



APPASIA BERHAD
(Registration No: 200401005180 (643683-U))
(Incorporated in Malaysia)

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixteenth (16th) Annual General Meeting ("AGM") of AppAsia Berhad ("AppAsia" or "the Company") will be held at Centerpoint Seremban Convention Hall, Lot 2-01, 2-02 and 2-03, 2nd Floor Centerpoint Seremban, Lot 9149, Jalan Dato Siamang Gagap, 70100 Seremban, Negeri Sembilan, Malaysia on Monday, 27 July 2020 at 3.00 p.m. or at any adjournment thereof for the following purposes:

AGENDA

As Ordinary Business:

- To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and the Auditors thereon.
- To approve the payment of Directors' fees and other benefits payable up to RM350,000.00 to the Directors of the Company from the conclusion of the 16th AGM until the conclusion of the next AGM of the Company in year 2021.
- To re-elect the following Directors who retire by rotation in accordance with Clause 105(1) of the Company's Constitution and being eligible, have offered themselves for re-election: -
 - Datuk Wira Rahadian Mahmud Bin Mohammad Khalil
 - Wong Ngai Peow
- To re-appoint Messrs. UHY as Auditors of the Company until the conclusion of the next AGM and to authorise Directors to fix their remuneration.

(Please refer to Note 1 of the Explanatory Notes on Ordinary Business)

Ordinary Resolution 1
Ordinary Resolution 2
Ordinary Resolution 3
Ordinary Resolution 4

As Special Business:

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

5. PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY ("PROPOSED AMENDMENTS")

"THAT the proposed amendments to the Constitution of the Company as set out in the Appendix A, which is circulated together with the Notice of 16th AGM dated 26 June 2020, be approved and adopted AND THAT the Directors and/or Secretary of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said Proposed Amendment for and on behalf of the Company."

Special Resolution 1

6. AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

"THAT subject to the Companies Act 2016 ("the Act"), the Constitution of the Company the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Additional Temporary Relief Measure to Listed Corporations for COVID-19, issued by Bursa Securities on 16 April 2020 and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time ("20% General Mandate"); AND THAT the Directors be and are also empowered to obtain approval for the listing and quotation for the additional shares so issued pursuant to the 20% General Mandate on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company or at any adjournment thereof."

Ordinary Resolution 5

7. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")

"THAT subject to the provisions of the AMLR of Bursa Securities, approval be and is hereby given for the Proposed Renewal of Shareholders' Mandate of the Company and/or its subsidiaries to enter into and to give effect to the category of the recurrent related party transactions of a revenue or trading nature from time to time with the Related Party as specified in Part A of the Statement/Circular to Shareholders dated 26 June 2020 provided that such transactions are:-

Ordinary Resolution 6

- undertaken in the ordinary course of business at arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public;
- necessary for the day-to-day operations; and
- not to the detriment of the minority shareholders of the Company.

THAT such approval shall continue to be in force until:-

- the conclusion of the next AGM of the Company following this AGM at which such Shareholders' Mandate is passed, at which it will lapse, unless by an ordinary resolution passed at such AGM, the authority is renewed; or
- the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- revoked or varied by resolution passed by the shareholders in a general meeting.

whichever is earlier;

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate."

8. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

Ordinary Resolution 7

"THAT subject always to the compliance with Section 127 of the Act, the provisions of the Constitution of the Company, the AMLR and all other applicable laws, guidelines, rules and regulations, approval be and is hereby given to the Company, to purchase such amount of ordinary shares each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be purchased and held pursuant to this resolution does not exceed 10% of the existing total number of issued shares in the ordinary share capital of the Company including the shares previously purchased and retained as Treasury Shares (if any) and the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits of the Company, upon such terms and conditions as set out in Part B of the Statement/Circular to Shareholders dated 26 June 2020.

THAT such authority shall commence immediately upon the passing of this Ordinary Resolution and until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM is required by law to be held unless revoked or varied by Ordinary Resolution in the general meeting of the Company but so as not to prejudice the completion of a purchase made before such expiry date, in any event in accordance with the provisions of AMLR and any other relevant authorities.

THAT authority be and is hereby given to the Directors of the Company to decide in their absolute discretion to retain the ordinary shares in the Company so purchased by the Company as Treasury Shares and/or to cancel them and/or to resell them and/or to distribute them as share dividends in such manner as may be permitted and prescribed by the provisions of the AMLR and any other relevant authorities;

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the interests of the Company."

9. PROPOSED DIVERSIFICATION OF THE BUSINESSES OF THE COMPANY AND ITS SUBSIDIARIES ("GROUP") TO INCLUDE MONEYLENDING BUSINESS ("PROPOSED DIVERSIFICATION")

Ordinary Resolution 8

"THAT approval be and is hereby given to the Board of Directors of the Company ("Board") to diversify the Group's principal activities to include moneylending business;

AND THAT the Board be and is hereby empowered and authorised to take all such steps and do all acts, deeds and things and enter into any arrangements, transactions, agreements and/or undertakings and to execute, sign and deliver on behalf of the Company, all such documents as the Board may deem necessary, expedient and/or appropriate to implement and give full effect to and to complete the Proposed Diversification with full powers to assent to any conditions, modifications, variations and/or amendments as the Board may in its absolute discretion deem fit, necessary, expedient, appropriate and/or as may be imposed or permitted by any relevant authorities in connection with the Proposed Diversification."

10. To transact any other business of which due notices shall have been given in accordance with the Companies Act 2016.

By order of the Board,

TAN TONG LANG (MAICSA 7045482 / PC No. 201908002253)
THIEN LEE MEE (LS0009760 / PC No. 201908002254)
Company Secretaries

Kuala Lumpur
26 June 2020

Notes:

- A member entitled to attend and vote at this meeting is entitled to appoint one (1) or more proxies to attend and vote in his stead and that where a member appoints two (2) or more proxies, he shall specify the proportion of his holdings to be represented by each proxy. A proxy may but need not be a member of the Company.
- Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint more than one (1) proxy in respect of each securities account it holds with ordinary shares in the Company starting from the credit of the said securities account.
- 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 number of proxies to be appointed by the member, or where an Exempt Authorised Nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's Seal or under the hand of an officer or an attorney duly authorised.
- The instrument appointing a proxy must be deposited at Boardroom Share Registrars Sdn Bhd, Share Registrar office of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting, i.e. on or before 3.00 p.m., Saturday, 25 July 2020 or at any adjournment thereof.
- For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 20 July 2020. Only a member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, vote and speak on his/her behalf.
- Pursuant to Rule 8.31A of the AMLR of Bursa Securities, all resolutions set out in this Notice of 16th AGM will be put to vote by way of poll.

COVID-19 Outbreak Measure Notes

The health and safety of our members and staff who will attend the 16th AGM are the top priority of the Company. Hence, the following precautionary measures will be taken for the conduct of the 16th AGM:-

- Members or proxies are encouraged to abide by the most current regulations in place and enforced by the Ministry of Health and Government of Malaysia at the time deciding on whether or not to attend the 16th AGM in person.
- Securitys Commission Malaysia had on 19 April 2020 (revised on 18 June 2020) issued a Guidance and FAQs on the Conduct of General Meetings for Listed Issuers ("SC Guidance"). The Malaysian National Security Council had on 16 June 2020 issued a Standard Operating Procedures ("SOP") for government and private events, including meetings.
- Pursuant to the SOP, only member/proxy aged between 18 to 60 years old are allowed to enter the venue and Patient under Investigation (PUI) and Person under Surveillance (PUS) are not allowed to enter the venue.
- Members are encouraged to appoint the Chairman of the Meeting (or any other person) to act as proxy to attend and vote at the 16th AGM on their behalf by submitting the proxy form with pre-determined voting instruction.
- Members or proxies who are feeling unwell or have been placed on quarantine orders or stay-at-home notices, you are advised to refrain from attending the 16th AGM in person.
- Members or proxies who had been in physical contact with a person infected with COVID-19 are advised to refrain from attending the 16th AGM in person.
- Members/proxies must sanitise their hands and are strongly advised to wear a face mask if they are attending the Meeting in person.
- Members or proxies are advised to observe/maintain social distancing throughout the Meeting.
- NO door gift will be provided to the Members or proxies.

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS:

1. Audited Financial Statements – Agenda Item No. 1

The Audited Financial Statements are meant for discussion only under Agenda 1, as it does not require shareholders' approval under the provision of Section 340(1)(a) of the Companies Act 2016. Hence, this Agenda item is not put forward for voting by the shareholders of the Company.

2. Special Resolution 1 – Proposed Amendments to the Constitution of the Company

The Proposed Amendments to the Constitution of the Company is primarily to provide further clarity on certain terms of the Constitution and provide more flexibility for the Share and to ensure the compliance with the Act, AMLR of Bursa Securities. The Proposed Amendments to be made to the Constitution are listed as per Appendix A, which is circulated together with the Notice of 16th AGM dated 26 June 2020.

3. Ordinary Resolution 5 - Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 5 is a renewal of the general mandate and empowered the Directors of the Company pursuant to Sections 75 and 76 of the Act to issue and allot new shares in the Company ("General Mandate").

The Company had obtained the mandate from the shareholders at the last AGM held on 1 June 2019 ("Previous Mandate"). As at the date of this Notice, no new shares in the Company were issued pursuant to the Previous Mandate and no proceeds were raised.

Bursa Malaysia Securities Berhad had on 16 April 2020 announced that listed issuers are allowed to seek a higher limit of General Mandate of not more than 20% of the total number of issued shares for issue of new securities ("20% General Mandate"). The 20% General Mandate may be utilised by listed issuer to issue new securities until 31 December 2021 and thereafter, the 10% general mandate will be reinstated ("Extended Utilisation Period").

Having considered the current economic climate arising from the global COVID-19 pandemic and future financial needs of the Group, the Board would like to procure approval for the 20% General Mandate, inclusive of the Extended Utilisation Period, pursuant to Section 76(4) of the Act, from its shareholders at the 16th AGM of the Company.

The 20% General Mandate, unless revoked or varied by the Company in general meeting, will expire at the end of the Extended Utilisation Period, i.e. by 31 December 2021.

The Board of Directors of the Company, after due consideration, is of the opinion that in the face of unprecedented challenges to the Company brought by the Company further flexibility to raise funds expeditiously other than incurring additional interest costs as compared to bank borrowings, thereby allowing the Company to preserve its cash flow and achieve a more optimal capital structure. Any funds raised from this 20% General Mandate is expected to be used as working capital to finance day-to-day operational expenses, on-going projects or future projects/investments to ensure the long-term sustainability of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its shareholders. At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the 20% General Mandate is sought, the Company will make a necessary announcement in respect thereof.

4. Ordinary Resolution 6- Proposed Renewal of Shareholders' Mandate

This proposed Ordinary Resolution 6, if passed, is intended to enable the Company and/or its subsidiaries ("the Group") to enter into recurrent related party transactions or a revenue or trading nature which are necessary for the Group's day-to-day operations to facilitate transactions in the normal course of business of the Group with the specified classes of related parties, provided that they are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to the Circular/Statement to Shareholders dated 26 June 2020 for further information.

5. Ordinary Resolution 7- Proposed Renewal Of Share Buy-Back Authority

This proposed Ordinary Resolution 7, if passed, will give the Directors of the Company authority to purchase its own shares up to ten percent (10%) of its issued and paid-up share capital. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next Annual General Meeting.

Please refer to the Circular/Statement to Shareholders dated 26 June 2020 for further information.

6. Ordinary Resolution 8- Proposed Diversification

The proposed Ordinary Resolution 8 is to seek shareholders' approval pursuant to Rule 10.13(1) of the AMLR of Bursa Securities to allow the Group to diversify its principal activities to include moneylending business. Please refer to the Circular to Shareholders dated 26 June 2020 for full details of the Proposed Diversification.