

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad ("**Bursa Securities**") takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

This Circular has been reviewed by M & A Securities Sdn Bhd, who is the Adviser to SNS Network Technology Berhad ("**SNS**" or the "**Company**") for the Proposed ESOS (as defined herein). The admission of SNS to the ACE Market of Bursa Securities was advised and sponsored by M & A Securities Sdn Bhd.



SNS NETWORK TECHNOLOGY BERHAD

(Registration No. 201601002835 (1173761-W))

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME OF UP TO 15.0% OF THE TOTAL NUMBER OF ISSUED SHARES OF SNS (EXCLUDING TREASURY SHARES, IF ANY) FOR THE ELIGIBLE DIRECTORS AND EMPLOYEES OF SNS AND ITS SUBSIDIARIES

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser



M & A SECURITIES SDN BHD

(197301001503 (15017-H))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") in respect of the Proposed ESOS will be conducted fully virtual basis through live streaming and online Remote Participating and Electronic Voting ("**RPEV**") facilities via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC – D6A357657), provided by Boardroom Share Registrars Sdn Bhd ("**Share Registrar**") in Malaysia on Friday, 7 July 2023 at 11.30 a.m. or immediately after the conclusion or adjournment (as the case maybe) of the 2023 Annual General Meeting ("**AGM**") of SNS, which will be held at the same venue and on the same day at 10.00 a.m., whichever is later, or at any adjournment thereof. The Notice of EGM and the Proxy Form are enclosed together with this Circular.

The completed and signed Proxy Form should be lodged at the Company's Share Registrar Office at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof, otherwise the Proxy Form shall be treated as invalid. Alternatively, the Proxy Form may also be electronically submitted via the Share Registrar's website, Boardroom Smart Investor Portal. Kindly follow the link at <https://investor.boardroomlimited.com> to login and deposit your Proxy Form electronically, also 48 hours before the meeting. Please refer to Administrative Guide for further information on electronic submission. The lodging of the Proxy Form shall not preclude you from participating in the online EGM should you subsequently wish to do so.

Please follow the procedures provided in the Administrative Guide for our EGM which is available on the Company's website at <http://www.sns.com.my>.

Last date and time for lodging the Proxy Form for the EGM	:	Wednesday, 5 July 2023, 11:30 a.m.
Date and time of the EGM	:	Friday, 7 July 2023, 11:30 a.m. or immediately after the conclusion or adjournment (as the case maybe) of the 2023 AGM of SNS, which will be held at the same venue and on the same day at 10:00 a.m., whichever is later, or at any adjournment thereof

This Circular is dated 19 June 2023

DEFINITIONS

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

"5D-VWAMP"	: 5 days volume weighted average market price
"ACE Market"	: ACE Market of Bursa Securities
"Act"	: The Companies Act, 2016, as amended from time to time, and any re-enactments thereof
"Board"	: Board of Directors of SNS
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
"Bursa Securities"	: Bursa Malaysia Securities Berhad (200301033577 (635998-W))
"By-Laws"	: The by-laws governing the Proposed ESOS, the draft of which is set out in Appendix I of this Circular
"CAGR"	: Compound annual growth rate
"CDS Account(s)"	: Securities account(s) maintained through the central depository system operated by Bursa Depository
"Circular"	: This circular to shareholders of SNS dated 19 June 2023
"Constitution"	: The constitution of SNS
"Date of Expiry"	: The date of expiry of the Proposed ESOS
"Device-as-a-Service" or "DaaS"	: A subscription-based service that comprises the subscription of ICT products and/or services on a monthly basis
"Director(s)"	: The director(s) of SNS Group and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act, 2007
"EGM"	: Extraordinary general meeting
"Eligible Employee(s)"	: A natural person who is an employee including the Executive Directors and Non-Executive Directors of SNS Group (excluding subsidiaries which are dormant) who meet the criteria of eligibility for participation in the Proposed ESOS
"EPS"	: Earnings per Share
"ESOS"	: Employees' share option scheme
"ESOS Committee"	: A committee comprising the Board, senior management personnel and other persons to be appointed from time to time by the Board to administer the Proposed ESOS
"ESOS Options" or "Options"	: The right of an Eligible Employee to subscribe for new SNS Shares at the Exercise Price pursuant to the Offer accepted by the Eligible Employee in accordance with the By-Laws
"ESOS Period"	: The period of the Proposed ESOS shall continue to be in force for a period of 10 years from the effective date of the Proposed ESOS

DEFINITIONS (*Cont'd*)

"Exercise Price"	: The price at which an Eligible Employee is entitled to subscribe for new SNS Shares upon the exercise of the ESOS Options granted under the Proposed ESOS
"FYE"	: Financial year ended/ending 31 January, as the case may be
"ICT"	: Information and communications technology
"Interested Director(s)"	: The Board, collectively
"IPO"	: Initial public offering
"JOI®"	: House brand of ICT products of SNS
"Listing Requirements"	: ACE Market Listing Requirements of Bursa Securities
"LPD"	: 31 May 2023, being the latest practicable date prior to the printing of this Circular
"M&A Securities"	: M & A Securities Sdn Bhd (197301001503 (15017-H))
"Maximum ESOS Options"	: The maximum number of new SNS Shares which may be allotted and issued pursuant to the exercise of ESOS Options, which shall not exceed 15.0% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time over the duration of the Proposed ESOS
"MFRS 2"	: Malaysian Financial Reporting Standard 2, relating to share-based payment
"NA"	: Net asset(s)
"Offer"	: A written offer made by the ESOS Committee from time to time to Eligible Employees to participate in the Proposed ESOS in the manner indicated in the By-Laws
"Offer Date"	: The date of which an Offer is made by the ESOS Committee to a Participant to participate in the Proposed ESOS
"Offer Period"	: The period of validity of an Offer as prescribed in the By-Laws
"Participant(s)"	: Eligible Employee(s) who have accepted an Offer
"Proposed ESOS"	: The proposed establishment of an ESOS of up to 15.0% of the total issued share capital of SNS (excluding treasury shares, if any) for the benefit of Eligible Employees to subscribe for SNS Shares according to the terms set out in the By-Laws
"Proposed Granting of ESOS Options"	: Collectively, the proposed granting of the ESOS Options to Directors or chief executive of SNS, and persons connected with them
"Regional Hub"	: A new regional hub to be set up by the Group in Petaling Jaya, Selangor
"RM" and "sen"	: Ringgit Malaysia and sen, respectively
"SNS" or "Company"	: SNS Network Technology Berhad (201601002835 (1173761-W))

DEFINITIONS (*Cont'd*)

"SNS Group" or "Group"	:	SNS and its subsidiaries, collectively
"SNS Share(s)" "Share(s)"	or	Ordinary share(s) in SNS
"USD"	:	United States Dollar
"Variations"	:	Additions, amendments and/or modifications to and/or deletions of the By-Laws

For the purpose of this Circular, all references to a time of day shall be a reference to Malaysian time unless otherwise stated.

In this Circular, words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and vice versa. References to persons shall, where applicable, include corporations.

Certain figures included in this Circular have been subject to rounding adjustments.

References to "we", "us", "our" and "ourselves" are to our Company save where the context otherwise requires, our subsidiaries and to "you" or "your" are to the shareholders of SNS.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS ONLY THE SALIENT INFORMATION OF THE PROPOSED ESOS. YOU ARE ADVISED TO READ THIS CIRCULAR IN ITS ENTIRETY FOR FURTHER DETAILS AND NOT TO RELY SOLELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION ON THE PROPOSED ESOS BEFORE VOTING AT THE FORTHCOMING EGM.

The Board is recommending shareholders of SNS to vote **IN FAVOUR** of the resolution in relation to the Proposed ESOS to be tabled at the forthcoming EGM.

Key information	Description	Reference to Circular
Summary	: The proposed establishment of an ESOS involving up to 15.0% of the total number of issued shares of the Company (excluding treasury shares, if any) for eligible directors and employees of the Group.	Section 2
Rationale	<p>: The Proposed ESOS primarily serves to align the interests of the Eligible Employees to the corporate goals of SNS. The Proposed ESOS will provide the Eligible Employees with an opportunity to have equity participation in the Company and help achieve the positive objectives as set out below:</p> <ul style="list-style-type: none">(i) to recognise the contribution of the Eligible Employees whose services are valued and considered vital to the operations and continued growth of SNS Group;(ii) to reward the Eligible Employees by allowing them to participate in the Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of SNS Shares, upon exercising of the ESOS Options;(iii) to motivate the Eligible Employees towards improved performance through greater productivity and loyalty; and(iv) to inculcate a greater sense of belonging and dedication as the Eligible Employees are given the opportunity to participate directly in the equity of the Company. <p>The Proposed ESOS is also extended to the Non-Executive Directors in recognition of their contribution to the Company and to enable them to participate in the Company's future growth. In addition, it will also enable the Company to attract capable individuals to act as Non-Executive Director of the Company.</p>	Section 3
Approvals required and inter-conditionality	<p>: The Proposed ESOS are conditional upon approvals being obtained from the following:</p> <ul style="list-style-type: none">(i) Bursa Securities for the listing of and quotation for the new SNS Shares to be issued arising from the exercise of the ESOS Options on the ACE Market;(ii) the shareholders of SNS for the Proposed ESOS at the forthcoming EGM to be convened. In addition, the Company will also seek for its shareholders' approval to waive their pre-emptive rights as disclosed in Section 2.13; and	Sections 7 and 9

- : (ii) any other relevant authorities, if required.

The Proposed Granting of ESOS Options is conditional upon the Proposed ESOS, however the Proposed ESOS is not conditional upon the Proposed Granting of ESOS Options.

The Proposed ESOS is not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.

Interest of Directors, major shareholders, chief executive and/or persons connected with them

All the Directors and chief executive of the Company are entitled to participate in the Proposed ESOS and are therefore deemed interested in the Proposed ESOS to the extent of their respective allocations under the Proposed ESOS. The Interested Directors have abstained and will continue to abstain from deliberating and voting on the resolutions pertaining to their respective allocations, and allocations to persons connected with them under the Proposed ESOS at the relevant Board meetings.

Section 11

All Directors will also abstain from voting in respect of their direct and/or indirect shareholdings in SNS, if any, on resolutions pertaining to their respective allocations and allocations to persons connected with them under the Proposals to be tabled at the forthcoming EGM.

All Directors have undertaken to ensure that persons connected with them, if any, will abstain from voting in respect of their direct and/or indirect shareholdings on the resolutions pertaining to their respective allocations and allocations to persons connected with them under the Proposed ESOS to be tabled at the forthcoming EGM.

Directors' statement and recommendation

- : Our Board, having considered amongst others, the rationale, terms, conditions and effects of the Proposals, is of the opinion that the Proposed ESOS is in the best interest of SNS. Accordingly, the Board recommends that you **VOTE IN FAVOUR** of the resolutions pertaining to the Proposed ESOS to be tabled at the forthcoming EGM.

Section 12

In respect of the Proposed Granting of ESOS Options, all our Directors have abstained from giving any opinion or recommendation on their respective entitlements and the entitlements to the person(s) connected with them, if any. Where the resolutions are not related to their respective allocations or to the person(s) connected with them, our Directors after having considered all aspects of the Proposed Granting of ESOS Options, are of the view that the Proposed Granting of ESOS Options is in the best interests of the Group and recommend that you **VOTE IN FAVOUR** of the resolutions pertaining to the allocation of ESOS Options to be tabled at the forthcoming EGM.



SNS NETWORK TECHNOLOGY BERHAD
(Registration No. 201601002835 (1173761-W))
(Incorporated in Malaysia)

Registered Office:

55A, Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh
Perak Darul Ridzuan

19 June 2023

Board of Directors

Dato' Zulkapli Bin Ahmad (*Independent Non-Executive Chairman*)
Ko Yun Hung (*Managing Director*)
Pah Wai Onn (*Executive Director*)
Siow Wei Ming (*Executive Director*)
Dato' F'ng Meow Cheng (*Independent Non-Executive Director*)
Maylee Gan Suat Lee (*Independent Non-Executive Director*)
Tan Ee Ming (*Independent Non-Executive Director*)

To: The Shareholders of SNS

Dear Sir/Madam,

PROPOSED ESOS

1. INTRODUCTION

On 17 May 2023, M&A Securities had, on behalf of the Board, announced that the Company proposes to implement the Proposed ESOS.

On 30 May 2023, M&A Securities had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 30 May 2023, granted its approval for the listing of and quotation for such new SNS Shares, representing up to 15.0% of the total number of issued shares of SNS (excluding treasury shares, if any) to be issued pursuant to the Proposed ESOS.

The approval of Bursa Securities is subject to the following conditions:

No.	Condition	Status of compliance
(i)	M&A Securities is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Rule 6.44(1) of the Listing Requirements and stating the effective date of implementation.	To be complied

No.	Condition	Status of compliance
(ii)	M&A Securities is required to submit a certified true copy of the resolution passed by the shareholders in EGM approving the Proposed ESOS.	To be complied
(iii)	SNS is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the Proposed ESOS, as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

THE PURPOSE OF THIS CIRCULAR TOGETHER WITH THE APPENDICES IS TO PROVIDE YOU WITH THE RELEVANT DETAILS OF THE PROPOSED ESOS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM IS ENCLOSED IN THIS CIRCULAR.

SHAREHOLDERS OF SNS ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED ESOS TO BE TABLED AT THE FORTHCOMING EGM.

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2. DETAILS OF THE PROPOSED ESOS

As at LPD, the Company has an issued share capital of RM153,839,037.00 comprising of 1,612,779,660 SNS Shares. For avoidance of doubt, the Company does not hold any treasury shares as at LPD.

The Proposed ESOS involves the granting of options to subscribe for new SNS Shares to the Eligible Employees, who meet the criteria of eligibility for participation in the Proposed ESOS as set out in the By-Laws. The grant of the ESOS Options to the Eligible Employees shall be subject to such participation in the Proposed ESOS not contravening any foreign laws, regulatory requirements, and/or administrative constraints in the respective countries where SNS Group operates.

The Proposed ESOS is also extended to Non-Executive Directors of the Company in recognition of their contribution to the Company and to enable them to participate in the Company's future growth. In addition, it will also enable the Company to attract capable individuals to act as Non-Executive Directors of the Company.

The Proposed ESOS will be administered in accordance with the By-Laws by an ESOS Committee, the members to be duly appointed and authorised by the Board. The decision as to whether or not to stagger the allocation of the ESOS Options over the duration of the Proposed ESOS as well as for the granting of ESOS Options, shall be determined by the ESOS Committee at a later date. The ESOS Committee shall also have the discretion in determining whether the vesting or exercise of ESOS Options are subject to performance targets. The vesting period or condition(s), if any, shall be stated in the offer letter to the Eligible Employee.

The salient features of the Proposed ESOS are as follows:

2.1 Maximum number of new Shares available under the Proposed ESOS

The maximum number of new SNS Shares which may be allotted and issued pursuant to the exercise of ESOS Options under the Proposed ESOS shall not exceed in aggregate 15.0% of the total number of issued shares of the Company (excluding treasury shares) at any point in time over the duration of the Proposed ESOS as set out in Section 2.4.

In the event the total number of Shares allocated under the Proposed ESOS exceeds the Maximum ESOS Options at any point in time as a result of the Company purchasing or cancelling Shares in accordance with the provisions of the Act and/or undertaking any corporate proposal resulting in the reduction of the Company's issued share capital, then such ESOS Options granted prior to the adjustment of the issued share capital of the Company (excluding treasury shares, if any) shall remain valid and exercisable in accordance with these By-Laws. However, in such a situation, the ESOS Committee shall not make any further offers until the total number of Shares falls below the Maximum ESOS Options.

At any point in time, not more than 70.0% of the total Shares made available under the Proposed ESOS shall be allocated, in aggregate, to the directors and senior management of the Group who are Eligible Employees, on the basis that they are crucial to the performance of the Group and after taking into consideration of their position, seniority, length of service and contribution to the Group.

2.2 Basis of allotment and maximum allowable allocation

The aggregate maximum number of new SNS Shares that may be allocated to any Eligible Employee under the ESOS Options shall be determined by the ESOS Committee provided that the number of new SNS Shares allocated to any Eligible Employee who, either singly or collectively through persons connected with the Eligible Employee, holds 20.0% or more of the total number of issued shares of the Company (excluding treasury shares, if any), shall not exceed 10.0% of the Maximum ESOS Options. The term "persons connected" shall have the same meaning as that in the Listing Requirements.

Subject to the above and any adjustment which may be made pursuant to any alteration in the share capital of the Company as provided under the By-Laws, the basis for determining the aggregate number of Shares that may be offered and/or allocated under the Proposed ESOS to the Eligible Employee shall be at the sole and absolute discretion of the ESOS Committee after taking into consideration inter alia, the provisions of the Listing Requirements or other applicable regulatory requirements relating to employees' and/or directors' share issuance scheme and after taking into consideration factors which may include the Eligible Employee's position, job performance, seniority, duration of service, potential for future development and contribution to the success and development of the Group.

The ESOS Committee may make one or more Offer under the Proposed ESOS to an Eligible Employee provided that the aggregate number of ESOS Options so offered to an Eligible Employee throughout the entire duration of the Proposed ESOS does not exceed the maximum allowable allocation of such Eligible Employee as stated above.

The Eligible Employee shall not participate in any deliberation or discussion of their own allocation and those of persons connected to them, if any, under the Proposed ESOS.

2.3 Eligibility

Subject to the following, directors and employees of the Group may be considered as eligible from time to time and at any time for the purposes of the Proposed ESOS by the ESOS Committee.

The Eligible Employee who fulfils the following criteria as at Offer Date shall be eligible for consideration by the ESOS Committee to participate in the Proposed ESOS:

- (i) has attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (ii) (a) has been employed by the Group as a full-time employee or serving in a specific designation under an employment contract with the Group for a fixed duration (or any other contract as may be determined by the ESOS Committee) and is on the payroll of any subsidiaries within the Group and has since been confirmed in writing and is no longer under any probation for at least 12 months in the Group and has not served a notice of resignation or received a notice of termination prior to and up to the Offer Date; or
- (b) is employed by a corporation which is acquired by the Group during the duration of the Proposed ESOS as set out in Section 2.4 and becomes a subsidiary of the Group upon such acquisition, he/she must have been confirmed in writing and is no longer under any probation for a period of at least 12 months with such corporation and/or for such period as may be determined by the ESOS Committee in the Group as at the date that such company becomes or is deemed to be a subsidiary of the Group and has not served a notice to resign or received a notice of termination prior to and up to the Offer Date;

- (iii) if he/she is a director, chief executive or major shareholder of the Company, or a person connected with such director, chief executive or major shareholder, the ESOS Options allocated by the Company to him/her in his/her capacity as a director or chief executive of the Company or his/her persons connected under the Proposed ESOS has been approved by the shareholders of the Company at a general meeting (if applicable); and
- (iv) is under such categories and/or fulfills any other criteria as may be set by the ESOS Committee from time to time at its absolute discretion.

The selection of any Eligible Employee for participation in the Proposed ESOS shall be at the sole discretion of the ESOS Committee whose decision shall be final and binding.

For the avoidance of doubt, the ESOS Committee may determine any other eligibility criteria and/or waive any of the eligibility criteria as set out in this section, for purposes of selecting an Eligible Employee from time to time, at the ESOS Committee's discretion provided always that no member of the ESOS Committee shall participate in the deliberation or discussion of their own allocation of the ESOS Options or allocation of the ESOS Options to persons connected with them.

In compliance to Rule 8.22 of the Listing Requirements, the non-executive Directors must not sell, transfer or assign shares obtained through the exercise of ESOS Options offered to them under the Proposed ESOS within 1 year from the Offer Date of such ESOS Options.

2.4 Duration of the Proposed ESOS

The Proposed ESOS, when implemented, shall take effect on the date on which the last of the following approvals and/or conditions shall have been obtained and/or complied with and shall continue to be in force during the ESOS Period:

- (i) receipt of the approval-in-principle from Bursa Securities for the listing of and quotation for the Shares to be issued pursuant to the Proposed ESOS;
- (ii) the approval of the shareholders of SNS in an EGM to be convened for the Proposed ESOS;
- (iii) the submission to Bursa Securities of the final copy of the By-Laws together with a letter of compliance and checklist showing compliance with the Listing Requirements;
- (iv) the approval of the relevant regulatory authorities whose approval is necessary in respect of the Proposed ESOS (if applicable); and
- (v) fulfilment or waiver (as the case may be) of all conditions attached to any of the above-mentioned approvals (if any).

On expiry of the Proposed ESOS, any Offer which have yet to be accepted, released or vested (whether fully or partially) shall be deemed cancelled and be null and void.

2.5 Basis of determining the Exercise Price

Subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the Exercise Price shall be based on the 5D-VWAMP of SNS Shares immediately preceding the Offer Date. The Exercise Price shall not be at a discount of more than 10.0% to the 5D-VWAMP of SNS Shares preceding the Offer Date, or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time during the duration of the Proposed ESOS.

2.6 Ranking of new SNS Shares

The Participants will not be entitled to any voting right(s) or participation(s) in any form of distribution and/or offer of further securities in the Company until and unless such Participants exercise their ESOS Options into new SNS Shares.

The new SNS Shares to be issued arising from the exercise of the ESOS Options shall, upon allotment and issuance, rank equally in all respects with the existing SNS Shares, except that the new SNS Shares will not be entitled to any dividends, rights, allotment and/or other forms of distribution that may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment of the new SNS Shares.

2.7 Variation to the Proposed ESOS

The ESOS Committee may at any time and from time to time recommend to the Board any Variations as it shall in its discretion think fit and the Board shall at any time and from time to time have the power by resolution to vary all or any part of the By-Laws upon such recommendation.

The approval of the shareholders of SNS in a general meeting shall not be required in respect of the Variations save and except if such Variations would:

- (i) increase the number of ESOS Options available under the Proposed ESOS beyond the Maximum ESOS Options; or
- (ii) provide an advantage to any Participant or group of Participants or all the Participants unless otherwise permitted under the provisions of the Listing Requirements.

Where Variations is made to the By-Laws, SNS shall submit to Bursa Securities, the Variations to the By-Laws and a confirmation letter that the Variations complies with the provisions of the Listing Requirements no later than 5 market days from the effective date of the said Variations.

2.8 Alteration of share capital

In the event of any alteration in the capital structure of SNS during the ESOS Period, whether by way of rights issue, bonus issue or other capitalisation issues, subdivision or consolidation of SNS Shares or reduction of capital or any other variation of capital being effected, the ESOS Committee may determine whether a material dilution or enlargement of the rights of the Participants would result from such alteration in the capital structure of SNS during the ESOS Period and if it so determines (i.e. that a material dilution or enlargement of the rights of the Participants would result from such alteration in the capital structure of SNS), adjustments in:

- (i) the exercise price of the ESOS Options; and/or
- (ii) the number of new SNS Shares comprised in the ESOS Options granted to each Eligible Employee (excluding the ESOS Options already exercised);

shall be made in order to prevent dilution or enlargement in compliance with the provisions of adjustments as provided under the By-Laws.

2.9 Retention period

The Shares allotted and issued or transferred pursuant to the exercise of ESOS Options under the Proposed ESOS may be subjected to such retention period or restriction on transfer as may be imposed by the ESOS Committee, save as otherwise provided in the Constitution of SNS, the Listing Requirements or unless the ESOS Committee stipulates otherwise in the Offer.

Notwithstanding the above, the Eligible Employee who is a Non-Executive Director of the Group (excluding dormant subsidiaries, if any) must not sell, transfer or assign the new SNS Shares obtained through the exercise of the ESOS Options granted to him for a period of 1 year from the Offer Date or such other period as may be prescribed by Bursa Securities.

2.10 Proposed specific allocation

Pursuant to Rule 6.07(1) of the Listing Requirements which states that the Company must not issue any shares to its Directors, major shareholders or chief executive or a person connected with them unless its shareholders in a general meeting have approved the specific allotment to be made to them. Accordingly, the Company will seek its shareholders' approval at the forthcoming EGM for the Proposed Granting of ESOS Options to the following persons:

	Name	Designation	(1)No. of Shares may be allocated
(i)	Dato' Zulkapli Bin Ahmad	Independent Non- Executive Chairman	400,000
(ii)	Ko Yun Hung	Managing Director	24,191,600
(iii)	Pah Wai Onn	Executive Director	24,191,600
(iv)	Siow Wei Ming	Executive Director	21,772,440
(v)	Dato' F'ng Meow Cheng	Independent Non-Executive Director	400,000
(vi)	Maylee Gan Suat Lee	Independent Non-Executive Director	400,000
(vii)	Tan Ee Ming	Independent Non-Executive Director	400,000
(viii)	Eng Su Fern ⁽²⁾	Development Director	24,191,600
(ix)	Tham Sau Har ⁽³⁾	Administrative and Operations Director	24,191,600
(x)	Lim Chai Ling ⁽⁴⁾	Channel Operation General Manager	2,000,000
(xi)	Ko See Meng ⁽⁵⁾	Maintenance Manager	5,000,000
(xii)	Siow Wei Shan ⁽⁶⁾	Senior Branch Manager	2,000,000

Notes:

- (1) The aggregate maximum number of new SNS Shares that may be allocated to any Eligible Employee under the ESOS Options shall be determined by the ESOS Committee provided that the number of new SNS Shares allocated to any Eligible Employee who, either singly or collectively through persons connected with the Eligible Employee, holds 20.0% or more of the total number of issued shares of the Company (excluding treasury shares, if any), shall not exceed 10.0% of the Maximum ESOS Options. The term "persons connected" shall have the same meaning as that in the Listing Requirements.
- (2) Eng Su Fern is the spouse of Ko Yun Hung.
- (3) Tham Sau Har is the spouse of Pah Wai Onn.
- (4) Lim Chai Ling is the spouse of Siow Wei Ming.
- (5) Ko See Meng is the father of Ko Yun Hung.
- (6) Siow Wei Shan is the brother of Siow Wei Ming.

2.11 Listing of the new SNS Shares arising from the Proposed ESOS

Bursa Securities had on 30 May 2023 approved the listing of and quotation for the new SNS Shares to be issued arising from the exercise of ESOS Options on the ACE Market.

2.12 Termination of the ESOS

Subject to compliance with the requirements of Bursa Securities and any other regulatory authorities' requirements, guidelines or directives, the Proposed ESOS may be terminated at any time by the ESOS Committee during the ESOS Period or during any extension or renewal period, as the case may be, without obtaining the approvals from the Participants and/or Company's shareholders whereupon any ESOS Options which have yet to be vested and/or exercised (whether fully or partially) shall be deemed to have been terminated and cancelled and be null and void on the date specified in the notice.

2.13 Pre-emptive rights pursuant to Section 85(1) of the Act

Pursuant to Section 85(1) of the Act read together with Clause 5.11 of the Constitution, the shareholders of SNS have pre-emptive rights to be offered any new Shares which rank equally to the existing issued Shares or other convertible securities.

Section 85(1) of the Act provides as follows:

"85. Pre-emptive rights to new shares

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

Clause 5.11 of the Constitution provides as follows:

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

Accordingly, in order for the Board to issue any new Shares or other convertible securities free of pre-emptive rights, such pre-emptive rights must be waived. By approving the resolution in relation to the Proposed ESOS at the EGM to be convened, which entail the allotment and issuance of new SNS Shares (including the new Shares to be issued arising from the exercise of the ESOS Options) in the Company, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85(1) of the Act read together with Clause 5.11 of the Constitution to be first offered the SNS Shares which may result in a dilution of the shareholders' shareholding in the Company.

2.14 Utilisation of proceeds

The actual amount of proceeds to be raised from the Proposed ESOS will depend on the number of ESOS Options granted and exercised at the relevant point of time and the Exercise Price payable upon the exercise of the ESOS Options.

The proceeds arising from the exercise of the ESOS Options will be utilised for the working capital requirements of SNS Group, as and when received, within the tenure of the ESOS Period. The proceeds are expected to be utilised within 12 months from the receipt of such proceeds. The proceeds for working capital will be utilised to finance the Group's day-to-day operational expenses which may include, but not limited to, staff costs, payment to trade creditors and overhead expenses such as payment of rental for new retail stores and offices. Notwithstanding the foregoing, the detailed allocation to each component of the working capital cannot be determined at this juncture as there is no certainty in the timing and amount to be raised from the exercise of the ESOS Options.

The estimated expenses for the Proposed ESOS amounts to approximately RM0.11 million, which will be funded from internally generated funds of SNS Group.

3. RATIONALE FOR THE PROPOSED ESOS

The Proposed ESOS primarily serves to align the interests of the Eligible Employees to the corporate goals of SNS. The Proposed ESOS will provide the Eligible Employees with an opportunity to have equity participation in the Company and help achieve the positive objectives as set out below:

- (i) to recognise the contribution of the Eligible Employees whose services are valued and considered vital to the operations and continued growth of SNS Group;
- (ii) to reward the Eligible Employees by allowing them to participate in the Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of SNS Shares, upon exercising of the ESOS Options;
- (iii) to motivate the Eligible Employees towards improved performance through greater productivity and loyalty; and
- (iv) to inculcate a greater sense of belonging and dedication as the Eligible Employees are given the opportunity to participate directly in the equity of the Company.

The Proposed ESOS is also extended to the Non-Executive Directors of the Company in recognition of their contribution to the Company and to enable them to participate in the Company's future growth. In addition, it will also enable the Company to attract capable individuals to act as Non-Executive Director of the Company.

4. DETAILS OF EQUITY FUND-RAISING EXERCISES UNDERTAKEN IN THE PAST 12 MONTHS

SNS was listed on the ACE Market on 2 September 2022 and raised gross proceeds of RM90.72 million from the IPO. The utilisation of proceeds raised from the IPO are as follows:

Utilisation of proceeds	Estimated timeframe for utilisation upon listing	Proposed utilisation RM'000	Amount utilised as at LPD RM'000	Percentage utilised %
Capital expenditure				
• Expansion of DaaS ⁽¹⁾	36 months	30,900	(23,122)	74.8
• Set-up new retail stores ⁽²⁾	36 months	2,500	-	-
Construction of Regional Hub ⁽³⁾	36 months	18,000	(186)	1.0
Marketing activities for JOI® ⁽⁴⁾	36 months	1,500	-	-
Repayment of bank borrowings ⁽⁵⁾	12 months	20,000	(20,000)	100.0
General working capital ⁽⁶⁾	24 months	13,119	(13,119)	100.0
Estimated listing expenses	Immediately	4,700	(4,700)	100.0
		90,719	(61,127)	

Save as disclosed above, SNS has not undertaken any other equity fund-raising exercise in the past 12 months as at LPD.

Notes:

- (1) For the Group's commercial channel, the Group plans to utilise RM30.90 million to expand its DaaS subscription-based service. The Group intends to utilise the proceeds raised from the IPO to purchase the devices such as desktop, laptops, interactive smartboards, workstations, digital signages, printers and servers to support the expansion of DaaS subscription-based service for the Group's existing DaaS subscription agreements and/or future DaaS subscription agreements to be entered with them. As at LPD, they have utilised RM23.12 million on the purchase of devices.
- (2) For the Group's physical store channel, the Group plans to utilise RM2.50 million to set-up 10 new stores in Malaysia, particularly 8 stores in Klang Valley, 1 store in Johor Bahru and 1 store in Penang.
- (3) The Group has earmarked RM18.00 million of the IPO proceeds to partly finance the construction of the Regional Hub with built-up area of approximately 261,155 sq ft. The Regional Hub will include experience centres for the Group to showcase new and innovative ICT solutions where the Group will install demonstration sets for an immersive experience for customers.
- (4) The Group has allocated RM1.50 million for marketing activities to enhance its product awareness for its house brand of ICT products, JOI®, throughout Malaysia.
- (5) The Group has utilised RM20.00 million from the IPO proceeds and repaid its term loans from CIMB Islamic Bank Berhad and RHB Islamic Bank Berhad in November 2022 and December 2022 respectively.
- (6) A total of RM13.12 million of the IPO proceeds has been utilised to supplement the Group's general working capital requirements such as payment of rental for new retail stores and offices and purchase of inventories for onward sale of ICT products.

5. EFFECTS OF THE PROPOSED ESOS

5.1 Share capital

The Proposed ESOS will not have an immediate effect on the share capital of SNS until such time when the ESOS Options to be granted under the Proposed ESOS are exercised. The share capital of SNS will increase progressively as and when new SNS Shares are issued arising from the exercise of ESOS Options.

For illustration purposes, the pro forma effect of the Proposed ESOS on the share capital of SNS is as follows:

	No. of Shares	Share capital (RM'000)
Share capital as at LPD	1,612,779,660	153,839
To be issued assuming full exercise of ESOS Options	241,916,000	⁽¹⁾ 55,641
Enlarged issued and paid-up share capital	1,854,695,660	209,480

Note:

- (1) Based on the indicative exercise price of RM0.23, being not more than 10.0% discount from the 5D-VWAMP of SNS Shares up to LPD of RM0.2364.

5.2 Earnings and EPS

The Proposed ESOS is not expected to have any immediate effect on the EPS of the Group until such time when the ESOS Options are granted and exercised. However, the EPS of the Group in the future may be diluted, depending on the number and timing of Options granted and exercised. Any other potential effect on the EPS of SNS Group in the future would depend on the number of ESOS Options granted and exercised, and the Exercise Price payable upon exercise of the ESOS Options, as well as the impact of MFRS 2.

Under MFRS 2, the cost arising from the issuance of the ESOS Options is measured by the fair value of the ESOS Options which is expected to vest at each Offer Date and is recognised as an expense in the statement of comprehensive income, thereby reducing the earnings of SNS Group. The fair value of the ESOS Options is determined after taking into consideration, among others, the historical volatility of SNS Shares, the risk-free rate, the Exercise Price payable upon exercise of the ESOS Options and the time to maturity of the ESOS Options from the vesting date of the ESOS Options. As such, the potential effect of the recognition of the said cost on the EPS of the Company cannot be determined at this juncture. However, such expense recognised does not represent a cash outflow as it is merely an accounting treatment.

Our Board has taken note of the potential impact of MFRS 2 on the future earnings of SNS and will take proactive measures to manage the impact of the allocation and granting of ESOS Options on the earnings of SNS.

The EPS of the Group will however be proportionately diluted as a result of the increase in the number of SNS Shares after the exercise of the ESOS Options.

5.3 NA, NA per Share and gearing

The Proposed ESOS is not expected to have an immediate effect on the NA per SNS Share and gearing of SNS until such time when the ESOS Options are exercised. The effects on the NA per SNS Share and gearing of SNS will depend on, among others, the Exercise Price of the ESOS Options, the number of new SNS Shares to be issued arising from the exercise of the ESOS Options and the potential impact arising from the adoption of the MFRS 2.

For illustration purposes only, upon exercise of the ESOS Options, the NA per SNS Share is expected to:

- (i) increase if the Exercise Price of the ESOS Options is higher than the NA per SNS Share; or
 - (ii) decrease if the Exercise Price of the ESOS Options is lower than the NA per SNS Share,
- at such point of exercise.

5.4 Substantial shareholders' shareholdings

The Proposed ESOS is not expected to have an immediate effect on the substantial shareholders' shareholdings in SNS until such time when the ESOS Options to be granted under the Proposed ESOS are exercised. Any potential effect on the substantial shareholders' shareholdings in SNS will depend on the number of ESOS Options granted and new SNS Shares to be issued arising from the exercise of the ESOS Options at any point in time.

5.5 Convertible securities

As at LPD, the Company does not have any outstanding convertible securities in issue.

6 OUTLOOK AND PROSPECTS

6.1 Outlook of the Malaysian economy

The Malaysian economy further expanded in the first quarter of 2023 (5.6%; fourth quarter of 2022: 7.1%; first quarter of 2011 – fourth quarter of 2019 average: 5.1%), driven mainly by domestic demand. Further improvement in the labour market, with strong growth in employment and continued expansion in wages, have supported private consumption spending. Meanwhile, investment activity was underpinned by capacity expansion and continued implementation of multi-year projects. Inbound tourism continued to recover, lifting services exports and partially offsetting the slower goods export growth. On the supply side, the services and manufacturing sectors continued to drive growth. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.9% (fourth quarter of 2022: -1.7%).

Headline inflation during the quarter trended lower to 3.6% (fourth quarter of 2022: 3.9%). This was due mainly to the moderation in core inflation and lower RON97 price. The decline in core inflation (first quarter of 2023: 3.9%; fourth quarter of 2022: 4.2%) was largely contributed by selected services. These include telephone and telefax service, food away from home, and personal transport repair and maintenance. Even as cost pressures, particularly global commodity prices, continued to ease, core inflation remained elevated during the quarter amid continued strength in demand. Price pressures remained pervasive. The share of Consumer Price Index ("CPI") items recording monthly price increases rose to 56.0% during the quarter (fourth quarter of 2022: 51.2%). This in part reflected price adjustments by firms typically done at the beginning of the year (first quarter average from 2011 - 2019: 52.2%; Overall average from 2011 - 2019: 45.6%), as well as continued price increases for some food-related items.

Domestic financial conditions remained broadly stable despite uncertainties surrounding the global economic outlook. Financial market expectations for US monetary policy were affected by evolving concerns over the US economy. These include the pace of disinflation and sustainability of its economic momentum. By the end of the quarter, risks from banking sector stress in the US and Europe weighed further on these expectations. As a result, the US dollar broadly depreciated amid shifting sentiments surrounding these developments, reversing its appreciation gains during first half of the quarter.

Against this backdrop, the ringgit continued to exhibit two-way movements with an overall marginal appreciation of 0.1% against the US dollar during the quarter. Moving forward, Bank Negara Malaysia will continue to closely monitor the global and domestic financial conditions while ensuring orderly financial market adjustments.

Credit to the private non-financial sector expanded by 4.2% (fourth quarter of 2022: 4.7%). This was accounted mainly by slower growth in outstanding loans (first quarter of 2023: 4.7%; fourth quarter of 2022: 5.7%) and outstanding corporate bonds (first quarter of 2023: 4.4%, fourth quarter of 2022: 4.6%). Outstanding business loans grew by 2.4%, following slower growth in working capital loans. Nonetheless, investment-related loans remained forthcoming, especially in the SME segment. For households, outstanding loan growth expanded by 5.2%. This was supported by sustained growth in outstanding loans for the purchase of big-ticket items, with higher growth recorded particularly for car purchases.

Despite global headwinds, the Malaysian economy is projected to expand by 4.0% to 5.0% in 2023, driven by firm domestic demand. Improving employment and income as well as continued implementation of multi-year projects would support consumption and investment activity. Moreover, higher inbound tourism activity would lift high-touch services industries. Governor Tan Sri Nor Shamsiah Mohd Yunus said, "Risks to Malaysia's growth outlook are relatively balanced. Upside risks stem mainly from domestic factors. These include stronger-than-expected tourism activity and implementation of projects including those from the re-tabled Budget 2023. Meanwhile, downside risks could emanate from lower exports due to weaker-than-expected global growth and more volatile global financial market conditions."

Headline and core inflation are expected to moderate but would remain above historical average in 2023. The moderation reflects lower global cost factors amid easing supply chain disruptions and lower commodity prices. However, core inflation will remain at elevated levels amid firm demand conditions. Existing price controls and fuel subsidies will continue to partly contain the extent of upward inflationary pressures. The balance of risk to the inflation outlook is tilted to the upside and remains highly subject to any changes in domestic policy, financial market developments and global commodity prices.

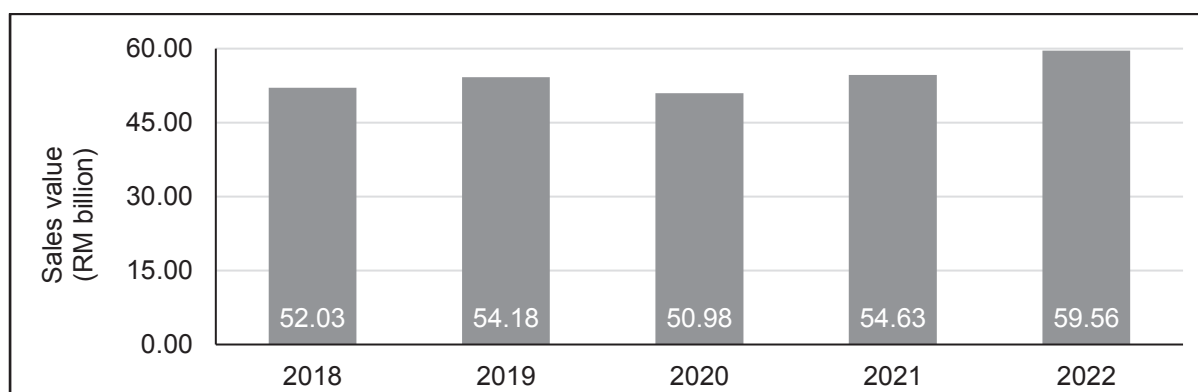
(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2023, Bank Negara Malaysia, published on 12 May 2023)

6.2 Outlook of the ICT products and services industry in Malaysia

The size of the ICT products and services industry is represented by the sales of ICT products and the gross value added of ICT services (computer programming, consultancy, information and related activities).

The sales of ICT products grew from RM52.03 billion in 2018 to RM54.18 billion in 2019, and decreased to RM50.98 billion in 2020. Subsequently, the sales of ICT products increased by 7.16% to RM54.63 billion in 2021 and by 9.02% to RM59.56 billion in 2022. The overall CAGR from 2018 to 2022 was 3.44%.

Sales of ICT products, 2018 – 2022

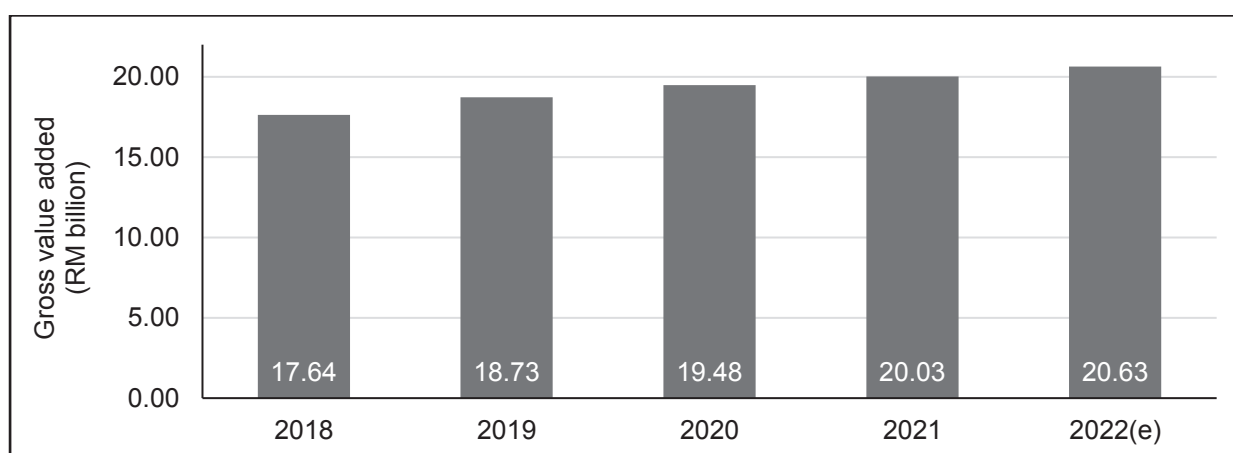


Sources: Department of Statistics Malaysia, Smith Zander International Sdn Bhd ("SMITH ZANDER")

The decline in the sales of ICT products in 2020 was due to the temporary mandatory closure of physical stores and/or physical distancing measures in place during the Movement Control Order ("MCO") periods, and changes in consumer behaviour to avoid going out to reduce the risk of contracting the COVID-19 virus. Nevertheless, the overall impact of the COVID-19 pandemic was partially cushioned by the increasing demand for laptops and desktops due to working from home arrangements and online classes for students at schools and universities, according to several sources, including the National Tech Association of Malaysia (PIKOM), Lazada and Shopee⁽¹⁾. SMITH ZANDER forecasts the sales of ICT products to increase by 2.77% from RM59.56 billion in 2022 to RM61.21 billion in 2023.

Meanwhile, gross value added of ICT services (computer programming, consultancy, information and related activities) increased from RM17.64 billion in 2018 to RM20.03 billion in 2021, at a CAGR of 4.33%. SMITH ZANDER estimates the gross value added of ICT services to have increased by 3.00% to RM20.63 billion in 2022. With this, the CAGR of gross value added of ICT services between 2018 and 2022 is estimated to be 3.99%. SMITH ZANDER forecasts gross value added of ICT services to further increase by 2.91% from RM20.63 billion in 2022 to RM21.23 billion in 2023.

Gross value added of ICT services (computer programming, consultancy, information and related activities), 2018 – 2022



Sources: Department of Statistics Malaysia, SMITH ZANDER

⁽¹⁾ Sales of laptops, tablets and other gadgets surge in Malaysia during ongoing MCO, The Straits Times, 2 March 2021.

6.3 Prospects of the Group

The Group is principally involved in the provision of ICT products, services and solutions, with core business activities as follows:

- (a) sale of ICT products comprising hardware, devices and related peripherals, as well as the provision of ICT services and solutions; and
- (b) provision of device repair and related services, as well as sale of broadband services.

The ICT products and services industry is expected to be continuously driven by the wide usage of ICT in everyday lives by the general public and businesses to perform daily and business activities, the replacement cycle of devices and continuous technology advancement, the implementation of initiatives by the Government of Malaysia for digital transformation, as well as the incorporation of ICT to promote digital education in schools. As such, the Group has allocated RM2.50 million from the IPO proceeds to set-up 10 new stores in Malaysia, which comprises 8 stores in Klang Valley, 1 store in Johor Bahru and 1 store in Penang to increase the Group's customer base. The Group plans to set up 5 stores within the first 2 years from its listing date of 2 September 2022, and another 5 stores in the following year. As at LPD, the Group has yet to open these stores.

As businesses demand for more flexibility and control over the usage of ICT products and services according to their business and operational needs, while reducing large upfront capital expenditure required for the purchase and deployment of hardware and software, the demand for DaaS subscription is expected to grow in the long term. The Group has allocated RM30.90 million from the IPO proceeds to purchase various types of devices such as desktop, laptops, interactive smartboards, workstations, digital signages, printers and servers to support the expansion of the DaaS subscription-based service for the Group's existing and future DaaS subscription agreements. The utilisation of the proceeds for the said purchase are set out in Section 4.9.1 of the Company's Prospectus dated 27 July 2022.

With the ongoing growth and development of our business, the Group has allocated RM18.00 million to build a Regional Hub in Petaling Jaya, Selangor comprising storage facility, experience centre for customers, live video areas, training centre, workshops and office facilities, which is expected to commence operations in January 2026. The Regional Hub will include experience centres for the Group to showcase new and innovative ICT solutions on internet-of-things such as smart homes, smart retail, smart education, smart signages and smart shelving where they will install demonstration sets for an immersive experience for customers. For example, the Group intends to showcase a smart classroom experience centre, comprising the display of various devices such as laptops, tablets, interactive smartboards, mobile charging station and smart cameras connected to one another, in which these devices can be controlled through a mobile application. The Group also intends to collaborate with brand principals and technology partners, on a project basis, to showcase the latest ICT products and solutions and to provide live demonstrations through their experience centres. The approximate construction costs of the Regional Hub are as follow:

Description	(2) Total estimated cost	
	RM'000	%
Construction works (including mechanical and electrical as well as infrastructure works)	56,812	75.6
Professional fees ⁽¹⁾	7,101	9.4
Authority and utilities	3,063	4.1
Interior fit-out and loose furnitures	5,006	6.7
Contingencies	3,196	4.2
	75,178	100.0

Notes:

- (1) Comprising legal and project consulting fees.
- (2) Total estimated cost is based on fees estimation by our professional consultants.

The Group has allocated RM18.00 million from the IPO proceeds to finance our construction cost. The remaining RM57.18 million will be funded via our internally-generated funds and/or bank borrowings. The Group has obtained the development order and approvals for the layout from Majlis Bandaraya Petaling Jaya ("**MBPJ**") on 8 January 2021. The Group had on 15 December 2021 requested for an extension on the development order, which was obtained on 9 March 2022 and was valid until 8 March 2023. The Group submitted amendments to the layout plans for the development order to MBPJ on 30 August 2022 and additional documents as requested by MBPJ on 17 November 2022. On 17 March 2023, MPBJ requested for a resubmission of the development order. As at LPD, the Group is in the midst of preparing the new development order for resubmission to MPBJ, which the Group targets to submit in July 2023. As at LPD, the Group has yet to commence the construction works of the Regional Hub.

The Group remains positive with the ICT products and services industry as a result of continuous growth in demand for ICT products and services. SMITH ZANDER forecasts the sales of ICT products to increase by 2.77% from RM59.56 billion in 2022 to RM61.21 billion in 2023; and the gross value added of ICT services to further increase by 2.91% from RM20.63 billion in 2022 to RM21.23 billion in 2023. As the Group continues to strengthen their existing customer base and expand their market share by securing new customers, the Group believes that they can continue growing their business in the future.

(Source: Management of SNS)

7 APPROVALS REQUIRED

The Proposed ESOS is subject to the following being obtained:

- (i) the approval of Bursa Securities for the listing of and quotation for the new SNS Shares to be issued arising from the exercise of the ESOS Options on the ACE Market, which has been obtained;
- (ii) the approval of the shareholders of SNS at the forthcoming EGM to be convened. In addition, the Company will also seek for its shareholders' approval to waive their pre-emptive rights to be offered any new SNS Shares which rank equally to the existing issued Shares pursuant to the Proposed ESOS under Section 85(1) of the Act and Clause 5.11 of the Constitution, as disclosed in Section 2.13; and
- (iii) the approval of other relevant authorities, if required.

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8 HISTORICAL SHARE PRICES

The monthly highest and lowest prices of SNS Shares as traded on Bursa Securities since its listing on 2 September 2022, for the period of 8 months up to LPD are set out below:

	High (RM)	Low (RM)
2022		
September	0.317	0.228
October	0.277	0.228
November	0.238	0.203
December	0.277	0.213
2023		
January	0.265	0.230
February	0.270	0.230
March	0.260	0.225
April	0.295	0.235

The last transacted price of SNS Shares on 16 May 2023, before the day of the announcement of Proposed ESOS was RM0.255.

The last transacted price of SNS Shares as at LPD, was RM0.24.

(Source: Bloomberg)

9 INTER-CONDITIONALITY

The Proposed Granting of ESOS Options is conditional upon the Proposed ESOS, however the Proposed ESOS is not conditional upon the Proposed Granting of ESOS Options.

The Proposed ESOS is not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.

10 ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to receipt of all relevant approvals, the Proposed ESOS is expected to be completed during the second half of 2023.

11 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

All the Directors and chief executive are eligible to participate in the Proposed ESOS and are therefore deemed interested in the Proposed ESOS to the extent of their respective allocations as well as allocations to persons connected with them under the Proposed ESOS.

The Interested Directors have abstained and will continue to abstain from deliberating, expressing an opinion and making any recommendations at all relevant Board meetings in relation to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed ESOS.

Further, the Interested Directors will also abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on resolutions pertaining to their respective allocations and allocations to persons connected to them under the Proposed ESOS to be tabled at the forthcoming EGM.

The Interested Directors have undertaken to ensure that persons connected to them, if any, will abstain from voting in respect of their direct and/or indirect shareholdings on the resolutions pertaining to their respective allocations and the proposed allocation to the persons connected to them under the Proposed ESOS to be tabled at the forthcoming EGM.

The direct and indirect shareholdings of the Interested Directors, major shareholders and persons connected with them as at LPD are as follows:

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Interested Directors and major shareholders				
Ko Yun Hung	519,539,439	32.2	7,362,971 ⁽¹⁾	0.5 ⁽¹⁾
Pah Wai Onn	519,539,439	32.2	7,362,971 ⁽²⁾	0.5 ⁽²⁾
Interested Directors				
Dato' Zulkapli Bin Ahmad	200,000	<0.1	-	-
Siow Wei Ming	118,172,752	7.3	800,000 ⁽³⁾	0.05 ⁽³⁾
Dato' F'ng Meow Cheng	200,000	<0.1	-	-
Maylee Gan Suat Lee	50,000	<0.1	-	-
Tan Ee Ming	100,000	<0.1	-	-
Persons connected to the Interested Directors				
Eng Su Fern	7,362,971	0.5	-	-
Tham Sau Har	7,362,971	0.5	-	-
Lim Chai Ling	800,000	<0.1	-	-
Ko See Meng ⁽⁴⁾	2,000,000	0.1	-	-
Ong Mei Kwai ⁽⁵⁾	1,720,000	0.1	-	-
Siow Wei Shan ⁽⁶⁾	29,543,188	1.8	-	-
Ng Hooi Sen ⁽⁷⁾	240,000	<0.1	-	-
Foo Kit Hang ⁽⁸⁾	240,000	<0.1	-	-

Notes:

- (1) Deemed interest in the shareholdings of his spouse, Eng Su Fern, pursuant to Section 59(11) of the Act. Eng Su Fern is also a director of SNS Network ICT Sdn Bhd and SNS Network (M) Sdn Bhd, a wholly-owned subsidiary of the Company.
- (2) Deemed interest in the shareholdings of his spouse, Tham Sau Har, pursuant to Section 59(11) of the Act. Tham Sau Har is also a director of SNS Network ICT Sdn Bhd and SNS Network (M) Sdn Bhd, a wholly-owned subsidiary of the Company.
- (3) Deemed interest in the shareholdings of his spouse, Lim Chai Ling, pursuant to Section 59(11) of the Act.
- (4) Ko See Meng is the father of Ko Yun Hung. He is also a director of GLOO Sdn Bhd, ITworld Services (M) Sdn Bhd, Notebook Plaza Sdn Bhd and SNS Network Services Sdn Bhd, which are wholly-owned subsidiaries of the Company.
- (5) Ong Mei Kwai is the mother of Pah Wai Onn.

- (6) Siow Wei Shan is the brother of Siow Wei Ming. Siow Wei Shan is also a director of Notebook Plaza Sdn Bhd, a wholly-owned subsidiary of the Company.
- (7) Ng Hooi Sen is the spouse of Siow Wei Ming's and Siow Wei Shan's brother.
- (8) Foo Kit Hang is the spouse of Siow Wei Ming's and Siow Wei Shan's sister.

Moving forward, in the event that any other newly appointed Director of the Company and/or persons connected with him/her are entitled to participate in the Proposed ESOS, such Director will abstain from deliberating, expressing an opinion and making any recommendations at all relevant Board meetings in relation to his/her respective allocations as well as allocations to persons connected to him/her, if any, under the Proposed ESOS.

Such Director will also abstain from voting in respect of his/her direct and/or indirect shareholdings in the Company, if any, on resolutions pertaining to his/her respective allocations and allocations to persons connected to him/her under the Proposed ESOS to be tabled at the forthcoming EGM. Further, such Director will ensure that persons connected to him/her, if any, will abstain from voting on the resolutions pertaining to his/her respective allocations and the proposed allocation to the persons connected to him/her under the Proposed ESOS to be tabled at the forthcoming EGM.

Save as disclosed above, none of our Directors, major shareholders, chief executive and/or persons connected with them have interest, direct or indirect, in the Proposed ESOS.

12 STATEMENT AND RECOMMENDATION BY OUR BOARD

Our Board, having considered amongst others, the rationale, terms, conditions and effects of the Proposed ESOS, is of the opinion that the Proposed ESOS is in the best interest of SNS. Accordingly, the Board recommends that you **VOTE IN FAVOUR** of the resolutions pertaining to the Proposed ESOS to be tabled at the forthcoming EGM.

In respect of the Proposed Granting of ESOS Options, all our Directors have abstained from giving any opinion or recommendation on their respective entitlements and the entitlements to the person(s) connected with them, if any. Where the resolutions are not related to their respective allocations or to the person(s) connected with them, our Directors after having considered all aspects of the Proposed Granting of ESOS Options, are of the view that the Proposed Granting of ESOS Options is in the best interests of the Group and recommend that you **VOTE IN FAVOUR** of the resolutions pertaining to the Proposed Granting of ESOS Options to be tabled at our forthcoming EGM.

13 OUTSTANDING PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed ESOS which is the subject matter of this Circular, our Board confirms that there is no other outstanding corporate proposal announced by the Company to Bursa Securities.

14 EGM

The EGM, the notice of which is enclosed with this Circular, will be conducted fully virtual basis through live streaming and online RPEV facilities via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC – D6A357657), provided by Share Registrar in Malaysia on Friday, 7 July 2023, 11:30 a.m. or immediately after the conclusion of the Company's 2023 AGM, whichever is later, for the purpose of considering the Proposed ESOS contained herein and if thought fit, passing the resolutions so as to give effect to the Proposed ESOS.

You may complete and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event, to arrive at the Company's Share Registrar Office at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, not less than 48 hours before the date and time stipulated for the EGM, or any adjournment thereof. The lodging of the Proxy Form does not preclude you from attending the EGM and voting in person should you subsequently decide to do so.

15 FURTHER INFORMATION

Please refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of
SNS NETWORK TECHNOLOGY BERHAD

KO YUN HUNG
Managing Director

BY-LAWS OF THE EMPLOYEES' SHARE OPTION SCHEME**SNS NETWORK TECHNOLOGY BERHAD****1. DEFINITIONS AND INTERPRETATION**

- 1.1 In these By-Laws, the following words and expressions shall bear the following meanings, unless the context otherwise requires:

"Act"	means the Companies Act 2016, as amended from time to time and any re-enactment thereof
"Adviser"	means a corporate finance adviser that may act as a principal adviser under the Chapter 7A of Licensing Handbook issued by SC
"Affected Employee"	shall have the meaning ascribed to it in By-Law 24.1
"Audit Committee"	shall have the same meaning ascribed to it in By-Law 6.2
"Auditors"	means the auditors of the Company, as appointed from time to time
"Board"	means the board of directors of the Company
"Bursa Depository"	means Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
"Bursa Securities"	means Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"By-Laws"	means collectively, the rules, terms, and conditions governing the Scheme as set forth in these By-Laws as amended, modified, and/or supplemented from time to time
"CDS"	means the Central Depository System
"CDS Account"	means the account established by Bursa Depository for a depositor for the recording of deposit and withdrawal of securities and for dealings in such securities by that depositor of securities
"Company" or "SNS"	means SNS Network Technology Berhad (Registration No. 201601002835 (1173761-W)), a public listed company limited by shares quoted in Bursa Securities and incorporated in Malaysia and shall, where the context admits, include its successors in title
"Constitution"	means the constitution of the Company as amended from time to time
"Date of Expiry"	means last day of the Scheme Period as defined in By-Law 17.2
"Director"	means a natural person who holds a directorship in any company within Group and shall have the meaning stipulated in the Act

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (*Cont'd*)

"Disciplinary Proceedings"	means proceedings instituted by the Company against an Eligible Person or a Grantee employed by that Group Company for any alleged negligence, misbehaviour, misconduct, fraud, financial misstatement, reputational damage and/or any other act of the Eligible Person or Grantee deemed to be unacceptable by the Company in the course of that their employment, whether or not such proceedings may give rise to a dismissal or termination of the contract of service of such Eligible Person or Grantee
"Effective Date"	means the date the Scheme takes effect pursuant to the fulfilment or waiver of the last of the approvals and/or condition as provided in By-Law 17.1
"Eligible Person"	means any Director or Employee who meets the eligibility criteria for participation in the Scheme as set forth in By-Law 3 and "Eligible Persons" means any two or more of them
"Employee"	means any person who is employed by the Group
"Entitlement Date"	means the date as at the close of business on which the name of shareholders must appear in the Company's record of depositors and/or register of members in order to be entitled to any dividends, rights, allocations, and/or other distributions
"ESOS Committee"	means a committee established pursuant to By-Law 14.1 to implement and administer the Scheme in accordance with these By-Laws
"ESOS Offer" or "Offer"	means an award of ESOS Options made in writing by the ESOS Committee from time to time to an Eligible Person to participate in the ESOS
"ESOS Options" or "Options"	means the right of a Grantee to subscribe for Shares (including new Shares to be allotted and issued and/or existing Shares (which are held as treasury shares, if any) to be transferred to a Grantee) of the Company at the Exercise Price in accordance with these By-Laws
"ESOS" or "Scheme"	means the employees' share option scheme established by the Company which shall be known as the "SNS Employee Share Option Scheme" to be administered in accordance with these By-Laws
"Exercise Price"	means the price at which a Grantee is entitled to subscribe for Shares upon the exercise of the ESOS Options, as set out in the ESOS Offer
"Grantee"	means an Eligible Person who has accepted an ESOS Offer as stipulated in By-Law 6, and "Grantees" means two or more of them
"Group"	means, collectively, the Company and its Subsidiaries. For the avoidance of doubt, associated companies, joint-venture companies, and subsidiaries that have been divested do not fall within this category.
"Group Company"	means any one of the Company and the Subsidiaries, and "Group Companies" means any two or more of them

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (Cont'd)

"Listing Requirements"	means the ACE Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
"Market Day"	means a day on which Bursa Securities is open for trading in securities
"Maximum Allowable Allocation"	shall have the meaning ascribed to it in By-Law 5.1
"Maximum ESOS Shares"	shall have the meaning ascribed to it in By-Law 4.1
"Normal Correspondence"	shall have the meaning ascribed to it in By-Law 29.3
"Notice" or "Process"	shall have the meaning ascribed to it in By-Law 29.1
"Offer Date"	means in relation to the Offer, the date on which the ESOS Offer is made by the ESOS Committee
"Offer Period"	means the period of fourteen (14) days from the Offer Date or such other period as may be determined by the ESOS Committee, and specified in the ESOS Offer during which it may be accepted
"Option Certificate"	means the certificate issued by the ESOS Committee confirming the grant of the Option to the Grantee and the Exercise Price together with the number of Shares comprised in the Option
"Option Period"	means the period during which an Option may be exercised as may be specified in the Offer, unless terminated in accordance with these By-Laws
"Performance Period"	means the duration of which is to be determined by the ESOS Committee on the Offer Date, during which the Performance Targets are to be satisfied
"Performance Target(s)"	means the performance targets determined by the ESOS Committee at its sole discretion, which are to be achieved by the Eligible Person and/or Group (and/or such business units within the Group as determined by the ESOS Committee)
"Persons Connected"	shall have the meaning ascribed to it in relation to persons connected with a Director or persons connected with a major shareholder in Paragraph 1.01 of the Listing Requirements
"Previous Company"	shall have the meaning ascribed to it in By-Law 3.3
"Rules of Bursa Depository"	means the rules of Bursa Depository, as issued pursuant to SICDA
"SC"	means the Securities Commission Malaysia
"Senior Management"	means such employees of the Company as the ESOS Committee may at its absolute discretion determine to be senior management
"Scheme Period"	means the duration of the Scheme as set out in By-Law 17.2
"Shares"	means ordinary shares in the Company

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (*Cont'd*)

"SICDA"	means the Securities Industry (Central Depositories Act) 1991 as amended from time to time
"Subsidiary"	means a subsidiary (has the meaning ascribed to it in Section 4 of the Act) of the Company which is not dormant, and include such subsidiaries which are existing as at the Effective Date and those subsequently acquired or incorporated at any time during the Scheme Period and "Subsidiaries" shall be construed accordingly
"Trust"	means the trust that may be established to facilitate the implementation and administration of the Scheme
"Trust Account"	means the trust account that may be opened by the Trustee to store monies injected by the Group for the purposes of the Scheme
"Trust Deed"	means the trust deed that may be entered into between the Company and the Trustee constituting the trust
"Trustee"	means the trustee that may be appointed by the Company to administer the trust for the Scheme in accordance with the Trust Deed
"Vesting Conditions"	means the conditions determined by the ESOS Committee and stipulated in the ESOS Offer which must be fulfilled for the ESOS Options to be vested to a Grantee
"Vesting Date(s)"	means the date or dates which the ESOS Options or any part of proportion thereof granted shall vest to the Grantee as stipulated by the ESOS Committee

1.2 In these By-Laws, unless the context otherwise requires:

- (a) any reference to a statutory provision or an applicable law shall include a reference to:
 - (i) any statute of Malaysia and shall include all subsidiary legislation made from time to time under that provision or law;
 - (ii) any and all Listing Requirements, policies and/or guidelines of Bursa Securities and/or any other relevant regulatory authority (in each case, 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 by Bursa Securities and/or any other relevant regulatory authority); and
 - (iii) 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 Options accepted and exercised 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.
- (b) any reference to a By-Law is a reference to a By-Law of these By-Laws;
- (c) the headings to the provisions are for convenience only, and shall not be taken into account in the interpretation of these By-Laws;

- (d) any word importing:
 - (i) the singular meaning includes the plural meaning and vice versa; and
 - (ii) the masculine gender includes the feminine gender and vice versa;
- (e) any liberty or power or discretion which may be exercised, and/or any decision or determination which may be made, under these By-Laws:
 - (i) by the Board may be exercised at the Board's discretion and the Board shall not be under any obligation to give any reasons thereof; and
 - (ii) by the ESOS Committee may be exercised at the ESOS Committee's discretion and the ESOS Committee shall not be under any obligation to give any reasons thereof, but subject always to the Board's power to overrule any decision of the ESOS Committee;
- (f) if any event is to occur on a stipulated day which is not a Market Day, then the stipulated day shall be taken to be the first Market Day after that day; and if an event is to occur on a stipulated day which falls after the expiry of the Scheme Period then the stipulated day shall be taken to be the last Market Day of the Scheme Period; and
- (g) in the event of any change in the name of the Company from its present name, all references to "SNS" in these By-Laws and all other documents pertaining to the Scheme shall be deemed to be references to the Company's new name.

2. NAME AND OBJECTIVE OF THE SCHEME

- 2.1 The Scheme shall be known as "SNS Employees' Share Option Scheme", the objective of which is primarily to serve as a long-term incentive plan to reward the Eligible Persons and to align their interest with the corporate goals and objectives of the Group. In addition, the Scheme is intended:
- (a) to recognise the contribution of Eligible Persons whose services are valued and considered vital to the operations and continued growth of the Group;
 - (b) to motivate Eligible Persons to work towards better performance through greater productivity and loyalty to the Group;
 - (c) to inculcate a greater sense of belonging and dedication since Eligible Persons are given the opportunity to participate directly in the equity of the Company, thus promoting a shared vision amongst the shareholders to further enhance shareholder value;
 - (d) to encourage Eligible Persons to remain with the Group thus ensuring that any loss of key personnel is kept to a minimum level;
 - (e) to reward Eligible Persons by allowing them to participate in the Company's growth and profitability and eventually realise potential capital gains arising from any appreciation in the value of the Shares; and
 - (f) to serve as an alternative scheme of reward instead of bonus and salary increment which would increase the Group's expenses and cash outflow.

3. ELIGIBILITY

- 3.1 Subject to By-Law 3.2, any Directors and Employees may be considered as eligible from time to time and at any time for the purposes of the Scheme by the ESOS Committee.
- 3.2 Eligible Persons who fulfill the following criteria as at the Offer Date shall be eligible for consideration by the ESOS Committee to participate in the Scheme:
- (a) has attained the age of eighteen (18) years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (b)
 - (i) has been employed by the Group as a full-time employee or serving in a specific designation under an employment contract with the Group for a fixed duration (or any other contract as may be determined by the ESOS Committee) and is on the payroll of any Subsidiaries within the Group and has since been confirmed in writing and is no longer under any probation for at least twelve (12) months in the Group and has not served a notice of resignation or received a notice of termination prior to and up to the Offer Date; or
 - (ii) is employed by a corporation which is acquired by the Group during the Scheme Period and becomes a subsidiary of the Group upon such acquisition, he/she must have been confirmed in writing and is no longer under any probation for a period of at least twelve (12) months with such corporation and/or for such period as may be determined by the ESOS Committee in the Group as at the date that such company becomes or is deemed to be a subsidiary of the Group and has not served a notice to resign or received a notice of termination prior to and up to the Offer Date;
 - (c) if he/she is a Director, Chief Executive or major shareholder of the Company, the ESOS Offer awarded by the Company to him/her in his/her capacity as a Director or Chief Executive of the Company or his/her persons connected under the Scheme has been approved by the shareholders of the Company at a general meeting (if applicable); and
 - (d) is under such categories and/or fulfils any other criteria as may be set by the ESOS Committee from time to time at its absolute discretion.

The selection of any Eligible Person for participation in the Scheme shall be at the sole discretion of the ESOS Committee whose decision shall be final and binding.

For the avoidance of doubt, the ESOS Committee may determine any other eligibility criteria and/or waive any of the eligibility criteria as set out in this By-Law 3.2, for purposes of selecting an Eligible Person from time to time, at the ESOS Committee's discretion provided always that no member of the ESOS Committee shall participate in the deliberation or discussion of their own allocation of the ESOS Options or allocation of the ESOS Options to persons connect with them.

- 3.3 The ESOS Committee shall have the discretion to extend (or not) the benefit of the Scheme to any employee in any of the following circumstances:
- (a) an employee who is in the employment of a corporation which is not a Group Company but which subsequently becomes a Group Company as a result of a restructuring, an acquisition, a merger, a divestment from that corporation which is not a Group Company or other exercise involving the Company and/or any Group Company ("**Previous Company**");
 - (b) an employee who was employed in a Previous Company and is subsequently transferred from that Previous Company to a Group Company; or

- (c) where:
 - (i) a corporation that was a Group Company ceases to be a Group Company ("**Ex-Group Company**"); and
 - (ii) an employee of that Ex-Group Company is re-employed by the Group Company.
- 3.4 Eligibility for consideration under the Scheme does not confer an Eligible Person a claim or right to participate in or any right whatsoever under the Scheme and an Eligible Person does not acquire or has any rights over or in connection with the Offer or the Shares comprised in the Offer unless the Offer has been made in writing by the ESOS Committee to the Eligible Person and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the By-Laws.
- 3.5 Without prejudice to the generality of the foregoing and subject to the ESOS Committee's discretion otherwise, any Offer made by the ESOS Committee shall become void, of no effect, and cease to be capable of vesting upon any of the following events occurring:
 - (a) the Grantee's death subject to By-Laws 11.2 and 11.3 below;
 - (b) the Grantee having received a letter of termination or ceasing to be an Employee, for any reason whatsoever;
 - (c) the Grantee giving notice of his resignation from service or employment;
 - (d) the Grantee is subject to Disciplinary Proceedings; or
 - (e) the Grantee is adjudicated bankrupt.
- 3.6 An Eligible Person of a dormant company within the Group is not eligible to participate in the Scheme.
- 4. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME**
- 4.1 The maximum number of Shares which may be made available under the Scheme shall not in aggregate exceed fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the Scheme Period ("**Maximum ESOS Shares**").
- 4.2 Notwithstanding By-Law 4.1, in the event the aggregate number of Shares allocated under the Scheme exceeds the Maximum ESOS Shares at any point in time as a result of the Company purchasing or cancelling Shares in accordance with the provisions of the Act and/or undertaking any corporate proposal resulting in the reduction of the Company's issued share capital, then such ESOS Options granted prior to the adjustment of the issued share capital of the Company (excluding treasury shares, if any) shall remain valid and exercisable in accordance with these By-Laws. However, in such a situation, the ESOS Committee shall not make any further ESOS Offers until such aggregate number of Shares granted falls below the Maximum ESOS Shares.

5. BASIS OF ALLOCATION AND MAXIMUM ALLOWABLE ALLOCATION

- 5.1 The aggregate maximum number of Shares that may be allocated to any Eligible Persons shall be determined by the ESOS Committee provided that the number of new Shares allocated to any Eligible Persons who, either singly or collectively through Persons Connected with the Eligible Persons, holds twenty percent (20.0%) or more of the total number of issued shares of the Company (excluding treasury shares, if any), shall not exceed ten percent (10.0%) of the Maximum ESOS Shares ("**Maximum Allowable Allocation**").
- 5.2 Subject to By-Law 5.1 and any adjustment which may be made under By-Law 12, the basis for determining the aggregate number of Shares that may be offered and/or allocated under the Scheme to the Eligible Persons shall be at the sole and absolute discretion of the ESOS Committee after taking into consideration *inter alia*, the provisions of the Listing Requirements or other applicable regulatory requirements relating to employees' and/or directors' share issuance scheme and after taking into consideration factors which may include the Eligible Persons' position, job performance, seniority, duration of service, potential for future development and contribution to the success and development of the Group.
- 5.3 The ESOS Committee may make one or more ESOS Offer to an Eligible Person provided that the aggregate number of ESOS Offer so offered to an Eligible Person throughout the entire Scheme Period does not exceed the Maximum Allowable Allocation of such Eligible Person.
- 5.4 The Eligible Persons shall not participate in any deliberation or discussion of their own allocation and those of persons connected to them.
- 5.5 At any point in time during the Scheme Period, not more than 70% of the total Shares made available under the Scheme shall be allocated, in aggregate, to the Directors and Senior Management who are Eligible Persons, on the basis that they are crucial to the performance of the Group.

6. OFFER AND ACCEPTANCE UNDER THE SCHEME

- 6.1 The aggregate maximum number of Offers that may be made to an Eligible Person will be determined entirely at the absolute discretion of the ESOS Committee, which shall take into account such criteria as it considers fit including but not limited to the Eligible Persons' position, job performance, seniority, duration of service, potential for future development and contribution to the success and development of the Group and such other criteria as the ESOS Committee may deem relevant from time to time. Each Offer that is made to the Eligible Person by the ESOS Committee shall be separate and independent from any previous or later Offer made by the ESOS Committee to that Eligible Person.
- 6.2 The ESOS Committee may make one (1) or more Offer to an Eligible Person provided that the aggregate number of Shares that is made to the Eligible Person does not exceed the Maximum Allowable Allocation of such Eligible Person. The number of ESOS Options so offered which may be exercised shall not be less than hundred (100) Shares and shall always be in multiples of hundred (100) Shares. The number of Shares offered to the Scheme shall be disclosed in the Company's annual report as long as the Scheme is in operation as required by the Listing Requirements. The Audit and Risk Management Committee of the Company ("**Audit Committee**") shall verify the Offer made pursuant to the Scheme is in compliance with the criteria for allocation disclosed by the Company to the Eligible Person at the end of each financial year.

The ESOS Committee shall not be obliged in any way to make or vest to any Eligible Persons any Offer or Share. The decision of the ESOS Committee shall be final and binding.

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (Cont'd)

- 6.3 The ESOS Offer shall be made in writing or electronically and may be made upon such terms and conditions as the ESOS Committee may decide from time to time. Nothing herein shall require the Offer made to be the same as or similar to other Offers previously or subsequently made whether to the same or a different Eligible Person.
- 6.4 As soon as reasonably practicable after making the Offer, the ESOS Committee shall send to the Eligible Person a letter of Offer ("**Offer Letter**") to state, amongst others:
- (a) the Offer Date;
 - (b) the number of ESOS Options that are being granted to the Eligible Person;
 - (c) the number of Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the ESOS Options being granted;
 - (d) the Exercise Price;
 - (e) the Scheme Period;
 - (f) the Vesting Conditions including the vesting period (if any/if applicable);
 - (g) the Vesting Date(s) (if any/if applicable);
 - (h) the Performance Targets (if any/if applicable);
 - (i) the Performance Period (if any/if applicable);
 - (j) the Offer Period; and
 - (k) any other condition which the ESOS Committee may determine from time to time in relation to the Offer.
- 6.5 The Offer Period shall be for a period of 14 days from the Offer Date or such longer period as may be determined by the ESOS Committee at its sole and absolute discretion, provided always that the Offer Period must be specified in the Offer Letter.
- 6.6 The Offer shall be accepted by an Eligible Person within the Offer Period by written notice to the Company accompanied by a payment to the Company of a nominal non-refundable consideration of RM1.00 only or such other amount as may be determined by the ESOS Committee for the grant of the ESOS Options (regardless of the number of Shares comprised therein).
- 6.7 If an Offer is not accepted in the manner set out in By-Law 6.6 above, the Offer shall automatically lapse upon the expiry of the Offer Period and be null and void and be of no further force and effect. The Shares comprised in such Options may, at the discretion of the ESOS Committee, be re-offered to other Eligible Persons.
- 6.8 The number of Shares offered in the lapsed Offer shall be deducted from the Maximum Allowable Allocation or the balance of the Maximum Allowable Allocation for the Eligible Person. The Offer not taken up resulting from the non-acceptance of the Offer within the Offer Period shall thereafter form part of the balance of Offers under the Scheme for future Offers.
- 6.9 Upon acceptance of the Offer in accordance with these By-Laws, the Eligible Person shall be referred to as a Grantee for the purposes of these By-Laws.

The Company shall within 30 days of the acceptance of the ESOS Offer by the Eligible Person, issue to the Eligible Person an Option Certificate in such form as may be determined by the ESOS Committee.

- 6.10 Any Eligible Persons who hold more than one (1) position within the Company shall only be granted the Maximum Allowable Allocation.

In the event the Offer Letter contains an error on the part of the Company in stating any of the particulars referred to in By-Law 6.4 above, the Company shall issue a revised Offer Letter, stating the correct particulars of the Offer within thirty (30) days of discovering such error and the revised particulars of the Offer shall take effect on the date of the revised Offer Letter except for Shares which have already been vested as at the date of the revised Offer Letter.

7. EXERCISE PRICE

- 7.1 The Exercise Price of each Share comprised in any Options shall, subject always to the provisions of By-Law 12 hereof, be a price to be determined by the ESOS Committee based on the volume weighted average market price of the Shares for the 5 Market Days immediately preceding the Offer Date with a discount of not more than 10.0%.
- 7.2 The Exercise Price as determined in the manner set out above shall be conclusive and binding on the Grantees and shall be subject to any adjustments in accordance with By-Law 12.

8. EXERCISE OF OPTIONS

- 8.1 An Option may be exercised by a Grantee within the Option Period in full or in part by notice in writing to the Company or the ESOS Committee in the prescribed form as may be amended from time to time during the Option Period or in any other manner as may be determined by the ESOS Committee from time to time during the Option Period ("**Notice of Exercise**").
- 8.2 The partial exercise of Options granted in an Offer shall not preclude the Grantee from exercising the balance of unexercised Options during the Option Period.
- 8.3 Every such notice or any other manner of exercise of an Option referred to in By-Law 8.1 must be in the form prescribed by the ESOS Committee as may be amended from time to time and be accompanied by a remittance for the full amount in Ringgit Malaysia in the form of a banker's draft or cashier's order drawn and payable in Malaysia or such other mode acceptable to the ESOS Committee for the full amount of the subscription monies (calculated based on the Exercise Price in accordance with By-Law 7 herein) payable for the Shares in respect of which the Option is exercised.
- 8.4 Any failure to comply with the procedures specified by the ESOS Committee or to provide information required by the Company in the Notice of Exercise or inaccuracy in the CDS Account number provided in the Notice of Exercise shall result in the Notice of Exercise being rejected at the sole and absolute discretion of the ESOS Committee, and the ESOS Committee shall inform the Grantee of the rejection of the Notice of Exercise within fourteen (14) Market Days from the date of rejection and the Grantee shall be deemed not to have exercised his/her Option.
- 8.5 Subject to the sole and absolute discretion of the ESOS Committee to waive any breach, failure by a Grantee to comply with the procedure for an exercise of Option as stipulated in the provisions of By-Law 8 will invalidate the purported exercise of such Option by the Grantee.

- 8.6 Each Grantee shall at its own cost and expense open a CDS Account and a trading account with a nominee company or a broker approved by the ESOS Committee. The new Shares to be issued pursuant to the exercise of an Option will be credited directly into the CDS Account of the Grantee and a notice of allotment stating the number of shares credited into the CDS Account will be issued to the Grantee. No physical share certificate will be issued to the Grantee.

9. NON-TRANSFERABILITY

- 9.1 Subject to By-Laws 10.4, 11.3, and 25.1, the rights of a Grantee under an exercise of Options shall be personal to the Grantee thereof, and cannot be assigned, encumbered, transferred, or otherwise disposed of in any manner whatsoever.
- 9.2 Any attempt to assign, encumber, transfer or otherwise dispose the Options shall result in the automatic cancellation of such Options save and except in the event of death of the Grantee as provided under By-Law 11.3 hereof.

10. VESTING CONDITIONS

- 10.1 The Options shall be vested to the Grantee on the Vesting Date(s) after fulfilling the Vesting Conditions in accordance with these By-Laws. For the avoidance of doubt, the vesting of each Options may be staggered in several tranches at such times and on such terms as determined by the ESOS Committee. The Options shall vest in multiples of and no less than a hundred (100) Shares.
- 10.2 The Options or such part thereof as may be satisfied in the ESOS Offer will only vest with the Grantee on the Vesting Date if the Vesting Conditions are fully and duly satisfied, including the following:
- (a) the Grantee remains an Eligible Person in accordance with By-Law 3;
 - (b) the Performance Targets are fully satisfied within the Performance Period, if applicable;
 - (c) the Grantee has not been adjudicated a bankrupt; and
 - (d) any other conditions which are determined by the ESOS Committee.
- 10.3 The ESOS Committee shall have full discretion to determine whether any Vesting Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the ESOS Committee shall have the right to make reference to, amongst others, the audited financial results of the Company or the Group (as the case may be) and to take into account such factors as the ESOS Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend and/or waive any Vesting Condition.
- 10.4 To the extent the Options awarded under the Scheme has not been exercised and vested upon expiry of the Scheme Period or vest at all under the Scheme for any reason whatsoever, the Options shall lapse and become null and void unless extended from time to time by the ESOS Committee at its discretion.

11. TERMINATION OF THE OFFER

- 11.1 Subject to By-Law 11.2, in the event of the cessation of employment of a Grantee for whatever reason, including but not limited to the receipt of a letter of termination, serving of a notice of resignation by the Grantee or bankruptcy of the Grantee, prior to the vesting of the Options, such Options or any part thereof that remain unvested, as the case may be, shall forthwith cease or be deemed to cease to be valid without any claim against the Group Company.
- 11.2 In the event of the cessation of employment of a Grantee with a Group Company in any of the following circumstances:
- (a) retirement on attaining the normal retirement age under the Group Company's retirement policy; or
 - (b) retirement before the normal retirement age with the consent of his employer being a company within the Group; or
 - (c) expiration of the employment contract of the Grantee; or
 - (d) resignation or termination of the employment of the Grantee by reason of ill-health, injury, physical or mental disability; or
 - (e) redundancy or retrenchment, pursuant to the acceptance by that Grantee of a voluntary separation scheme offered by the relevant Group Company; or
 - (f) non-renewal of fixed-term contract, not due to a breach of contract on the part of the Grantee; or
 - (g) any Director not being re-appointed during a general meeting of the Company, that Director shall exercise the Options within three (3) months from the date he ceased to be a Director; or
 - (h) any other circumstance which is acceptable to the ESOS Committee at its discretion,
- the ESOS Committee may at its discretion determine that all or any part of the unvested Options comprised from the Options, can vest in accordance with the provisions of these By-Laws, and the times or periods at or within which such Options may vest provided that no Options shall vest after the expiry of the vesting period for that Options. Unless the ESOS Committee at its discretion permits such vesting in accordance with this By-Law 8.2, any unvested Options shall cease or be deemed to cease to be capable of vesting to the Grantee without any liability or right to claim against the Company and/or the ESOS Committee and/or the Board.
- 11.3 The ESOS Committee shall be entitled to exercise its powers, rights and discretion conferred under By-Law 11.2 in the event of death of a Grantee and may permit the Grantee's legal or personal representatives, or such other person nominated by the Grantee to exercise the rights of the Grantee.
- 11.4 In the event a bankruptcy proceeding has commenced against a Grantee, the Options, to the extent of the unvested Options, shall be suspended pending the outcome of the bankruptcy proceedings. If the bankruptcy proceeding is withdrawn, the suspension shall be lifted and the unvested Options in respect of the Options shall be capable to be vested to the said Grantee. However, if the said Grantee is adjudicated by the court to be bankrupt, all the unvested Options shall immediately become null and void.

11.5 Any unvested Options shall forthwith lapse and/or be deemed to be cancelled and/or cease to be capable of vesting, as the case may be, without any claim against the Company and/or any corporation of the Group and/or any member of the ESOS Committee upon the occurrence of one or more of the following events:

- (a) winding-up or liquidation of the Company pursuant to By-Laws 16.1; or
- (b) termination of the Scheme pursuant to By-Laws 17.

12. ALTERATION IN SHARE CAPITAL AND ADJUSTMENT

12.1 If the ESOS Committee so decides (but not otherwise), in the event of any alteration in the capital structure of the Company during the Scheme Period, whether by way of a rights issue, bonus issue or other capitalisation issue, subdivision or consolidation of Shares or reduction of capital or any other variations of capital or otherwise howsoever taking place, the ESOS Committee shall have the discretion and accordingly assess the practicality of complying with the requirement to cause such corresponding alterations (if any) to be made to the Scheme. Unless the ESOS Committee decides otherwise in consultation with the external auditor or Adviser of the Company, any alterations made shall be calculated in accordance with the formula set out in Schedule 1.

12.2 The alterations as set out in By-Law 12.1, may be made to:

- (a) the Exercise Price; and/or
- (b) the number of unexercised Options.

Such alterations (if any) will be made in accordance with these By-Laws and shall comply with the requirements of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities (including the Listing Requirements) and shall, where appropriate and to the extent possible, endeavour to give each Grantee the same proportion of Shares as that to which he/she was previously entitled.

12.3 If the ESOS Committee decides that no material dilution or enlargement of the rights of the Grantees would result from an alteration in the capital structure of the Company and no adjustments will be made, the ESOS Committee shall inform the Grantees of this decision through an announcement to all the Directors and employees of the Group to be made in such manner deemed appropriate by the ESOS Committee.

12.4 The provisions of this By-Law 12 shall not apply where the alteration in the capital structure of the Company arises from:

- (a) the issue of securities as consideration or part consideration for an acquisition;
- (b) a special issue of new Shares or securities to Bumiputera investors nominated by the Malaysian Government and/or any other relevant authority of the Malaysian Government to comply with the Malaysian Government's policy on Bumiputera capital participation;
- (c) a special issue, private placement or restricted issued of new Shares by the Company;
- (d) a share buy-back arrangement by the Company and the cancellation of all or a portion of the Shares pursuant to Section 127 of the Act;

- (e) an issue of new Shares arising from the exercise of any conversion rights attached to securities convertible to new Shares or upon exercise of any other rights including warrants (if any) issued by the Company;
 - (f) an issue of new Shares upon the exercise of Options pursuant to the Scheme;
 - (g) an issue by the Company of Shares or of securities convertible into Shares or securities with rights to acquire or subscribe for Shares to its officers, including directors, or employees of the Company or any of its subsidiaries pursuant to purchase or grant schemes approved by the shareholders in general meeting; and
 - (h) any issue of Shares by the Company (other than bonus and rights issues) for any purpose whatsoever where the aggregate issues of which in any twelve (12) months do not exceed ten percent (10%) of the outstanding number of issued shares of the Company pursuant to the provision of Section 76 of the Act.
- 12.5 Notwithstanding the provisions of this By-Law 12, the ESOS Committee may exercise its discretion to determine whether any adjustments to the number of ESOS Shares be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the number of ESOS Shares notwithstanding that no such adjustment formula has been explicitly set out in this By-Law.

13. DISCIPLINARY PROCEEDINGS

- 13.1 In the event that a Grantee is subjected to Disciplinary Proceedings (whether or not such Disciplinary Proceedings will give rise to a dismissal or termination of the contract of service), the ESOS Committee may at its discretion suspend any one or more of the Grantee's rights in respect of any Options then held by him, pending the outcome of such Disciplinary Proceedings, provided always that:
- (a) in the event that such Grantee shall subsequently be found to be not guilty of all the charges which gave rise to such Disciplinary Proceedings, the Grantee's rights in respect of any Options then held by him shall remain unaffected (and where that Options had been suspended, the suspension shall be lifted);
 - (b) in the event the Disciplinary Proceedings result in a dismissal or termination of the contract of service of such Grantee, the Options held by that Grantee shall immediately lapse and be null and void and of no further force and effect upon the date of the notice of the dismissal or termination of the contract of service of such Grantee, notwithstanding that such dismissal or termination of the contract of service may be subsequently challenged by the Grantee in any other forum; and
 - (c) in the event that the Disciplinary Proceedings result in a demotion of the Grantee to a lower category of employment, the numbers of Shares offered in the Options offered to that Grantee which are unexercised (as the case may be) at that time may be reduced or revoked by the ESOS Committee at its discretion;

but in any case and notwithstanding anything to the contrary, in the event such Grantee is found guilty of some or all of the charges but no dismissal or termination of the contract of service is recommended, the ESOS Committee shall have the right to determine, at its discretion, whether or not the Options offered may continue to vest and, if so, to impose such limits, terms and conditions or make such downward adjustment to the number of Shares as it deems appropriate, in respect of such vesting (regardless of anything previously determined in respect of his Options).

- 13.2 In the event a Grantee is subjected to Disciplinary Proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of the contract of service), after a Offer is made but before the acceptance thereof by the Grantee, the Offer is deemed revoked and/or withdrawn and no longer capable of acceptance, unless otherwise decided by the ESOS Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the disciplinary actions made or brought against the Eligible Person. Nothing herein shall prevent the ESOS Committee (but the ESOS Committee shall not be obliged to do so) from making a fresh Offer to such Eligible Person in the event that such disciplinary actions are not found against him or if such disciplinary actions are withdrawn. In the event the Eligible Person is dismissed or the Eligible Person's service is terminated after the Offer is made but before the acceptance thereof by the Eligible Person, the Offer is deemed revoked and/or withdrawn and no longer capable of acceptance.

14. ADMINISTRATION

- 14.1 The Scheme shall, subject to these By-Laws, be implemented and administered by the ESOS Committee in such manner as it shall, at its absolute discretion, think fit, in the best interest of the Company, provided that no member of the ESOS Committee and no Eligible Persons shall participate in any deliberation or decision in respect of Options granted or to be granted to himself or any Person Connected to such Eligible Persons. The ESOS Committee shall comprise any such persons appointed by the Board from time to time and shall be vested with such powers and duties as are conferred upon it by the Board and the Board may determine all matters pertaining to the ESOS Committee, including its duties, powers and limitations.
- 14.2 Without limiting the generality of By-Law 14.1, the ESOS Committee may for the purpose of administering the Scheme, do all such acts and things and enter into and/or cause the Company to enter into any transaction, agreement, deed and document, arrangement or undertaking, construe and interpret the Scheme and Offers made under it, and make such guidelines, rules and/or regulations, or impose or waive any terms and conditions for the implementation and administration of the Scheme, or delegate any of its powers relating to the administration of the Scheme and to give effect to the provisions of the Scheme and/or to enhance the benefit of the Options to the Grantee as the ESOS Committee at its discretion deems fit, necessary and/or expedient for the implementation and administration of the Scheme. The ESOS Committee in the exercise of this power may correct any defect, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for the Options in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective and to 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 or expedient to promote the best interests of the Company.
- 14.3 The Board shall have power at any time and from time to time:
- (a) approve, rescind and/or revoke the appointment of any member of the ESOS Committee and appoint replacement members to the ESOS Committee;
 - (b) assume and/or exercise or execute any of the powers and authorities conferred upon the ESOS Committee pursuant to these By-Laws; and
 - (c) amend, modify or vary the terms of reference of the ESOS Committee.
- 14.4 Neither the Scheme nor Options granted under the Scheme shall impose on the Company, the Board, or the ESOS Committee or any of its members any liability whatsoever in connection with:
- (a) the lapse of any Offer or Option pursuant to any provision of the Scheme;

- (b) the failure or refusal by the ESOS Committee to exercise, or the exercise by the ESOS Committee of, any discretion under the Scheme; and/or
 - (c) any decision or determination of the ESOS Committee made pursuant to any provision of the Scheme.
- 14.5 Any decision or determination of the ESOS Committee made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to dispute as to the interpretation of the Scheme or any rule, regulation or procedure hereunder or as to any rights under the Scheme). The ESOS Committee shall not be required to furnish any reasons for any decision or determination made by it except as may be required by the relevant authorities.

14A. RIGHTS ATTACHING TO OPTIONS AND THE NEW SHARES

- 14A.1 Any Grantee are not entitled to any voting right(s) or participation(s) in any form of distribution and/or offer of further securities in the Company until and unless such Grantee exercise their ESOS Options into new SNS Shares.
- 14A.2 The new SNS Shares to be issued arising from the exercise of the ESOS Options shall, upon allotment and issuance, rank equally in all respects with the existing SNS Shares, except that the new SNS Shares will not be entitled to any dividends, rights, allotment and/or other forms of distribution that may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment of the new SNS Shares.
- 14A.3 The ESOS Options shall not carry any right to vote at any general meeting of the Company or rank for any distributions in the event of any voluntary or involuntary liquidation or dissolution of the Company until and unless the Shares issued and allotted arising from the exercise of the ESOS Options have been issued, allotted and credited into the CDS Accounts of the Grantees.

15. MODIFICATION, VARIATION AND/OR AMENDMENT OF THESE BY-LAWS

- 15.1 Subject to the By-Laws and compliance with the Listing Requirements and the approvals of any other authorities (if required), the ESOS Committee may at any time and from time to time recommend to the Board any modification, variation and/or amendment of the By-Laws as it shall at its discretion think fit and the Board shall have the power at any time and from time to time by resolution to make any modification, variation and/or amendment of the By-Laws upon such recommendation and subject to the Company submitting the amended By-Laws and a letter of compliance to Bursa Securities (within five (5) market days after the effective date of the modification, variation and/or amendment of the By-Laws or such other period as may be prescribed by Bursa Securities or any other relevant authorities) each time any modification, variation and/or amendment is made, stating that the said modification, variation and/or amendment is in compliance with the provisions of the Listing Requirements pertaining to share issuance schemes and the Rules of Bursa Depository.
- 15.2 The approval of the shareholders of the Company in general meeting shall not be required in respect of the modification, variation and/or amendment of the By-Laws provided that no modification, variation and/or amendment made to the By-Laws which would:
- (a) prejudice any rights which would have accrued to any Grantee without the prior consent or sanction of that Grantee; or
 - (b) increase the number of Shares available under the Scheme beyond the maximum amount set out in By-Law 4; or

- (c) prejudice any rights of the shareholders of the Company; or
 - (d) alter to the advantage of an Eligible Person and/or Grantee(s) in respect of any matters which are required to be contained in the By-Laws pursuant to the Listing Requirements.
- 15.3 The provisions of the By-Laws shall not be amended or altered to the advantage of any Eligible Person in respect of any matters which are required to be contained in the By-Laws by virtue of Appendix 6E of the Listing Requirements, without the prior approval of the Company's shareholders in a general meeting unless allowed otherwise by the provisions of the Listing Requirements.

16. LIQUIDATION OF COMPANY

- 16.1 Upon the passing of a resolution or receipt of a court order of the winding-up of the Company, all Options shall be deemed revoked and be null and void and all unvested Options shall lapse and be null and void and of no further force and effect, and the Scheme shall terminate.
- 16.2 In the event where a petition is presented in court for the winding-up of the Company, all rights to exercise and/or vest the Options shall automatically be suspended from the date of the presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the suspension of the right to vest the Options shall accordingly be lifted.

17. DURATION AND TERMINATION OF THE SCHEME

- 17.1 The Scheme shall take effect on the date on which the last of the following approvals and/or conditions shall have been obtained and/or complied with ("**Effective Date**"):
- (a) submission to Bursa Securities of the final copy of these By-Laws together with a letter of compliance pursuant to paragraph 2.12 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;
 - (b) receipt of the approval or approval-in-principle, as the case may be, from Bursa Securities for the listing of and quotation for the new Shares on Bursa Securities to be issued pursuant to the exercise of the Options;
 - (c) procurement of shareholders' approval for the Scheme in a general meeting;
 - (d) receipt of approval of any other relevant regulatory authorities whose approvals are necessary in respect of the Scheme (if applicable); and
 - (e) fulfilment or waiver (as the case may be) of all conditions attached to any of the abovementioned approvals (if any).
- 17.2 The Scheme, upon implementation, shall continue to be in force for a period of **ten (10) years** from the Effective Date.
- 17.3 All ESOS Options comprised in any Offer shall cease to be capable of exercising upon expiration of the Scheme Period.
- 17.4 Within five (5) Market Days after the Effective Date, the Principal Adviser of the Company shall, where required under the Listing Requirements, submit a confirmation to Bursa Securities of full compliance with approvals and/or conditions set out in By-Law 17.1, stating the Effective Date, together with a certified true copy of the relevant resolution passed by the shareholders of the Company in the general meeting approving the Scheme.

- 17.5 Subject to compliance with the Listing Requirements and any other relevant authorities, the Scheme may be terminated by the Company at any time before the Date of Expiry provided that the Company makes an announcement immediately to Bursa Securities on the following:
- (i) the effective date of termination of the Scheme;
 - (ii) the number of Options exercised and Shares vested; and
 - (iii) the reasons and justification for termination of the Scheme.
- 17.6 Approval or consent of the shareholders of the Company by way of a resolution and written consent of the Grantee in relation to unvested and/or unexercised Options or Shares are not required to effect a termination of the Scheme.

18. RETENTION PERIOD AND TRANSFER RESTRICTIONS

- 18.1 Subject to the Constitution, the Listing Requirements and By-Law 18.3, the new Shares to be allotted and issued and/or existing Shares (which are held as treasury shares, if any) to be transferred to a Grantee pursuant to the exercise of the Options will not be subject to any retention period and/or such other restrictions of transfer. However, the Grantees are encouraged to hold the Shares to be issued and/or transferred pursuant to the exercise of the Options as long-term investments and not for any speculative and/or realisation of immediate gain to yield profit.
- 18.2 The ESOS Committee shall be entitled to prescribe or impose, in relation to any Offer, any condition relating to any retention period or restriction on transfer of the Shares to be issued and/or transferred pursuant to the exercise of the Options in its sole and absolute discretion.
- 18.3 The expression "retention period" referred to in By-Law 18.1 shall mean the period in which the Shares are issued or transferred to the CDS Account of the Grantee pursuant to the exercise of the Options must not be sold, transferred, assigned or otherwise disposed of by the Grantee.

19. COSTS AND EXPENSES OF THE SCHEME

- 19.1 All administrative costs and expenses incurred by the Company in relation to the Scheme, including but not limited to the costs and expenses relating to the issuance or transfer of the Shares and/or acquisition of existing Shares for the vesting of Shares, shall be borne by the Company.
- 19.2 For the avoidance of doubt, all other costs, fees, levies, charges, and/or taxes (including without limitation, income taxes) that are incurred by a Grantee, pursuant or relating to the exercise of the Option and vesting of Shares, and any holding or dealing of such Shares (such as (but not limited to) brokerage commissions and stamp duty) shall be borne by that Grantee 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.

20. NO COMPENSATION

- 20.1 All Eligible Persons or Grantee who cease to hold office or employment or their executors or administrators, shall not be entitled to any compensation for the loss of any right or benefit, or prospective right or benefit, under the Scheme which they might otherwise have enjoyed, whether such compensation is claimed by way of damages for wrongful dismissal, other breach of contract or by way of compensation for loss of office.

- 20.2 All Eligible Persons or Grantee or their executors or administrators, shall not be entitled to bring any claim, action or proceeding against the Company, the Board, the ESOS Committee or any other party for any compensation, loss or damages whatsoever and howsoever arising including but not limited to the suspension of the vesting of Shares, their Shares comprised in a Option not vesting for any reason whatsoever, and/or their Options ceasing to be valid pursuant to the provisions of these By-Laws.

21. DISPUTES

- 21.1 In the event of a dispute between the ESOS Committee and an Eligible Persons or Grantee of any Group Company as to any matter or thing of any nature arising hereunder, the ESOS Committee shall determine such dispute or difference by a written decision (other than a matter to be certified by the Auditors or the Advisers) given to the Eligible Persons or Grantee of any Group Company. The said decision of the ESOS Committee shall be final and binding on the parties. The ESOS Committee shall not be required to furnish any reasons for any decision or determination made by it except as may be required by the relevant authorities. Under no circumstances shall a dispute or difference be brought to a court of law. 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 ESOS Committee shall be borne by such party.

22. INSPECTION OF AUDITED FINANCIAL STATEMENTS

- 22.1 To the extent permitted by the Listing Requirements and prevailing laws and guidelines issued by the relevant authorities, all Grantees shall be entitled to inspect a copy of the latest audited financial statements of the Company, which shall be made available at Bursa Securities' website and as well as the Company's website.

23. DIVESTMENT OF SUBSIDIARIES

- 23.1 Subject to By-Law 3.3, if a Grantee is in the employment of a company which ceases to be a Group Company due to a subsequent disposal or divestment (in whole or in part) from the Group, such Grantee shall not be eligible for any future Offers under the Scheme. Unless otherwise determined by the ESOS Committee, any unexercised Options in respect of the Grantee shall cease to be capable of vesting.

24. ACQUISITIONS OF SUBSIDIARIES

- 24.1 Notwithstanding anything to the contrary, but subject to By-Law 3.3, in the case of an employee of a Previous Company, such an employee ("**Affected Employee**") may (subject to the approval of the ESOS Committee) be eligible to participate in the Scheme only for the remaining Scheme Period provided that, notwithstanding anything to the contrary, the number of Shares that may be offered to such an Affected Employee under this By-Law 24.1 will always be subject to the discretion of the ESOS Committee.

25. SCHEMES OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.

25.1 Notwithstanding By-Law 10, in the event of any application being made to the court for sanction of a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and/or arrangement and reconstruction of the Company under section 366 of the Act, or its amalgamation with any other company or companies under section 370 of the Act, the ESOS Committee may, by notice in writing to the Grantee, at its discretion determine that a Grantee (including its legal and personal representatives) may be entitled to receive all or any part of the Shares comprised in the Options that remain unexercised commencing from the date upon which the application is so made to the court and ending on the date immediately prior to the date on which the scheme of arrangement and/or arrangement and reconstruction of the Company or amalgamation is approved (or on any other date specified by the ESOS Committee at its discretion) notwithstanding that:

(a) the Vesting Date(s) is not due or has not occurred; and/or

(b) other terms and conditions set out in the Options have not been fulfilled or satisfied;

after which all Options shall be null and void and (whether or not comprising Shares vested thereunder), shall cease to be capable of exercising.

26. THE CONSTITUTION OF THE COMPANY

26.1 Notwithstanding the terms and conditions contained in these By-Laws, if a situation of conflict should arise between these By-Laws and the Constitution, the provisions of the Constitution shall prevail at all times.

27. SCHEME NOT A TERM OF EMPLOYMENT

27.1 The Scheme shall not form part of, constitute or in any way be construed as any term or condition of employment of any Eligible Persons. The Scheme shall not confer or be construed to confer on any Eligible Persons any special right or privilege over and above the Eligible Persons' terms and conditions of employment under which the Eligible Persons are employed nor any rights in addition to compensation or damages that the Eligible Persons may be normally entitled to arising from the cessation of such employment for any reason whatsoever.

28. DISCLAIMER OF LIABILITY

28.1 Notwithstanding anything to the contrary and subject to the Act, the Board, the ESOS Committee and/or the Company including any Group Company and its directors, officers, employees, agents, affiliates and representatives, shall not, under any circumstance, be held liable for any damages, cost, loss and expense whatsoever and howsoever arising or incurred or suffered in any event in respect of the Scheme, including but not limited to the Company's delay in issuing and allocating the Shares or in applying for or procuring the listing of the Shares on Bursa Securities and/or acquiring of the existing Shares and/or transferring the Shares in accordance with these By-Laws for any reason whatsoever.

29. NOTICE

- 29.1 Any legal notice or process (other than ESOS-related) under the Scheme ("**Notice**" or "**Process**") required to be given to or served upon an Eligible Persons or Grantee shall be deemed to be sufficiently given, served or made if it is given, served or made by hand, by electronic mail, by facsimile transmission and/or by letter sent via ordinary post addressed to the Eligible Persons or Grantee at his place of employment, at his last facsimile transmission number known to the Company, or to his last known address. Any Notice or Process served by hand, by electronic mail, by facsimile, by post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and duly acknowledged, (if by electronic mail) the dispatch of the electronic mail without an automatic notification that the email cannot be received by the intended recipient, (if by facsimile transmission) is transmitted with a confirmed log print-out for the transmission indicating the date, time and transmission of all pages, and (if by post) on the day the letter containing the same is posted and in proving such service by post, it shall be sufficient to prove that the letter containing the notice or documents was properly addressed, stamped and posted.
- 29.2 Any Notice or Process required to be given to or served upon the Board or the ESOS Committee by an Eligible Person or Grantee shall be given, served or made in writing and delivered by hand or by registered post to the registered office of the Company (or such other office or place which the ESOS Committee may have stipulated for this purpose). Any Notice or Process served by hand, or post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and duly acknowledged and (if by post) five (5) Market Days after posting.
- 29.3 Any Offer to be made and normal correspondence (other than Notice or Process) under the Scheme ("**Normal Correspondence**") to be given to or served upon the Board or the ESOS Committee, Eligible Persons or Grantee, as the case may be, shall be given, served or made in writing and delivered by electronic mail and such electronic mail address specified by the Company (if to be given to or served upon the Board or the ESOS Committee) or to such last known mailing address provided by the Employee to the Company and electronic mail address of the Employee provided by the Company (if to be given to or served upon the Eligible Persons or Grantee) or such communication by other digital means as may be prescribed by the Board and/or the ESOS Committee, and shall be deemed to have been received by the recipient (in the case of electronic mail) on the Market Day immediate following the day on which the electronic mail is dispatched or (in the case of post), the day on the third (3rd) Market Day after the date of posting or (in the case of communication by other digital means) on the Market Day immediate following the day on which such communication is effected.
- 29.4 Notwithstanding By-Law 29.3, where any Normal Correspondence is required to be given by the Company or the ESOS Committee under these By-Laws in relation to matters which may affect any or all of the Eligible Persons or Grantees, as the case may be, the Company or the ESOS Committee may give the Normal Correspondence through an announcement to all Employees to be made in such manner deemed appropriate by the ESOS Committee. Upon the making of such an announcement, the Normal Correspondence to be made under By-Law 29.3 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or Grantees, as the case may be.

30. SEVERABILITY

- 30.1 Any term, condition, stipulation, and/or provision in these By-Laws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability, but the same shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation and/or provision contained in these By-Laws.

31. ERRORS AND OMISSIONS

31.1 If as a result of an error or omission, the ESOS Committee discovers or determines that:

- (a) an Eligible Person who was selected as a Grantee has not been given the opportunity to participate in the Scheme on any occasion;
- (b) an Eligible Person was erroneously selected as a Grantee; or
- (c) the number of Shares issued or transferred to any Grantee on any occasion is found to be incorrect;

and such error or omission cannot be corrected within the relevant period specified in the Scheme, the ESOS Committee may do all such acts and things to rectify such error or omission including, but not limited to, all acts and things to ensure that the Eligible Persons is given the opportunity to participate in the Scheme and/or to withdraw the Offer given to the employee who was erroneously selected as a Eligible Person and/or to ensure that the Grantee is credited with the correct number of Shares to which he is entitled to.

32. GOVERNING LAW

- 32.1 The Scheme, these By-Laws, and all Options made and granted and actions taken under the Scheme shall be governed by and construed in accordance with Malaysian law and the Grantee, by participating in the Scheme in accordance with these By-Laws and terms of the Scheme and the Constitution of the Company, irrevocably submits to the exclusive jurisdiction of the courts in 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 parties irrevocably and unconditionally waives any objection on the ground of venue or forum non-convenience or any other grounds.

33. DECISION OF THE BOARD AND/OR THE ESOS COMMITTEE

- 33.1 Any decision and/or determination made by the Board and/or the ESOS Committee under these By-Laws shall be final and binding on all parties.

34. DELAY IN PERFORMANCE

- 34.1 The performance of any obligations provided herein may be delayed, prohibited or become impossible by reason of events beyond reasonable control of the Company or the ESOS Committee.

35. IMPLEMENTATION OF THE SCHEME

- 35.1 For the purpose of facilitating the implementation of the Scheme, the Company and/or the ESOS Committee may (but shall not be obliged to) establish a Trust to be administered by the Trustee to be appointed by the Company from time to time in accordance with the Trust Deed. The Trustee shall, at such times as the ESOS Committee shall direct, subscribe for and/or purchase the necessary number of Shares to accommodate any transfer of Shares to the CDS Accounts of the Grantees. For this purpose, the Trustee shall open and maintain a Trust Account into which the Group shall inject monies for the purposes of the Scheme. Upon the Trustee receiving a written instruction from the ESOS Committee, the Trustee shall utilise the monies in the Trust Account to subscribe for such new Shares in respect of which the written instruction is given. The Company shall allot and issue the said Shares which will be placed into a CDS Account of the Trustee or its authorized nominee. For avoidance of doubt, the new Shares to be allotted and issued pursuant to this Scheme shall, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares of the Company, provided that if there is any right to participate in any right, allotment or any distribution, the new Shares shall rank *pari passu* with the then existing Shares only if the relevant allotment date of such new Shares is before the Entitlement Date for that right, allotment or distribution.
- 35.2 For the purpose of administering the Trust, if and when the Trust is established, the Trustee shall do all such acts and things and enter into any transaction, agreement, deed, document or arrangement and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the ESOS Committee may direct for the implementation and administration of the Trust which are expedient for the purpose of giving effect to and carrying out the powers and duties conferred on the Trustee by the Trust Deed.
- 35.3 The ESOS Committee shall have power from time to time, at any 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 ESOS Committee shall not be under any obligation to give any reasons for such appointment, rescission or termination. The ESOS 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.

36. MULTIPLE SCHEMES

The Company may implement more than one (1) share issuance scheme, provided that the aggregate number of Shares available under all the share issuance schemes do not exceed the maximum number of Shares stipulated in the Listing Requirements or by any other relevant authorities.

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SCHEDULE 1

1. If and whenever a consolidation or subdivision or conversion of Share occurs, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{B}$$

and/or the number of Options shall be adjusted by multiplying the existing number of Options held by the following fraction:

$$\frac{B}{A}$$

where:

- A = the aggregate number of issued Shares immediately before such consolidation, subdivision or conversion; and
- B = the aggregate number of new Shares in the share capital of the Company after such consolidation, subdivision or conversion.

Each such adjustment will be effective from the close of business on the Market Day immediately following the date on which the consolidation or subdivision or conversion becomes effective (being the date when the Shares are traded on Bursa Securities), or such period as may be prescribed by Bursa Securities.

2. If and whenever the Company shall make any issue of Shares to shareholders credited as fully paid, by way of bonus issue or capitalization of profits or reserves, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the number of Options shall be adjusted by multiplying the existing number of Options held by the following fraction:

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

where:

- A = the aggregate number of issued Shares on the entitlement date (namely the date as at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights, allotments or other forms of distributions) immediately before such bonus issue or capitalisation issue; and
- B = the aggregate number of Shares to be issued pursuant to any allotment to shareholders credited as fully paid by way of bonus issue or capitalisation of profits or reserves.

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (Cont'd)

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

3. If and whenever the Company shall make:
- (a) Capital Distribution (as defined below) to 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);
 - (b) any offer or invitation to shareholders whereunder they may acquire or subscribe for Shares by way of rights; or
 - (c) any offer or invitation to shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares,

then and in respect of each such case, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{C - D}{C}$$

where:

- C = the 5-day volume weighted average market price up to the Market Day of each Share as shall be determined in accordance with any guideline or rule issued by the relevant authorities from time to time, if any, or if there is none, the current market price of each Share on the Market Day immediately preceding the date on which the Capital Distribution (as defined below) 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 Capital Distribution (as defined below) or, as the case may be, of the offer or invitation; and
- D = (aa) in the case of any offer or invitation to acquire or subscribe for Shares by way of rights or for securities convertible into Shares under Paragraph 3(b) and Paragraph 3(b) of this Schedule respectively, the value of rights attributable to one (1) Share (as defined below); or
- (bb) in the case of any other transaction falling within Paragraph 3 of this Schedule the fair market value as determined by the Company in consultation with the external auditors of the Company and/or the Adviser, of that portion of the Capital Distribution attributable to one (1) Share.

For the purpose of paragraph (aa) of D above, the "value of the rights attributable to one (1) Share" shall be calculated in accordance with the formula:

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

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (*Cont'd*)

where:

- C = same as C above;
- E = the subscription consideration for one (1) additional Share under the terms of such offer or invitation or subscription price of 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; and
- F = the number of Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or security convertible into one (1) additional Share or rights to acquire or subscribe for one (1) additional Share;

and in respect of the case referred to in Paragraph 3(b) above, the number of Options shall be adjusted by multiplying the existing number of Options held by the following fraction:

$$\frac{C}{C - D^*}$$

where:

- C = same as C above;
- D* = the value of rights attributable to one (1) Share (as defined below);

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

For the purposes of this Schedule, "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of Shares (not falling under By-Law 12.1) or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves.

Any dividend charged or provided for in the accounts pertaining to any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders for any period after the last audited accounts as shown in the audited consolidated statement of comprehensive income of the Company.

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (Cont'd)

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

4. If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 12.1 and also makes any offer or invitation to its ordinary shareholders as provided in Paragraph 3(b) or Paragraph 3(c) of this Schedule and the Entitlement Date for the purposes 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 in respect of each case referred to in By-Law 12.1 and Paragraph 2(b) and the Entitlement Date for the purposes of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of Options held by each Grantee shall be adjusted by multiplying the existing number of Options held by the following fraction:

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

where:

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

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

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (Cont'd)

5. If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in Paragraph 3(b) of this Schedule together with an offer or invitation to acquire or subscribe for securities convertible into or rights to acquire or subscribe for Shares as provided in Paragraph 3(c) of this Schedule and these offers or invitations share the same entitlement date, 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 number of Options held by each Grantee shall be adjusted by multiplying the existing number of Options by the following fraction:

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

where:

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

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

6. If and whenever the Company makes an allotment to its shareholders as provided in By-Law 12.1 and also makes an offer or invitation to acquire or subscribe for Shares to its shareholders as provided in Paragraph 3(b) of this Schedule, together with an offer or invitation to acquire or subscribe for securities convertible into or with rights to acquire or subscribe for Shares as provided in By-Law Paragraph 3(c) of this Schedule, and the Entitlement Date for the purpose of 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:

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

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (*Cont'd*)

and the number of Options held by each Grantee shall be adjusted by multiplying the existing number of Options held by the following fraction:

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

where:

B = same as B above;

C = same as C above;

G = same as G above;

H = same as H above;

H* = same as H* above;

I = same as I above;

I* = same as I* above;

J = same as J above;

K = same as K above;

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

Each such adjustment will be calculated (if appropriate, retroactively) from the close of the Market Day immediately preceding the date on which the issue is announced or (failing any such announcement) immediately preceding the date on which the Company determined the offering price of such Shares, securities or rights. Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the completion of the above transaction.

7. If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders of the Company and requiring an adjustment under Paragraph 3(b), 3(c), 4, 5 or 6 of this Schedule hereof, the Company shall issue either any Shares or any securities convertible into Shares or any rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than ninety per cent (90%) of the Average Price for one (1) Share (as defined below) or, as the case may be, the price at which the Shares will be issued and/or transferred upon conversion of such securities or exercise of such rights is determined, the Exercise Price shall be adjusted by multiplying the existing Exercise Price in the following manner:

$$\frac{L + M}{L + N}$$

where:

L = the number of Shares in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;

- M = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses); and
- N = the aggregate number of Shares so issued or, in the case of securities convertible into Shares or rights to acquire or subscribe for Shares, the maximum number (assuming no adjustment of such rights) of Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purpose of Paragraph 7 of this Schedule, the "Total Effective Consideration" shall be determined by the Board with the concurrence of an external auditor of the Company and shall be:

- (a) in the case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares; or
- (b) in the case of the issue by the Company of securities wholly or partly convertible into Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or
- (c) in the case of the issue by the Company of securities with rights to acquire or subscribe for Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and "Total Effective Consideration per Share" shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid or, in the case of securities convertible into Shares or securities with rights to acquire or subscribe for Shares, by the maximum number of Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of Paragraph 7 of this Schedule, the Average Price of a Share shall be the average price of one (1) Share as derived from the last dealt prices for one (1) or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

Each such adjustment will be calculated (if appropriate, retroactively) from the close of business on Bursa Securities on the Market Day next following the date on which the issue is announced, or (failing any such announcement) on the Market Day next following the date on which the Company determines the offering price of such Shares. Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day immediately following the date of the completion of the above transaction.

For the purposes Paragraph 3, 4, 5 and 6 of this Schedule the current market price in relation to one (1) existing Shares for any relevant day shall be the volume weighted average market price for the five (5) consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

APPENDIX II – FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

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

2. MATERIAL LITIGATION

As at LPD, the Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which may have a material effect on its financial position and the Directors do not have any knowledge of any proceeding, pending or threatened, against the Group or any facts which is likely to give rise to any proceeding which might materially and adversely affect the financial position or business of the Group.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

3.1 Material commitments

As at LPD, save as disclosed below, there are no other material commitments incurred or known to be incurred by the Group that is likely to have a material effect on the Group's financial position:

Capital commitment	RM'000
Purchase of property, plant and equipment	164

3.2 Contingent liabilities

As at LPD, there are no contingent liabilities, incurred or known to be incurred, which upon becoming enforceable, may have a substantial impact on the ability of the Group to meet its obligations as and when they fall due.

4. LETTER OF CONSENT

M&A Securities, the Adviser for the Proposed ESOS, has given and has not subsequently withdrawn its written consent to the inclusion in this document of its name and all references thereto in the form and context in which they appear in this document.

5. DECLARATION OF CONFLICT OF INTERESTS

M&A Securities has confirmed that no conflict of interest exists or is likely to exist by virtue of its engagement in relation to the Proposed ESOS.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office during normal office hours from Mondays to Fridays (except for public holidays) for the period commencing from the date of this Circular up to the date of the EGM:

- (i) Constitution of SNS;
- (ii) the audited consolidated financial statements of SNS for the past 3 FYE 31 January 2021 to 2023;
- (iii) draft By-Laws referred to in **Appendix I** of this Circular; and
- (iv) the letter of consent and declaration referred to in Sections 4 and 5 above.

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SNS NETWORK TECHNOLOGY BERHAD
(Registration No. 201601002835 (1173761-W))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of SNS Network Technology Berhad ("**SNS**" or the "**Company**") will be conducted fully virtual basis through live streaming and online Remote Participating and Electronic Voting ("**RPEV**") facilities via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC – D6A357657), provided by Boardroom Share Registrars Sdn Bhd ("**Share Registrar**") in Malaysia on Friday, 7 July 2023, 11:30 a.m. or immediately after the conclusion of the Company's 2023 AGM, whichever is later, or at any adjournment thereof (as the case may be), for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME FOR THE ELIGIBLE EMPLOYEES AND DIRECTORS OF SNS AND ITS SUBSIDIARIES (EXCLUDING DORMANT SUBSIDIARIES) ("PROPOSED ESOS**")**

"THAT, subject to and conditional upon the approvals of all relevant authorities and persons (if any), approval be and is hereby given for the Company to:

- (a) establish, implement and administer the employees' share option scheme to be known as the "SNS Employees' Share Option Scheme" of up to 15.0% of the total number of issued share capital of SNS from time to time (excluding treasury shares, if any) for the benefit of all eligible employees and directors of SNS and all its subsidiaries (excluding dormant subsidiaries) ("**Eligible Employees**"), in accordance with the provisions of the By-Laws of the Proposed ESOS as set out in **Appendix I ("By-Laws")** of the Circular, under which, the options will be granted to such Eligible Employees to subscribe for new SNS Shares ("**Options**").

Any new SNS Shares to be allotted and issued upon any exercise of the Options granted under the Proposed ESOS will, upon such allotment, issuance and full payment, rank equally in all respects with the then existing issued SNS Shares except that the new SNS Shares so allotted and issued will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid, the entitlement date (namely the date as at the close of business on which the names of shareholders must appear on the Record of Depositors, in order to be entitled to such dividends, rights, allotments and/or other distributions) of which is prior to the date of allotment and issuance of the new SNS Shares and will be subject to all the provisions of the Constitution of SNS relating to transfer, transmission and otherwise of SNS Shares;

- (b) amend and/or modify all or any part of the Proposed ESOS from time to time as may be required/permitted by the authorities or deemed necessary by the authorities or the Board or any committee of the Proposed ESOS established or appointed by it provided that such modifications and/or amendments are effected and permitted in accordance with the provisions of the By-Laws relating to the modifications and/or amendments and to do all such acts, deeds and things and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to such modifications and/or amendments;

- (c) allot and issue and/or procure from time to time such a number of new SNS Shares as may be required to be issued pursuant to the exercise of the Options under the Proposed ESOS provided that the aggregate number of new SNS Shares to be offered pursuant to the Proposed ESOS and any other schemes involving new issuance of SNS Shares to be implemented by SNS shall not at any point in time in aggregate exceed 15% of the total issued share capital of the Company (excluding treasury shares) that may be permitted by Bursa Securities or any other relevant regulatory authorities from time to time during the duration of the Proposed ESOS; and
- (d) do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds and undertakings and to make such rules or regulations or impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed ESOS and terms of the By-Laws.

THAT, the Board be and is hereby authorised and empowered to give effect to the Proposed ESOS with full power to consent to and to adopt such conditions, modifications, variations, and/or amendments as it may deem fit and/or as may be required by the relevant regulatory authorities.

THAT, pursuant to Section 85(1) of the Companies Act 2016 ("**Act**") which must be read together with Clause 5.11 of the Constitution of the Company ("**Constitution**"), approval be hereby given to waive the pre-emptive rights of the existing shareholders of the Company to be offered any new SNS Shares ranking equally to the existing issued SNS Shares arising from any allotment and issuance of new Shares to the Eligible Employees pursuant to the Proposed ESOS.

THAT, the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute all such documents and enter into all such arrangements, agreements, deeds and/or undertakings with any parties as they may deem fit necessary, expedient and/or appropriate in order to finalise, implement and/or give full effect to the Proposed ESOS and terms of the By-Laws with full power to consent to and to adopt and implement such conditions, modifications, variations and/or amendments as may be required by the relevant authorities or as the Board may deem fit or necessary or expedient in the best interest of the Company.

AND FURTHER THAT the proposed By-Laws of the Proposed ESOS, as set out in **Appendix I** of the Circular, be and is hereby approved and adopted."

ORDINARY RESOLUTION 2 - 13

PROPOSED GRANTING OF ESOS OPTIONS TO DIRECTORS OF SNS AND PERSONS CONNECTED TO THEM UNDER PROPOSED ESOS

"**THAT**, contingent upon the passing of Ordinary Resolution 1 above and for so long as this approval remains in force, approval be and is hereby given to the Board to authorise the committee comprising the Board, senior management personnel and other persons to be appointed from time to time by the Board to administer the Proposed ESOS ("**ESOS Committee**"), to offer and grant to Options at any time and from time to time throughout the duration of the Proposed ESOS as provided in the By-Laws, to each of the Directors of SNS and persons connected to them named therein below:

	Name	Designation	Ordinary Resolutions
(i)	Dato' Zulkapli Bin Ahmad	Independent Non-Executive Chairman	2
(ii)	Ko Yun Hung	Managing Director	3
(iii)	Pah Wai Onn	Executive Director	4
(iv)	Siow Wei Ming	Executive Director	5
(v)	Dato' F'ng Meow Cheng	Independent Non-Executive Director	6
(vi)	Maylee Gan Suat Lee	Independent Non-Executive Director	7
(vii)	Tan Ee Ming	Independent Non-Executive Director	8
(viii)	Eng Su Fern ⁽¹⁾	Development Director	9
(ix)	Tham Sau Har ⁽²⁾	Administrative and Operations Director	10
(x)	Lim Chai Ling ⁽³⁾	Channel Operation General Manager	11
(xi)	Ko See Meng ⁽⁴⁾	Maintenance Manager	12
(xii)	Siow Wei Shan ⁽⁵⁾	Senior Branch Manager	13

Notes:

- (1) Eng Su Fern is the spouse of Ko Yun Hung.
- (2) Tham Sau Har is the spouse of Pah Wai Onn.
- (3) Lim Chai Ling is the spouse of Siow Wei Ming.
- (4) Ko See Meng is the father of Ko Yun Hung.
- (5) Siow Wei Shan is the brother of Siow Wei Ming.

Provided always that:

- (a) the abovementioned persons must not participate in the deliberation and/or discussion of their own respective allocation;
- (b) not more than 10.0% of the total number of new Shares to be issued under the Proposed ESOS would be allocated to any one of the abovementioned persons who, either singly or collectively through persons connected to them, holds 20.0% or more of the total number of issued shares of the Company;
- (c) not more than 70.0% of the total number of new Shares to be issued under the Proposed ESOS, in aggregate, to the Directors and senior management of the Company who are eligible Employees; and
- (d) the allocation of Options to the abovementioned persons shall be subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws, the ACE Market Listing Requirements of Bursa Securities, or any prevailing guideline issued by Bursa Malaysia Securities Berhad, as amended from time to time.

THAT, pursuant to Section 85(1) of the Act which must be read together with Clause 5.11 of the Constitution, approval be hereby given to waive the pre-emptive rights of the existing shareholders of the Company to be offered any new SNS Shares ranking equally to the existing issued SNS Shares arising from any allotment and issuance of new Shares to the Eligible Employees pursuant to the Proposed ESOS.

AND FURTHER THAT, the Board be further authorised to allot and issue and/or transfer such number of SNS Shares pursuant to the Proposed ESOS to the abovementioned persons from time to time, subject to the exercise of such Options that may be granted to them under the Proposed ESOS."

BY ORDER OF THE BOARD

TAI YIT CHAN
(MAICSA 7009143) (SSM PC No. 202008001023)
CHAN EOI LENG
(MAICSA 7030866) (SSM PC No. 202008003055)
CHONG KWAI YOONG
(MAICSA 7075434) (SSM PC No. 202308000244)

Chartered Secretaries

Ipoh
19 June 2023

Notes:

- (1) *The EGM of the Company will be conducted fully virtual basis through live streaming and online Remote Participating and Electronic Voting ("RPEV") facilities via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC – D6A357657), provided by Boardroom Share Registrar Sdn Bhd ("Share Registrar") in Malaysia.*
- (2) *In compliance with Section 327(2) of the Companies Act 2016, the Chairman shall be present at the main venue of the meeting in Malaysia and in line with the Securities Commission Malaysia's Guidance Note on the Conduct of General Meetings for Listed Issuers, the broadcast venue will be strictly limited to only essential individuals for organising and conducting the virtual EGM. No member(s) and/or proxy(ies) and/or corporate representative(s) and/or attorney(s) will be allowed to be physically present nor enter the broadcast venue on the day of the EGM.*
- (3) *A member who is entitled to attend and vote at the EGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the same meeting. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.*
- (4) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (5) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (6) *The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialled.*
- (7) *The completed and signed Proxy Form should be lodged at the Company's Share Registrar Office at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof, otherwise the Proxy Form shall be treated as invalid. Alternatively, the Proxy Form may also be electronically submitted via the Share Registrar's website, Boardroom Smart Investor Portal. Kindly follow the link at <https://investor.boardroomlimited.com> to login and deposit your proxy form electronically, also 48 hours before the meeting.*
- (8) *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of EGM will be put to vote by poll.*
- (9) *Depositors whose names appear in the Record of Depositors as at 27 June 2023 shall be entitled to attend, participate and vote at the EGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.*
- (10) *Those proxy forms which are indicated with " ✓ " in the spaces provided to show how the votes are to be cast will also be accepted.*

Personal data privacy:

By submitting an instrument appointing 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 disclose of the member's personal data by the Company (or its agents) for the purpose of processing and the 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 agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company 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.



SNS NETWORK TECHNOLOGY BERHAD
(Registration No. 201601002835 (1173761-W))
(Incorporated in Malaysia)

PROXY FORM

Number of Shares Held

*I/We _____
of _____ with email: _____ and mobile phone no. _____
being a member / members of **SNS NETWORK TECHNOLOGY BERHAD** [Registration No. 201601002835 (1173761-W)],
hereby appoint(s):-

Full Name (in Block) [Proxy 1]	NRIC/Passport No.	Proportion of shareholding	
		No of shares	%
Address:			
Email Address:			
Mobile Phone No.:			

and

Full Name (in Block) [Proxy 2]	NRIC/Passport No.	Proportion of shareholding	
		No of shares	%
Address:			
Email Address:			
Mobile Phone No.:			

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 ("EGM") of the Company to be held on Friday, 7 July 2023 at 11:30 a.m. or immediately after the conclusion or adjournment (as the case maybe) of the Company's 2023 Annual General Meeting, whichever is later, thereof to vote as indicated below:

ORDINARY RESOLUTIONS		FOR	AGAINST
RESOLUTION 1	PROPOSED ESOS		
RESOLUTION 2	PROPOSED GRANTING OF ESOS OPTIONS TO DATO' ZULKAPLI BIN AHMAD		
RESOLUTION 3	PROPOSED GRANTING OF ESOS OPTIONS TO KO YUN HUNG		
RESOLUTION 4	PROPOSED GRANTING OF ESOS OPTIONS TO PAH WAI ONN		
RESOLUTION 5	PROPOSED GRANTING OF ESOS OPTIONS TO SIOU WEI MING		
RESOLUTION 6	PROPOSED GRANTING OF ESOS OPTIONS TO DATO' F'NG MEOW CHENG		
RESOLUTION 7	PROPOSED GRANTING OF ESOS OPTIONS TO MAYLEE GAN SUAT LEE		
RESOLUTION 8	PROPOSED GRANTING OF ESOS OPTIONS TO TAN EE MING		
RESOLUTION 9	PROPOSED GRANTING OF ESOS OPTIONS TO ENG SU FERN		
RESOLUTION 10	PROPOSED GRANTING OF ESOS OPTIONS TO THAM SAU HAR		
RESOLUTION 11	PROPOSED GRANTING OF ESOS OPTIONS TO LIM CHAI LING		
RESOLUTION 12	PROPOSED GRANTING OF ESOS OPTIONS TO KO SEE MENG		
RESOLUTION 13	PROPOSED GRANTING OF ESOS OPTIONS TO SIOU WEI SHAN		

Please indicate with an "X" in the above columns how you wish your vote to be casted. In the absence of specific direction, your proxy(ies) may vote or abstain at his/her discretion.

* Delete if not applicable.

Dated this _____ day of _____ 2023

Signature/Common Seal of member

Tel No: _____



Notes:

- (1) *The EGM of the Company will be conducted fully virtual basis through live streaming and online Remote Participating and Electronic Voting ("RPEV") facilities via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC – D6A357657), provided by Boardroom Share Registrar Sdn Bhd ("Share Registrar") in Malaysia.*
- (2) *In compliance with Section 327(2) of the Companies Act 2016, the Chairman shall be present at the main venue of the meeting in Malaysia and in line with the Securities Commission Malaysia's Guidance Note on the Conduct of General Meetings for Listed Issuers, the broadcast venue will be strictly limited to only essential individuals for organising and conducting the virtual EGM. No member(s) and/or proxy(ies) and/or corporate representative(s) and/or attorney(s) will be allowed to be physically present nor enter the broadcast venue on the day of the EGM.*
- (3) *A member who is entitled to attend and vote at the EGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the same meeting. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.*
- (4) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of his/her shareholding to be represented by each proxy.*
- (5) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*
- (6) *The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialled.*
- (7) *The completed and signed Proxy Form should be lodged at the Company's Share Registrar Office at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof, otherwise the Proxy Form shall be treated as invalid. Alternatively, the Proxy Form may also be electronically submitted via the Share Registrar's website, Boardroom Smart Investor Portal. Kindly follow the link at <https://investor.boardroomlimited.com> to login and deposit your proxy form electronically, also 48 hours before the meeting.*
- (8) *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of EGM will be put to vote by poll.*
- (9) *Depositors whose names appear in the Record of Depositors as at 27 June 2023 shall be entitled to attend, participate and vote at the EGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.*
- (10) *Those proxy forms which are indicated with "✓" in the spaces provided to show how the votes are to be cast will also be accepted.*

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 19 June 2023.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE SHARE REGISTRAR OF SNS NETWORK TECHNOLOGY BERHAD
(Registration No. 201601002835 (1173761-W))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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