions segment i.e. Syscotech Sdn Bhd and SysCode Sdn Bhd. The impairment was due to the higher carrying amount as compared to the recoverable amounts of these subsidiaries as a result of changes in the estimated future cash flows to be generated from these subsidiaries;
- (ii) development expenditure written off of RM0.6 million (FYE 2021: RM0.2 million) related to two of the e-Business solutions subsidiaries i.e. Techasys Sdn Bhd and SysCode Sdn Bhd due to changes in the expected future commercial economic benefits; and
- (iii) an allowance for impairment loss on trade receivables of RM0.3 million (FYE 2021: RM0.1 million) due to long outstanding debts.

**FYE 31 March 2023 ("FYE 2023") compared to FYE 2022**Continuing operations:

The Group's revenue from its continuing operations i.e. CyberSecurity solutions and e-Logistics segments, increased by RM1.1 million or 6.5% from RM16.4 million in FYE 2022 to RM17.4 million in FYE 2023 which was mainly contributed by the increase in the revenue from the CyberSecurity solutions segment. The increase in the revenue was due to increase in demand for cyber security services in cybercentric environment as a result of the increased awareness about cyber attacks in the community, whereby cyber security plays an inevitable role in protecting the systems, networks and programs from cyber attacks.

The Group recorded a PAT of RM0.3 million from its continuing operations in FYE 2023 as compared to a LAT of RM5.9 million in FYE 2022, which was mainly due to higher revenue generated and a one-off impairment of goodwill made amounting to RM6.0 million on a subsidiary from e-Logistics solutions segment in FYE 2022 and does not recur in FYE 2023.

Discontinued operations:

The Group's revenue from discontinued operations i.e. e-Business solutions segment, decreased by RM0.2 million or 3.9% from RM6.0 million in FYE 2022 to RM5.8 million in FYE 2023 which was mainly due to decrease in the demand of its products and services as a result of competitive environment in the customer's business in members' centric industry.

The Group's LAT from discontinued operations had decreased by RM9.7 million or 61.6% from RM15.8 million in FYE 2022 to RM6.1 million in FYE 2023 which was mainly due to a one-off impairment loss on goodwill made of RM13.8 million (FYE 2023: Nil) on two of the subsidiaries from e-Business solutions segment which only existed in FYE 2022. The decrease was partially negated by additional impairment of goodwill arise from Syscotech Sdn Bhd of RM4.6 million in FYE 2023 as a result that the Group write-down of the disposal group to the lower of its carrying amount and fair value less costs to sell following the intention of the Group to dispose of its subsidiaries in the e-Business solutions segment.

**9-month FPE 31 December 2023 (“FPE 2024”) compared to 9-month FPE 31 December 2022 (“FPE 2023”)**Continuing operations:

The Group’s revenue from its continuing operations i.e. CyberSecurity solutions, e-Logistics, and corporate solutions segments, increased by RM6.0 million or 51.0% from RM11.9 million in FPE 2023 to RM17.9 million in FPE 2024 which was mainly contributed by the increase in the revenue from the CyberSecurity solutions and e-Logistics segments, coupled with contribution from corporate solutions segment by the newly acquired subsidiary, TalentCloud AI Sdn Bhd. The increase in the revenue of e-Logistics segment was due to increase in demand for physical printing during earnings season.

The Group’s LAT from its continuing operations had increased by RM0.6 million or 92.6% from RM0.7 million in FPE 2023 to RM1.3 million in FPE 2024, which was mainly due to cost incurred for the Proposals of RM0.5 million.

Discontinued operations:

The Group’s revenue from discontinued operations i.e. e-Business solutions segment, decreased by RM2.9 million or 64.3% from RM4.6 million in FPE 2023 to RM1.6 million in FPE 2024 as the subsidiaries in the e-Business solutions segment had been deconsolidated on 1 July 2023 following the completion of disposal.

The Group recorded a PAT of RM44,000 from discontinued operations in FPE 2024 as compared to a LAT of RM0.9 million in FPE 2023 despite lower revenue generated. This was mainly due to there were no depreciation or amortisation for non-current assets in FPE 2024 (FPE 2023: RM1.8 million) as they are classified as part of a disposal group classified as held for sale in accordance with MFRS 5 in FPE 2024. The impact is partially negated by a RM0.4 million recorded in FPE 2024 (FPE 2023: Nil) related to the loss on disposal of subsidiaries calculated as the difference between the fair value of consideration received and the proportion of the identifiable NA, including goodwill of the subsidiaries disposed off.

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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

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

**2. CONSENTS AND DECLARATION OF CONFLICT OF INTERESTS****(i) Malacca Securities**

Malacca Securities, being the Principal Adviser for the Proposals, has given and not subsequently withdrawn its written consent for the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Malacca Securities has given its written confirmation that there is no conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser for the Proposals.

**(ii) TA Securities**

TA Securities, being the Independent Adviser for the Proposed Acquisition, has given and not subsequently withdrawn its written consent for the inclusion in this Circular of its name, its Independent Advice Letter and all references thereto in the form and context in which they appear in this Circular.

TA Securities has given its written confirmation that there is no conflict of interest which exists or is likely to exist in its capacity as the Independent Adviser for the Proposed Acquisition.

**3. MATERIAL LITIGATION**

As at LPD, the Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which may have a material and adverse effect on the business or financial position of the Group and the Board is not aware of any proceedings, pending or threatened against the Group, or of any facts likely to give rise to any proceedings which may have material impact on the business or financial position of the Group.

**4. MATERIAL COMMITMENT AND CONTINGENT LIABILITIES****4.1 Material commitment**

As at LPD, there are no material commitments incurred or known to be incurred by the Group which upon becoming due or enforceable, may have a material impact on the financial position or business of the Group.

**4.2 Contingent liabilities**

As at LPD, there are no contingent liabilities incurred or known to be incurred by the Group, which upon becoming due or enforceable, may have a material impact on the financial position or business of the Group.

**5. MATERIAL CONTRACTS**

Save as disclosed below, the Board confirmed that there are no material contracts (not being contract entered into in the ordinary course of business) which have been entered into by Systech Group within the past 2 years up to LPD:

- (i) Share sale agreement dated 13 February 2023 entered into by Systech as the purchaser with Sea Capital Holdings Sdn Bhd as the vendor in relation to the acquisition of 240,000 ordinary shares, representing 80% equity interest of TCAI for a total cash consideration of RM14,400,000.00. The acquisition of TCAI has been completed on 7 July 2023;
- (ii) Share sale agreement dated 13 February 2023 entered into by Systech as the vendor and Bill Tham Kok Weng as the purchaser in relation to the disposal of the entire equity interest in Syscatech Sdn Bhd, Mobysys Sdn bhd, Techcasys Sdn Bhd, Systcatech Inc., and SysCode Sdn Bhd for a total cash consideration of RM6,604,605.00. The said disposal has been completed on 7 July 2023;
- (iii) Subscription Agreement(s) all dated 22 December 2023, entered into by Systech with the Subscribers in relation to the Proposed Shares Issuance to raise total cash proceeds of RM51,840,000. The Proposed Shares Issuance still pending completion as at LPD; and
- (iv) SSA dated 22 December 2023, entered into by Systech as the Purchaser with the Vendors in relation to the Proposed Acquisition for a Purchase Consideration of RM75,000,000, to be satisfied via Cash Consideration of RM20,000,000 and the remaining RM55,000,000 to be settled via the issuance of 152,777,777 Consideration Share at an issue price of RM0.36 each. The Proposed Acquisition still pending completion as at LPD.

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the registered office of Systech at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur Wilayah Persekutuan, 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 Company's forthcoming EGM:

- (i) Constitution of the Company;
- (ii) Memorandum and Article of Associations of Wilstech;
- (iii) the consolidated audited financial statements of Systech for the FYEs 31 March 2021, 31 March 2022, 31 March 2023 and latest unaudited financial statements for the 9-month FPE 31 December 2023;
- (iv) the audited financial statements of Wilstech for the FYEs 31 August 2021, 31 August 2022 and 31 August 2023;
- (v) the Subscription Agreements;
- (vi) the SSA including the supplemental agreement dated 11 March 2024;
- (vii) the Stakeholder Appointment Letter;
- (viii) the Management Service Agreement;



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**APPENDIX X – FURTHER INFORMATION (CONT'D)**

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- (ix) the proforma consolidated statement of financial position of Systech Group as at 31 March 2023 as set out in Appendix VI of this Circular;
- (x) the draft Deed Poll;
- (xi) the draft By-Laws;
- (xii) the material contracts of Systech Group referred to in Section 5 of this Appendix X; and
- (xiii) the letters of consent and declaration of conflict of interest referred to in Section 2 of this Appendix X.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting (“**EGM**”) of Systech Bhd (“**Systech**” or the “**Company**”) will be conducted on a fully virtual basis for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice.

- Meeting Date : Thursday, 18 April 2024
- Time : 10.00 a.m. or at any adjournment thereof
- Meeting Platform : <https://meeting.boardroomlimited.my>  
(Domain Registration No. with MYNIC - D6A357657)
- Mode of communication : 1) Submit questions to the Board of Directors of Systech (“**Board**”) prior to the EGM by emailing to [info@systech.asia](mailto:info@systech.asia) commencing from Wednesday, 3 April 2024 and in any event no later than 5.00 p.m., Wednesday, 17 April 2024.
- 2) Post questions to the Board via real time submission of typed text at <https://meeting.boardroomlimited.my> during live streaming of the EGM.

## AGENDA

### As Special Business

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

#### ORDINARY RESOLUTION 1

**PROPOSED SHARES ISSUANCE OF UP TO 144,000,000 ORDINARY SHARES IN SYSTECH (“SYSTECH SHARES” OR “SHARES”) (“SUBSCRIPTION SHARES”), REPRESENTING APPROXIMATELY 29.4% OF THE ENLARGED TOTAL NUMBER OF ISSUED SHARES (EXCLUDING TREASURY SHARES) AFTER THE SHARES ISSUANCE (“PROPOSED SHARES ISSUANCE”)**

“**THAT** subject to the approvals of all relevant authorities and/or parties being obtained (where applicable) and the fulfilment of the conditions precedent set out in the subscription agreements dated 22 December 2023 entered into between the Company and the subscribers as set out in Section 2.2 of Part A of the circular to shareholders of the Company dated 3 April 2024 (“**Subscribers**”) (“**Circular**”) (“**Subscription Agreements**”), approval be and is hereby given to the Board to:

- (i) allot and issue up to 144,000,000 Subscription Shares, at a subscription price of RM0.36 per Subscription Share to the Subscribers in accordance with the terms and conditions of the Subscription Agreements and any supplemental thereto (if any); and
- (ii) utilise the proceeds from the Proposed Shares Issuance for the purposes as set out in Section 2.7 of Part A of the Circular and to vary the manner and/or purposes of such proceeds as the Board may deem fit, necessary, expedient and/or in the best interest of the Company, subject to the approval of the relevant authorities (where required);

**THAT** the Subscription Shares shall, upon allotment and issuance, rank equally in all respects with the existing Systech Shares, save and except that the Subscription Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid for which the entitlement date precedes the date of issuance and allotment of the said Subscription Shares;

**THAT** pursuant to Section 85 of the Companies Act, 2016 (“**Act**”) read together with Clause 8.2 of the Company’s constitution (“**Constitution**”), the statutory pre-emptive rights of the shareholders of the Company to be offered new Systech Shares ranking equally to the existing issued Systech Shares arising from any issuance of new Systech Shares to the Subscribers pursuant to the Proposed Shares Issuance be and is hereby noted and waived;

**AND THAT** the Board be and is hereby empowered and authorised to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or agreements as the Board may deem fit, necessary, expedient and/or appropriate to implement and give full effect to complete the Proposed Shares Issuance including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments as the Board in their absolute discretion may deem fit, necessary, expedient and/or appropriate by the Board in order to carry out, finalise and give full effect to the Proposed Shares Issuance.”

## **ORDINARY RESOLUTION 2**

**PROPOSED ALLOTMENT OF 72,222,600 SUBSCRIPTION SHARES TO HOOI JIA HAO (“HJH”), A PERSON CONNECTED TO SMARTPRO CAPITAL SDN. BHD. (“SCSB”), THE MAJOR SHAREHOLDER OF SYSTECH, PURSUANT TO THE PROPOSED SHARES ISSUANCE (“PROPOSED ALLOCATION TO HJH”)**

“**THAT** subject to the passing of Ordinary Resolution 1, the approvals being obtained from the relevant authorities and/or parties (where applicable) and the fulfilment of the conditions precedent set out in the Subscription Agreement, approval be and is hereby given to the Board to allot and issue 72,222,600 Subscription Shares, at a subscription price of RM0.36 per Subscription Share to HJH, whereby the proceeds will be utilised for the purposes set out in Section 2.7 of Part A of the Circular, in accordance with the terms and conditions of the Subscription Agreement and any supplemental thereto (if any);

**THAT** the Subscription Shares to HJH shall, upon allotment and issuance, rank equally in all respects with the existing Systech Shares, save and except that the Subscription Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid for which the entitlement date precedes the date of issuance and allotment of the said Subscription Shares;

**THAT** pursuant to Section 85 of the Act read together with Clause 8.2 of the Constitution, the statutory pre-emptive rights of the shareholders of the Company to be offered new Systech Shares ranking equally to the existing issued Systech Shares arising from any issuance of 72,222,600 Subscription Shares to HJH pursuant to the Proposed Shares Issuance be and is hereby noted and waived;

**AND THAT** the Board (save for Chan Soon Tat, Lee Choon Teng and Teoh Keng Chang, being the interested directors for the Proposed Allocation to HJH), be and is hereby empowered and authorised to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or agreements as the Board may deem fit, necessary, expedient and/or appropriate to implement and give full effect to complete the Proposed Allocation to HJH including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments as the Board in their absolute discretion may deem fit, necessary, expedient and/or appropriate by the Board in order to carry out, finalise and give full effect to the Proposed Allocation to HJH.”

### **ORDINARY RESOLUTION 3**

**PROPOSED ACQUISITION OF 552,255 ORDINARY SHARES IN WILSTECH SDN. BHD. (“WILSTECH”), REPRESENTING THE ENTIRE EQUITY INTEREST OF WILSTECH, FOR A TOTAL PURCHASE CONSIDERATION OF RM75,000,000, TO BE SATISFIED VIA CASH CONSIDERATION OF RM20,000,000 AND THE REMAINING RM55,000,000 TO BE SETTLED VIA THE ISSUANCE OF 152,777,777 SYSTECH SHARES (“CONSIDERATION SHARES”) AT AN ISSUE PRICE OF RM0.36 PER CONSIDERATION SHARE (“PROPOSED ACQUISITION”)**

**“THAT** subject to the approvals of all relevant authorities and/or parties being obtained (where applicable) and conditional upon the passing of the Ordinary Resolution 1 and the fulfilment of the conditions precedent set out in the conditional share sale agreement dated 22 December 2023 and supplemental agreement dated 11 March 2024 entered into between Systech and Low Min Yew (“**LMY**”), Sea Capital LP and Maybank Trustees Berhad (for Securities Commission MYCIF) (collectively referred to as the “**Vendors**”) (“**SSA**”), approval be and is hereby given to Systech to acquire 552,255 ordinary shares in Wilstech, representing the entire equity interest of Wilstech, for the purchase consideration of RM75,000,000, to be satisfied via cash consideration of RM20,000,000 and the remaining RM55,000,000 to be settled via the issuance of 152,777,777 Consideration Shares at an issue price of RM0.36 each, in accordance with the terms and conditions of the SSA and any supplemental thereto (if any);

**THAT** the Board be and is hereby authorised to allot and issue from time to time such number of the Consideration Shares to the Vendors, in accordance with the terms and conditions of the SSA and any supplemental thereto (if any);

**THAT** the Consideration Shares shall, upon allotment and issuance, rank equally in all respects with the existing Systech Shares, save and except that the Consideration Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Consideration Shares;

**THAT** pursuant to Section 85 of the Act read together with Clause 8.2 of the Constitution, the statutory pre-emptive rights of the shareholders of the Company to be offered new Systech Shares ranking equally to the existing issued Systech Shares arising from the issuance of the Consideration Shares to the Vendors pursuant to the Proposed Acquisition be and is hereby noted and waived;

**AND THAT** the Board (save for Chan Soon Tat, Lee Choon Teng and Teoh Keng Chang, being the interested directors for the Proposed Acquisition) be and is hereby empowered and authorised to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or agreements as the Board may deem fit, necessary, expedient and/or appropriate to implement and give full effect to complete the Proposed Acquisition including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments as the Board in their absolute discretion may deem fit, necessary, expedient and/or appropriate in order to carry out, finalise and give full effect to the Proposed Acquisition.”

#### **ORDINARY RESOLUTION 4**

#### **PROPOSED BONUS ISSUE OF UP TO 160,656,399 NEW WARRANTS IN SYSTECH (“WARRANTS”) ON THE BASIS OF 1 WARRANT FOR EVERY 4 EXISTING SYSTECH SHARES HELD BY THE ENTITLED SHAREHOLDERS ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“PROPOSED BONUS ISSUE OF WARRANTS”)**

“**THAT** subject to the approvals of all relevant authorities and/or parties being obtained (where applicable) and to the extent permitted by law and the Constitution, approval be and is hereby given to the Board to:

- (i) issue and allot up to 160,659,399 Warrants on the basis of 1 Warrant for every 4 existing Systech Shares held by the entitled shareholders whose names appear in the Record of Depositors of the Company on an entitlement date to be determined and announced later, in accordance with the provisions in the deed poll to be executed by the Company constituting the Warrants (“**Deed Poll**”), the salient terms of the Deed Poll are set out in Appendix IV of the Circular;
- (ii) fix the exercise price of the Warrants at RM0.50 per Warrant;
- (iii) issue and allot new Systech Shares arising from the exercise of the Warrants by the holders of the Warrants of their rights in accordance with the provisions of the Deed Poll; and
- (iv) utilise the proceeds arising from the exercise of the Warrants, if any, for the purpose set out in Section 4.4 of Part A of the Circular and to vary the manner and/or purposes of the utilisation of such proceeds as the Board may deem fit, necessary, expedient and/or in the best interest of the Company, subject to the approval of the relevant authorities (where required);

**THAT** the new Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the existing Systech Shares, save and except that the new Shares to be issued arising from the exercise of the Warrants will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the said new Shares;

**THAT** approval be and is hereby given to the Board to allot and issue additional Warrants as a consequence of any adjustments in accordance with the provisions of the Deed Poll and to allot and issue further new Systech Shares as may be required or permitted to be issued pursuant to such adjustments and upon any exercise by the holders of such additional Warrants;

**THAT** approval be and is hereby given to the Board to adjust the exercise price of the Warrants as a consequence of any adjustments in accordance with the provisions of the Deed Poll;

**THAT** fractional entitlements arising from the Proposed Bonus Issue of Warrants, if any, shall be disregarded and dealt with by the Board in such manner at its absolute discretion as it may deem fit, expedient and/or in the best interest of the Company;

**THAT** the Board be and is hereby authorised to enter into and execute the Deed Poll with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities or deemed necessary by the Board, and subject to all provisions and adjustments contained in the Deed Poll, to assent to any modifications and/or amendments to the exercise price, exercise period and/or number of Warrants as may be required or permitted to be revised as consequences of any adjustments under the provisions of the Deed Poll with full power to implement and give effects to the terms and conditions of the Deed Poll, and to do all acts, deeds and things as they may deem fit, necessary and/or expedient in order to implement, finalise and give effect to the Deed Poll;

**AND THAT** the Board be and is hereby empowered and authorised to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or agreements as the Board may deem fit, necessary, expedient and/or appropriate to implement and give full effect to complete the Proposed Bonus Issue of Warrants including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments as the Board in their absolute discretion may deem fit, necessary, expedient and/or appropriate by the Board in order to carry out, finalise and give full effect to the Proposed Bonus Issue of Warrants.”

#### **ORDINARY RESOLUTION 5**

#### **PROPOSED ESTABLISHMENT OF AN EMPLOYEES’ SHARE SCHEME OF UP TO 15.0% OF THE TOTAL NUMBER OF ISSUED SHARES (EXCLUDING TREASURY SHARES) (“SCHEME”) AT ANY POINT IN TIME DURING THE TENURE OF THE SCHEME FOR ELIGIBLE DIRECTORS AND EMPLOYEES OF SYSTECH AND ITS SUBSIDIARIES (“SYSTECH GROUP”) (EXCLUDING DORMANT SUBSIDIARIES) (“PROPOSED ESS”)**

“**THAT** subject to the approvals of all relevant authorities and/or parties being obtained (where applicable) and to the extent permitted by law and the Constitution, approval be and is hereby given to the Board to:

- (i) establish, implement and administer the Proposed ESS for the benefit of the eligible directors and employees of Systech Group (excluding dormant subsidiaries) who meet the criteria of eligibility for participation in the Proposed ESS and to implement and administer the same in accordance with the by-laws governing the terms, rules and conditions of the Proposed ESS (“**By-Laws**”), a draft of which is set out in Appendix VIII of the Circular;
- (ii) allot and issue and/or procure the transfer of such number of new or existing Systech Shares (as adjusted or modified from time to time pursuant to the By-Laws) from time to time as may be required for the purpose of or in connection with the Proposed ESS, provided that the total number of Systech Shares be allotted and issued and/or transferred pursuant to granting of Systech Shares (“**Shares Grant**”) and/or options to subscribe for Systech Shares (“**ESS Options**”) (collectively referred to as the “**Awards**”) to eligible Director(s) (including non-executive Directors) and eligible employees of Systech Group in relation to the Proposed ESS shall not exceed 15.0% in aggregate of the total number of issued Shares (excluding treasury shares, if any) at any point in time throughout the duration of the Scheme;
- (iii) appoint and authorise a committee (“**ESS Committee**”) by which the Proposed ESS will be administered in accordance with the By-Laws by the said ESS Committee, who will be responsible for, amongst others, implementing and administering the Proposed ESS. The members of the ESS Committee shall comprise such number of Directors and/or senior management personnel of Systech Group to be identified from time to time;
- (iv) make the necessary application to Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for permission to deal in and for the listing and quotation of the new Systech 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 ESS; and
- (v) 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 fit, necessary and/or expedient in order to give full effect to the Proposed ESS and the terms of the By-Laws;

**THAT** the Systech Shares to be allotted and issued and/or transferred from treasury shares (as the case may be) upon the vesting of the Shares Grant and/or upon exercise of the ESS Options pursuant to the Awards shall, upon allotment and issuance and/or transfer from treasury shares (as the case may be), rank equally in all respects with the existing Systech Shares, save and except that the said Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid for which the entitlement date precedes the date of issuance and allotment or transfer of the said Shares;

**THAT** pursuant to Section 85 of the Act read together with Clause 8.2 of the Constitution, the statutory pre-emptive rights of the shareholders of the Company to be offered new Systech Shares ranking equally to the existing issued Systech Shares arising from any issuance of the Awards pursuant to the Proposed ESS be and is hereby noted and waived;

**AND THAT** the By-Laws which is in compliance with the ACE Market Listing Requirements of Bursa Securities ("**Listing Requirements**"), be and is hereby approved and adopted and the Board be and is hereby empowered and authorised to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or agreements as the Board may deem fit, necessary, expedient and/or appropriate to implement and give full effect to complete the Proposed ESS including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments as the Board in their absolute discretion may deem fit, necessary, expedient and/or appropriate by the Board in order to carry out, finalise and give full effect to the Proposed ESS."

#### **ORDINARY RESOLUTION 6**

##### **PROPOSED ALLOCATION OF AWARDS TO LEE CHOON TENG PURSUANT TO THE PROPOSED ESS ("PROPOSED ALLOCATION OF AWARDS TO LEE CHOON TENG")**

"**THAT** subject to the passing of Ordinary Resolution 5 and the approvals of all relevant authorities and/or parties being obtained (where applicable) and to the extent permitted by law and the Constitution, approval be and is hereby given to the Board to authorise the ESS Committee from time to time throughout the duration of the Scheme, to offer and grant the Awards to Lee Choon Teng, being the Executive Director and Group Chief Executive Officer of the Company, of not more than 10% of the Awards to be granted under the Proposed ESS, subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with provisions of the By-Laws;

**AND THAT** pursuant to Section 85 of the Act read together with Clause 8.2 of the Constitution, the statutory pre-emptive rights of the shareholders of the Company to be offered new Systech Shares ranking equally to the existing issued Systech Shares arising from any issuance of the Awards pursuant to the Proposed Allocation of Awards to Lee Choon Teng be and is hereby noted and waived."

#### **ORDINARY RESOLUTION 7**

##### **PROPOSED ALLOCATION OF AWARDS TO TEOH KENG CHANG PURSUANT TO THE PROPOSED ESS ("PROPOSED ALLOCATION OF AWARDS TO TEOH KENG CHANG")**

"**THAT** subject to the passing of Ordinary Resolution 5 and the approvals of all relevant authorities and/or parties being obtained (where applicable) and to the extent permitted by law and the Constitution, approval be and is hereby given to the Board to authorise the ESS Committee from time to time throughout the duration of the Scheme, to offer and grant the Awards to Teoh Keng Chang, being the Executive Director of the Company, of not more than 10% of the Awards to be granted under the Proposed ESS, subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with provisions of the By-Laws;

**AND THAT** pursuant to Section 85 of the Act read together with Clause 8.2 of the Constitution, the statutory pre-emptive rights of the shareholders of the Company to be offered new Systech Shares ranking equally to the existing issued Systech Shares arising from any issuance of the Awards pursuant to the Proposed Allocation of Awards to Teoh Keng Chang be and is hereby noted and waived."

### **ORDINARY RESOLUTION 8**

#### **PROPOSED ALLOCATION OF AWARDS TO CHAN SOON TAT PURSUANT TO THE PROPOSED ESS (“PROPOSED ALLOCATION OF AWARDS TO CHAN SOON TAT”)**

“**THAT** subject to the passing of Ordinary Resolution 5 and the approvals of all relevant authorities and/or parties being obtained (where applicable) and to the extent permitted by law and the Constitution, approval be and is hereby given to the Board to authorise the ESS Committee from time to time throughout the duration of the Scheme, to offer and grant the Awards to Chan Soon Tat, being the Non-Independent Non-Executive Chairman of the Company, of not more than 2% of the Awards to be granted under the Proposed ESS, subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with provisions of the By-Laws;

**AND THAT** pursuant to Section 85 of the Act read together with Clause 8.2 of the Constitution, the statutory pre-emptive rights of the shareholders of the Company to be offered new Systech Shares ranking equally to the existing issued Systech Shares arising from any issuance of the Awards pursuant to the Proposed Allocation of Awards to Chan Soon Tat be and is hereby noted and waived.”

### **ORDINARY RESOLUTION 9**

#### **PROPOSED ALLOCATION OF AWARDS TO HONG BOON TOH PURSUANT TO THE PROPOSED ESS (“PROPOSED ALLOCATION OF AWARDS TO HONG BOON TOH”)**

“**THAT** subject to the passing of Ordinary Resolution 5 and the approvals of all relevant authorities and/or parties being obtained (where applicable) and to the extent permitted by law and the Constitution, approval be and is hereby given to the Board to authorise the ESS Committee from time to time throughout the duration of the Scheme, to offer and grant the Awards to Hong Boon Toh, being the Senior Independent Non-Executive Director of the Company, of not more than 1% of the Awards to be granted under the Proposed ESS, subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with provisions of the By-Laws;

**AND THAT** pursuant to Section 85 of the Act read together with Clause 8.2 of the Constitution, the statutory pre-emptive rights of the shareholders of the Company to be offered new Systech Shares ranking equally to the existing issued Systech Shares arising from any issuance of the Awards pursuant to the Proposed Allocation of Awards to Hong Boon Toh be and is hereby noted and waived.”

### **ORDINARY RESOLUTION 10**

#### **PROPOSED ALLOCATION OF AWARDS TO FONG SHENG NIE PURSUANT TO THE PROPOSED ESS (“PROPOSED ALLOCATION OF AWARDS TO FONG SHENG NIE”)**

“**THAT** subject to the passing of Ordinary Resolution 5 and the approvals of all relevant authorities and/or parties being obtained (where applicable) and to the extent permitted by law and the Constitution, approval be and is hereby given to the Board to authorise the ESS Committee from time to time throughout the duration of the Scheme, to offer and grant the Awards to Fong Sheng Nie, being the Independent Non-Executive Director of the Company, of not more than 1% of the Awards to be granted under the Proposed ESS, subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with provisions of the By-Laws;

**AND THAT** pursuant to Section 85 of the Act read together with Clause 8.2 of the Constitution, the statutory pre-emptive rights of the shareholders of the Company to be offered new Systech Shares ranking equally to the existing issued Systech Shares arising from any issuance of the Awards pursuant to the Proposed Allocation of Awards to Fong Sheng Nie be and is hereby noted and waived.”



## **ORDINARY RESOLUTION 11**

### **PROPOSED ALLOCATION OF AWARDS TO OOI GIN HUI PURSUANT TO THE PROPOSED ESS (“PROPOSED ALLOCATION OF AWARDS TO OOI GIN HUI”)**

“**THAT** subject to the passing of Ordinary Resolution 5 and the approvals of all relevant authorities and/or parties being obtained (where applicable) and to the extent permitted by law and the Constitution, approval be and is hereby given to the Board to authorise the ESS Committee from time to time throughout the duration of the Scheme, to offer and grant the Awards to Ooi Gin Hui, being the Independent Non-Executive Director of the Company, of not more than 1% of the Awards to be granted under the Proposed ESS, subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with provisions of the By-Laws;

**AND THAT** pursuant to Section 85 of the Act read together with Clause 8.2 of the Constitution, the statutory pre-emptive rights of the shareholders of the Company to be offered new Systech Shares ranking equally to the existing issued Systech Shares arising from any issuance of the Awards pursuant to the Proposed Allocation of Awards to Ooi Gin Hui be and is hereby noted and waived.”

## **ORDINARY RESOLUTION 12**

### **PROPOSED ALLOCATION OF AWARDS TO LMY, A PERSON CONNECTED TO SCSB, THE MAJOR SHAREHOLDER OF SYSTECH, PURSUANT TO THE PROPOSED ESS (“PROPOSED ALLOCATION OF AWARDS TO LMY”)**

“**THAT** subject to the passing of Ordinary Resolution 1, Ordinary Resolution 3 and Ordinary Resolution 5 and the approvals of all relevant authorities and/or parties being obtained (where applicable) and to the extent permitted by law and the Constitution, approval be and is hereby given to the Board to authorise the ESS Committee from time to time throughout the duration of the Scheme, to offer and grant the Awards to LMY, being the director of Wilstech, a wholly-owned subsidiary of Systech upon completion of the Proposed Acquisition and a person connected to SCSB, the major shareholder of Systech, of not more than 10% of the Awards to be granted under the Proposed ESS, subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with provisions of the By-Laws;

**AND THAT** pursuant to Section 85 of the Act read together with Clause 8.2 of the Constitution, the statutory pre-emptive rights of the shareholders of the Company to be offered new Systech Shares ranking equally to the existing issued Systech Shares arising from any issuance of the Awards pursuant to the Proposed Allocation of Awards to LMY be and is hereby noted and waived.”

By Order of the Board  
**SYSTECH BHD**

**WONG YOUN KIM (MAICSA 7018778)**

**CHIA SIEW LI (MAICSA 7075719)**

**CHIN WAI YI (MAICSA 7069783)**

Company Secretaries

Kuala Lumpur

3 April 2024

## Notes:

1. The EGM of the Company will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting (“**RPEV**”) facilities. Please follow the procedures provided in the Administrative Guide of the EGM in order to register, participate and vote remotely. The Administrative Guide of the EGM is also available for download at [www.systemech.asia/investor.php](http://www.systemech.asia/investor.php).
2. This is in accordance with the Guidance Note and FAQs on the Conduct of General Meetings for listed issuers and all its subsequent revisions issued by the Securities Commission Malaysia (“**SC Guidance**”). This is also in line with Practice 13.1 of the Malaysian Code on Corporate Governance 2021 which recommends that listed companies leverage on technology to facilitate remote shareholders’ participation at general meetings.
3. According to the SC Guidance, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Act provided that the online platform is located in Malaysia. All meeting participants including the Chairman of the meeting, board members, senior management and shareholders / proxies / corporate representatives / attorneys are required to participate in the meeting online.

### A. Proxy

1. A proxy may but need not be a member of the Company.
2. To be valid, the original instrument appointing a proxy (“**Proxy Form**”), duly completed must be deposited in hard copy form or by electronic means, not less than 48 hours before the time for holding the meeting PROVIDED THAT in the event the member(s) duly executes the Proxy Form but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her/their proxy, PROVIDED ALWAYS that the rest of the Proxy Form, other than the particulars of the proxy/proxies have been duly completed by the member(s).
3. Proxy forms may be deposited in the following manner:
  - (i) **In hard copy form**

The Proxy Form must be deposited at the office of the Company’s Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
  - (ii) **By electronic means**

The Proxy Form can also be lodged electronically with the Company’s Share Registrar through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or email to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com). Please follow the procedures provided in the Administrative Guide of the EGM in order to deposit the Proxy Form electronically.
4. A member may appoint up to 2 proxies to attend and vote at the same meeting. Where a member appoints 2 proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
5. Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least 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.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”) as defined under the Securities Industry (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.

7. If the appointor is a corporation, the Proxy Form must be executed under its common seal or under the hand of an attorney duly authorised.
8. Only depositors whose names appear in the Record of Depositors as at 9 April 2024 shall be entitled to attend the EGM.
9. Pursuant to Paragraph 8.31A(1) of the Listing Requirements, all the resolutions set out in the Notice of EGM will be put to vote by way of poll.

**Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# ADMINISTRATIVE GUIDE OF EXTRAORDINARY GENERAL MEETING (“EGM”)

## ADMINISTRATIVE GUIDE OF THE EGM FOR THE SHAREHOLDERS OF SYSTECH BHD

- Meeting Date : Thursday, 18 April 2024  
Time : 10.00 a.m. or at any adjournment thereof  
Meeting Platform : <https://meeting.boardroomlimited.my>  
(Domain Registration No. with MYNIC - D6A357657)
- Mode of communication : 1) Submit questions to the Board of Directors of Systech Bhd (“**Systech**” or the “**Company**”) (“**Board**”) prior to the EGM by emailing to [info@systech.asia](mailto:info@systech.asia) commencing from Wednesday, 3 April 2024 and in any event no later than 5.00 p.m., Wednesday, 17 April 2024.  
2) Post questions to the Board via real time submission of typed text at <https://meeting.boardroomlimited.my> during live streaming of the EGM.

### Dear Valued Shareholders,

We will conduct our forthcoming EGM on a fully virtual basis via remote participation and electronic voting (“**RPEV**”) facilities (collectively referred hereinafter as “**Virtual EGM**”) in accordance with Section 327 of the Companies Act, 2016 (“**Act**”) and Clause 59 of the Constitution of the Company.

In line with the Malaysian Code on Corporate Governance Practice 13.3, by conducting a virtual EGM, this would promote greater shareholder participation as it facilitates electronic voting and remote shareholders’ participation. With the RPEV facilities, you may exercise your right as a member of the Company to participate (including posing questions to the Board and/or management of the Company) and vote at the EGM. Alternatively, you may also appoint the Chairman of the meeting as your proxy to attend and vote on your behalf at the EGM.

Kindly ensure that you are connected to the internet at all times in order to attend, participate and vote when our Virtual EGM has commenced. Therefore, it is your responsibility to ensure that connectivity for the duration of the meeting is maintained. Kindly note that the quality of the live webcast is dependent on the bandwidth and stability of your internet connection.

### CIRCULAR TO SHAREHOLDERS

The Circular to shareholders dated 3 April 2024 (“**Circular**”) in relation to the Proposed Shares Issuance, Proposed Acquisition, Proposed Bonus Issue of Warrants and Proposed ESS (as defined in the notice of EGM) is available on Bursa Malaysia Securities Berhad’s website at [www.bursamalaysia.com](http://www.bursamalaysia.com) under Company Announcements and also at our website at [www.systech.asia/investor.php](http://www.systech.asia/investor.php). If you wish to request for printed copy of the Circular, please forward your request by completing the Request Form provided by us.

### NO VOUCHERS OR GIFTS PROVIDED

There will be **NO VOUCHER(S) OR ANY GIFT(S)** whatsoever for shareholders/proxies who participate in the Virtual EGM. The Board would like to thank all shareholders for your kind co-operation and understanding in these challenging times.

## ENTITLEMENTS TO ATTEND, POSE QUESTIONS AND VOTE

Only a depositor whose name appears in the Record of Depositors as at 9 April 2024 is entitled to attend, pose questions and vote at the said meeting or appoint proxies to attend, speak and vote on his/her behalf in respect of the number of shares registered in his/her name at that time.

### PROXY FORM(S)

1. You are encouraged to go online, participate and vote at the EGM using the RPEV facilities.
2. If you are unable to attend the EGM on Thursday, 18 April 2024, you can appoint the Chairman of the meeting as your proxy to attend, pose questions and vote in your stead. Please submit your Proxy Form to the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan by **Tuesday, 16 April 2024 at 10.00 a.m.**
3. You may also submit the Proxy Form via electronic means ("**eProxy Lodgement**") through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> (see Step 1 and 2 under **PROCEDURES FOR RPEV FACILITIES**) or email to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) no later than the aforementioned date and time.

### REVOCAION OF PROXY

If you have submitted your Proxy Form and subsequently decide to appoint another person or wish to participate in our Virtual EGM by yourself, please write in to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) to revoke the earlier appointed proxy 48 hours before the meeting.

### CORPORATE MEMBER

Any corporate member who wishes to appoint a representative instead of a proxy to attend the meeting should submit the original certificate of appointment under the seal of the corporation to the office of the Company's Share Registrar at any time before the time appointed for holding the meeting for the Company's records.

### VOTING PROCEDURE

1. Pursuant to Paragraph 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the EGM will be conducted by poll. The Company has appointed Boardroom Share Registrars Sdn. Bhd. ("**Boardroom**") as Poll Administrator to conduct the poll by way of electronic voting ("**e-voting**") and SKY Corporate Services Sdn. Bhd. as Independent Scrutineer to verify and validate the poll results.
2. During the EGM, the Chairman of the meeting will invite the Poll Administrator to brief on the e-voting housekeeping rules. The e-voting session will commence as soon as the Chairman calls for the poll to be opened and until such time when the Chairman announces the closure of the poll.
3. For the purposes of the Virtual EGM, e-voting will be carried out via personal smart mobile phones, tablets or personal computers/laptops.
4. There are 2 methods for members and proxies who wish to use their personal voting device to vote remotely. The methods are as follows:
  - (i) Use the QR Scanner Code given in the email received after successful registration; OR
  - (ii) Navigate to the website URL <https://meeting.boardroomlimited.my>.
5. Upon conclusion of the e-voting session, the Independent Scrutineer will verify the poll results followed by the declaration by the Chairman of the meeting whether the resolutions put to vote were successfully carried or not.

## PROCEDURES FOR RPEV FACILITIES

To request for login ID and password kindly follow the steps below:

Procedure		Action
<b>Before the day of the EGM</b>		
1.	Register online with Boardroom Smart Investor Portal	<p>[<i>Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register. You may proceed to Step 2.</i>]</p> <ol style="list-style-type: none"> <li>Access website <a href="https://investor.boardroomlimited.com">https://investor.boardroomlimited.com</a></li> <li>Click &lt;&lt;<b>Register</b>&gt;&gt; to sign up as a user.</li> <li>Complete registration and upload a softcopy of your MyKad/Identification Card (front and back) or Passport in JPEG, PDF or PNG format.</li> <li>Please enter a valid email address and wait for Boardroom's email verification.</li> <li>Your registration will be verified and approved within one (1) business day and an email notification will be provided.</li> </ol>
2.	eProxy Lodgement	<ol style="list-style-type: none"> <li>Access website <a href="https://investor.boardroomlimited.com">https://investor.boardroomlimited.com</a></li> <li>Login with your User ID and Password given above.</li> <li>Select "<b>SYSTECH BHD EXTRAORDINARY GENERAL MEETING</b>" from the list of Corporate Meeting and click "Submit eProxy Form".</li> </ol> <p><b>For Individual/ Corporate Shareholders</b></p> <ul style="list-style-type: none"> <li>- Select the Company you would like to be represented if more than one Company (for Corporate Shareholder).</li> <li>- Enter your CDS account number and insert the number of securities held.</li> <li>- Select your proxy(ies) – either the Chairman of the meeting or individual named proxy(ies) and enter the required particulars of your proxy(ies).</li> <li>- Indicate your voting instructions – For or Against, otherwise your proxy(ies) will decide your vote.</li> <li>- Review and confirm your proxy(ies) appointment.</li> <li>- Click submit.</li> <li>- Download or print the eProxy form acknowledgement.</li> </ul> <p><b>For Authorised Nominee and Exempt Authorised Nominee</b></p> <ul style="list-style-type: none"> <li>- Select the company you would like to be represented (if more than one).</li> <li>- Proceed to download the file format for "Submission of Proxy Form".</li> <li>- Prepare the file for the appointment of proxies by inserting the required data.</li> <li>- Proceed to upload the duly completed Proxy Appointment file.</li> <li>- Review and confirm your proxy appointment and click "Submit".</li> <li>- Download or print the eProxy form as acknowledgement.</li> </ul> <p><i>Note: If you are the authorised representatives for more than one (1) authorised nominee / exempt authorised nominee/ corporate shareholder, kindly click the home button and select "Edit Profile" in order to add Company name.</i></p>
3.	Submit request for remote participation	Registration for remote access will be opened on Wednesday, 3 April 2024. Please note that the closing time to submit your request is on Tuesday, 16 April 2024 at 10.00 a.m. (48 hours before the commencement of the EGM).

Procedure		Action
		<p><b>Individual Members</b></p> <ol style="list-style-type: none"> <li>Log in to <a href="https://investor.boardroomlimited.com">https://investor.boardroomlimited.com</a></li> <li>Select "<b>SYSTECH BHD EXTRAORDINARY GENERAL MEETING</b>" from the list of Corporate Meeting and click "Register for RPEV".</li> <li>Read and agree to the terms and condition.</li> <li>Enter your CDS Account and thereafter submit your request.</li> </ol> <p><b>Corporate Shareholders, Authorised Nominee and Exempt Authorised Nominee</b></p> <ol style="list-style-type: none"> <li>Write in to <a href="mailto:bsr.helpdesk@boardroomlimited.com">bsr.helpdesk@boardroomlimited.com</a> by providing the name of Member, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Proxy Form (as the case may be) to submit the request.</li> <li>Please provide a copy of Corporate Representative's MyKAD (for Malaysian) front and back or Passport (for non-Malaysian) in JPEG, PDF or PNG format as well as his/her email address.</li> </ol>
4.	Email notification	<ol style="list-style-type: none"> <li>You will receive notification(s) from Boardroom that your request(s) has been received and is/are being verified.</li> <li>Upon system verification against the General Meeting Record of Depositories as at 9 April 2024, you will receive an email from Boardroom either approving or rejecting your registration for remote participation together with your remote access user ID and password.</li> </ol>
<b>On the day of the EGM</b>		
5.	Login to Meeting Platform	<ol style="list-style-type: none"> <li>The Meeting Platform will be open for login 1 hour before the commencement of the EGM.</li> <li>The Meeting Platform can be accessed via one of the following: <ul style="list-style-type: none"> <li>Scan the QR Code provided in the email notification;</li> <li>Navigate to the website at <a href="https://meeting.boardroomlimited.my">https://meeting.boardroomlimited.my</a>.</li> </ul> </li> <li>Insert the Meeting ID and sign in with the user ID and password provided to you via the email notification in Step 4.</li> </ol>
6.	Participate	<p><i>[Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition. All question and messages will be presented with the full name and identity of the participant raising the question.]</i></p> <ol style="list-style-type: none"> <li>If you wish to view the live webcast, select the broadcast icon.</li> <li>If you wish to ask a question during the EGM, select the messaging icon.</li> <li>Type your message within the chat box, once completed click the send button.</li> </ol>
7.	Voting	<ol style="list-style-type: none"> <li>Once voting is open, the polling icon will appear with the resolutions and your voting choices.</li> <li>To vote, please select your voting direction from the options provided. A confirmation message will appear to show your vote has been received.</li> <li>To change your vote, re-select another voting direction.</li> <li>If you wish to cancel your vote, please press "Cancel".</li> </ol>
8.	End of Participation	Upon announcement by the Chairman on the closure of the EGM, the live webcast will end and the Messaging window will be disabled.

## PRE-MEETING SUBMISSION OF QUESTIONS TO THE BOARD

In order to enhance the efficiency of the proceedings of the EGM, you may submit questions to the Company via e-mail to [info@systech.asia](mailto:info@systech.asia) commencing from Wednesday, 3 April 2024 and no later than 5.00 p.m., Wednesday, 17 April 2024 or select the messaging icon in the Meeting Platform to transmit questions via RPEV facilities during live streaming of the EGM. If time permits, the Chairman and the Board will endeavour their best to respond to questions submitted by shareholders which are related to the resolutions to be tabled at the EGM. You are encouraged to submit questions before the EGM as priority will be given to questions submitted before the EGM.

## RECORDING OR PHOTOGRAPHY AT THE EGM

Strictly no recording or photography of the EGM proceedings is allowed.

## ENQUIRY

If you have general queries prior to the meeting, please contact the following person(s) during office hours from Mondays to Fridays, 8.30 a.m. to 5.30 p.m. (except on public holidays):

Systech Bhd	Boardroom Share Registrars Sdn. Bhd. (Share Registrar)
Tel No: +603-2242 1833 Email: <a href="mailto:info@systech.asia">info@systech.asia</a> Contact Person: Ms Julaiha Abd Kahar	Tel No: +603-7890 4700 Fax No: +603-7890 4670 Email: <a href="mailto:bsr.helpdesk@boardroomlimited.com">bsr.helpdesk@boardroomlimited.com</a> Contact person: Mr Khairul Iqram Bin Zainal Abidin

## PERSONAL DATA POLICY

By registering for the remote participation and electronic voting and/or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member disclose the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained prior consent of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



## PROXY FORM

<b>CDS Account No.</b>	
<b>No. of Shares Held</b>	

\*I/We \_\_\_\_\_ \*NRIC No./Co. No. \_\_\_\_\_  
[Full name]

of \_\_\_\_\_  
[Address]

being a \*member / members of Systech Bhd [201001012883 (897114-T)] (the “**Company**”), hereby appoint the following person(s):

Name of Proxy	NRIC No	Email Address	Address	No. of Shares to be represented
1.				
2.				

or failing him/her, THE CHAIRMAN OF THE MEETING as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting of the Company (“**EGM**”) will be conducted on a fully virtual basis through remote participation and electronic voting via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC – D6A357657) on Thursday, 18 April 2024 at 10.00 a.m. or at any adjournment thereof and to vote as indicated below:

		FIRST PROXY		SECOND PROXY	
		For	Against	For	Against
RESOLUTION 1	Proposed Shares Issuance				
RESOLUTION 2	Proposed Allocation to HJH				
RESOLUTION 3	Proposed Acquisition				
RESOLUTION 4	Proposed Bonus Issue of Warrants				
RESOLUTION 5	Proposed ESS				
RESOLUTION 6	Proposed Allocation of Awards to Lee Choon Teng				
RESOLUTION 7	Proposed Allocation of Awards to Teoh Keng Chang				
RESOLUTION 8	Proposed Allocation of Awards to Chan Soon Tat				
RESOLUTION 9	Proposed Allocation of Awards to Hong Boon Toh				
RESOLUTION 10	Proposed Allocation of Awards to Fong Sheng Nie				
RESOLUTION 11	Proposed Allocation of Awards to Ooi Gin Hui				
RESOLUTION 12	Proposed Allocation of Awards to LMY				

(Please indicate with an “X” in the spaces provided above on how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion).

\*Strike out whichever is not desired.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

\_\_\_\_\_  
Signature of Shareholder(s) / Common Seal



## Notes:-

1. The EGM of the Company will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting ("**RPEV**") facilities. Please follow the procedures provided in the Administrative Guide of the EGM in order to register, participate and vote remotely. The Administrative Guide of the EGM is also available for download at [www.systech.asia/investor.php](http://www.systech.asia/investor.php).
2. This is in accordance with the Guidance Note and FAQs on the Conduct of General Meetings for listed issuers and all its subsequent revisions issued by the Securities Commission Malaysia ("**SC Guidance**"). This is also in line with Practice 13.1 of the Malaysian Code on Corporate Governance 2021 which recommends that listed companies leverage on technology to facilitate remote shareholders' participation at general meetings.
3. According to the SC Guidance, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Act provided that the online platform is located in Malaysia. All meeting participants including the Chairman of the meeting, board members, senior management and shareholders / proxies / corporate representatives / attorneys are required to participate in the meeting online.

## A. Proxy

1. A proxy may but need not be a member of the Company.
2. To be valid, this form, duly completed must be deposited in hard copy form or by electronic means, not less than 48 hours before the time for holding the meeting PROVIDED THAT in the event the member(s) duly executes the Proxy Form but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her/their proxy, PROVIDED ALWAYS that the rest of the Proxy Form, other than the particulars of the proxy/proxies have been duly completed by the member(s).
3. Proxy forms may be deposited in the following manner:
  - (i) **In hard copy form**  
The original instrument appointing a proxy ("**Proxy Form**") must be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
  - (ii) **By electronic means**  
The Proxy Form can also be lodged electronically with the Company's Share Registrar of the Company through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or email to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com). Please follow the procedures provided in the Administrative Guide of the EGM in order to deposit the Proxy Form electronically.
4. A member may appoint up to 2 proxies to attend and vote at the same meeting. Where a member appoints 2 proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
5. Where a member of the company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least 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.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (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.
7. If the appointor is a corporation, this form must be executed under its common seal or under the hand of an attorney duly authorised.
8. Only depositors whose names appear in the Record of Depositors as at 9 April 2024 shall be entitled to attend the EGM.
- 9.. Pursuant to Paragraph 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of EGM will be put to vote by way of poll.

## Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 3 April 2024.

*Fold this flap for sealing*

*Then fold here*

AFFIX  
STAMP

The Share Registrar of  
**BOARDROOM SHARE REGISTRARS SDN. BHD.**  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan, Malaysia

*First fold here*

