

SYSTECH BHD.
[Registration No. 201001012883 (897114-T)]
(Incorporated in Malaysia)

Minutes of the Extraordinary General Meeting of the members of the Company conducted on a fully virtual basis via online meeting platform: <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) on Thursday, 18 April 2024 at 10.00 a.m.

Present	: Board of Directors	
	Mr. Hong Boon Toh	Chairman/Senior Independent Non-Executive Director
	Mr. Chan Soon Tat	Non-Independent Non-Executive Chairman
	Mr. Lee Choon Teng	Group Chief Executive Officer
	Mr. Teoh Keng Chang	Executive Director
	Mr. Fong Sheng Nie	Independent Non-Executive Director
	Ms. Ooi Gin Hui	Independent Non-Executive Director
	Invitees	
	Mr. Jason Chan Kai Lok	Malacca Securities Sdn Bhd, Principal Adviser
	Mr. Lew Choon Meng	Julius Leonie Chai, Solicitors
	Mr. Cheong Wen-Jie	TA Securities Holdings Berhad, Independent Adviser
	Shareholders	
	- As per attendance list	
	Proxies	
	- As per attendance list	

In Attendance : Ms. Wong Youn Kim Company Secretary

MINUTES

1. CHAIRMAN

Mr. Hong Boon Toh, the Chairman of the Company took the chair and welcomed all present at the Extraordinary General Meeting (“EGM”) of the Company. The Chairman informed the shareholders that the EGM was conducted in a fully virtual environment to promote greater shareholders’ participation as it facilitates electronic voting and remote shareholders’ participation.

Before proceeding with the agenda of the meeting, the Chairman introduced the Board of Directors’ members, Company Secretary and Invitees who were present via the online platform to the Meeting.

The Chairman informed that the EGM is conducted in a fully virtual environment in accordance with Section 327 of the Companies Act 2016 (“Act”) and Clause 59 of the Company’s Constitution.

2. QUORUM

The Chairman called the meeting to order at 10.00 a.m. upon the confirmation of the presence of a quorum by the Company Secretary.

3. POLLING

At the invitation of the Chairman, the poll administrator briefed the meeting on the online voting procedure.

The Chairman then informed that participants of the meeting are now allowed to cast their votes until the end of the polling session.

4. NOTICE

The Notice having been properly circulated to all the members on 3 April 2024, was taken as read without any objection from the members and proxies.

5. ORDINARY RESOLUTION 1

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

The Chairman informed that Ordinary Resolution 1 is to approve the Proposed Share Issuance.

6. 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”)

The Chairman informed that Ordinary Resolution 2 is to approve the Proposed Allocation to HJH.

7. 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 (“CONSIDERATIONS SHARES”) AT AN ISSUE PRICE OF RM0.36 PER CONSIDERATION SHARE (“PROPOSED ACQUISITION”)

The Chairman informed that Ordinary Resolution 3 is to approve the Proposed Acquisition.

8. 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”)

The Chairman informed that Ordinary Resolution 4 is to approve the Proposed Bonus issue of Warrants.

- 9. 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")**

The Chairman informed that Ordinary Resolution 5 is to approve the Proposed ESS.

- 10. ORDINARY RESOLUTION 6
PROPOSED ALLOCATION OF AWARDS TO LEE CHOON TENG PURSUANT TO THE PROPOSED ESS ("PROPOSED ALLOCATION OF AWARDS TO LEE CHOON TENG")**

The Chairman informed that Ordinary Resolution 6 is to approve the Proposed Allocation of Awards to Lee Choon Teng.

- 11. ORDINARY RESOLUTION 7
PROPOSED ALLOCATION OF AWARDS TO TEOH KENG CHANG PURSUANT TO THE PROPOSED ESS ("PROPOSED ALLOCATION OF AWARDS TO TEOH KENG CHANG")**

The Chairman informed that Ordinary Resolution 7 is to approve the Proposed Allocation of Awards to Teoh Keng Chang.

- 12. ORDINARY RESOLUTION 8
PROPOSED ALLOCATION OF AWARDS TO CHAN SOON TAT PURSUANT TO THE PROPOSED ESS ("PROPOSED ALLOCATION OF AWARDS TO CHAN SOON TAT")**

The Chairman informed that Ordinary Resolution 8 is to approve the Proposed Allocation of Awards to Chan Soon Tat.

- 13. ORDINARY RESOLUTION 9
PROPOSED ALLOCATION OF AWARDS TO HONG BOON TOH PURSUANT TO THE PROPOSED ESS ("PROPOSED ALLOCATION OF AWARDS TO HONG BOON TOH")**

The Chairman informed that Ordinary Resolution 9 is to approve the Proposed Allocation of Awards to Hong Boon Toh.

- 14. ORDINARY RESOLUTION 10
PROPOSED ALLOCATION OF AWARDS TO FONG SHENG NIE PURSUANT TO THE PROPOSED ESS ("PROPOSED ALLOCATION OF AWARDS TO FONG SHENG NIE")**

The Chairman informed that Ordinary Resolution 10 is to approve the Proposed Allocation of Awards to Fong Sheng Nie.

- 15. ORDINARY RESOLUTION 11
PROPOSED ALLOCATION OF AWARDS TO OOI GIN HUI PURSUANT TO THE PROPOSED ESS ("PROPOSED ALLOCATION OF AWARDS TO OOI GIN HUI")**

The Chairman informed that Ordinary Resolution 11 is to approve the Proposed Allocation of Awards to Ooi Gin Hui.

16. ORDINARY RESOLUTION 12

PROPOSED ALLOCATION OF AWARDS TO LOW MIN YEW, A PERSON CONNECTED TO SMARTPRO CAPITAL SDN. BHD. (“SCSB”), THE MAJOR SHAREHOLDER OF SYSTECH, PURSUANT TO THE PROPOSED ESS (“PROPOSED ALLOCATION OF AWARDS TO LEE MIN YEW”)

The Chairman informed that Ordinary Resolution 12 is to approve the Proposed Allocation of Awards to Lee Min Yew.

17. QUESTION AND ANSWER SESSION

After tabling the resolutions set out in the Notice of EGM, the Chairman then invited Mr. Teoh Keng Chang to present the Company’s response to the questions raised by the Minority Shareholders Watch Group (“**MSWG**”), details of which were set out in Appendix A attached.

After having addressing the questions raised by the MSWG, the Chairman then proceeded to address further questions raised from shareholders and proxies during the meeting, details of which were set out in Appendix B attached.

After having addressed all the questions raised, the Chairman informed the Meeting to proceed with voting. Shareholder and proxies were given another ten (10) minutes to vote if they have not done so earlier.

The Chairman further conveyed that in his capacity as Chairman of the meeting, he has been appointed as proxy by some shareholders and will be voting in accordance with their instructions.

The Chairman declared the polling closed at 10.36 a.m. for the votes to be tabulated by the Poll Administrator and verified by the Scrutineers. The meeting resumed at 11.16 a.m. for the declaration of the results of the poll.

18. ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 1 PROPOSED SHARES ISSUANCE

The Ordinary Resolution 1 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
21,568,161	99.9942	1,251	0.0058

Based on the above result, the Chairman declared that the Ordinary Resolution 1 was carried. Accordingly, it was RESOLVED:

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.

19. ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 2 PROPOSED ALLOCATION TO HJH

The Ordinary Resolution 2 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
21,547,161	99.9015	21,251	0.0985

Based on the above result, the Chairman declared that the Ordinary Resolution 2 was carried. Accordingly, it was RESOLVED:

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.

20. ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 3 PROPOSED ACQUISITION

The Ordinary Resolution 3 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
21,547,411	99.9026	21,001	0.0974

Based on the above result, the Chairman declared that the Ordinary Resolution 3 was carried. Accordingly, it was RESOLVED:

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, 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.

21. ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 4 PROPOSED ACQUISITION

The Ordinary Resolution 4 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
202,380,082	99.9995	1,050	0.0005

Based on the above result, the Chairman declared that the Ordinary Resolution 4 was carried. Accordingly, it was RESOLVED:

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 or 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 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.

22. ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 5 PROPOSED ESS

The Ordinary Resolution 5 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
202,351,781	99.9904	19,451	0.0096

Based on the above result, the Chairman declared that the Ordinary Resolution 5 was carried. Accordingly, it was RESOLVED:

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% in aggregate of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time throughout the duration of the Proposed ESS;
- (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 the 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.

**23. ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 6
PROPOSED ALLOCATION OF AWARDS TO LEE CHOON TENG**

The Ordinary Resolution 6 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
21,528,761	99.8166	39,551	0.1834

Based on the above result, the Chairman declared that the Ordinary Resolution 6 was carried. Accordingly, it was RESOLVED:

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 Proposed ESS, 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.

**24. ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 7
PROPOSED ALLOCATION OF AWARDS TO TEOH KENG CHANG**

The Ordinary Resolution 7 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
21,518,661	99.8170	39,451	0.1830

Based on the above result, the Chairman declared that the Ordinary Resolution 7 was carried. Accordingly, it was RESOLVED:

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 Proposed ESS, 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.

**25. ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 8
PROPOSED ALLOCATION OF AWARDS TO CHAN SOON TAT**

The Ordinary Resolution 8 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
21,528,861	99.8176	39,351	0.1824

Based on the above result, the Chairman declared that the Ordinary Resolution 8 was carried. Accordingly, it was RESOLVED:

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 Proposed ESS, 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.

**26. ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 9
PROPOSED ALLOCATION OF AWARDS TO HONG BOON TOH**

The Ordinary Resolution 9 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
202,297,481	99.9637	73,551	0.0363

Based on the above result, the Chairman declared that the Ordinary Resolution 9 was carried. Accordingly, it was RESOLVED:

“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 Proposed ESS, 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.”

**27. ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 10
PROPOSED ALLOCATION OF AWARDS TO FONG SHENG NIE**

The Ordinary Resolution 10 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
202,297,481	99.9636	73,651	0.0364

Based on the above result, the Chairman declared that the Ordinary Resolution 10 was carried. Accordingly, it was RESOLVED:

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 Proposed ESS, 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.

**28. ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 11
PROPOSED ALLOCATION OF AWARDS TO OOI GIN HUI**

The Ordinary Resolution 11 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
202,297,481	99.9636	73,651	0.0364

Based on the above result, the Chairman declared that the Ordinary Resolution 11 was carried. Accordingly, it was RESOLVED:

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 Proposed ESS, 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.”

**29. ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 12
PROPOSED ALLOCATION AWARDS TO LOW MIN YEW**

The Ordinary Resolution 12 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
21,484,761	99.6588	73,551	0.3412

Based on the above result, the Chairman declared that the Ordinary Resolution 12 was carried. Accordingly, it was RESOLVED:

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 Proposed ESS, to offer and grant the Awards to Low Min Yew, 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 Low Min Yew be and is hereby noted and waived.

30. CLOSURE OF MEETING

As there was no other matter to be discussed, the meeting concluded at 11.17 a.m. with a vote of thanks to the Chairman.

Confirmed as a correct record,

HONG BOON TOH
CHAIRMAN

Appendix A

No	Question	Answer																							
Proposed Shares Issuance																									
1 (a)	<p>The Proposed Shares Issuance entails the issuance of subscription shares to selected Subscribers at the subscription price of RM0.36 per subscription share, representing 29.4% of the enlarged total number of issued shares (excluding treasury shares) after the Proposed Shares Issuance. The subscription shares represent approximately 22.4% of the enlarged issued shares of Systech upon completion of the Proposed Shares Issuance and Proposed Acquisition. The subscription price of RM0.36 per subscription share is at a discount of 17% to the 5-day VWAP up to the last trading day prior to the Announcement (21 December 2023). (pages 9, 11 & 12 of the Circular)</p> <p>(a) The discount is to compensate for the difference between the NA and market price of Systech Shares, and to attract the Subscribers to subscribe for the subscription shares notwithstanding that the Group had been recording losses. The Board is of the view that NA will be the most appropriate approach to value the equity of the Company after deducting all the liabilities from the total assets. (page 12 of the Circular)</p> <p>Given that the issuance of new shares is highly dilutive, especially to the minority shareholders, why was the basis of determining the subscription price focused on the following to justify a 17% discount to the subscription price:</p>	<p>The historical financial information of Systech Group (appended as Appendix IX of the Circular) is set out as follows: -</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3" style="text-align: center;">Audited</th> </tr> <tr> <th style="text-align: center;">FYE 31 March 2021</th> <th style="text-align: center;">FYE 31 March 2022</th> <th style="text-align: center;">FYE 31 March 2023</th> </tr> <tr> <th></th> <th style="text-align: center;">RM'000</th> <th style="text-align: center;">RM'000</th> <th style="text-align: center;">RM'000</th> </tr> </thead> <tbody> <tr> <td>(Loss)/Profit from continuing operations</td> <td style="text-align: right;">(415)</td> <td style="text-align: right;">(5,928)</td> <td style="text-align: right;">293</td> </tr> <tr> <td>(Loss)/Profit from discontinued operations (includes the 5 loss-making subsidiaries in the e-Business solutions segment)</td> <td style="text-align: right;">-</td> <td style="text-align: right;">(15,758)</td> <td style="text-align: right;">(6,054)</td> </tr> <tr> <td>Loss for the financial year/period</td> <td style="text-align: right;">(415)</td> <td style="text-align: right;">(21,686)</td> <td style="text-align: right;">(5,761)</td> </tr> </tbody> </table> <p>Based on the above, Systech Group recorded losses from the continuing operations for the FYE 31 March 2021 and FYE 31 March 2022 respectively and recorded marginal profits of RM0.3 million for the FYE 31 March 2023.</p>		Audited			FYE 31 March 2021	FYE 31 March 2022	FYE 31 March 2023		RM'000	RM'000	RM'000	(Loss)/Profit from continuing operations	(415)	(5,928)	293	(Loss)/Profit from discontinued operations (includes the 5 loss-making subsidiaries in the e-Business solutions segment)	-	(15,758)	(6,054)	Loss for the financial year/period	(415)	(21,686)	(5,761)
	Audited																								
	FYE 31 March 2021	FYE 31 March 2022	FYE 31 March 2023																						
	RM'000	RM'000	RM'000																						
(Loss)/Profit from continuing operations	(415)	(5,928)	293																						
(Loss)/Profit from discontinued operations (includes the 5 loss-making subsidiaries in the e-Business solutions segment)	-	(15,758)	(6,054)																						
Loss for the financial year/period	(415)	(21,686)	(5,761)																						

No	Question	Answer
	<p>i. non-reflective historical financial performance, given that Systech had on 7 July 2023 completed its disposal of 5 loss-making subsidiaries in the e-business solutions segment, which has allowed the Group to relocate its resources to its profitable segments (page 50 of the Circular); and</p> <p>ii. NA to value the equity of Systech, given that Systech is principally involved in the provision of IT solutions (i.e. provides cybersecurity services and e-logistics solutions), generally IT companies are asset light?</p>	<p>In view that the Systech Group’s continuing operations recorded losses/marginal profits for the past few financial years, the Board is of the opinion that the discount of 17.0% to the 5day VWAP up to 21 December 2023, being the last trading day prior to the date of the announcement of the Proposals (“LTD”), for the Subscription Shares is reasonable after taking into consideration, amongst others, the unaudited consolidated net asset per Share of Systech of 5.86 sen as at 30 September 2023, which is substantially lower than the closing price of Systech Shares of RM0.43 as at LTD.</p>
1 (b)	<p>What is the rationale for not including the potential earnings and benefits to be accrued by the Group through the following:</p> <p>i. the acquisition of TalentCloud AI Sdn. Bhd. which has a total of RM3 million profit guarantee for 2 years period ending 31 March 2025 (page 50 of the Circular);</p> <p>ii. Internet-of-Things contracts (pages 15 & 16 of the Circular); and</p> <p>iii. the Proposed Acquisition, Wilstech Sdn. Bhd. (“Wilstech”) is a profitable company which the Proposed Acquisition comes with a profit guarantee of an audited PAT of not less than RM5 million for the 12M FPE2025, whilst Wilstech’s orderbook stood at RM37.8 million (page 27 of the Circular);</p> <p>as the basis for determining the subscription price?</p>	<p>As at LPD, Systech Group had only secured 1 IoT contract for an amount of RM0.8 million to be recognised over 3 years. Whilst the Systech Group is currently in discussion with several parties for the provision of IoT related services, the Board had not taken into consideration such contracts in determining the subscription price as no other IoT contracts have been secured as at LPD.</p> <p>The potential earnings and benefits from the Proposed Acquisition were not considered in determining the subscription price as the Proposed Shares Issuance is not conditional upon the Proposed Acquisition.</p>

No	Question	Answer
Proposed acquisition of the entire equity interest in Wilstech for RM75 million		
2	<p>The purchase consideration for the Proposed Acquisition shall be satisfied in a combination of part cash and part shares whereby the vendors of Wilstech, namely Low Min Yew (“LMY”) and Sea Capital LP (“SeaCap”) will receive a total of 152,777,777 shares (including 69,444,445 shares to be held as security by the stakeholder) upon completion of the acquisition.</p> <p>Is there any restriction in terms of timeframe for the disposal of Systech shares by LMY and SeaCap? If not, what is the protection to the existing shareholders in the event substantial shares are disposed of in a short period of time?</p>	<p>In accordance with the Listing Requirements, there is no moratorium imposed on the Consideration Shares. As such, LMY and SeaCap has the absolute discretion to decide on the timing of disposal of the Consideration Shares. As per other merger and acquisition transactions, Systech is unable to prohibit LMY and SeaCap to dispose off the Consideration Shares or impose timeframe for such disposal. Nevertheless, the Board believes that LMY and SeaCap may not abruptly dispose of the Consideration Shares in a short period of time to cause a significant drop in the price of Systech Shares as the Consideration Shares are issued at an issue price of RM0.36.</p> <p>Additionally, out of 152,777,777 Consideration Shares, only 83,333,332 Consideration Shares will be issued upon completion of the Proposed Acquisition (i.e. May 2024). The balance 69,444,445 Consideration Shares will only be released upon the Profit Guarantee being achieved (estimated July 2025).</p>
3	<p>In consideration of Systech acquiring Wilstech, LMY irrevocably and unconditionally guarantees and undertakes to Systech that Wilstech shall achieve an audited PAT of not less than RM5.0 million for the 12M FPE2025 (1 April 2024 to 31 March 2025). As the security for the performance of the profit guarantee, Systech and LMY agree that part of the purchase consideration payable to LMY, i.e. RM5 million cash and RM25 million worth of shares (69,444,445 shares) shall be placed with the stakeholder as security. (page 20 of Circular)</p> <p>What is the rationale for issuing all the consideration shares upfront in full, which is highly dilutive, especially to the minority shareholders, when the profit guarantee provided by LMY has yet to be achieved?</p>	<p>The issuance of the balance Consideration Shares upfront in full (to be held by stakeholder) had been negotiated by LMY to provide LMY with certainty that the balance Purchase Consideration will be delivered upon achievement of the Profit Guarantee. The Board is of the view that this is fair considering the following: -</p> <ul style="list-style-type: none"> i. 100% equity interest of Wilstech will be transferred to Systech upon completion of the Proposed Acquisition (i.e. May 2024), whilst the balance Purchase Consideration will only be delivered upon achievement of the Profit Guarantee (estimated July 2025); and ii. LMY had entered into a management agreement to remain with Wilstech and continue to drive Wilstech to achieve the Profit Guarantee.

No	Question	Answer
4	<p>In the event Wilstech only deliver the assumed historical PAT of RM3.0 million or records an audited loss after tax for the 12M FPE2025, the security amount will be refunded to Systech. The security amount (in the form of shares) to be refunded to Systech shall be disposed off in the open market and/or cancelled. Systech may instruct the stakeholder to, amongst others, dispose of the pledge shares (which will be held by the stakeholder in escrow on behalf of LMY) and refund the proceeds thereof to Systech (pages 21, 22 & 23 of the Circular)</p> <p>At what price will the stakeholder dispose of the 69,444,445 shares (held as security) in the open market? Has the Board taken into consideration the potential impact on Systech's share price arising from the share's disposal in the open market?</p>	<p>The Board is unable to determine the disposal price for the 69,444,445 Pledged Shares now as it will depend on, amongst other, the following: -</p> <ul style="list-style-type: none"> i. prevailing market price of Systech Shares; ii. then liquidity of Systech Shares; and iii. prevailing market conditions. <p>For avoidance of doubt, the Board will undertake such disposal (if any) in an orderly basis so as not to materially affect the market price of Systech Shares. Such orderly disposal is also in the interest of the Company so as to maximise the recoverability to the Company.</p>
5	<p>To ensure the delivery of the profit guarantee, Wilstech had on 22 December 2023 entered into a management service agreement with LMY which LMY undertakes to perform his duties and responsibilities as director of Wilstech commencing from 22 December 2023, which shall continue for a period of two (2) years, subject to extension to be mutually agreed between LMY and Wilstech. (page 26 of the Circular)</p> <p>Given that LMY has been the key figure of Wilstech, as the founder, the Chief Executive Officer and sole director of Wilstech, are there any terms in the management service agreement to restrict/prohibit LMY from involvement in competing business upon completion of the acquisition and/or after the disposal of Systech shares and/or upon resignation?</p>	<p>Based on the Management Service Agreement, LMY will be appointed as the director of Wilstech for a period of 2 years (subject to mutual extension), which is longer than the 1 year profit guarantee period. The Board is of the view that the 2 years period is sufficient for the professional team of the enlarged Systech Group to understand Wilstech's operations and potentially assume the management role, if required.</p> <p>Notwithstanding the above, as at LPD, it is the intention of Systech to engage LMY beyond the 2 aforementioned 2 years period via attractive remuneration package including offering of Awards pursuant to the Proposed ESS.</p>

No	Question	Answer
	<p>If no, why? This is one way to protect the interest of Systech and the existing shareholders of the Company.</p>	
6 (a)	<p>The Board is of the view that the profit guarantee is reasonable and realistic after taking into consideration, amongst others, the existing projects secured and being carried out by Wilstech, as well as the potential projects to be derived from existing and new customers.</p> <p>Wilstech's orderbook stood at RM37.8 million as at 22 March 2024. (page 27 of the Circular)</p> <p>What is the contract duration for Wilstech's existing projects, i.e. shortest to longest? How many of Wilstech's existing projects are expected to be completed in the 12M FPE2025?</p>	<p>Wilstech currently has 13 projects whereby the contract duration ranges from 5 months to 36 months. It is envisaged that 4 existing projects will be completed in the 12M FPE2025.</p>
6 (b)	<p>In the next 12M FPE2025, to what extent will the RM37.8 million orderbook be delivered? How long will it last?</p>	<p>For information, it is expected RM19.4 million orderbook will be delivered during the 12M FPE2025, and the balance to be delivered over time, up to January 2027.</p>
7 (a)	<p>The Proposed Acquisition will result in the Group being subject to certain risks, amongst others, impairment risk. As at 31 August 2023, Wilstech has a total provision of impairment loss to its trade receivables amounting to RM2.8 million. (page 56 of the Circular)</p> <p>What mainly comprises these trade receivables that have been impaired?</p>	<p>The total provision of impairment loss to the trade receivables as at 31 August 2023 amounting to RM2.8 million are mainly the trade receivables balances which are overdue for more than 90 days, no longer have active business relationship with the customers, customer in financial stress and/or difficulty in collection.</p>

No	Question	Answer
7 (b)	What actions have been taken to recover the said amount?	Wilstech had in the past initiated discussion with the trade receivables for the repayment terms i.e. either repayment via instalment or offer longer credit terms as well as closely follow up with the customers either via calls and/or reminder letters.
7 (b)	What actions have been taken to recover the said amount?	<p>Wilstech had in the past initiated discussion with the trade receivables for the repayment terms i.e. either repayment via instalment or offer longer credit terms as well as closely follow up with the customers either via calls and/or reminder letters.</p> <p>Amongst others, for one of the impaired receivables amounting to RM1.0 million, Wilstech had filed a Writ of Summons and Statement of Claim against the said receivable on 26 March 2024 to recover the said balance.</p>
7 (c)	To-date, how much of the impaired trade receivables have been collected?	Up to 16 April 2024, Wilstech had recovered RM1.4 million out of the RM2.8 million impaired trade receivables.
8	<p>Systech Group's total borrowings will increase from RM5.6 million as at FYE 31 March 2023 to RM22.4 million after the Proposed Acquisition. This is after incorporating the borrowings of Wilstech of RM16.9 million based on the audited financial statement for FYE 31 August 2023 (pages 58 & 59 of the Circular). Wilstech's total borrowings have been increasing from RM4.1 million in FYE 31 August 2021 to RM16.9 million for FYE 31 August 2023. (page 132 of the Circular)</p> <p>(a) Given that Wilstech's net operating cash flow for the past three financial years was negative, and its cash and bank balances as of 31 August 2023 were RM212,201 (pages 155 & 159 of the Circular), does Wilstech have sufficient funds to service its borrowings for the next 12 months?</p>	<p>It is expected that Wilstech will need to make total principal repayment of RM7.5 million and interest expenses of RM1.1 million (including revolving credits) in 12M FPE2025. The Group is of the view that Wilstech will have the sufficient funds to service its borrowings in 12M FPE2025 after taking into consideration the potential collections from the customers and utilise its existing revolving credits.</p> <p>Upon completion of the Proposed Acquisition, Systech Group envisages that there will be no additional financial commitments to be incurred by the Group to put the business of Wilstech on-stream, based on Wilstech orderbook and forecasted cashflows.</p>

No	Question	Answer
Proposed allocations of Awards pursuant to the proposed employees' share scheme		
	(b) What is Wilstech's expected total principal repayment and interest expenses within the next 12 months?	
9	<p>“It is stated that the Group is of the view that granting of the Awards to the independent non-executive Directors will not affect the independent non-executive Directors in exercising their independent judgement as the independent non-executive Directors are prohibited from selling, transferring or assigning his/her Shares obtained through the vested Shares Grant and/or exercise of ESS Options within 1 year from the date of offer in accordance with Rule 8.22 of the Listing Requirements. Whilst the granting of a substantial number of Awards may possibly affect the independent non-executive Directors' judgement (i.e. to recommend for proposals that could contribute to significant share price increases), the Group mitigates such risks by ensuring that the number of Awards to be granted to the independent non-executive Directors will not affect their independent judgement and the independent non-executive Directors will be required to abstain from deliberating on any allocation of Awards to themselves.” (page 36 of the Circular)</p> <p>Notwithstanding the above, in line with better corporate governance, MSWG does not encourage the practice of giving share grant and/or employees' shares scheme options to independent non-executive directors as they do not play an executive role in the Company and are responsible for monitoring the share grant and/or employees' shares scheme</p>	<p>The Board had taken note on MSWG's view on this matter. The Board will ensure that the allocation of awards to the INEDs will not be material such that it could affect the independent judgement of the INEDs.</p>

No	Question	Answer
	<p>options allocation to employees and executive directors.</p> <p>There is a risk that the independent directors may be fixated on their share price, and this may affect their impartial decision-making, which should be made without reference to share price considerations. Furthermore, the employees' shares scheme, by definition, is meant for 'employees.</p> <p>Under Resolutions 9, 10 and 11, shareholders' approval is being sought for the Proposed Allocation of Awards to Hong Boon Toh, Fong Sheng Nie and Ooi Gin Hui, being the Independent Non-Executive Directors ("INEDs") of the Company. (Notice of EGM, Circular dated 3 April 2024)</p> <p>The recognition of the INEDs' contributions towards the growth and performance of the Group, as well as attracting and retaining capable INEDs, could be compensated in other ways, including a competitive remuneration package. The directors' fees and other benefits that they receive should be structured to adequately compensate for the services rendered by them.</p>	

Appendix B

No	Question	Answer										
1	Will The Board consider giving door gift such e-voucher or e-wallets for those participating in this EGM as a token of appreciation?	The Board took note of the suggestion and would consider implementing the same in the future.										
2	<p>In relation to the Proposed Shares Issuance, the subscription price of RM0.36 per subscription share is at a discount of 17% to the 5-day VWAP up to the last trading day prior to the Announcement (21 December 2023). (Page 9, 11 & 12 of the Circular)</p> <p>What is the effective discount on the subscription price for the Subscribers, taking into consideration the Proposed Bonus Warrants as these Subscribers will also be receiving the free Warrants?</p>	The issue price of the Warrants has been fixed at RM0.50, which will be “out of the money”. In addition, the Warrants will be issued on a pro-rata basis to all shareholders.										
3	In relation to the estimated expenses for the Proposals, professional fees to be incurred amounting to RM1.65 million (page 16 of the Circular), please provide the breakdown in value for the professional fees?	<p>The breakdown of the estimated professional fees for the Proposals are as follows:</p> <table border="1" data-bbox="799 1025 1437 1335"> <thead> <tr> <th data-bbox="807 1037 1193 1093">Professional Services</th> <th data-bbox="1201 1037 1437 1093">Estimated Fee (RM) '000</th> </tr> </thead> <tbody> <tr> <td data-bbox="807 1104 1193 1171">Principal, Independent and Legal Advisor</td> <td data-bbox="1201 1104 1437 1171">1,030</td> </tr> <tr> <td data-bbox="807 1182 1193 1238">Due Diligence Adviser and Reporting Accountants</td> <td data-bbox="1201 1182 1437 1238">540</td> </tr> <tr> <td data-bbox="807 1249 1193 1305">Company Secretary and Share Registrar</td> <td data-bbox="1201 1249 1437 1305">80</td> </tr> <tr> <td data-bbox="807 1317 1193 1350" style="text-align: right;">Grand Total</td> <td data-bbox="1201 1317 1437 1350">1,650</td> </tr> </tbody> </table>	Professional Services	Estimated Fee (RM) '000	Principal, Independent and Legal Advisor	1,030	Due Diligence Adviser and Reporting Accountants	540	Company Secretary and Share Registrar	80	Grand Total	1,650
Professional Services	Estimated Fee (RM) '000											
Principal, Independent and Legal Advisor	1,030											
Due Diligence Adviser and Reporting Accountants	540											
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