

SYSTECH BHD
(the “Company”)
(Company No. 897114-T)
(Incorporated in Malaysia)

Minutes of the Eighth Annual General Meeting of the members of the Company held at Unit T05, Tower Block, Plaza Dwtasik, Jalan Tasik Permaisuri 1, Bandar Sri Permaisuri, 56000 Kuala Lumpur on Tuesday, 31 July 2018 at 9.00 a.m.

- Present** : **Board of Directors**
- | | |
|---|--|
| Foo Lee Khean | - Executive Chairman |
| Tan Hock Ann | - Executive Director/Group Chief Executive Officer |
| Tan Hock Soon | - Executive Director |
| Terence Selvarajah A/L Peter Selvarajah | - Independent Non-Executive Director |
| Robert Koong Yin Leong | - Independent Non-Executive Director |
| Chuar Sew Tin | - Independent Non-Executive Director |
- Shareholders**
- As per attendance list
- Proxies**
- As per attendance list
- Invitees**
- As per attendance list
- In Attendance** : Ms. Wong Youn Kim
Ms. Chew Siok Bee

MINUTES

1. CHAIRMAN

Mr Foo Lee Khean, the Chairman of the Company took the chair and welcomed all present at the Eighth Annual General Meeting (“8th AGM”) of the Company.

2. QUORUM

The Chairman called the meeting to order at 9.00 a.m. upon the confirmation of the presence of a quorum by the Company Secretary.

3. NOTICE

The Notice, having been properly circulated to all the members on 3 July 2018, was taken as read without any objection from the members and proxies.

The Chairman then invited the Secretary to brief the meeting on the proceedings of the meeting and the voting procedures.

The Secretary, Ms Wong Youn Kim then proceeded to explain the meeting’s proceedings and the requirement for resolutions set out in the notice of any general meeting or notice of resolution to be voted by poll pursuant to the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), before inviting the Chairman to continue with the meeting’s proceedings.

4. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 AND THE REPORTS OF DIRECTORS AND AUDITORS THEREON

The Audited Financial Statements (“AFS”) for the financial year ended 31 March 2018 together with the Directors’ and Auditors’ Reports thereon, having been circulated to all the shareholders within the prescribed period, were tabled before the Meeting.

The Chairman informed the Meeting that the AFS was meant for discussion only as it would not require approval from the members in accordance with Section 248(1) and Section 340(1)(a) of the Companies Act 2016 (“Act”). Hence, this Agenda item was not put forward for voting.

The Chairman then invited questions on the financial statements from the floor.

A lively question and answer session ensued and the following questions raised by shareholders/proxies were duly replied:-

- i) Mr Lim Koh Tean enquired on the reason for increased in revenue but decreases in the profit before taxation in the year 2018.

The Chairman explained that the increase in revenue was mainly attributed to the completion of the acquisition of 2 companies namely, Syscode Sdn. Bhd. (formerly known as Rofarez Solutions Sdn. Bhd.) [“Syscode”] and Postlink Pte. Ltd. [“Postlink”] in the financial year ended 31 March 2018, where the results of these companies were consolidated during the financial year. Due to the nature of Postlink’s business, its profit margins are lower than that of the other subsidiaries; and coupled with the cost of acquisitions resulted in the lower profit before taxation during the year. Systech Group is optimistic that the performance will improve in the financial year ending 31 March 2019.

- ii) In response to Mr Lim Koh Tean’s enquiry on the Dividend Policy of Systech Group, the Chairman replied that the Group had not adopted a Dividend Policy for the time being. The declaration of dividend was based on the financial performance of the Systech Group. Following the recent acquisition of the 2 companies and challenging market conditions moving forward, Systech Group decided not to declare any dividend for the financial year ended 31 March 2018.

- iii) Mr Lim Koh Tean further enquired on the rationale of acquiring the abovementioned 2 companies. The Chairman replied that the acquisition of Postlink and Syscode were to in line with Systech Group’s overall strategy which focuses on research and development to enhance and to further expand its product offering in the future. He further elaborated that Postlink is a company incorporated in Singapore which is principally involved in the business of e-logistics solutions which specialised business of annual report mailing and posting and will be undertaking the development of a new initiative in providing digitised annual report in a dynamic format. Postlink is expected to contribute positively to Systech Group’s revenue in the financial year ending 31 March 2019. Syscode is principally involved in software development and development of blockchain technology. As Syscode is still undertaking research and development on its solutions offering, it has yet to record profits but the Systech Group will continue to explore new business opportunities for Syscode following the completion of the acquisition.

- iv) In relation to the gender diversity, Mr Lim Koh Tean would like to know the planning of the Systech’s Group towards the gender diversity. The Chairman informed that the Board recognises the importance of gender diversity on the Board and is constantly looking for suitable female candidate to join the Board.

- v) On the question of declaration of dividend, Encik Ahmad Ibrahim opined that based on the financial performance of Systech Group, the Group was profitable. Thus, Systech Group should consider rewarding the shareholders.

The Chairman informed that the Board had deliberated on the declaration of dividend for the financial year ended 31 March 2018 and decided not to declare any dividend as explained earlier.

There being no further question raised from the floor, the Chairman declared that the AFS for the financial year ended 31 March 2018 have, in accordance with the Companies Act 2016, been properly laid and received.

5. DIRECTORS' FEES OF RM80,000.00 PAYABLE TO THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

The next item on the Agenda was to approve the payment of directors' fees of RM80,000.00 payable to the Directors for the financial year ended 31 March 2018.

The following motion was duly proposed by Mr Hon Kah Sin and seconded by Mr Lim Koh Tean:-

“Ordinary Resolution 2

- Directors' Fees of RM80,000.00 payable to the Directors for the financial year ended 31 March 2018

THAT the payment of Directors' fees of RM80,000.00 for the financial year ended 31 March 2018 be hereby approved.”

6. RE-ELECTION OF DIRECTORS PURSUANT TO ARTICLE 91 OF THE COMPANY'S CONSTITUTION

(a) RE-ELECTION OF TAN HOCK ANN

The Chairman informed that the next three resolutions on the agenda were in relation to the re-election of Mr Tan Hock Ann, himself and Mr Chuar Sew Tin as Directors' of the Company. The Directors are retiring pursuant to Article 91 and 98 of the Company's Constitution respectively and being eligible, had offered ourselves for re-election.

The Chairman proceeded to the next item which was on the re-election of Mr Tan Hock Ann as a Director of the Company, who was retiring pursuant to Article 91 of the Company's Constitution.

The following motion was duly proposed by Mr Hon Kah Sin and seconded by Ms Lim Shiow Chinn:-

“Ordinary Resolution 2

- Re-election of Director – Mr Tan Hock Ann

THAT Mr Tan Hock Ann retiring pursuant to Article 91 of the Company's Constitution, be re-elected as a Director of the Company.”

(b) RE-ELECTION OF MR FOO LEE KHEAN AS DIRECTOR

As the next item on the agenda concern the re-election of Mr Foo Lee Khean as Director under Article 91 of the Company's Constitution, the Chairman passed the chair to the Secretary, Ms Wong Youn Kim, to continue with the agenda.

Ms Wong Youn Kim took the chair and informed the Meeting that the next item on the agenda was to consider the re-election of Mr Foo Lee Khean as Director under Article 91 of the Company's Constitution.

The following motion was duly proposed by Mr Chan Tain Por and seconded by Mr Lim Koh Tean:-

**“Ordinary Resolution 3
- Re-election of Director – Mr Foo Lee Khean**

THAT Mr Foo Lee Khean retiring pursuant to Article 91 of the Company's Constitution, be re-elected as a Director of the Company.”

(c) RE-ELECTION OF MR CHUAR SEW TIN AS DIRECTOR

Ms Wong Youn Kim passed the chair back to the Chairman who then proceeded to the next item on the agenda which was to re-elect Mr Chuar Sew Tin as Director of the Company pursuant to the Article 98 of the Company's Constitution.

The following motion was duly proposed by Mr Hon Kah Sin and seconded by Mr Lim Koh Tean:-

**“Ordinary Resolution 4
- Re-election of Director – Mr Chuar Sew Tin**

THAT Mr Chuar Sew Tin retiring pursuant to Article 98 of the Company's Constitution, be re-elected as a Director of the Company.”

7. RE-APPOINTMENT OF AUDITORS, MESSRS T.H. KUAN & CO.

The Meeting moved on to consider the re-appointment of Messrs T.H. Kuan & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration.

The Chairman informed the members that the retiring Auditors, Messrs T.H. Kuan & Co. had indicated their willingness to continue in office.

The following motion was duly proposed by Ms Lim Shiew Chinn and seconded by Mr Bryan Lee Kung Chern:-

**“Ordinary Resolution 5
- Re-appointment of Auditors, Messrs T.H. Kuan & Co.**

THAT Messrs T.H.Kuan & Co. be hereby re-appointed as the Company's Auditors for the ensuing year AND THAT the Board of Directors be authorised to fix their remuneration.”

8. SPECIAL BUSINESS

(a) AUTHORITY TO ISSUE SHARES

The Meeting proceeded to consider the motion on the authority to issue shares pursuant to the Act (“General Mandate”). The Meeting noted that the motion, if passed, would empower the Directors of the Company to allot and issue new shares in the Company from time to time provided that the aggregate number of shares to be issued pursuant to the General Mandate does not exceed 10% of the total issued share capital of the Company for the time being.

The following motion was duly proposed by Mr Chan Tain Por and seconded by Mr Lim Kok Tean:-

“Ordinary Resolution 6 - Authority to Issue Shares

“THAT subject always to the Act, Company’s Constitution and approvals of the relevant authorities, the Directors be and are hereby empowered pursuant to Section 75 of the Act, to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company at the time of issue and the Directors are hereby further empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad (“Bursa Securities”) and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company.”

c) PROPOSED SHARE BUY-BACK

The Chairman moved on to the next item on the agenda which was to consider and if thought fit, to pass an Ordinary Resolution for proposed renewal of shareholders’ mandate for share buy-back as explained in the Share Buy-Back Statements for approval.

The following motion was duly proposed by Mr Lim Kok Tean and seconded by Ms Lim Shiew Chinn:-

“Ordinary Resolution 7 - Proposed Share Buy-Back

“THAT subject to the Act, the provisions of the Company’s Constitution, the ACE Market Listing Requirements of Bursa Securities (“AMLR”) and all other prevailing laws, guidelines, rules, regulations and orders issued and/or amended from time to time by the relevant regulatory authorities, the Company be and is hereby authorised to purchase its own ordinary shares (“Shares”) of up to 10% of the total issued share capital of the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company and an amount not exceeding the retained profits of the Company be allocated by the Company for the Proposed Renewal of Share Buy-Back Mandate;

AND THAT upon completion of the purchase(s) of the Shares by the Company, authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either cancel the Shares so purchased and/or to retain the Shares so purchased as treasury shares and if retained as treasury shares, may resell the treasury shares on Bursa Securities and/or to distribute as share dividends to shareholders and/or subsequently cancelling the treasury shares or any combination of the three;

AND FURTHER THAT the Directors of the Company be and are hereby authorised to carry out the Proposed Renewal of Share Buy-Back Mandate immediately upon the passing of this ordinary resolution until:-

- (i) the conclusion of the next AGM of the Company, at which time the authority shall lapse unless renewed by ordinary resolution, either unconditionally or conditionally; or
- (ii) the expiration of the period within which the next AGM is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders in a general meeting

whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company of the Shares before the aforesaid expiry date and to take all such steps as are necessary and/or to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back Mandate with full powers to assent to any conditions, modifications, amendments and/or variations as may be imposed by the relevant authorities.”

9. ANY OTHER BUSINESS

As no notice had been received to transact any other business, the Chairman invited the Secretary to brief the Meeting on the polling procedures where the whole polling process would be conducted in approximately 30 minutes followed by the declaration of the poll results. Symphony Share Registrars Sdn. Bhd. would conduct the poll and Ferrier Hodgson MH Sdn. Bhd. was appointed as the independent scrutineer to verify the poll results.

10. ANNOUNCEMENT OF POLL RESULTS

The Chairman called the meeting to order at 9.15 a.m. for the declaration of results. He informed that he had received the poll results from Ferrier Hodgson MH Sdn. Bhd., attached as Annexure I and he read out the following poll results to the members and proxies present:-

Resolution 1: To approve the payment of Directors' fees of RM80,000.00 payable to the Directors for the financial year ended 31 March 2018

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1	182,882,071	100	-	-

Resolution 1 was carried unanimously.

Resolution 2: To Re-elect Mr Tan Hock Ann as Director

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 2	182,900,871	100%	0	0%

Resolution 2 was carried unanimously.

Resolution 3: To Re-elect Mr Foo Lee Khean as Director

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 3	182,900,871	100%	0	0%

Resolution 3 was carried unanimously.

Resolution 4: To Re-elect Mr Chuar Sew Tin as Director

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 6	182,870,871	100%	0	0%

Resolution 4 was carried unanimously.

Resolution 5: To Re-appoint Messrs T.H. Kuan & Co. as Auditors of the Company

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 5	182,900,871	100	0	0

Resolution 5 was carried unanimously.

Resolution 6: Authority to issue shares

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 6	182,900,871	100	0	0

Resolution 6 was carried unanimously.

Resolution 7: Proposed Share Buy-Back

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 7	182,900,871	100	0	0

Resolution 7 was carried unanimously.

11. CLOSURE OF MEETING

As there was no other matter to be discussed, for which due notice had been given in accordance with the Act, the meeting concluded at 9.25 a.m. with a vote of thanks to the Chairman and the Board of Directors.

Confirmed as a correct record,

FOO LEE KHEAN
CHAIRMAN