



世杰国际控股集团（开曼群岛）有限公司
CIRCLE INTERNATIONAL HOLDINGS LIMITED (OI-318051)
ARBN 621 001 296
C-GR-2 Ground Floor Block C, Menara Uncang Emas,
85 Jalan Loke Yew,
55200 Kuala Lumpur, Malaysia

**NOTICE OF 2021 ANNUAL GENERAL MEETING OF SHAREHOLDERS
EXPLANATORY STATEMENT
AND PROXY FORM**

THURSDAY, 2 DECEMBER 2021 AT 4 PM (GMT + 8).

**LOCATION – PACIFIC REGENCY HOTEL SUITES
KH Tower, Jalan Punchak Off, Jalan P.Ramlee
50250, Kuala Lumpur, Malaysia
+603 - 2332 7777**

THIS NOTICE OF MEETING SHOULD BE READ IN ITS ENTIRETY.

If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

If you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on jr@karmalawyers.com

Please email your proxy filled in if you do not wish to attend to the Company's Share Registry Computershare as detailed in the Proxy.

The instrument appointing the proxy must be received by the Company by email to nsxcch@gmail.com or by registered mail to Unit SO-07-06, The Strata Offices, Menara 1, KL Eco City, No.3 Jalan Bangsar, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia by Tuesday 30 November 2021, 4 PM (GMT + 8) (at least forty eight (48) hours before the time notified for the meeting). Any proxy form received after that time will not be valid for the scheduled meeting.

Please read the attached Independent Expert Report for the valuation of MPS Telecommunication SDN. BHD and One Mobile Care SDN. BHD.

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Notice is hereby given that the Annual General Meeting of the members of Circle International Holdings Limited (CCH or the Company) will be held on Thursday, 2 December 2021 at 4 pm (GMT + 8).

[Note: article 23.1(A) of the Company's Constitution requires 14 clear days (effectively 3 weeks)]
[Item 1 - (a) and (b) - Annual Report to shareholders for 2018 and 2019 – tabled to be received and considered.]

The meeting will be held at Pacific Regency Hotel Suites, KH Tower, Jalan Punchak Off, Jalan P.Ramlee 50250, Kuala Lumpur, Malaysia.

BUSINESS OF THE MEETING

ITEM 1

FINANCIAL STATEMENTS AND REPORTS

- a. To take note of the annual financial report of the Company for the financial year ended 31 December 2018 together with the statement by directors' and the auditor's report; and
- b. To take note of the annual financial report of the Company for the financial year ended 31 December 2019 together with the statement by directors' and the auditor's report.

ITEM 1.1

RESOLUTION 1.1: ISSUE OF 267,469,071 ORDINARY SHARES TO MPS TELECOMMUNICATION SDN. BHD. ("MPS") VENDORS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, subject to and conditional upon the passing of Resolutions 1.2 and 1.3, for the purpose of NSX Listing Rules, and for all other purposes, approval is given to the Company to allot and issue 267,469,071 ordinary shares to the MPS vendors (or nominees) for the Company to acquire the 100% of the issued capital of MPS and otherwise, on the terms as described in the Explanatory Statement."

Note: The cumulative maximum level of voting power of the MPS Vendors will be 29.79% (approx) if this resolution is passed along with all other resolutions.

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of the allottee or any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a Shareholder), or an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 1.2: ISSUE OF 450,288,135 SHARES TO ONE MOBILE CARE SDN. BHD. ("OMC") VENDORS

To consider and, if thought fit, to pass, with or without amendment, the following **resolution as an ordinary resolution**:

"That, subject to and conditional upon the passing of Resolutions 1.1 and 1.3, for the purpose of Constitution, the NSX Listing Rules, and for all other purposes, approval is given to the Company to allot and issue 450,288,135 ordinary shares, to acquire the 100% of the issued capital of OMC and otherwise, on the terms as described in the Explanatory Statement."

Note: The cumulative maximum level of voting power of the OMC Vendors will be 50.16% (approx) if this resolution is passed along with all other resolutions.

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of the allottee or any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a Shareholder), or an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 1.3: CHANGE TO NATURE AND SCALE OF ACTIVITIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as **an special resolution**:

"That, subject to and conditional upon the passing of Resolutions 1.1 and 1.2, for the purpose of NSX Listing Rule 6.41 and for all other purposes, approval is given for the Company to make a significant change to the nature and scale of its activities resulting from completion of the Corporate Injection Proposal, as described in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a counterparty to the transaction that, of itself or together with one or more transactions, will result in a significant change to the nature and scale of the entity's activities and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a Shareholder), or an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (b) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (c) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (d) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

For this resolution to pass, **75% of eligible shareholders must vote in favour of this resolution**, in accordance with Article 1.2 of the Constitution.

ITEM 2

RESOLUTION 2:1 RE-ELECTION OF DIRECTOR - YAP CHEE LIM

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That Yap Chee Lim, who retires pursuant to and in accordance with Article 27.5(b) and being eligible, offers himself for re-election, be re-elected as a Director in accordance with Article 27.6(a)."

No voting exclusion statement applies to this resolution.

RESOLUTION 2.2: ELECTION OF DIRECTOR - CASEY CHONG KAI CHIN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That Ms. Casey Chong Kai Chin, having been appointed as a Director of the Company since the last annual general meeting, and who retires from the office of Director in accordance with Article 27.3(b)(ii) of the Company's Articles of Association and NSX Listing Rules, and, having offered herself for election and being eligible, be elected as a Director of the Company."

No voting exclusion statement applies to this resolution.

RESOLUTION 2.3: ELECTION OF DIRECTOR - CLAUDIA CHONG KUR SEN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That Ms. Claudia Chong Kur Sen, having been appointed as a Director of the Company since the last annual general meeting, and who retires from the office of Director in accordance with Article 27.3(b)(ii) of the Company's Articles of Association and NSX Listing Rules, and, having offered herself for election and being eligible, be elected as a Director of the Company."

No voting exclusion statement applies to this resolution.

RESOLUTION 2.4: ELECTION OF DIRECTOR - WONG CHEN YU

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That , Mr. Wong Chen Yu, having been appointed as a Director of the Company since the last annual general meeting, and who retires from the office of Director in accordance with Article 27.3(b)(ii) of the Company's Articles of Association and NSX Listing Rules, and, having offered himself for election and being eligible, be elected as a Director of the Company."

No voting exclusion statement applies to this resolution.

RESOLUTION 2.5: ELECTION OF DIRECTOR – MR. JEROME BATEMAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That , Mr. Jerome Bateman, having been appointed as a Director of the Company since the last annual general meeting, and who retires from the office of Director in accordance with Article 27.3(b)(ii) of the Company's Articles of Association and NSX Listing Rules, and, having offered himself for election and being eligible, be elected as a Director of the Company."

No voting exclusion statement applies to this resolution.

RESOLUTION 2.6: ELECTION OF DIRECTOR – HEE CHEE KEONG

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, in accordance with Clause 27.3(a) of the Company’s Articles of Association, Mr. Hee Chee Keong, being eligible and having consented to act, be elected as a director of the Company.”

No voting exclusion statement applies to this resolution.

Chairman

Circle International Holdings Limited ARBN 621 001 296

NOTES:

1. A Shareholder of the Company who is entitled to attend and vote at an annual general meeting of Shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder’s voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. The Company has determined that the shareholding of each Shareholder for the purposes of ascertaining their voting entitlements for the Meeting will be as it appears on the Company’s share register at 30 Nov 2021 (the **Entitlement Time**). Accordingly, only those persons registered as holders of Shares at the Entitlement Time will be entitled to attend and vote at the Meeting. Transactions registered after that time will be disregarded in determining Shareholders entitled to attend and vote at the Meeting.

Kindly refer to the Proxy form for details on submitting a valid Proxy.

The instrument appointing the proxy must be received by the Company by email to nsxcch@gmail.com or by registered mail to Unit SO-07-06, The Strata Offices, Menara 1, KL Eco City, No.3 Jalan Bangsar, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia by Tuesday 30 November 2021, 4 PM (GMT + 8) (at least forty eight (48) hours before the time notified for the meeting). Any proxy form received after that time will not be valid for the scheduled meeting.

EXPLANATORY STATEMENT

1. GENERAL INFORMATION

This Explanatory Statement has been prepared for the Shareholders of Circle International Holdings Limited ("**Company**") ("**CCH**") in connection with all the Resolutions to be considered at the Annual General Meeting of the Company's Shareholders to be held on 2 December 2021

The purpose of this Explanatory Statement is to provide information to Shareholders which is considered to be material to them in deciding whether or not to pass the Resolutions in the Notice of the Annual General Meeting of the Company ("**Notice**").

Shareholders should read this Explanatory Statement in full because individual sections do not give a comprehensive review of the Resolutions. In addition, this Explanatory Statement should be read in conjunction with the accompanying Notice.

In considering the Resolutions, Shareholders must bear in mind the current financial circumstances of the Company.

ITEM 1 - FINANCIAL STATEMENTS AND REPORTS

As a result of a substantial asset impairment during the year ended 31 December 2018 and in the process of reviewing it, the Company was delayed in meeting its Corporations Act and NSX obligations relating to audit of its annual accounts and placing them before shareholders at Annual General Meeting for respective years.

The Management has been trying its best to clear the back log and bring the company back on track attending to all pending compliances.

The Company has now completed the audit of the financial statement for the year ended 31 December 2018 and 31 December 2019. These accounts have already been lodged and published with NSX.

The Company places before the members the financials statement for the year ended 31 December 2018 and 31 December 2019 for their noting.

To avoid such occurrences in the future and in the best interest of shareholders, the management has considered entering into a corporate restructure arrangement which is placed before the shareholders for their approval at this Annual General Meeting under Item 1.1 below.

ITEM 1.1 – RESOLUTIONS 1.1 to 1.3

Section 1

1. Background

CCH was incorporated on 12 December 2016 in Cayman Islands. It was incorporated as an Investment Holding Company for the sole purpose of acquiring Circle Corporation International Limited, a company incorporated in Hong Kong (CCIL), Circle Corporation Mediatech Sdn Bhd (CCMT) and Inno Mind Works Sdn Bhd (IMW), both companies incorporated in Malaysia, which companies all focused on the new media technology industry (collectively referred to as the 'Circle Group'). CCH continues to be the flagship company of the Circle Group and the Holding Company for these entities.

The Circle group is a 360 degree, new media technology group for the Asia Pacific region. The Principal activities of the subsidiary companies include advertising, branding, e-media services and creative marketing solution advertising, publication, entertainment events, business circle mobile app and related services, event organiser, advertisement and media industries.

CCH was admitted to the NSX official list on 7 December 2017. However, trading in the Company's Shares was suspended on 20 March 2019.

As informed to the NSX on 28 June 2021, during the past two years, the Board, and its management team have been exploring corporate restructuring opportunities while managing the impairment of the Business Circle Applications. The board intends to leverage market opportunities to the best interest of the Company and its shareholders, bringing the compliance status of the company up to date and in due course, apply for reinstatement on NSX, given their support to date. Alternatively the Company would seek a listing on a third tier exchange.

2. Corporate Injection Proposal

The board and management of the company have been in negotiation with potential vendors and propose the below Corporate Injection Proposal to the shareholders for their consideration and approval by way of Resolutions 1.1, 1.2 and 1.3:

- a. Acquisition of 100% of issued capital in MPS Telecommunication Sdn. Bhd. (**MPS**) and One Mobile Care Sdn. Bhd. (**OMC**)
- b. The consideration payable in respect of the above proposed acquisitions is a total of 717,757,206 Ordinary Shares (**Consideration Shares**) in the company as below:
 - I. (**MPS consideration**): 267,469,071 Consideration Shares to be issued at completion to the MPS Vendors; and
 - II. (**OMC consideration**): 450,288,135 Consideration Shares to be issued at completion to the OMC Vendors.
- c. Dilution of the shareholding of the existing shareholders of the company by virtue of the above issues. (detailed in point 7 below - 'Control Implications')
- d. Satisfying all other requirements of NSX for the reinstatement to official quotation of the Company's Shares on the NSX.

The Proposal is conditional on the Company obtaining all necessary regulatory approval and Shareholder approvals to each of the Resolution 1.1, 1.2 and 1.3 of this Notice.

3. Vendor Details

A. MPS

MPS Background

MPS is a private limited company incorporated in Malaysia on 6 May 2005. It is principally involved in trading in hand phones, telecommunication accessories and services.

MPS Business Model

MPS is currently providing and distributing popular brands hand phones, telecommunication accessories and services. The product range include mobile phone, tablets, mobile accessories (headphone, speaker and etc) and powerbank.

In addition, it has a business plan in transforming the dealers' network expand into digitalisation platform. To achieve the business planning, MPS is in the progress in developing an 'in-house' application for the purpose of bridging the digital and virtual space connecting both the existing nationwide independent retailers and consumer market.

By establishing a digital application platform, this embarks a new concept of bringing the product and services purchase experience to the customer doorsteps via the existing market channel base to escalate the fulfilment process including a door to door deliver services including a maintenance program to ensure products quality and fast delivery turnaround.

In short, MPS plans to conceptualise the new era of Smartphone shopping experience using AI and Data Analytics to segmentised consumer behaviour making the Neo Connect Apps ability to customise and personalise digital marketing information that able to target each individual consumer preferences rather than on mass basis. The Apps will provide an end-to-end solution as a unique aggregating push and/or pull factor selling tool in helping to boost sales across Malaysia and Greater Asia.

MPS currently has 27 owned flagship outlet (Appendix 1) and 1,503 active dealers mostly located in major cities of Malaysia. Despite the Covid-19 pandemic, it managed to achieve 99.7% sales growth for the 9-month financial period ended 31 May ("FPE") 2021 as compared to pro-rated 9-month revenue for the financial year ended 31 August ("FYE") 2020.

An Independent Expert's Report appraising the fair value of MPS has been obtained and is attached as **Annexure A** to this Notice.

MPS Vendors

MPS Vendors refer to the shareholders of MPS who have agreed to sell all their MPS holding to CCH as part of the Corporate Injection Proposal. Below are the MPS Vendors, their current shareholding proportion in MPS and details of consideration shares proposed to be issued to them, the total MPS consideration being fixed at 267,469,071 Ordinary Shares in CCH.

Name of MPS Vendors	% shareholding in MPS	Consideration shares to be issued under the Corporate Injection Proposal (in proportion to MPS Shareholding)
Lim Shwu Woan	75%	200,601,803
Chong Joe Yi	25%	66,867,268
Total		267,469,071

B. OMC

OMC Background

OMC is a private limited company incorporated in Malaysia on 29 December 2011. OMC is principally involved in trading of hand phone accessories, repairing mobile services, technical services and other related activities.

OMC Business Model

OMC is an authorised service center for brand owners to provide warranty support including extended warranties and walk in customer without warranties for parts replacement or repairs. It is being appointed as key service center for Samsung Malaysia.

OMC is in the process of establishing direct to consumer marketing (D to C) as the main distribution channel and network. This business is operated through door-to-door pick up and send back the repaired unit to dealers currently within Klang Valley area for products under warranty. In addition, it also provides services to walk-in customers.

Currently, OMC has seven operational branch service located within Malaysia as per Appendix 1. Despite the Covid-19 pandemic, it achieved 7.2% sales growth for the 6- month financial period ended 30 June ("FPE") 2021 as compared to pro-rated 6-month revenue for the financial year ended 31 December ("FYE") 2020.

An Independent Expert's Report appraising the fair value of OMC has been obtained and is attached as **Annexure B** to this Notice.

OMC Vendors

OMC Vendors refer to the shareholders of OMC who have agreed to sell all their OMC holding to CCH as part of the Corporate Injection Proposal. Below are the OMC Vendors, their current shareholding proportion in OMC and details of consideration shares proposed to be issued to them, the total OMC consideration being fixed at 450,288,135 Ordinary Shares in CCH.

Name of OMC Vendors	% shareholding in OMC	Consideration shares to be issued in CCH under the Corporate Injection Proposal (in proportion to OMC Shareholding)
Lim Shwu Xian	55%	247,658,474
Jason Han Sen Kwang	45%	202,629,661
Total		450,288,135

4. Proposed Impact of the Corporate Injection proposal

The business of the Company and that of the Vendors are to be merged on a going concern basis.

The initial stage would initially not impact the respective new vendor companies, and they would carry the respective businesses though immediately on an accounting basis, as newly held subsidiaries.

The second stage as with most mergers, is anticipated to focus on identifying and prioritising changes for optimising the greater pool of shared resources. This means, identifying efficiencies, selecting systems that are more business agnostic and scale, reduce cost and broaden the services and client base through augmenting services.

It is no accident that each vendor is in a closely related industrial segment. This complimentary relationship is therefore expected to:

- increases each party's supply and delivery chain;
- create a larger pool of talent that can work across divisions to solve challenges; and
- result in an even more self-reliant and larger business (noting the acquired vendors were self-reliant and profitable *before* gaining the economic advantages that arise from pooling related organisational resources).

Furthermore, the Company retains its performing assets, and by bringing in the expertise from each vendors the Board hopes to revitalise and maximise its original businesses and certainly to maximise any rationalisation that may follow, as the combined businesses chart their shared vision and direction.

The financial status of the Vendors pre-acquisition is described at 10 below – ‘Latest available audited financial details.

5. Re-compliance with NSX Listing Rules for admission of securities

A Company that proposes a capital injection (and in this case of two separate unrelated entities) amounts to a “significant change in the nature and scale of the Company’s activities”, under the NSX Listing Rules.

The Company is therefore required to obtain Shareholder approval for the Corporate Injection Proposal and subsequently intends to re-comply with NSX Listing Rules Chapter 4 for admission of securities in order to be re-instated to trading on the NSX. No guarantee can be given that the Company when newly reconstituted, passes the thresholds set out by the NSX including their considerable discretion. Accordingly, if the Company is unable to obtain NSX approval for reinstatement within a reasonable timeframe, it will make applications to secondary trading exchanges. However the Company notes that to date the NSX has been very gracious and supportive of the Company’s efforts during this period, and the Company certainly would prioritise their intention to be reinstated on that exchange.

In any event new management is committed to working with the new Board, to provide additional liquidity into the Company as a matter of priority.

Trading in the Company’s Shares is currently suspended and will remain suspended until the Company re-complies with the Listing Rules whether or not these resolutions are passed. The existing has met and reviewed the Independent Expert Report. The Board has formed the view that in their opinion, it is in the best interest of shareholders to pass all resolutions described in this Notice, for following non-exhaustive reasons:

1. It will increase the Company’s economic value, capacity and resources, to ensure compliance, financial and Board and Committee structures are put in place to dramatically improve the Company’s outlook, ‘
2. The result of the improvements in 1, should enhance the likelihood that either NSX or another reputable share trading exchange would be favourably inclined to consider the Company as potentially mutually beneficial partner moving forward.

6. Further Funding

There is no present intention for any party to inject further capital into the Company.

7. Independent Expert’s Report (“IER”) is enclosed, and shareholders are urged to read it in full.

IER’s have been obtained for the valuation of the Vendor entities and CCH and the consideration shares have been determined on the basis of the IER valuation.

Shareholders are urged to carefully read the IER in deciding how to vote on the Resolutions.

8. Control Implications

A table showing the pre and post capital structure, and also the dilution impact of the issues of shares pursuant to this Notice on the aggregated Shareholding interests of existing Shareholders is set out below:

Shareholder Category	Pre the Proposed Corporate Injection		Post the Proposed Corporate Injection	
	No of shares held	% of shareholding	No of shares held	% of shareholding
1. Existing CCH shareholders	180,000,400	100.00	180,000,400	20.05
2. MPS Vendors (Consideration Shares issued in CCH in proportion to their current holding in MPS)				
Lim Shwu Woan (75%)	-	-	200,601,803	22.34
Chong Joe Yi (25%)	-	-	66,867,268	7.45

3. OMC Vendors (Consideration Shares issued in CCH in proportion to their current holding in OMC)				
Lim Shwu Xian (55%)	-	-	247,658,474	27.59
Jason Han Sen Kwang (45%)	-	-	202,629,661	22.57
Total shares on issue	180,000,400	100.00	897,757,606	100.00

9. Relevant Date

The “relevant date” is a date no later than 14 days from the date of the meeting, in which the shareholders will all have received their shares, as approved under this Annual General Meeting.

10. Latest available audited financial details (Amount in AUD)

Particulars	CCH (Standalone) Pre Proposed Transaction (as at 31 Dec 2019)	CCH (Group) Pre Proposed Transaction (as at 31 Dec 2019)	MPS (as at 31 Aug 2020)	OMC (as at 31 Dec 2020)
Annual Turnover	\$ -	\$ 759,797.00	\$ 23,472,352.00	\$ 8,004,181.12
Other Income	\$ 4,137.00	\$ 23,405.00	\$ 240,382.40	\$ 654,275.84
Annual Profit (before tax)	\$ 132,902.00	-\$ 616,417.00	\$ 260,060.16	\$ 315,164.16
Total Consolidated Assets	\$ 58,591.00	\$ 878,576.00	\$ 11,512,006.40	\$ 3,768,672.64
Retained Earnings	-\$ 57,990,166.00	-\$ 59,824,074.00	\$ 1,948,666.88	\$ 1,318,623.04
Total Number of shares on issue	180,000,400		1,500,000	1,100,000

For the purpose of the above table following have been taken into account:

- CCH audited account for the year ended 31 Dec 2019
- MPS audited account for the year ended 31 Aug 2020
- OMC audited accounts for the year ended 31 Dec 2020
- MR (Malaysian Ringgit) to AUD conversion rate of 0.32 applied being the conversion rate as on 26 Oct 2021
- The Companies have different financial years and the latest available annual audited financials have been used to compile the above table.
- Detailed financial information for MPS and OMC is available in the attached IER's (Annexure A and B, attached to and forming part of this notice)

11. Restricted securities/ escrow arrangements:

Except for the 180,000,400 Ordinary Shares, the Company has no other securities/ rights outstanding and on issue as at the date of the notice.

Only 6,310,905 Ordinary Shares are restricted. Placing escrow arrangements on the vendors is not a pre-condition, however voluntary or involuntary escrow arrangements, if required as being subject to reinstatement by the NSX (or another platform) would clearly be given due consideration. If the resolutions pass, then reinstatement is an obvious goal, so that patient shareholders may more easily transfer securities if the new entity does not appeal to them or does not achieve its targets.

Currently the Company is suspended and will remain suspended until any acquisition has been completed (should shareholders approve this acquisition).

The single existing voluntary escrow which only impacts a single director, is likely to be requested by the Company in any application post-acquisition to be lifted. The shareholding falls to a much smaller % of the enlarged entity. Accordingly, the existing rationalisation for renewing that single restriction is reduced by an acquisition of this scale.

Voluntary Escrow arrangements post the Corporate Injection Proposal

The MPS and OMC Vendors, with each entity presently consisting of 2 shareholders, will become substantial shareholders of the Company subject to the Corporate Injection Proposal succeeding (shareholding of the vendors is explained in detail in the table ‘Control Implications’ at 8 above).

This Corporate Injection Proposal is designed to enhance the value of the company for all shareholders. For this reason, each vendors will not wish their control of the Company to be diluted unless the strategic value of raising equity has a clear benefit to them as controlling shareholders. Though a path to exit for the vendors

would be attractive, it is more attractive by a multiple if the acquisition is successful and the share price increases in a reinstated corporate form. For this and many other reasons, a reinstatement strategy would be attractive, and the vendors appreciate voluntary escrows are often necessary pre-requisites to transactions of that nature in order for the market to function in an ordinary way.

Advantages and Disadvantages of the Corporate Injection Proposal

Advantages

1. Improved balance sheet
2. A platform for synergies and further expansion in due course
3. Ownership of the businesses and infrastructure of MPS and OMC
4. the potential increase in market capitalisation of the Company following completion of the proposed acquisitions may lead to access in improved equity capital market opportunities and increased liquidity
5. Potential enhanced exposure to debt and equity opportunities that the Company did not have prior to the proposed acquisitions
6. The Company will be financially in a better position to potentially re-comply with the NSX Listing Rules Chapter 4, or if not then a third tier exchange, to facilitate liquidity and complete the rebuilding of its compliance in lock step with its financial return to cash generation. **The Company notes that the NSX reserves the right to re-admit the Company and there is no guarantee that the Company will successfully re-comply with NSX Listing Rules for admission to official quotation.**
7. As the respective consideration for the proposed acquisitions are each comprised of shares, avoiding strain on Company's finances
8. Partially off-set the previously disclosed anticipated substantial impairments of the Business Circle Apps across their subsidiaries.
9. Enhance and demonstrate CCH's viability and therefore satisfy future compliance obligations and address any shareholder with expedience
10. Demonstrate to the stakeholders business viability and resilience while creating a platform for future growth
11. Utilise the synergies of the acquired entities to bring a reasonable portion of the impaired Business Circle Apps back into account in future years
12. Change in the nature of the current activities by merging established profit making business of the Vendors with that of the Company on a going concern basis.
13. Reinforcing profit making businesses, and multiplying those models across the other divisions of the business.
14. Reducing average expenses through scalability of software, hardware and human resources.
15. Exploration of new industrial segments and markets by combining the Company's assets.
16. Substantially increase from the current scale of operations through this growth by acquisition strategy for related businesses.
17. Building a more diverse, resilient and end-to-end supply chain, that potentially includes, software, hardware and sale and phone repair locations.
18. As a new business, with genuine revenue centres already in existing, then increasing the appeal to new talent to build a new brand.

Disadvantages

1. A significant dilution of existing shareholders will occur. Existing shareholders will own approximately 20%, as compared to 100% now, of the expanded issued capital of the Company after the passing of Resolutions 1 to 4.
2. Dilution of shareholding resulting in less control over operations as the new shareholders that if they chose to vote in a block, would exercise a great level of control over all aspects of the business, both operationally and at a corporate level.
3. Further to 2, that an 80% control, means that even decisions with the additional guardrails that require 'super-majority' or special resolution support, would be passed (subject to conflict of interest voter exclusions and other minority oppression type causes of action.)
4. The Company is changing the nature and scale of its activities may rationally be inconsistent with the objectives of the existing Shareholders.

Section 2 - Information on resolutions sought to be approved

Resolution 1.1 and 1.2

General

In consideration for the MPS and OMC acquisitions as detailed in General Information section 1 above and as part of the Corporate Injection Proposal, the Company will issue 717,757,206 Consideration shares to the Vendors as below:

- I. **MPS consideration:** 267,469,071 Ordinary Shares to be issued to the MPS Vendors; and
- II. **OMC consideration:** 450,288,135 Ordinary Shares to be issued to the OMC Vendors.

Voting power at Completion:

Shareholder Category	Pre the Proposed Corporate Injection		Post the Proposed Corporate Injection	
	No of shares held	% of shareholding	No of shares held	% of shareholding
1. Existing CCH shareholders	180,000,400	100.00	180,000,400	20.05
2. MPS Vendors (Consideration Shares issued in CCH in proportion to their current holding in MPS)				
Lim Shwu Woan (75%)	-	-	200,601,803	22.34
Chong Joe Yi (25%)	-	-	66,867,268	7.45
3. OMC Vendors (Consideration Shares issued in CCH in proportion to their current holding in OMC)				
Lim Shwu Xian (55%)	-	-	247,658,474	27.59
Jason Han Sen Kwang (45%)	-	-	202,629,661	22.57
Total shares on issue	180,000,400	100.00	897,757,606	100.00

At Completion, the Vendors will have voting power as detailed in the above table and in the aggregate 79.95% of the voting power in CCH.

Resolution 1.1 seeks shareholders approval for issue of 267,469,071 Consideration shares to MPS Vendors and Resolution 1.2 seeks shareholders approval for issue of 450,288,135 Consideration shares to OMC Vendors.

Technical information required by NSX Listing Rules

If Resolution 1.1, 1.2 and 1.3 are NOT EACH passed, then the Company will not be able to proceed with the Corporate Injection Proposal.

Information required for the purpose of NSX Listing Rule 6.25:

1. **No. of shares to be issued:**
Resolution 1.1 - MPS: 267,469,071 Ordinary Shares to be issued to the MPS Vendors; and
Resolution 1.2 - OMC: 450,288,135 Ordinary Shares to be issued to the OMC Vendors.
2. **Purpose of the Issue/ Intended use of funds:** No funds will be raised by these share issue. Shares issued as part of Corporate Injection Proposal described in Section 1 above.
3. **Number of further shares to be issued and the issue:** NIL
4. **Terms of Issue:** Shares to rank equally with the existing Ordinary Shares on issue.
5. **Other key terms:** Refer to Section 1 for details
6. **Escrow:** The shares may be subject to escrow as per NSX requirements.

Board recommendation

The Board considers that the Corporate Injection Proposal is in the best interests of Shareholders. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions 1.1, 1.2 and 1.3.

Resolution 1.3: Change to nature and scale of activities

This Resolution is a special resolution and therefore requires approval of 75% of the votes cast by Shareholder's present and eligible to vote. (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Resolution 1.3 seeks the approval of Shareholders for a change in the nature and scale of the Company's activities via the Corporate Injection Proposal.

A detailed description of the Corporate Injection Proposal is outlined in Section 1 above.

Proposed Impact of the Corporate Injection proposal on the nature and scale of activities:

As part of the Corporate Injection proposal, the business of the Company and that of the Vendors are to be merged on a going concern basis and it will have a major impact on the nature and scale of the Company's activities.

Both the Vendors are part of a closely related industrial segment. This complimentary relationship is therefore expected to:

- increases each party's supply and delivery chain;
- create a larger pool of talent that can work across divisions to solve challenges; and
- result in an even more self-reliant and larger business (noting the acquired vendors were self-reliant and profitable *before* gaining the economic advantages that arise from pooling related organisational resources).

Furthermore, the Company retains its performing assets, and by bringing in the expertise from each vendors the Board hopes to revitalise and maximise its original businesses and certainly to maximise any rationalisation that may follow, as the combined businesses chart their shared vision and direction.

Given each Vendors current scale of business activities and size of operations, there will be significant change in the nature and scale of activities of the Company post successful completion of the Corporate Injection proposal.

NSX Listing Rule 6.41

NSX Listing Rule 6.41 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to NSX as soon as practicable (and before making the change) and comply with the following:

- I. provide additional information to the Exchange;
- II. obtain the approval of members for the change; and
- III. meet the requirements of Chapter 4 as if applying for a listing.

The NSX has indicated to the Company that the change in the nature and scale of the Company's activities as a result of the Corporate Injection Proposal requires the Company, in accordance with NSX Listing Rule 6.41, to obtain Shareholder approval and the Company must comply with any requirements of NSX in relation to the Notice of Meeting.

The Company is proposing to undertake the Corporate Injection Proposal.

NSX Listing Rule 6.41 empowers NSX to require a listed company to obtain the approval of its shareholders to a significant change to the nature or scale of its activities. The Corporate Injection Proposal will involve a significant change to the nature and scale of the Company's activities for these purposes and, as its usual practice, NSX has imposed a requirement under NSX Listing Rule 6.41 that the Company obtain shareholder approval to the Proposed Acquisitions.

Resolution 1.3 seeks the required Shareholder approval to the Proposed Acquisitions and for the purposes of NSX Listing Rule 6.41.

Technical information required by NSX Listing Rules

If Resolution 1.3, along with Resolutions 1.1 and 1.2 is passed, the Company will be able to proceed with the Corporate Injection Proposal, which will allow the Company to change the nature and scale of its activities.

If Resolution 1.3 is NOT passed, the Company will not be able to proceed with the Corporate Injection Proposal.

Suspension until re-compliance with the NSX Listing Rules

The Board is of the view that change in the nature and scale of the Company's activities is a back-door listing which might consequently require the Company to re-comply with the admission requirements set out in Chapters 4 of the NSX Listing Rules (including any NSX requirement to treat the Company's Securities as restricted Securities).

Trading in the Company's Shares is currently suspended and will remain suspended until the Company re-complies with the Listing Rules whether or not these resolutions are passed, including satisfaction of NSX's conditions precedent to reinstatement.

Board recommendation

The Board considers that the Corporate Injection Proposal is in the best interests of Shareholders. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions 1.1, 1.2 and 1.3.

ITEM 2 – DIRECTOR ELECTIONS

Resolution 2.1: Re-election of director - Yap Chee Lim

In accordance with Article 27.5 of the Articles of Association, Mr. Yap Chee Lim retires by rotation at the Annual General Meeting and being eligible, offers himself for re-election as Director of the Company under Article 27.6 of the Company's Articles of Association.

Mr. Yap Chee Lim is a director of the Circle Group since September 2017. He has been an integral part of the Company since its commencement from the year 2013. He is primarily responsible for local and regional business expansion, procurement of financing to support the Company's capital needs and supporting the CEO in developing overall strategies and establishing operational goals. He oversees matters relating to management establishment, system management and matters pertaining direct reporting to the Board of Directors or the Group Founder.

His extensive senior management experience includes serving over 15 years in key C-Level positions for various leading companies. These include the Lions Group, steel division and Elektrisola, worldwide market leader in ultra-fine magnet wire industry.

Board recommendation

The Board unanimously recommends that Shareholders' vote in favour of Resolution 2.1.

Resolution 2.2 – 2.5: Election of Directors

Under Article 27.3(b)(i) of the Articles of Association, the Directors may at any time appoint any person to be a Director to either fill a casual vacancy or as an addition to the existing Directors. Any director so appointed must retire at the next following annual general meeting and is eligible for election at that meeting under Article 27.3(b)(ii).

The Board has appointed the below directors under Article 27.3(b)(i):

1. Ms. Casey Chong Kai Chin – Appointed effective 2 May 2020
2. Ms. Claudia Chong Kur Sen - Appointed effective 2 May 2020
3. Mr. Wong Chen Yu - Appointed effective 2 May 2020
4. Mr. Jerome Augustus Bateman - Appointed effective 25 June 2020

Resolutions 2.2 – 2.5 inclusive, each propose to elect the above Directors to the Company in accordance with Article 27.3(b)(ii) of the Company's Articles of Association.

Each resolution contains the relevant Directors' biography.

Resolution 2.2: Election of Director – Casey Chong Kai Chin

Ms. Casey Chong Kai Chin was appointed to fill a casual vacancy on 2 May 2020 and is proposed by her fellow Directors to be put forward for election at the Annual General Meeting.

Ms. Casey Chong Kai Chin has a degree in business management and also a professional degree with The Institute Chartered Secretaries and Administrators (ICSA). She has experience working as an agent with Great Eastern Life Insurance Malaysia.

Board recommendation

The Board unanimously recommends that Shareholders' vote in favour of Resolution 2.2.

Resolution 2.3 - Election of Director – Claudia Chong Kur Sen

Ms. Claudia Chong Kur Sen was appointed to fill a casual vacancy on 2 May 2020 and is proposed by her fellow Directors to be put forward for election at the Annual General Meeting.

Ms. Chong Kur Sen is a professional lawyer whom has just entered her 19th year of practise this March. Ms. Chong graduated with a law degree of a Second Upper Class of Honours from the University of Malaya in year 2001 and was subsequently called to the Bar on 29th March, 2002. She joined Messrs Tan Chuan Yong & S.M. Chan as a pupil-in-chamber in 2001, continued on as a legal assistant until early February 2004 when she joined Messrs Abraham Ooi & Partners (Kuala Lumpur Branch) as a legal assistant on 15th February, 2004. Ms Chong has started to assist the senior partner of AOP to manage and organise training for KL Branch clerical staffs as well as for the junior lawyers since end of year 2005 and she was appointed as AOP's KL Branch partner in June, 2006.

Ms Chong resigned from AOP and started her own practise under a firm founded by her known as Messrs Kur Sen Chong & Co. ("the Firm") in July year 2011. She continues her practise as the managing partner with the firm until to date.

Ms Chong's area of professions covers negotiation and drafting of Sale and Purchase Agreement, loan agreements, negotiation and drafting of commercial & corporate contracts (share sale, call and put option, partnership, shareholders, joint venture, DMC, service contracts, trust deed etc.), land dealings and general litigation matters (divorce, distribution of estates, distress order, eviction or repossession of real property).

In her earlier years of practise, she has been appointed as one of the trainers for OCBC Bank Malaysia Berhad and PBB Bank Berhad to organise training sessions with their sales teams in respect of legal documentation and legal issues arises in real property dealings. Ms Chong also has participated in some charity events/CSR functions as an invited speaker to share her legal knowledge and experiences with public for education at large or creation of public awareness purposes.

Ms Chong's firm and/or herself is currently the panel solicitors/ legal advisor for the following companies/associations :-

1. CIMB Bank Berhad
2. Public Bank Berhad
3. Lik Tin Century Sdn Bhd
4. Malaysia Mobile Crance Owners Association (MMCOA)
5. Malaysian Institute of Professional Estate Agents and Consultants (MIPEAC), Chinese speaking member/customer division
6. 4U Interpersonal Education College Co., Ltd.
7. Metro Homes Realty Berhad
8. Phyto Science Sdn Bhd
9. Pacific Alliance Capital Holdings Sdn Bhd
10. BTS Group of Companies Malaysia
11. Etah Sdn Bhd

Board recommendation

The Board unanimously recommends that Shareholders' vote in favour of Resolution 2.3.

Resolution 2.4 - Election of Director – Wong Chen Yu

Mr. Wong Chen Yu was appointed to fill a casual vacancy on 2 May 2020 and is proposed by his fellow Directors to be put forward for election at the Annual General Meeting.

Mr. Wong Chen Yu joined CCH Board of Directors as Independent Director since May 2020. He is currently holding the position of Chairman of the Board.

Prior to joining CCH, he is a successful entrepreneur in the investment advisory business. He founded his company in year 2014, and successfully managed over 100 investor clients under his company, achieved asset value of RM23mil within 3 years. His assistance in Circle Group's fundraising campaigns in year 2016-2017 had contributed to the successful listing of CCH in NSX, Australia.

He has more than 10 years' experience in the real estate industry, held senior negotiator position in an international real estate consultant firm in year 2011-2012. He has expertise in the area of sales & marketing

and has held managerial positions in sales and marketing division of a few local companies.

Board recommendation

The Board unanimously recommends that Shareholders' vote in favour of Resolution 2.4.

Resolution 2.5: Election of Director – Jerome Augustus Bateman

Mr. Jerome Augustus Bateman was appointed to fill a casual vacancy on 25 June 2020 and is proposed by his fellow Directors to be put forward for election at the Annual General Meeting.

Mr Jerome Augustus Bateman is the founder and owner of Landivia Sdn Bhd. Born in Melaka. Mr Bateman started his early education at Kuala Lumpur and Tanjung Malim and post that earned a certificate in Information Technology.

Mr Bateman is a successful entrepreneur, who has a keen in technology with specific focus in Mobile Technology. This led him to incorporate Hitz Mobile Enterprise in 2003 and subsequently converted it into a limited company named Hitz Communication (M) Sdn Bhd. in 2015. His primary business of Hitz Communication was involved in selling mobile phones and providing repair and maintenance services to its customers.

Mr Bateman pursues numerous other business opportunities and has ventured into Food and Beverage Industry, being Hitz Ventures Sdn Bhd in 2012. He also has an investment vehicle named Landivia Sdn Bhd.

Board recommendation

The Board unanimously recommends that Shareholders' vote in favour of Resolution 2.5.

Resolution 2.6: Election of Director – Hee Chee Keong

Mr. Hee was the Alternate Director to Jerome Augustus Bateman to fill a casual vacancy on 25 June 2020. He is proposed by his fellow Directors to be put forward for election as a Director at the Annual General Meeting. Mr. Hee has accumulated more than 20 years of working experience in both private and public companies. Over the years, he has served as a Chief Financial Officer, Independent Director, Finance Director, Group Accountant, Principal Accounting Officer, etc in various companies. On top of that, Mr Hee is also a member of the Chartered Accountant of the Malaysian Institute of Accountants (MIA), as well as that of the Association of Chartered Certified Accountants (FCCA).

He is an expert in due diligence process, IPOs, issuance of warrants, corporate and debt restructuring processes for a wide array of industries like accounting, information technology, manufacturing, trading, property, construction, leisure and entertainment. With his expertise in finance, auditing and business strategies, Mr Hee's addition to the Board definitely brings greater spark to our business.

Board recommendation

The Board unanimously recommends that Shareholders' vote in favour of Resolution 2.6

Annexure A to the Notice of Annual General Meeting

TABLE OF CONTENTS

No	Contents	Page No
	Letter for management	2
1	Background information	3 - 6
2	Limitation of review	7 - 8
3	Financial review	9 - 11
4	Basis of Approach to Equity Valuation	12
5	Comparable Approach Valuation	13 - 16
6	Conclusion	16
	Appendix	17 - 18

Date: 23 September 2021

The Board of Directors
MPS Telecommunication Sdn. Bhd. ("MPS")
Lot 3A.016-3A.020,
4th Floor, Endah Parade,
No. 1, Jalan 1/149E,
Bandar Baru Seri Petaling,
57000 Kuala Lumpur.

Dear Sir,

RE: FAIR VALUE OF THE ENTIRE EQUITY INTEREST IN MPS TELECOMMUNICATION SDN. BHD. ("MPS" OR "COMPANY") ("VALUATION")

This letter ("**Letter**") is prepared solely for the evaluation of the fair value of the entire equity interest in the Company for the management of MPS Telecommunication Sdn. Bhd. ("**Management**") use/reference ONLY.

In accordance with the terms of engagement, CWC & ENG PLT ("**CWC & ENG**") has been appointed as the Independent Valuer to perform the valuation ("**Engagement**").

The purpose of this Letter is to set out the evaluation and is subject to the limitations of our role and evaluation as explained herein. Other than for this intended purpose, this Letter should not be used for any other purpose and/or by any other persons and/or reproduced, wholly or partially, without our express written consent. We shall not be liable for any damage or loss sustained or suffered by any parties as a result of any unauthorised circulation, publication, reproduction or use of this Letter or any part hereof.

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1.0 BACKGROUND INFORMATION

MPS is a private limited company incorporated in Malaysia on 6 May 2005. The Company is principally involved in trading in hand phones, telecommunication accessories and services.

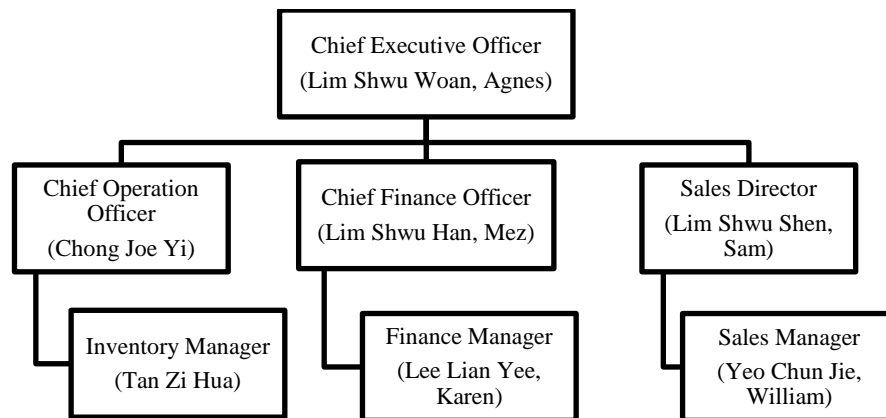
1.1 SHAREHOLDER STRUCTURE

Shareholder	Number of shares	Percentage (%)
Lim Shwu Woan	1,125,000	75
Chong Joe Yi	375,000	25

(Source: Latest annual return)

The directors, Lim Shwu Woan and Chong Joe Yi, are the company shareholders as well, holding 1,125,000 and 375,000 ordinary shares, respectively.

1.2 ORGANISATION STRUCTURE



(Source: Management organisation chart)

Director, Lim Shwu Woan and Chong Joe Yi, is taking various position including conducting business planning, marketing activities, sales activities and day-to-day operations.

1.3 GOALS, BUSINESS MODEL AND PRODUCT OVERVIEW

GOALS

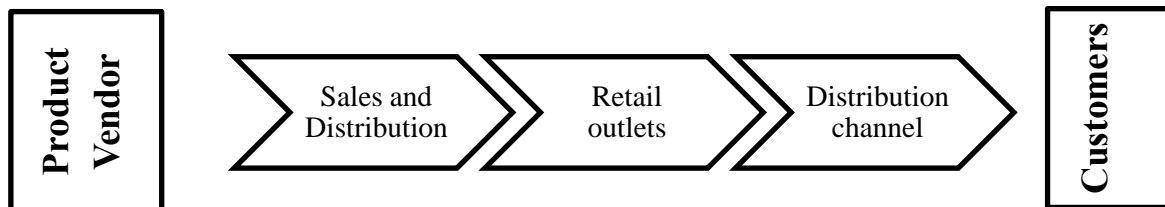
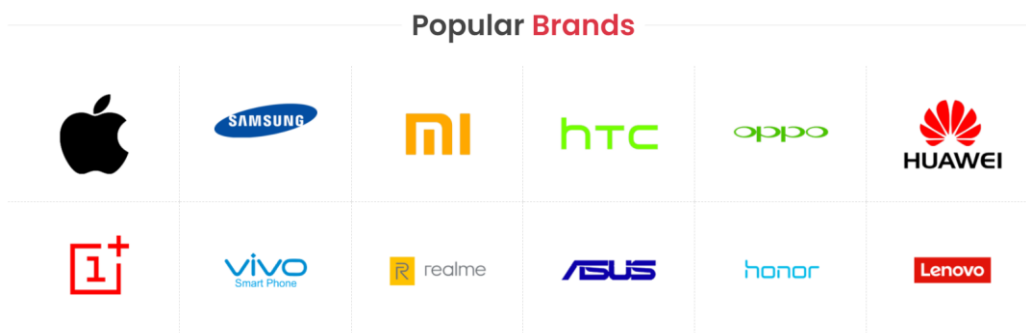
Mission	To provide an ultimate service experience that inspire commitment and reliability to the business partner
Vission	To be the autonomous and preferred branded Smartphone provider with a nationwide service center of Excellence.
Objective	To continuously improve and innovate to go beyond business partner expectation on the products that Company carries and support from the origin of the delivery to services rendered.

(Source: Management business plan and proposal)

BUSINESS MODEL

PRODUCTS OVERVIEW

The Company is currently providing and distributing popular brands hand phones, telecommunication accessories and services. The product range include mobile phone, tablets, mobile accessories (headphone, speaker and etc) and powerbank.

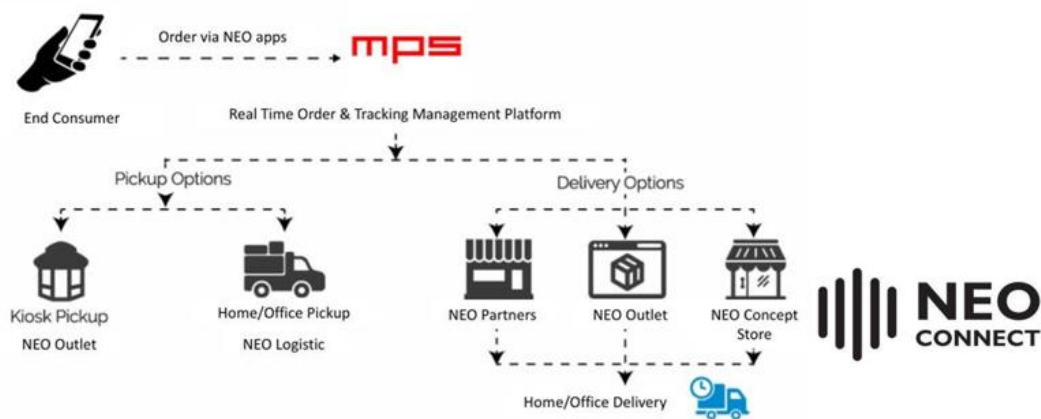


In addition, the Company has a business plan in transforming the dealers' network expand into digitalization platform. To achieve the business planning, Company is in the progress in developing an 'in-house' application for the purpose of bridging the digital and virtual space connecting both the existing nationwide independent retailers and consumer market.

By establishing a digital application platform, this embarks a new concept of bringing the product and services purchase experience to the customer doorsteps via the existing market channel base to escalate the fulfilment process including a door to door deliver services including a maintenance program to ensure products quality and fast delivery turnaround.

In short, Company plans to conceptualize the new era of Smartphone shopping experience using AI and Data Analytics to segmentised consumer behaviour making the Neo Connect Apps ability to customise and personalise digital marketing information that able to target each individual consumer preferences rather than on mass basis. The Apps will provide an end-to-end solution as a unique aggregating push and/or pull factor selling tool in helping to boost sales across nationwide.

PROCESS OVERVIEW



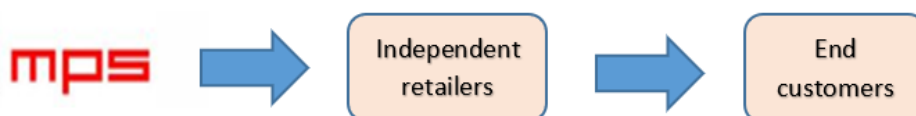
1.4 DISTRIBUTION CHANNEL AND NETWORK

The Company is looking to establish 2 main distribution channel and network, namely:

- Business to commercial (B to C)
- Direct to consumer marketing (D to C)

Currently, MPS as a distribution center channels, most of the products and services revenue are derived from Business to Commercial (B to C) segments. Mostly the products and services sales directly to independent retailers instead of having own flagship stores. MPS provides the independent retailers the convenience of pick-up point and drop-off for the products under warranty as well as products which require after sales service within 7 days.

B to C (Dealer Network)



The Company currently has 27 owned flagship outlet (*Appendix 1*) and 1,503 active dealers mostly located in major cities of Malaysia. Despite the Covid-19 pandemic, the Company managed to achieve 99.7% sales growth for the 9-month financial period ended 31 May (“FPE”) 2021 as compared to pro-rated 9-month revenue for the financial year ended 31 August (“FYE”) 2020.

Top dealers by sales amount from September 2019 to August 2020 is shown in the table below:

No.	Dealers	FYE 2020 RM
1	Niti International Limited	5,187,095
2	TPC Technology FZCO	3,539,596
3	4Aces Pte Ltd	3,368,039
4	Le Miele Pte Ltd	3,361,737
5	Wesatu Distribution Sdn Bhd	2,811,977
6	Geonatic Sdn Bhd	1,514,589
7	Mobile City Point Sdn Bhd	1,496,345
8	Oncel Acc & Telecommunication	1,462,049

(Source: Extracted from summary of customer)

Direct to consumer marketing (D to C) - Following the maturity of e-commerce platforms in Malaysia, the Company also make available presence on most of the major platform.

1.5 LICENSE AND CERTIFICATION

The Company possess general business license for Dewan Bandaraya Kuala Lumpur. (*Appendix 2*).

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2.0 LIMITATION OF REVIEW

Our scope as Independent Adviser shall be limited to expressing an independent opinion on the Valuation exercise. It shall be hereby agreed that notwithstanding that we may make reasonable enquiries in the course of the assignment, we shall not be held responsible in any manner under the Engagement to independently verify the accuracy, validity or completeness of any such information, documents and representations. Accordingly, we shall not be under any responsibility or liability whatsoever to any party for any inaccuracies, misstatements of facts or omission therein.

In performing our evaluation, we have relied on, inter-alia, the relevant information contained within the following documents:

- (i) Audited financial statements of MPS for the FYE 2020;
- (ii) Management accounts of MPS for FPE 2021;
- (iii) Other relevant information and statutory documents furnished to us by the Management;
- (iv) Other relevant written/unwritten information or representation by the Management; and
- (v) Other publicly available information which we deemed relevant.

We have assumed that such information has been prepared in good faith and reflects the best judgement of the Company as at the date thereof and they are unaware of any facts that would make the financial and other information provided incomplete, false, misleading or inaccurate. Unless otherwise expressly stated herein, we have not independently verified any of the information and documents for accuracy, validity and/or completeness and express no opinion on any such documents, financials and/or other information nor have we undertaken an independent investigation into the Business. No representation or warranty, express or implied, is made by us with respect to, and no reliance should be placed on, the accuracy, or completeness of the information set out in this Letter.

The date of our opinion is 31 August 2020 (**“Date of Opinion”**).

In preparation of our evaluation, we have relied on the reasonableness, accuracy and completeness of the information/documents, both written and oral, provided by the Management. The Directors of the Company are responsible for the completeness and accuracy of the information and documents provided to us; that all material facts, financial and other information essential to our evaluation have been disclosed to us and they, individually and collectively, are responsible for the accuracy of such information contained within this Letter and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts and/or omission of which would make any statement herein false or misleading, or that any information contained herein or in any such documents will remain unaltered and there are no subsequent item or event that have significantly affected the assumptions, basis or method used in the documents/information that have been relied upon by us as at the date of this Letter.

The preparation of this Letter is based upon market, economy, industry and other conditions prevailing as at the Date of Opinion, as well as publicly available information and information provided to us by the Company. Such conditions may change significantly over a relatively short period of time. No representation or warranty, whether expressed or implied, is given that the information and documents provided will remain unaltered subsequent to the issuance of this Letter.

As such, in no event shall we, our partners, principals, directors, shareholders, agents or employees are liable for any misrepresentations by the management of the Company and we assume no responsibility to update and revise our Letter in light of any subsequent development after the date of this Letter that may affect our evaluation contained herein.

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3.0 FINANCIAL REVIEW

Statement of Comprehensive Income

	Actual	
	FYE 2020	FPE 2021
	Audited	Management
	RM	accounts
	RM	RM
Revenue	73,351,100	109,860,690
Cost of sales	(68,203,930)	(105,814,044)
Gross profit	5,147,170	4,046,646
Other income	751,195	516,403
Marketing expenses	(35,536)	(250)
Operating and administrative expenses	(4,430,305)	(2,967,615)
Profit from operating activities	1,432,524	1,595,184
Finance cost	(619,836)	(667,064)
Profit before tax	812,688	928,120
Taxation	(262,051)	(222,749)
Profit after tax	550,637	705,371
Add/(Less):		
Taxation	262,051	
Depreciation	236,703	
Finance cost ^[2]	619,836	
Interest income	(35,454)	
Rental income	(15,000)	
Wages subsidy received	(181,200)	
EBITDA ^[3]	<u>1,437,573</u>	
Gross profit margin %	7.02%	
EBITDA/Sales %	1.96%	

Note:

1. *Adjustment of finance cost is for finance lease payables, bank overdraft interest and term loan interest for loan related to freehold shoplots and building under construction, .*

	RM
Bank overdraft interest	34,553
Finance lease interest	13,857
Term loan interest	<u>571,426</u>
	<u><u>619,836</u></u>

2. *Adjustment of operating and administrative expenses and other income are for depreciation, finance cost, and one-off transaction.*

	RM
Taxation	262,051
Depreciation	236,703
Finance cost	619,836
Interest income	(35,454)
Rental income	(15,000)
Wages subsidy received	<u>(181,200)</u>
	<u><u>886,936</u></u>

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Statement of Financial Position

	Actual 31.8.2020 Audited RM
ASSETS	
NON-CURRENT ASSETS	
Property, plant and equipment	3,215,165
Investment property	5,671,310
	<hr/> 8,886,475
CURRENT ASSETS	
Inventories	6,250,123
Trade receivables	8,376,206
Other receivables and deposits	10,590,118
Fixed deposit with licensed bank	1,146,512
Cash and bank balances	725,586
	<hr/> 27,088,545
	<hr/> 35,975,020
EQUITY AND LIABILITIES	
CAPITAL AND RESERVES	
Share capital	1,500,000
Retained earnings	6,089,584
	<hr/> 7,589,584
NON-CURRENT LIABILITY	
Deferred tax liabilities	53,640
Finance lease payable	283,770
Term loan (secured)	13,438,383
	<hr/> 13,775,793
CURRENT LIABILITIES	
Trade payables	4,757,013
Factoring	1,108,268
Other payables and accruals	2,446,575
Amount due to a director	711,759
Bank borrowings	4,842,221
Finance lease payables	38,387
Term loan (secured)	623,694
Tax payables	81,726
	<hr/> 14,609,643
TOTAL LIABILITIES	<hr/> 28,385,436
TOTAL EQUITY AND LIABILITIES	<hr/> 35,975,020

4.0 BASIS OF APPROACH TO EQUITY VALUATION

In our evaluation of the fair value of the 100% equity interest in the Company, we have conducted necessary evaluation and considered the appropriate valuation techniques to ascertain the fair value of the Company. Accordingly, we have adopted the Market Approach's Relative Valuation Analysis ("RVA") as the valuation methodology for this Valuation exercise.

RVA seeks to compare a company's implied trading multiple to that of Comparable Companies to determine the firm's financial worth.

The multiples selected for the RVA is the Enterprise Value ("EV") to Earnings before interest, tax, depreciation and amortisation ("EBITDA") ("EV/EBITDA") multiple.

EV/EBITDA multiple is used to determine the value of the Company by dividing EV by EBITDA. It takes into account Comparable Companies' debt and cash levels, stock price and relates that value to cash profitability.

We have also considered the Price to Earnings multiple and have concluded that this valuation multiple is also not suitable for the purpose of arriving at the market value of the entire equity interest of the Company as when comparing business in the same industry that have vastly difference capital structure, EV/EBITDA would be preferable. We also note that the Company has significant amount of balances which are non-trade related as at the Date of Opinion.

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5.0 COMPARABLE APPROACH TO VALUATION

For the purposes of the valuation methodologies used, reference was made to the valuation of listed companies in the Malaysia primarily involved in the operation of a chain of Information Technology (IT) retail stores, leasing and trading of Information and Communication Technology (ICT) hardware and software solutions. However, as the above search criteria yielded only one (1) result, we have expanded our search to the South East Asia (“**Comparable Companies**”).

We wish to highlight that the Comparable Companies are not directly comparable with the MPS due to, among others, composition and geographical coverage of business activities, scale of operations, reputation, profit track record, financial strength, risk profile, asset base and future prospects.

The principal activities and the relevant multiples of the Comparable Companies are as follows:

Comparable Companies	Principal activity	EV/EBITDA [1] (times)
Challenger Technologies Limited (“ Challenger ”)	Challenger operates a chain of IT retail stores under the Challenger brand name in Singapore. In addition, it engages in the online sale of computer hardware, software and accessories, as well as mobile phones and accessories	2.57
Com7 Public Company Limited (“ Com7 ”)	Com7 and its subsidiaries selling IT products, mobiles and accessories in Thailand; develops computer software; provide repair and other services as well as training services; and offers ICT infrastructure solutions. In addition, the Company engages in distribution activities. The Company offers products through the retail outlet.	22.79
Copperwired Public Company Limited (“ Copperwired ”)	Copperwired retails, distributes, and repairs computers, mobile phones, and accessories in Thailand. The Company offers audio equipment, health and fitness devices, smart electrical appliances for homes and offices, smartphones and tablets, smartwatches, and various accessories.	3.71
FPT Digital Retail Joint Stock Company (“ FPT ”)	FPT operates a retail chain specialised in mobile digital products in Vietnam. The Company retails mobile phones, tablets, laptops, and accessories, as well as technology services through FPT Shop stores	12.28
IT City Public Company Limited (“ IT CITY ”)	IT CITY engages in the retail of computers, tablets, peripherals, smartphones, and other related IT products.	5.23
Mobile World Investment Corporation (“ MWIP ”)	MWIP and its subsidiaries provides trading, repairing, and maintenance services for phones, information technology equipment and accessories, cameras, digital equipment, electronic equipment, household appliances, and related accessories in Vietnam.	6.28
Polaris Ltd (“ Polaris ”)	Polaris is an investment holding company, engages in the distribution and retail of smart mobile devices and lifestyle products in Singapore, Hong Kong, Indonesia,	73.14

	the United States, Korea, the Philippines, and internationally.	
PT Electronic City Indonesia Tbk ("PTECI")	PTECI engages in the trade of electronic goods in Indonesia. The Company offers products in the categories of audio and video, home appliances, IT and mobile phones, and camera and office equipment.	12.06
PT Tiphone Mobile Indonesia Tbk ("PTTMI")	PTTMI trades telecommunication devices in Indonesia. It offers mobile phones and spare parts, accessories, prepaid and postpaid cards, and recharge vouchers, as well as hardware and software repair services through its Telesindo Shop and Samsung Experiential Shop stores.	4.46
S P V I Public Company Limited ("SPVIP")	SPVIP engages in the distribution of computers, mobile phones, and related accessories and services in Thailand.	4.93
	AVERAGE	14.75
	MEDIAN	5.76

(Source: S&P Capital IQ)

Note:

NM – Not meaningful

1. *EV/EBITDA for Comparable Companies is computed based on the enterprise value as at the Date of Opinion and the reported last twelve months EBITDA as extracted from S&P Capital IQ.*
2. *No further adjustment was made to the above extracted multiples on the assumption that the discount for lack of marketability is offset by the premium on acquiring the control the Company.*

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OVERVIEW OF COMPARABLE COMPANIES

Comparable Companies	Challenger	Com7	Copperwired	FPT	IT CITY	MWIP	Polaris	PTECI	PTTMI	SPVIP
Revenue (RM'000)	837	4,689	419	2,676	880	19,814	NM	472	3,623	456
Gross profit margin (%)	22.9	12.7	14.8	13.9	15.3	22.1	NM	16.8	(25.1)	11.9
Operating profit margin (%)	8.6	4.0	1.6	0.1	(0.6)	3.6	NM	(1.3)	(52.1)	2.0
Net profit margin (%)	8.6	4.0	1.6	0.2	(0.6)	3.6	NM	(1.3)	(52.1)	2.0
Basic earnings per share (sen)	0.21	0.16	0.01	0.05	(0.01)	1.05	NM	-	(0.26)	0.02
EBITDA (RM'000)	59	244	14	14	6	1,353	NM	2	(2,124)	15
EBITDA/Sales (%)	7.0	5.2	3.3	0.5	0.7	6.8	NM	0.4	(58.6)	3.3
Gearing (D-E ratio)	0.50	1.38	0.76	3.39	3.0	1.97	NM	0.38	(2.0)	1.09

(Source: Latest annual reports of the Comparable Companies available as at the Date of Opinion)

In the evaluation of the fair market value of the entire equity interest in the Company, and based on the RVA as well as the EBITDA of the Company, the followings were noted:

Computation based on EV/EBITDA	RM
EBITDA ^[1]	1,437,573
Median EV/EBITDA of Comparable Companies	5.76
EV of the Company	8,280,420
Add: Cash and cash equivalent	1,872,098
Less: Debt and bank borrowings	(20,334,723)
Equity Value of the Company	(10,182,205)
Non-trade adjustments:-	
Investment property	5,671,310
Building under construction	1,530,000
Deposit for purchase of a factory	9,062,000
Amount due from companies in which certain directors have an interest	8,110
Staff advance	691,624
Amount due to directors	(711,759)
Amount due to companies in which certain directors have interest	(2,040,895)
Adjusted Equity Value of the Company	4,028,185

Note:

1. EBITDA is based on Section 3.0 Financial Review – Statement of Comprehensive Income.

Premised on the above, we have appraised the fair value of the entire equity interest of the Company at approximately **RM4.03 million**.

6.0 CONCLUSION

It should be recognised that the valuation of any entity is always subject to a great deal of uncertainty and involves a high degree of subjectivity and element of judgement. Because of the susceptibility of valuations to inputs of the model applied, valuations can change quite quickly in response to market changes or changes in the surrounding circumstances, including the market outlook (whether in general or relating to the industry itself).

In establishing our opinion on the fair market value of the Company, we have considered various valuation methodologies, which are commonly used for valuation, taking into consideration the Company's future earnings generating capabilities, projected future cash flows and its sustainability as well as various business considerations and risk factors affecting its business.

The valuation methodology considered and selected to evaluate the fair value of MPS is the Market Approach's RVA methodology.

Premise on the above, we have appraised that the fair value of MPS at RM4.03 million based on the Market Approach's RVA methodology's EV/EBITDA multiple.

APPENDIX

(1) List of branches

No		Location	Address
1	Kuala Lumpur	Endah Parade	Lot 6-002, Endah Parade, No. 1, Jalan 1/149E, Seri Petaling, 57000 Kuala Lumpur
2		Plaza Low Yat	Lot 1-052, 1 st Floor Plaza Low Yat, Jalan Bintang 55100 Kuala Lumpur
3		Mutiara	Lot 568 1-1A, Mutiara Kompleks Batu 31/2, Jalan Ipoh 51200 Kuala Lumpur
4		Kepong	Tangtze Mobile Level 2, Lot H2/4, No. 2, Jalan Metro Perdana, Taman Usahawan Kepong, 52100 Kuala Lumpur
5	Selangor	Sunway Pyramid	F1.Rink, First Floor, Red Zone 3, Jalan PJS 11/15, Bandar Sunway, 46510 Subang Jaya, Selangor
6		Setia Alam	13-G, Jalan Setia Gemilang Bg, Bandar Setia Alam 40170 Shah Alam, Selangor
7		Tesco Setia Alam	U2 Tesco Setia Alam, No. 2, Jalan Setia, Prima U13/S, Bandar Setia Alam, U13, 40170 Shah Alam, Selangor
8		Batang Kali	BA-04 (Econsave Hypermarket, Lot PT6744, 44300 Batang Kali, Selangor
9			BA-19 (Econsave Hypermarket, Lot PT6744, 44300 Batang Kali, Selangor
10		Plaza Alam	C5 LA, Level 3 Plaza Alam Sentral, Jalan Majlis, Seksyen 14, 40000 Shah Alam, Selangor
11			C9 Lot 3-16, Tingkat 3 Plaza Alam Sentral, 40000 Shah Alam, Selangor
12		Seri Kembangan	VTE Lot G02, Aeon Taman Equine Shopping Centre 43000 Seri Kembangan, Selangor
13			AMG Lot G51, Aeon Taman Equine Shopping Centre 43000 Seri Kembangan, Selangor
14		Bukit Tinggi	AG2 Lot 2A, Lot A16, Giant Hypermarket Bukit Tinggi Persiaran Batu Nilam, 41200 Klang, Selangor
15		Aeon Shah Alam	U1 S29, Aeon Shah Alam Shopping Centre Jalan Akuatik 13/64 S/13, 40100 Shah Alam, Selangor
16		G Tech Gadgets Enterprise	G-105, Jalan Prima SG 3/2, Prima Sri Gombak 68100 Batu Caves, Selangor
17	Johor Bahru	Segamat	No. 303D, Jalan Quek Kai Kee, Off Jalan Sie Her Yam, Kampung Abdullah, 85000 Johor
18		Batu Pahat	51, Jalan Kundang 2, Taman Bukit Pasir 83000 Batu Pahat, Johor
19		Muar	44, Jalan Sisi, 84000 Muar, Johor
20			44A, Jalan Sisi, 84000 Muar, Johor
21	Malacca	Melaka	No. 2, 2.1-2.2, Jalan Lagenda 1, Taman Lagenda, 75300 Melaka
22		Mahkota Parade – Huawei Hes	Lot G36, Mahkota Parade

23		Mahkota Parade – Huawei / Honor	Lot G79, Mahkota Parade
24	Perak	Ipoh	Lot 1&2, Mezzanine Floor, Jalan Laxamana, Komplek Yik Foong, 30300 Ipoh, Perak
25			No. 8, Jalan Chong Ah Peng 35900 Tanjung Malim, Perak
26			No. 58, Jalan Chong Ah Peng, 35900 Tanjung Malim, Perak
27	Negeri Sembilan	Seremban	19, Jalan Perhentian Bas Baru, 72100 Bahau, Negeri Sembilan

(2) List of License and Certificate

No	Authority	Description	Terminate date
1	Dewan Bandaraya Kuala Lumpur (DBKL)	Business License	25 August 2022

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Annexure B to the Notice of Annual General Meeting

TABLE OF CONTENTS

No	Contents	Page No
	Letter for management	2
1	Background information	3 - 5
2	Limitation of review	6 - 7
3	Financial review	8 - 10
4	Basis of Approach to Equity Valuation	11
5	Comparable Approach Valuation	12 - 15
6	Conclusion	15
	Appendix	16

Date: 23 September 2021

The Board of Directors
One Mobile Care Sdn. Bhd. ("OMC")
6.002, Endah Parade,
Jalan 1/149E,
57000 Sri Petaling, W.P. Kuala Lumpur.

Dear Sir,

**RE: FAIR VALUE OF THE ENTIRE EQUITY INTEREST IN ONE MOBILE CARE SDN. BHD.
("OMC" OR "COMPANY") ("VALUATION")**

This letter ("**Letter**") is prepared solely for the evaluation of the fair value of the entire equity interest in the Company for the management of One Mobile Care Sdn. Bhd. ("**Management**") use/reference ONLY.

In accordance with the terms of engagement, CWC & ENG PLT ("**CWC & ENG**") has been appointed as the Independent Valuer to perform the valuation ("**Engagement**").

The purpose of this Letter is to set out the evaluation and is subject to the limitations of our role and evaluation as explained herein. Other than for this intended purpose, this Letter should not be used for any other purpose and/or by any other persons and/or reproduced, wholly or partially, without our express written consent. We shall not be liable for any damage or loss sustained or suffered by any parties as a result of any unauthorised circulation, publication, reproduction or use of this Letter or any part hereof.

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1.0 BACKGROUND INFORMATION

OMC is a private limited company incorporated in Malaysia on 29 December 2011. The Company is principally involved in trading of hand phone accessories, repairing mobile services, technical services and other related activities.

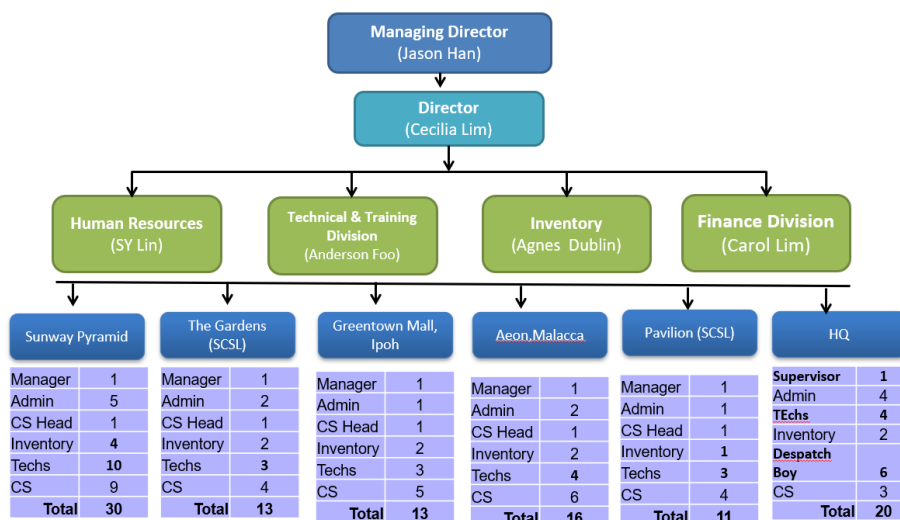
1.1 SHAREHOLDER STRUCTURE

Shareholder	Number of shares	Percentage (%)
Lim Shwu Xian	605,000	55
Jason Han Sen Kwang	495,000	45

(Source: Latest annual return)

The directors, Lim Shwu Xian and Jason Han Sen Kwang, are the company shareholders as well, holding 605,000 and 495,000 ordinary shares, respectively.

1.2 ORGANISATION STRUCTURE



Total Staff Strength: 108

(Source: Management organisation chart)

Director, Lim Shwu Xian and Jason Han Sen Keong, is taking various position including conducting business planning, marketing activities, sales activities and day-to-day operations.

1.3 GOALS, BUSINESS MODEL AND PRODUCT OVERVIEW

GOALS

Mission	To provide valuable bridge between principals and customers through efficiency, demand generation, and access to market and customers.
Vision	To be 'After Sale Service Partner of Choice' for fast moving consumer electronic and mobile products in Malaysia.
Objective	To be committed to provide utmost service quality and continuous improvements, in order to maximise customer satisfaction and improve service experience to next level. To collaborate with Principal Service team to improve and attain on the overall KPI target. To gain customers confidence towards Company's products and services. To support retailer/dealer/B2B with the repairing services on the same day collection and return.

(Source: Management business plan and proposal)

BUSINESS MODEL

PRODUCTS OVERVIEW

The Company is an authorised service center for brand owners to provide warranty support including extended warranties and walk in customer without warranties for parts replacement or repairs. The Company is being appointed as key service center for Samsung Malaysia.

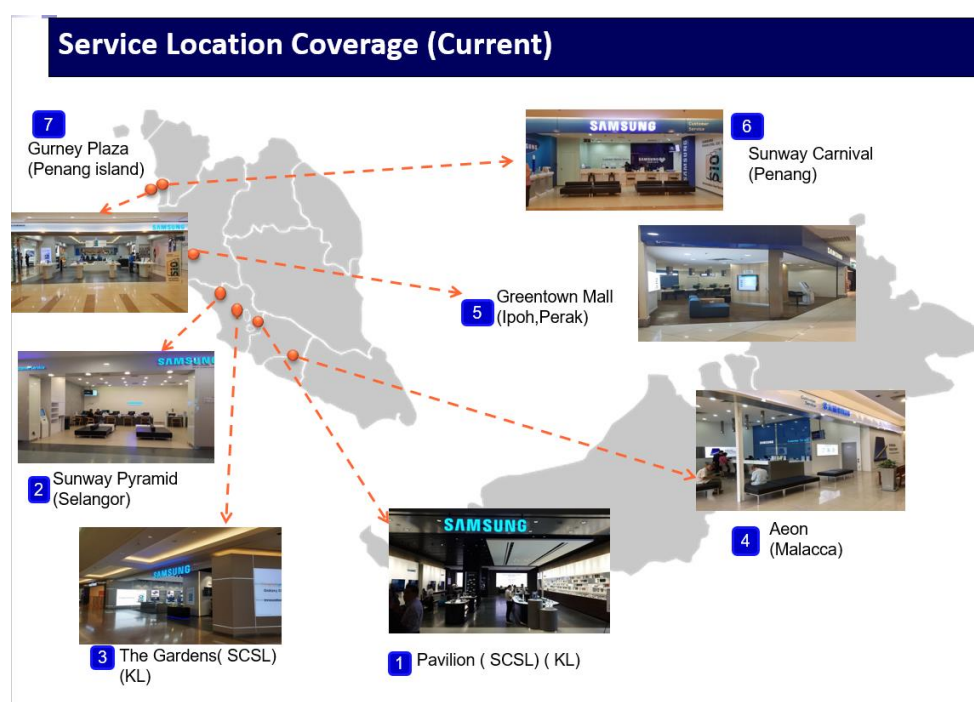


1. Door to door pickup and send back repair unit for dealers in the Klang Valley area.
2. There are 6 dispatchers to cover Klang Valley area, included place/town not too far from the service center for example, Banting, Rawang, Gombak, Batang Kali and Sungai Buloh.
3. Courier services by GDEX, J&T and Pos Laju to cover rural area within 2 to 3 days.

1.4 DISTRIBUTION CHANNEL AND NETWORK

The Company is looking to establish direct to consumer marketing (D to C) as main distribution channel and network. The business is operated through door-to-door pick up and send back the repaired unit to the dealers within Klang Valley area for products under warranty. In addition, the Company also provides services to walk-in customers.

Currently, OMC has 7 fully operational branch service located within Malaysia as per **Appendix 1**. Despite the Covid-19 pandemic, the Company managed to achieve 7.2% sales growth for the 6-month financial period ended 30 June (“FPE”) 2021 as compared to pro-rated 6-month revenue for the financial year ended 31 December (“FYE”) 2020.



1.5 LICENSE AND CERTIFICATION

The Company possess general business license for Dewan Bandaraya Kuala Lumpur. (**Appendix 2**).

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2.0 LIMITATION OF REVIEW

Our scope as Independent Adviser shall be limited to expressing an independent opinion on the Valuation exercise. It shall be hereby agreed that notwithstanding that we may make reasonable enquiries in the course of the assignment, we shall not be held responsible in any manner under the Engagement to independently verify the accuracy, validity or completeness of any such information, documents and representations. Accordingly, we shall not be under any responsibility or liability whatsoever to any party for any inaccuracies, misstatements of facts or omission therein.

In performing our evaluation, we have relied on, inter-alia, the relevant information contained within the following documents:

- (i) Audited financial statements of OMC for the FYE 2020;
- (ii) Management accounts of OMC for the FPE 2021;
- (iii) Other relevant information and statutory documents furnished to us by the Management;
- (iv) Other relevant written/unwritten information or representation by the Management; and
- (v) Other publicly available information which we deemed relevant.

We have assumed that such information has been prepared in good faith and reflects the best judgement of the Company as at the date thereof and they are unaware of any facts that would make the financial and other information provided incomplete, false, misleading or inaccurate. Unless otherwise expressly stated herein, we have not independently verified any of the information and documents for accuracy, validity and/or completeness and express no opinion on any such documents, financials and/or other information nor have we undertaken an independent investigation into the Business. No representation or warranty, express or implied, is made by us with respect to, and no reliance should be placed on, the accuracy, or completeness of the information set out in this Letter.

The date of our opinion is 31 December 2020 (“**Date of Opinion**”).

In preparation of our evaluation, we have relied on the reasonableness, accuracy and completeness of the information/documents, both written and oral, provided by the Management. The Directors of the Company are responsible for the completeness and accuracy of the information and documents provided to us; that all material facts, financial and other information essential to our evaluation have been disclosed to us and they, individually and collectively, are responsible for the accuracy of such information contained within this Letter and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts and/or omission of which would make any statement herein false or misleading, or that any information contained herein or in any such documents will remain unaltered and there are no subsequent item or event that have significantly affected the assumptions, basis or method used in the documents/information that have been relied upon by us as at the date of this Letter.

The preparation of this Letter is based upon market, economy, industry and other conditions prevailing as at the Date of Opinion, as well as publicly available information and information provided to us by the Company. Such conditions may change significantly over a relatively short period of time. No representation or warranty, whether expressed or implied, is given that the information and documents provided will remain unaltered subsequent to the issuance of this Letter.

As such, in no event shall we, our partners, principals, directors, shareholders, agents or employees are liable for any misrepresentations by the management of the Company and we assume no responsibility to update and revise our Letter in light of any subsequent development after the date of this Letter that may affect our evaluation contained herein.

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3.0 FINANCIAL REVIEW

Statement of Comprehensive Income

	Actual	
	FYE 2020	FPE 2021
	Audited	Management
	RM	Accounts
	RM	RM
Revenue	25,013,066	13,478,448
Cost of sales	(20,367,212)	(10,029,304)
Gross profit	4,645,854	3,449,144
Other income	2,044,612	-
Marketing expenses	(12,581)	-
Operating and administrative expenses	(5,268,698)	(2,548,211)
Profit from operating activities	1,409,187	900,933
Finance cost	(424,299)	(49,713)
Profit before tax	984,888	851,220
Taxation	(206,580)	(99,000)
Profit after tax	778,308	752,220
Add/(Less):		
Taxation	206,580	
Depreciation	131,431	
Finance cost ^[1]	424,299	
Interest income	(294,126)	
Wages subsidy received	(431,400)	
EBITDA ^[2]	815,092	
Gross profit margin %	18.57%	
EBITDA/Sales %	3.26%	

Note:

1. *Adjustment of finance cost is for finance lease payables, bank overdraft interest and term loan interest for loan related to freehold shoplots and building under construction, .*

	RM
Finance lease interest	7,361
Multi trade line charges	123,420
Term loan interest	<u>293,518</u>
	<u><u>424,299</u></u>

2. *Adjustment of operating and administrative expenses and other income are for depreciation, finance cost, and one-off transaction.*

	RM
Taxation	206,580
Depreciation	131,431
Finance cost	424,299
Interest income	(294,126)
Wages subsidy received	<u>(431,400)</u>
	<u><u>36,784</u></u>

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Statement of Financial Position

	Actual 31.12.2020 Audited RM
ASSETS	
NON-CURRENT ASSETS	
Property, plant and equipment	297,122
Deferred tax assets	2,731
	<u>299,853</u>
CURRENT ASSETS	
Inventories	2,731,122
Trade receivables	2,200,211
Other receivables and deposits	5,936,671
Amount due from a director	95,297
Cash and bank balances	513,948
	<u>11,477,249</u>
	<u>11,777,102</u>
EQUITY AND LIABILITIES	
CAPITAL AND RESERVES	
Share capital	1,100,000
Retained earnings	4,120,697
	<u>5,220,697</u>
NON-CURRENT LIABILITY	
Finance lease payable	109,415
Term loan (secured)	2,079,360
	<u>2,188,775</u>
CURRENT LIABILITIES	
Trade payables	1,187,177
Other payables and accruals	103,109
Bank borrowings	2,395,000
Finance lease payables	33,951
Term loan (secured)	573,420
Tax payables	74,973
	<u>4,367,630</u>
TOTAL LIABILITIES	<u>6,556,405</u>
TOTAL EQUITY AND LIABILITIES	<u>11,777,102</u>

4.0 BASIS OF APPROACH TO EQUITY VALUATION

In our evaluation of the fair value of the 100% equity interest in the Company, we have conducted necessary evaluation and considered the appropriate valuation techniques to ascertain the fair value of the Company. Accordingly, we have adopted the Market Approach's Relative Valuation Analysis ("**RVA**") as the valuation methodology for this Valuation exercise.

RVA seeks to compare a company's implied trading multiple to that of Comparable Companies to determine the firm's financial worth.

The multiples selected for the RVA is the Enterprise Value ("**EV**") to Earnings before interest, tax, depreciation and amortisation ("**EBITDA**") ("**EV/EBITDA**") multiple.

EV/EBITDA multiple is used to determine the value of the Company by dividing EV by EBITDA. It takes into account Comparable Companies' debt and cash levels, stock price and relates that value to cash profitability.

We have also considered the Price to Earnings multiple and have concluded that this valuation multiple is also not suitable for the purpose of arriving at the market value of the entire equity interest of the Company as when comparing business in the same industry that have vastly difference capital structure, EV/EBITDA would be preferable. We also note that the Company has significant amount of balances which are non-trade related as at the Date of Opinion.

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5.0 COMPARABLE APPROACH TO VALUATION

For the purposes of the valuation methodologies used, reference was made to the valuation of listed companies in the Malaysia primarily involved in the operation of a chain of Information Technology (IT) retail stores, leasing and trading of Information and Communication Technology (ICT) hardware and software solutions. However, as the above search criteria yielded only one (1) result, we have expanded our search to the South East Asia (**“Comparable Companies”**).

We wish to highlight that the Comparable Companies are not directly comparable with OMC due to, among others, composition and geographical coverage of business activities, scale of operations, reputation, profit track record, financial strength, risk profile, asset base and future prospects.

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Challenger Technologies Limited (“Challenger”)	Challenger operates a chain of IT retail stores under the Challenger brand name in Singapore. In addition, it engages in the online sale of computer hardware, software and accessories, as well as mobile phones and accessories	2.77
Edaran Berhad (“Edaran”)	Edaran is an investment holding company, engages in the installation, commissioning, integration, and maintenance of information technology products and related services in Malaysia and Brunei. It also involved in the installation, commissioning, and maintenance of power supply equipment for telecommunication systems, and integration and maintenance of telecommunication equipment and related services and special interest and projects.	15.74
Com7 Public Company Limited (“Com7”)	Com7 and its subsidiaries selling IT products, mobiles and accessories in Thailand; develops computer software; provide repair and other services as well as training services; and offers ICT infrastructure solutions. In addition, the Company engages in distribution activities. The Company offers products through the retail outlet.	21.00
Copperwired Public Company Limited (“Copperwired”)	Copperwired retails, distributes, and repairs computers, mobile phones, and accessories in Thailand. The Company offers audio equipment, health and fitness devices, smart electrical appliances for homes and offices, smartphones and tablets, smartwatches, and various accessories.	5.20
FPT Digital Retail Joint Stock Company (“FPT”)	FPT operates a retail chain specialised in mobile digital products in Vietnam. The Company retails mobile phones, tablets, laptops, and accessories, as well as technology services through FPT Shop stores.	14.16

IT City Public Company Limited (“ IT CITY ”)	IT CITY engages in the retail of computers, tablets, peripherals, smartphones, and other related IT products.	4.83
Mobile World Investment Corporation (“ MWIP ”)	MWIP and its subsidiaries provides trading, repairing, and maintenance services for phones, information technology equipment and accessories, cameras, digital equipment, electronic equipment, household appliances, and related accessories in Vietnam.	7.50
Polaris Ltd (“ Polaris ”)	Polaris is and investment holding company, engages in the distribution and retail of smart mobile devices and lifestyle products in Singapore, Hong Kong, Indonesia, the United States, Korea, the Philippines, and internationally.	91.52
PT Electronic City Indonesia Tbk (“ PTECI ”)	PTECI engages in the trade of electronic goods in Indonesia. The Company offers products in the categories of audio and video, home appliances, IT and mobile phones, and camera and office equipment.	6.19
PT Tiphone Mobile Indonesia Tbk (“ PTTMI ”)	PTTMI trades telecommunication devices in Indonesia. It offers mobile phones and spare parts, accessories, prepaid and postpaid cards, and recharge vouchers, as well as hardware and software repair services through its Telesindo Shop and Samsung Experiential Shop stores.	4.46
S P V I Public Company Limited (“ SPVIP ”)	SPVIP engages in the distribution of computers, mobile phones, and related accessories and services in Thailand.	8.25
	AVERAGE	16.51
	MEDIAN	7.50

(Source: S&P Capital IQ)

Note:

NM – Not meaningful

1. EV/EBITDA for Comparable Companies is computed based on the enterprise value as at the Date of Opinion and the reported last twelve months EBITDA as extracted from S&P Capital IQ.
2. No further adjustment was made to the above extracted multiples on the assumption that the discount for lack of marketability is offset by the premium on acquiring the control the Company.

OVERVIEW OF COMPARABLE COMPANIES

Comparable Companies	Challenger	Embun	Com7	Copper wired	FPT	IT CITY	MWIP	Polaris	PTECI	PTTMI	SPVIP
Revenue (RM'000)	837	48	4,689	419	2,676	880	19,814	NM	472	3,623	456
Gross profit margin (%)	22.9	52.48	12.7	14.8	13.9	15.3	22.1	NM	16.8	(25.1)	11.9
Operating profit margin (%)	8.6	10.82	4.0	1.6	0.1	(0.6)	3.6	NM	(1.3)	(52.1)	2.0
Net profit margin (%)	8.6	10.91	4.0	1.6	0.2	(0.6)	3.6	NM	(1.3)	(52.1)	2.0
Basic earnings per share (sen)	0.21	0.09	0.16	0.01	0.05	(0.01)	1.05	NM	-	(0.26)	0.02
EBITDA (RM'000)	59	9	244	14	14	6	1,353	NM	2	(2,124)	15
EBITDA/Sales (%)	7.0	18.75	5.2	3.3	0.5	0.7	6.8	NM	0.4	(58.6)	3.3
Gearing (D-E ratio)	0.50	1.15	1.38	0.76	3.39	3.0	1.97	NM	0.38	(2.0)	1.09

(Source: Latest annual reports of the Comparable Companies available as at the Date of Opinion)

In the evaluation of the fair market value of the entire equity interest in the Company, and based on the RVA as well as the EBITDA of the Company, the followings were noted:

Computation based on EV/EBITDA	RM
EBITDA ^[1]	815,092
Median EV/EBITDA of Comparable Companies	7.5
EV of the Company	6,113,190
Add: Cash and cash equivalent	513,948
Less: Debt and bank borrowings	(5,191,146)
Equity Value of the Company	1,435,992
Non-trade adjustments:-	
Amount due from a director	95,297
Amount due from person connected to director	109,062
Amount due from companies in which certain directors have interest	5,151,103
Staff advance	10,131
Amount due to companies in which certain directors have interest	(20,076)
Adjusted Equity Value of the Company	6,781,509

Note:

1. EBITDA is based on Section 3.0 Financial Review – Statement of Comprehensive Income.

Premised on the above, we have appraised the fair value of the entire equity interest of the Company at approximately **RM6.78 million**.

6.0 CONCLUSION

It should be recognised that the valuation of any entity is always subject to a great deal of uncertainty and involves a high degree of subjectivity and element of judgement. Because of the susceptibility of valuations to inputs of the model applied, valuations can change quite quickly in response to market changes or changes in the surrounding circumstances, including the market outlook (whether in general or relating to the industry itself).

In establishing our opinion on the fair market value of the Company, we have considered various valuation methodologies, which are commonly used for valuation, taking into consideration the Company's future earnings generating capabilities, projected future cash flows and its sustainability as well as various business considerations and risk factors affecting its business.

The valuation methodology considered and selected to evaluate the fair value of OMC is the Market Approach's RVA methodology.

Premise on the above, we have appraised that the fair value of OMC at RM6.78 million based on the Market Approach's RVA methodology's EV/EBITDA multiple.

APPENDIX

(1) List of Branches

No	Branches	Location
1	Sunway Pyramid Shopping Mall	Lot F1.27, Sunway Pyramid Shopping Mall, No. 3, Jalan PJS 11/15, Bandar Sunway, 46150 Petaling Jaya, Selangor Tel: 03-56127666
2	The Garden Mall	Lot T-242A, T-242B & 243, 3rd Floor, The Gardens Mall,, Midvalley City, Lingkaran Syed Putra, 59200 Wilayah Persekutuan, Wilayah Persekutuan Kuala Lumpur Tel: 03-22012323
3	Pavilion Kuala Lumpur	Lot 1.19.00 Level 1, Pavilion Kuala Lumpur, 168, Jln Bukit Bintang, 55100 Kuala Lumpur. Tel : 03-21102708
4	Aeon Bandaraya Melaka	Lot No. S05, Second Floor, AEON Bandaraya Melaka Shopping Centre, Centre, No. 2, Jalan Lagenda, Taman I-Lagenda, 75400 Melaka. Tel : 06-2841000
5	Angsana Ipoh Mall	Lot G6, Tingkat Bawah, Jalan Hospital, Angsana Ipoh Mall, 30450 Ipoh, Perak. Tel : 05-2424648 / 016-6617279
6	Sunway Carnival Mall, Penang	LG-15, Sunway Carnival Mall, 3068, Jalan Todak, Pusat Bandar Seberang Jaya, 13700 Seberang Perai, Pulau Penang. Tel : 04-6889067
7	Gurney Plaza, Penang	3rd Floor, Gurney Plaza, Lot No.170-03-29, 30, 31, 32 & 33, Persiaran Gurney, 10250 George Town. 04-3704560

(2) List of License and Certificate

No	Authority	Description	Terminate date
1	Majlis Bandaraya Subang Jaya	Business License	Valid

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CCH
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **4:00pm (GMT +8) on Tuesday, 30 November 2021.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Lodge your Proxy Form:

XX

By Mail:

UNIT SO-07-06,
THE STRATA OFFICES,
MENARA 1, KL ECO CITY, NO.3 JALAN
BANGSAR, 59200 KUALA LUMPUR,
WILAYAH PERSEKUTUAN, MALAYSIA.

Email:

nsxcch@gmail.com



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Circle International Holdings Limited hereby appoint



the Chairman
of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Circle International Holdings Limited to be held at Pacific Regency Hotel Suites, KH Tower, Jalan Punchak Off, Jalan P. Ramlee, 50250, Kuala Lumpur, Malaysia on Thursday, 2 December 2021 at 4:00pm (GMT +8) and at any adjournment or postponement of that meeting.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1.1 Issue of 267,469,071 Ordinary Shares to MPS Telecommunication SDN. BHD. Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.2 Issue of 450,288,135 Shares to One Mobile Care SDN. BHD. Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.3 Change to nature and scale of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.1 Re-election of Director - Yap Chee Lim	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.2 Election of Director - Casey Chong Kai Chin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.3 Election of Director - Claudia Chong Kur Sen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.4 Election of Director - Wong Chen Yu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.5 Election of Director - Jerome Bateman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.6 Election of Director - Hee Chee Keong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

CCH

999999A



Computershare

