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

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APPASIA BERHAD

[REGISTRATION NO. 200401005180 (643683-U)]

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- PART A - PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE”)**

- PART B - PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES (“PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY”)**

The resolutions in respect of the above proposals will be tabled as Special Business at the Nineteenth Annual General Meeting (“**19th AGM**”) of AppAsia Berhad (“**AppAsia**” or “**the Company**”) to be held at Concorde V, Lobby Level, Concorde Hotel Kuala Lumpur, No. 2, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on Friday, 9 June 2023, at 10.30 a.m. or at any adjournment thereof. The resolutions pertaining to the above proposals are set out in the Notice of the 19th AGM which is attached in the Annual Report 2022 and is also available to be downloaded from the Company’s website at www.appasia.com.

A member of the Company is entitled to attend, participate and vote at the 19th AGM is entitled to appoint a proxy or proxies to attend, participate and vote on his/her behalf. In such event, the completed and signed Proxy Form should be lodged with the share registrar of the Company, GAP Advisory Sdn. Bhd. at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the 19th AGM or any adjournment thereof. Alternatively, individual shareholder(s) may submit the Proxy Form electronically at ir.shareregistry@gapadvisory.my, not less than forty-eight (48) hours before the time for holding the 19th AGM or any adjournment thereof. The lodging of the Proxy Form shall not preclude you from attending, participating and voting remotely in person at the 19th AGM should you subsequently wish to do so, but if you do, your proxy or proxies shall be precluded from attending the 19th AGM.

Last day and time for lodging the Proxy Form : Wednesday, 7 June 2023 at 10.30 a.m.

Date and time of 19th AGM : Friday, 9 June 2023 at 10.30 a.m. or at any adjournment thereof.

This Circular is dated 28 April 2023

DEFINITIONS

For the purposes of this Circular, except where the context otherwise requires, the following definitions shall apply:

“Act”	:	The Companies Act 2016 as amended from time to time, and includes every statutory modification or any re-enactment thereof
“AGM”	:	Annual General Meeting
“Audit Committee”	:	Audit Committee of AppAsia
“AppAsia”	:	AppAsia Berhad
“AppAsia Group”	:	AppAsia and its subsidiaries
“AppAsia Shares”	:	Ordinary Shares of AppAsia
“Board”	:	Board of Directors of AppAsia
“Bursa Securities”	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
“CDS”	:	Central Depository System
“Circular”	:	Circular to Shareholders in relation to the Proposed Renewal Shareholders Mandate and Proposed Renewal of Share Buy-Back Authority
“Code”	:	The Malaysian Code on Take-Overs and Mergers 2016, including any amendments thereto
“Director”	:	Shall have the meaning given in Section 2(1) of the the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of AppAsia Group
“EPS”	:	Earnings per Share
“LPD”	:	3 April 2023, being the latest practicable date prior to the printing of this Circular and the cut-off date for the information disclosed in this Circular unless otherwise indicated
“Listing Requirements”	:	ACE Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time
“Major Shareholder(s)”	:	Means a person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is: (a) 10% or more of the total number of voting shares in the Company; or

DEFINITIONS

- (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholders of the Company.

For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act. A major shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of AppAsia Group

- “Market Day” : Any day when Bursa Securities is open for trading of securities
- “NA” : Net assets attributable to ordinary equity holders of AppAsia
- “Person Connected” : Pursuant to Rule 1.01 of the Listing Requirements, a person connected in relation to a Director or Major Shareholder is a person who falls under any one of the following categories:
 - (a) a family member of the Director or Major Shareholder which shall include the spouse, parent, child (including adopted child and stepchild), brother, sister, and the spouse of the child (including adopted child and stepchild), brother or sister;
 - (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director, Major Shareholder or a family member of the Director or Major Shareholder, is the sole beneficiary;
 - (c) a partner of the Director, Major Shareholder or a partner of a person connected with that Director or Major Shareholder;
 - (d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
 - (e) a person in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
 - (f) a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
 - (g) a body corporate or its directors whose directions, instructions or wishes the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act;
 - (h) a body corporate in which the Director, Major Shareholder or persons connected with him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
 - (i) a body corporate which is a related corporation.

DEFINITIONS

“Proposed Renewal of Shareholders’ Mandate”	:	Proposed Renewal of Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out in Part A
“Proposed Renewal of Share Buy-Back Authority”	:	Proposed renewal of share buy-back authority for the Company to purchase its own shares as set out in Part B
“Proposals”	:	Collectively, the Proposed Renewal Shareholders Mandate and Proposed Renewal of Share Buy-Back Authority
“Related Party(ies)”	:	A Director(s), Major Shareholder(s) or person(s) connected with such director(s) or major shareholder(s) as defined in Rule 1.01 of the Listing Requirements
“RRPT(s)”	:	A transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a Related Party, which is recurrent, of a revenue or trading nature and which is necessary for day to day operations of the Company or its subsidiaries
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“SC”	:	Securities Commission
“Substantial Shareholder(s)”	:	A person who has interest or interests in one or more voting Shares in the Company and the nominal amount of that Share, or aggregate of the nominal amount of those shares, is not less than 5% of the aggregate of the nominal amount of all the voting Shares in the Company

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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APPASIA BERHAD
[REGISTRATION NO. 200401005180 (643683-U)]

Registered Office:
E-10-4, Megan Avenue 1
189, Jalan Tun Razak
50400 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia

28 April 2023

Board of Directors:

Datuk Seri Rahadian Mahmud Bin Mohammad Khalil	<i>(Independent Non-Executive Chairman)</i>
Toh Hong Chye	<i>(Executive Director)</i>
Wong Ngai Peow	<i>(Executive Director)</i>
Yong Mai Fang	<i>(Executive Director)</i>
Yeong Siew Lee	<i>(Independent Non-Executive Director)</i>
Tiew Chee Ming	<i>(Independent Non-Executive Director)</i>

To: The Shareholders of AppAsia Berhad

Dear Sir/Madam,

PART A – PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE
PART B – PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY
(COLLECTIVELY REFERRED TO AS “THE PROPOSALS”)

1. INTRODUCTION

AppAsia had on 20 March 2023 announced to Bursa Securities that it intends to seek shareholders’ approval for the Proposals at the forthcoming 19th AGM of the Company.

The purpose of this Circular is to provide you with the relevant information of the Proposals and seek your approval for the resolutions thereto which will be tabled at the forthcoming 19th AGM of the Company. The Notice of the 19th AGM together with the Proxy Form are enclosed in the Annual Report which has been issued together with this Circular.

SHAREHOLDERS OF APPASIA ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE 19TH AGM.

PART A – PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE

2. PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE

2.1 DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE

Pursuant to Rule 10.09(2) of the Listing Requirements, AppAsia may seek shareholders’ mandate for related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for day-to-day operations, subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party(ies) than those generally available to the public;
- (b) the shareholders’ mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders’ mandate during the financial year where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with an issued and paid-up capital of RM60.0 million and below:
 - (i) the consideration, value of the assets, capital outlay or costs of the RRPT(s) is RM1.0 million or more; or
 - (ii) the percentage ratio of such RRPT(s) is 1% or more,whichever is the lower.
- (c) the listed issuers’ circular to shareholders for the shareholder mandate includes the information as may be prescribed by Bursa Securities. The circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders’ mandate, the interested directors, interested major shareholders or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such directors or major shareholder, must not vote on the resolution to approve the RRPT(s). An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the RRPT(s); and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT(s) entered into by the listed issuer, exceeds the estimated value of the RRPT(s) disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where a listed issuer has obtained such a mandate, the requirements of Rule 10.08 of the Listing Requirements shall not apply to the recurrent transactions which are comprised in the mandate. This means, during the period of validity of the mandate, the obligation to make immediate disclosure, as well as the obligation to procure shareholders’ approval shall not apply to the recurrent transactions which are comprised in the mandate.

It is anticipated that companies within AppAsia Group would, in the ordinary course of business, enter into RRPTs with the parties stated in Section 2.3 as mentioned below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

Our Company has obtained the approval of the shareholders to enter into RRPTs at the previous AGM of our Company held on 3 June 2022 pursuant to Rule 10.09 of the Listing Requirements.

2.1 DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (CONT'D)

In compliance with Rule 10.09 of the Listing Requirements, our Company now propose to seek the approval of the shareholders for the Proposed Renewal of Shareholders' Mandate to renew the mandate granted on 3 June 2022 which will apply to the RRPTs as set out in Section 2.3 below. Such RRPTs will be subject to the review procedures as set out in Section 2.5 below.

The Proposed Renewal of Shareholders' Mandate, if approved at the forthcoming 19th AGM, will continue to be in force until:

- i) the conclusion of the next AGM of our Company following our forthcoming AGM at which the Proposed Renewal of Shareholders' Mandate is approved, at which time it will lapse, unless by a resolution passed at the meeting, the authority is again renewed;
- ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- iii) revoked or varied by resolutions passed by our shareholders in a general meeting,

whichever is the earlier.

Our Company will disclose the aggregate value of the RRPTs conducted during a financial year in the annual report for the said financial year.

2.2 PRINCIPAL ACTIVITIES OF APPASIA GROUP

The principal activity of AppAsia is investment holding while the principal activities of its subsidiary companies as at the LPD are set out in the table below:

Name of Company	Effective Equity Interest (%)	Principal Activities
Extol Corporation Sdn. Bhd.	100	Sales, research and development of IT security technology, system maintenance, professional IT security services, training and other IT products and solutions.
AppAsia Marketing Sdn. Bhd.	100	E-commerce and video production and act as training provider and advertising agents.
AppAsia Cloud Sdn. Bhd.	100	All kinds of services related to information technology infrastructure, application systems and computer software including system support and maintenance, system integration, project coordination, management, implementation, consultation, training, seminars, exhibition, agency, representation and the business of trading to utilise technologies related to internet, e-commerce, e-business, and blockchain for online investment, marketing, trading and advertising for conducting any business.

2.2 PRINCIPAL ACTIVITIES OF APPASIA GROUP (CONT'D)

Name of Company	Effective Equity Interest (%)	Principal Activities
AppAsia Tech Sdn. Bhd.	100	Information Technology Systems and applications development related business and video production and act as training provider and advertising agents.
AppAsia Mall Sdn. Bhd.	100	E-commerce and to deal on all type of e-commerce in all goods, services, merchandise, vide business to business (B2B), business to customer (B2C) and providing services in portals, internet marketing and electronic publishing.
AppAsia International Sdn. Bhd.	100	Consultants, advisors and to organise, conduct courses, seminars, tradings for any person, firm, corporation, business and industry.
AppAsia Capital Sdn. Bhd.	100	Credit and leasing facilities
AppAsia Stream Sdn. Bhd.	70	Photography, video streaming, videography production and advertisement.

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2.3 CLASSES OF RELATED PARTIES AND NATURE OF RRPT(S)

The nature of the RRPTs with Related Party(ies) of which approval is being sought under the Proposed Renewal of Shareholders' Mandate shall include, but are not limited to those described below:

Mandated Related Transacting Party	AppAsia Group - Transacting Party	Nature of Transaction with AppAsia Group	Estimated aggregate value as disclosed in the Circular to shareholders dated 3 June 2022 (RM'000)	Actual value of transacted from date of the last AGM on 3 June 2022 up to the LPD (RM'000)	Estimated value of transaction from the date of the forthcoming 19th AGM to the date of next AGM* (RM'000)	Nature of relationship
Richmond Virginia Tobacco Sdn. Bhd.	AppAsia Group	Renting of office premises from Richmond Virginia Tobacco Sdn. Bhd.	500	371	500	<p>Toh Hong Chye is the Director and Shareholder of Richmond Virginia Tobacco Sdn. Bhd.. He is also the Executive Director and Substantial Shareholder of AppAsia.</p> <p>Yong Mai Fang is the Director and Shareholder of Richmond Virginia Tobacco Sdn. Bhd.. She is also the Executive Director and Substantial Shareholder of AppAsia and the spouse of Toh Hong Chye.</p>

Notes on Nature of Transaction:

- * The estimated values are calculated based on the historical data and best estimates by the management. Accordingly, the actual value of the transaction may vary from the estimated value disclosed above and subject to changes.

2.3 CLASSES OF RELATED PARTIES AND NATURE OF RRPT(S) (CONT'D)

Description of the Properties:

<i>Notes</i>	<i>Description</i>	<i>Postal Address</i>	<i>Total Areas (Sq. Ft.)</i>	<i>Rental Value (Monthly)</i>	<i>Period of Tenancy</i>	<i>Ownership</i>
<i>(i)</i>	<i>Office Lot</i>	<i>1-40-1, Menara Bangkok Bank, Berjaya Central Park No.105 Jalan Ampang 50450 Kuala Lumpur W.P. Kuala Lumpur Malaysia</i>	<i>2,359</i>	<i>RM21,231.00</i>	<i>1 Jan 2022 – 31 Dec 2023</i>	<i>Richmond Virginia Tobacco Sdn. Bhd.</i>
<i>(ii)</i>	<i>Office Lot</i>	<i>E-1-4 Megan Avenue 1 Jalan Tun Razak 50400 Kuala Lumpur W.P. Kuala Lumpur Malaysia</i>	<i>1,475</i>	<i>RM5,162.50</i>	<i>1 Jan 2022 – 31 Dec 2023</i>	<i>Richmond Virginia Tobacco Sdn. Bhd.</i>
<i>(iii)</i>	<i>Office Lot</i>	<i>C-02-03, iTech Tower Jalan Impact, Cyber 6 63000 Cyberjaya Selangor Darul Ehsan Malaysia</i>	<i>600</i>	<i>RM1,800.00</i>	<i>1 Jan 2022 – 31 Dec 2023</i>	<i>Richmond Virginia Tobacco Sdn. Bhd.</i>
<i>(iv)</i>	<i>Office Lot</i>	<i>1-40-1, Menara Bangkok Bank, Berjaya Central Park No.105 Jalan Ampang 50450 Kuala Lumpur W.P. Kuala Lumpur Malaysia</i>	<i>300</i>	<i>RM2,700.00</i>	<i>1 Jan 2022 – 31 Dec 2023</i>	<i>Richmond Virginia Tobacco Sdn. Bhd.</i>

2.4 AMOUNT DUE AND OWING BY RELATED PARTIES

Pursuant to Rule 16A and 16B of the Guidance Note 8 of the Listing Requirements, there is no sum due or owing to the Group by its Related Party(ies) pursuant to the RRPT(s).

2.5 REVIEW PROCEDURES IN RELATION TO THE RECURRENT RELATED PARTY TRANSACTIONS

AppAsia Group has established various procedures for the RRPT(s) to ensure that the RRPT(s) are conducted at arm's length and on normal commercial terms, which are consistent with the Group's business practices and policies, and on terms that are not more favourable to the Related Party(ies) than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

To monitor the RRPTs, the procedures established by the Group are as follows:

- (i) the Related Party(ies), interested Directors and persons connected will be advised that they are subject to the shareholders' mandate and will also be advised of the review and disclosure procedures;
- (ii) The transaction prices, terms and conditions which are market driven are to be determined at arms' length on a customer/supplier relationship basis at mutually agreed rates after due consideration of benefits to be derived from the transaction, under similar commercial terms for transactions with unrelated third parties, which depend on demand and supply, quality, level of service and other related factors;
- (iii) Some transactions may be on a cost recovery basis, being recovery of part of the costs for sharing or provision of some services or on a negotiated basis where both parties would contract on terms which are mutually acceptable and beneficial;
- (iv) The management of AppAsia Group is cognizant that all RRPT(s) are required to be undertaken on an arm's length basis and on normal commercial terms. Where practicable and feasible, quotation and/or tenders will be obtained from at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Party(ies) are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. Where it is impractical or impossible for quotes and/or tenders to be obtained from unrelated parties, or where there have not been any similar or substantially similar transactions between AppAsia Group and unrelated third parties, the terms of the transactions for the products or services will be in accordance to the usual business practices of the Group to ensure that the RRPT(s) is not detrimental to AppAsia Group;
- (v) Where RRPT(s) is one with a value equal to or in excess of RM1.0 million, it will be reviewed and approved by the Directors of the Company who has no interest in the transaction. Where the RRPT(s) is one with a value below RM1.0 million, it will be reviewed and approved by the Executive Director or the Board;
- (vi) Records will be maintained by the respective companies to capture all RRPT(s) which are entered pursuant to the shareholders' mandate;
- (vii) The annual internal audit plan shall incorporate a review of all RRPT(s) entered into pursuant to the shareholders' mandate to ensure that relevant approvals are obtained and the procedures in respect of such transactions are adhered to;
- (viii) The Board and Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures to monitor RRPT(s) have been complied with; and

2.5 REVIEW PROCEDURES IN RELATION TO THE RECURRENT RELATED PARTY TRANSACTIONS (CONT'D)

- (ix) The Board shall have overall responsibility for the determination of the review procedures. If a member of the Board and Audit Committee has an interest in the transaction to be reviewed by the Board and Audit Committee, as the case may be, he will abstain from any decision making by the Board or Audit Committee in respect of the said transaction.

2.6 DISCLOSURE IN ANNUAL REPORT

The Company's Annual Report for the financial year ended 31 December 2022 has made reference to this Circular for RRPT(s) during the financial year.

2.7 STATEMENT BY AUDIT COMMITTEE

The Audit Committee of the Company, after careful deliberations on the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate is fair, reasonable and is in the best interest of the Company and its shareholders.

The Audit Committee with the overall responsibility of determining whether the procedures for reviewing all RRPT(s) are appropriate. The Audit Committee will review and ascertain at least once a year whether the procedures established to monitor RRPT(s) have been complied with.

The procedures mentioned in Section 2.5 above have been seen and reviewed by the Audit Committee and the Audit Committee is of the view that:

- a) The said procedures are sufficient to ensure that the RRPTs are conducted at arm's length, on normal commercial terms of the Group and on the transaction prices and terms not more favourable to the Related Party(ies) than those generally available to the public and are not to the detrimental of the minority shareholders; and
- b) The Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and such procedures and processes are reviewed on a yearly basis or whenever the need arises thereat.

The Audit Committee will also have the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such requests to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

2.8 RATIONALE FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will enable the AppAsia Group to carry out RRPT(s) necessary for the Group's day-to-day operations, which are time sensitive in nature, and will eliminate the need to announce and convene separate general meetings (if applicable) from time to time to seek shareholders' mandate for such transaction. This will substantially reduce the expenses, time and other resources associated with convening of general meetings on an ad hoc basis, improve administrative efficiency and allow financial and manpower resources to be channeled towards attaining other corporate objectives.

The RRPT(s) carried out within the AppAsia Group creates mutual benefits for the companies in the Group, such as expediency and increased efficiency necessary for day-to-day operations.

2.8 RATIONALE FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (CONT'D)

In addition, the RRPT(s) are intended to meet the business needs of the Group on the best possible terms. By transacting with the Related Party(ies), the Group would have an advantage of familiarity with the background and management of the Related Party(ies), thus enabling more informed commercial decisions to be made. In most dealings with the Related Party(ies), the Group and the Related Party(ies) have close co-operation and a good understanding of each other's business needs thus providing a platform where all parties can benefit from conducting the RRPT(s).

2.9 EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate does not have any effect on the issued share capital of the Company and substantial shareholders' shareholdings in the Company. It is also not expected to have any material effect on the net assets per share, gearing and earnings per share of the Group.

2.10 INTEREST OF DIRECTORS, MAJOR AND/OR SUBSTANTIAL SHAREHOLDERS AND PERSON CONNECTED TO THEM

Save as disclosed below, none of the other Directors and/or Major Shareholders and person connected to them as defined in the Listing Requirements, has any interest, direct or indirect in the Proposed Renewal of Shareholders' Mandate.

The shareholdings of the Interested Director and Major Shareholders as at LPD are as follows:

	Direct		Indirect	
	No. of AppAsia Shares	% ⁽²⁾	No. of AppAsia Shares	% ⁽²⁾
<u>Interested Directors</u>				
Toh Hong Chye	159,888,300	14.83	126,000,000 ⁽¹⁾	11.69
Yong Mai Fang	21,300,000	1.98	126,000,000 ⁽¹⁾	11.69
<u>Interested Major/Substantial Shareholders</u>				
Richmond Virginia Tobacco Sdn. Bhd.	126,000,000	11.69	-	-
Toh Hong Chye	159,888,300	14.83	126,000,000 ⁽¹⁾	11.69
Yong Mai Fang	21,300,000	1.98	126,000,000 ⁽¹⁾	11.69

Notes:

⁽¹⁾ Deemed interest through Richmond Virginia Tobacco Sdn. Bhd. pursuant to Section 8 of the Act.

⁽²⁾ Excluding a total of 50,761,200 ordinary shares bought-back by the Company and retained as treasury shares.

Accordingly, Toh Hong Chye and Yong Mai Fang ("**Interested Directors**") had abstained and will continue to abstain from all deliberations and voting on matters relating to the Proposed Renewal of Shareholders' Mandate at Board meetings and will abstain from voting in respect of their direct and/or indirect shareholdings in AppAsia at the forthcoming 19th AGM on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate.

The Interested Major/Substantial Shareholders, Toh Hong Chye, Yong Mai Fang and Richmond Virginia Tobacco Sdn. Bhd. ("**Interested Major/Substantial Shareholders**") will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution, deliberating or approving the Proposed Renewal of Shareholders' Mandate at the forthcoming 19th AGM.

2.10 INTEREST OF DIRECTORS, MAJOR AND/OR SUBSTANTIAL SHAREHOLDERS AND PERSON CONNECTED TO THEM (CONT'D)

The above Interested Directors and Interest Major Shareholders have undertaken that they shall ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution, deliberating or approving the Proposed Renewal of Shareholders' Mandate at the forthcoming 19th AGM.

Save as disclosed above, none of the other Directors and/or Major Shareholders and/or persons connected with a Director or Major/Substantial Shareholder of AppAsia has any interest, directly or indirectly in the Proposed Renewal of Shareholders' Mandate.

2.11 OPINION AND RECOMMENDATION FROM DIRECTORS

All the Directors who are deemed interested in respect of the RRPT(s) under Section 2.3 of this Circular, have abstained from expressing an opinion and any recommendation to the shareholders in respect thereof. The Board, having considered all aspects of the Proposed Renewal of Shareholders' Mandate is of the opinion that the Proposed Renewal of Shareholders' Mandate (except on the entry of the RRPT(s) under Section 2.3 of this Circular) is in the best interest of the Company and recommend that you vote in favour of the resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the 19th AGM of the Company.

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PART B – PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

3 DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

3.1 PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Board had at its 18th AGM held on 3 June 2022 obtained its shareholders' approval for the renewal of authority to purchase up to ten percent (10%) of the total number of AppAsia Shares issued as quoted on Bursa Securities as at the point of purchase. In accordance with the Listing Requirements governing the purchase of own shares by a listed company, the aforesaid approval will continue to be in force until the conclusion of the 19th AGM of the Company which will be held on 9 June 2023.

The Board proposes to seek approval from shareholders for a renewal of the authority to purchase up to ten percent (10%) of the total number of AppAsia Shares issued as quoted on the Bursa Securities as at the point of purchase. The Proposed Renewal of Share Buy-Back Authority is subject to compliance with Section 127 of the Act and any prevailing laws and regulations issued by the relevant authorities.

The Proposed Renewal of Share Buy-Back Authority, once approved by the shareholders, shall be effective upon the passing of the ordinary resolution pertaining thereto at the forthcoming 19th AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution is passed, at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever occurs first.

3.2 MAXIMUM NUMBER OF PERCENTAGE OF APPASIA SHARES PURCHASED

As at the LPD, the total number of issued shares of AppAsia stood at 1,129,571,360 ordinary shares. Assuming that no further AppAsia Shares are issued and none of the ESOS are exercised. As at LPD, the maximum number of shares that can be purchased pursuant to the Proposed Share Buy-Back Authority is 112,957,136 AppAsia Shares.

3.3 TREATMENT OF THE PURCHASED APPASIA SHARES

In accordance with Section 127 of the Act, the Company would be able to deal with any of AppAsia Shares purchased by the Company in the following manners:

- a) to cancel the AppAsia Shares purchased; or
- b) to retain the AppAsia Shares purchased as treasury shares; or
- c) to retain part of the AppAsia Shares purchased as treasury shares and cancel the remainder of the AppAsia Shares purchased.

In accordance with Section 127(7) of the Act, where AppAsia Shares are held as treasury shares, the Directors of the Company may:

- a) distribute the AppAsia Shares as dividends to shareholders;
- b) resell any of the AppAsia Shares in accordance with the Listing Requirements;

3.3 TREATMENT OF THE PURCHASED APPASIA SHARES (CONT'D)

- c) transfer any of the AppAsia Shares for the purposes of or under an employees' share scheme;
- d) transfer any of the AppAsia Shares as purchase consideration;
- e) cancel any of AppAsia Shares; or
- f) sell, transfer or otherwise use any of AppAsia Shares for such other purposes as the Minister may prescribe

Immediate announcement(s) and notice(s) will be made to Bursa Securities and the relevant authorities in respect of the Board's decision on the treatment of the purchased AppAsia Shares in compliance with the Listing Requirements and the Act.

In accordance with Section 127(8) of the Act, if such purchased AppAsia Shares were held as treasury shares, it shall not confer:

- a) the right to attend or vote at meetings and any purported exercise of such rights is void; and
- b) the right to receive dividends or other distribution, whether cash or otherwise, of the Company's assets including any distribution of assets upon winding up the Company.

In accordance with Section 127(9) of the Act, if such purchased AppAsia Shares were held as treasury shares, the Treasury Shares shall not be taken into account in calculating the number of percentage of shares or a class of shares in the Company for any purposes including, without limiting the generality of this provisions of any law or requirements of the Constitution or the Listing Requirements on substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on resolution(s) at meetings.

Nonetheless, Section 127(11) of the Act states that the purchased AppAsia Shares shall not be taken to prevent:

- a) an allotment of AppAsia Shares as fully paid bonus shares in respect of the Treasury Shares; or
- b) the subdivision or consolidation of Treasury Shares.

3.4 PURCHASE/RESALE/TRANSFER PRICE

Pursuant to the Listing Requirements, AppAsia shall purchase its own shares or resale its treasury shares (if applicable) only on the market of Bursa Securities at a price which is not be more than fifteen percent (15%) above the weighted average share price of AppAsia Shares for the five (5) Market Days immediately preceding the date of the purchase.

In the case of resale of treasury shares, the Company may only resell the Shares on Bursa Securities at:

- (a) a price which is not less than the weighted average share price of AppAsia Shares for the five (5) Market Days immediately prior to the resale; or
- (b) at a discount of not more than five (5%) to the weighted average share price of AppAsia Shares for the five (5) Market Days immediately prior to the resale provided that:
 - (i) the resale takes place not earlier than thirty (30) days from the date of the purchase; and
 - (ii) the resale price is not less than the cost of purchase of the shares being resold.

3.5 RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority will enable AppAsia to utilise its surplus financial resources more effectively, the Proposed Renewal of Share Buy-Back Authority is expected to stabilise the supply and demand of AppAsia Shares as well as the price of AppAsia Shares.

In addition, the Purchased AppAsia Shares may be held as Treasury Shares and resold on Bursa Securities with the intention of realising a potential gain without affecting the total number of issued shares of the Company. In the event the Treasury Shares are distributed as share dividends to shareholders, this would serve as a reward to do the shareholders of the Company.

Nevertheless, the Board will be mindful of the interest of AppAsia and its shareholders in undertaking the Proposed Renewal of Share Buy-Back Authority and in the subsequent cancellation to the Purchased Shares.

3.6 POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The potential advantages of the Proposed Renewal of Share Buy-Back Authority are as follows:

- (a) The Proposed Renewal of Share Buy-Back Authority would enable the Company to utilise its financial resources more efficiently especially where there is no immediate use and it may strengthen the consolidated EPS of the Group.
- (b) The Proposed Renewal of Share Buy-Back Authority will also provide the Company with opportunities for potential gains if the Purchased AppAsia Shares which are retained as treasury shares are resold at prices higher than their cost of purchase.
- (c) In any event, the treasury shares may also be distributed as share dividends to the shareholders as a reward.
- (d) The Proposed Renewal Share Buy-Back Authority may also stabilise the supply and demand of AppAsia Shares traded on Bursa Securities and reduce the volatility of the share prices. The stability of AppAsia Shares price is important to maintain investors' confidence and may also assist in facilitating future fund raising via the equity market.

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority are as follows:

- (a) The Proposed Renewal of Share Buy-Back Authority if implemented is expected to temporarily reduce the immediate financial resources of AppAsia Group.
- (b) The Proposed Renewal of Share Buy-Back Authority may also result in the Group foregoing better investment opportunities which may emerge in the future and/or any income that may be derived from other alternative uses of such funds such as deposit in interest bearing instruments.
- (c) The Proposed Renewal of Share Buy-Back Authority may also reduce the amount of resources available for distribution to the shareholders of the Company in the form of dividends as funds are utilised to purchase its own Shares.

Nevertheless, the Proposed Renewal of Share Buy-Back Authority is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be implemented only after careful consideration of the financial resources of the Group and its resultant impact. The Board is mindful of the interest of the Company and the shareholders and will be prudent with respect to the above exercise.

3.7 MAXIMUM AMOUNT OF FUNDS TO BE ALLOCATED AND THE SOURCE OF FUNDS

In accordance with the Listing Requirements, the Proposed Renewal of Share Buy-Back Mandate must be made wholly out of retained profits of the Company. The maximum amount of funds to be allocated by the Company for the Proposed Share Buy-Back Renewal shall not exceed the retained profits of the Company.

Based on the latest audited financial statements of AppAsia as at 31 December 2022, the Company's audited retained profit is RM4,083,536.

The Proposed Share Buy-Back Authority will be funded by internally generated funds and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on, amongst others, the availability of internally generated funds, actual number of AppAsia Shares to be purchased and other relevant factors. The actual number of AppAsia Shares to be purchased and/or held, and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock markets as well as the retained profits and financial resources available to the Company. In the event that the Proposed Share Buy-Back Authority is to be partly financed by external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment will not have a material effect on the cash flow of the Group.

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3.8 INTEREST OF DIRECTORS, MAJOR AND/OR SUBSTANTIAL SHAREHOLDERS AND PERSON CONNECTED TO THEM

The direct and indirect interest of the Director and major/substantial shareholders of the Company as at LPD are set out in the tables below together with the effect of the Proposed Renewal of Share Buy-Back Authority assuming that AppAsia implements the Proposed Renewal of Share Buy-Back Authority in full and all the Shares purchased are fully cancelled under the following scenarios:

Minimum Scenario	:	Assuming that the Proposed Renewal of Share Buy-Back Authority is undertaken in full and none of the outstanding 24,900,000 Share Issuance Scheme (“SIS”) options of the Company, which are exercisable as at the LPD, are exercised into new AppAsia Shares.
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	As at LPD ^(a)				After the Proposed Renewal of Share Buy Back Authority ^(b)			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ^(c)	No. of Shares	% ^(c)	No. of Shares	%	No. of Shares	%
Directors								
Datuk Seri Rahadian Mahmud bin Mohammad Khalil	4,500,000	0.40	-	-	4,500,000	0.44	-	-
Toh Hong Chye	159,888,300	14.15	126,000,000 ^(d)	11.15	159,888,300	15.73	126,000,000 ^(d)	12.39
Yong Mai Fang	21,300,000	1.89	126,000,000 ^(d)	11.15	21,300,000	2.10	126,000,000 ^(d)	12.39
Wong Ngai Peow	10,213,500	0.90	-	-	10,213,500	1.00	-	-
Yeong Siew Lee	-	-	-	-	-	-	-	-
Tiew Chee Ming	-	-	-	-	-	-	-	-
Major/Substantial Shareholders								
Richmond Virginia Tobacco Sdn. Bhd.	126,000,000	11.15	-	-	126,000,000	12.39	-	-
Toh Hong Chye	159,888,300	14.15	126,000,000 ^(d)	11.15	159,888,300	15.73	126,000,000 ^(d)	12.39
Pelaburan Mara Berhad	75,000,000	6.64	-	-	75,000,000	7.38	-	-
Yong Mai Fang	21,300,000	1.89	126,000,000 ^(d)	11.15	21,300,000	2.10	126,000,000 ^(d)	12.39

Notes:

(a) Based on the issued share capital of 1,129,571,360 ordinary shares.

(b) Based on the issued share capital of 1,016,614,224 ordinary shares under the Minimum Scenario.

(c) Excluding a total of 50,761,200 ordinary shares bought-back by the Company and retained as treasury shares

(d) Deemed interest through Richmond Virginia Tobacco Sdn. Bhd. pursuant to Section 8 of the Act.

3.8 INTEREST OF DIRECTORS, MAJOR AND/OR SUBSTANTIAL SHAREHOLDERS AND PERSON CONNECTED TO THEM (CONT'D)

Maximum Scenario	:	Assuming that the Proposed Renewal of Share Buy-Back Authority is undertaken in full and that all outstanding 24,900,000 SIS options are exercised into AppAsia Shares.
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	As at LPD ^(a)				After the Proposed Renewal of Share Buy Back Authority ^(b)			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ^(c)	No. of Shares	% ^(c)	No. of Shares	%	No. of Shares	%
Directors								
Datuk Seri Rahadian Mahmud bin Mohammad Khalil	4,500,000	0.40	-	-	4,500,000	0.43	-	-
Toh Hong Chye	159,888,300	14.15	126,000,000 ^(d)	11.15	159,888,300	15.39	126,000,000 ^(d)	12.13
Yong Mai Fang	21,300,000	1.89	126,000,000 ^(d)	11.15	21,300,000	2.05	126,000,000 ^(d)	12.13
Wong Ngai Peow	10,213,500	0.90	-	-	10,213,500	0.98	-	-
Yeong Siew Lee	-	-	-	-	-	-	-	-
Tiew Chee Ming	-	-	-	-	-	-	-	-
Major/Substantial Shareholders								
Richmond Virginia Tobacco Sdn. Bhd.	126,000,000	11.15	-	-	126,000,000	12.13	-	-
Toh Hong Chye	159,888,300	14.15	126,000,000 ^(d)	11.15	159,888,300	15.39	126,000,000 ^(d)	12.13
Pelaburan Mara Berhad	75,000,000	6.64	-	-	75,000,000	7.22	-	-
Yong Mai Fang	21,300,000	1.89	126,000,000 ^(d)	11.15	21,300,000	2.05	126,000,000 ^(d)	12.13

Notes:

(a) Based on the issued share capital of 1,129,571,360 ordinary shares.

(b) Based on the issued share capital of 1,039,024,224 ordinary shares under the Maximum Scenario.

(c) Excluding a total of 50,761,200 ordinary shares bought-back by the Company and retained as treasury shares.

(d) Deemed interest through Richmond Virginia Tobacco Sdn. Bhd. pursuant to Section 8 of the Act.

3.8 INTEREST OF DIRECTORS, MAJOR AND/OR SUBSTANTIAL SHAREHOLDERS AND PERSON CONNECTED TO THEM (CONT'D)

Save for the proportionate increase in percentage of shareholdings and/or voting rights of shareholders of the Company as a result of the Proposed Renewal of Share Buy-Back Authority, none of the Directors, major and/or Substantial Shareholders of the Company and/or persons connected with them have any interests, direct or indirect, in the proposed purchase of shares or resale of treasury shares, if any, in the future.

3.9 PUBLIC SPREAD OF APPASIA

Pursuant to the Listing Requirements, the Proposed Renewal of Share Buy-Back Authority will be carried out in accordance with the prevailing laws at the time of the purchase including compliance of twenty-five (25%) public spread. Based on the Company’s Record of Depositors as at LPD, the public spread of the Company was 63.19%. The Board will endeavor to ensure that the Company complies with the public spread requirements and shall not buy back the Company’s own shares if the purchase would result in the public spread requirements not being met.

3.10 FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The financial effects of the Proposed Renewal of Share Buy-Back Authority are presented below based on the following assumptions:

- i) The purchase of AppAsia Shares of up to 10% of the total number of AppAsia Shares issued is carried out in full; and
- ii) AppAsia Shares purchased are cancelled.

a) Total Number of Issued Shares

The effect of the Proposed Renewal of Share Buy-Back Authority on the total number of issued shares of AppAsia as at LPD assuming that the Purchase Shares are cancelled. Is illustrated below:

Minimum Scenario	:	Assuming that the Proposed Renewal of Share Buy-Back Authority is undertaken in full and none of the outstanding 24,900,000 Share Issuance Scheme (“SIS”) options of the Company, which are exercisable as at the LPD, are exercised into new AppAsia Shares.
Maximum Scenario	:	Assuming that the Proposed Renewal of Share Buy-Back Authority is undertaken in full and that all outstanding 24,900,000 SIS options are exercised into AppAsia Shares.

	Minimum Scenario	Maximum Scenario
	No. of Shares	No. of Shares
Total number of issued shares as at LPD (including the existing Treasury Shares)	1,129,571,360	1,129,571,360
To be issued assuming full exercise of the total outstanding SIS Options	-	24,900,000

a) Total Number of Issued Shares (Cont'd)

	Minimum Scenario	Maximum Scenario
	No. of Shares	No. of Shares
Enlarged Number of Issued Shares	1,129,571,360	1,154,471,360
Assuming all Shares Purchased are to be cancelled pursuant to the Proposed Share Buy-Back*	(112,957,136)	(115,447,136)
Resultant Total issued number of shares	1,016,614,224	1,039,024,224

**Inclusive of the 50,761,200 AppAsia Shares that have been purchased and retained as Treasury Share as at LPD.*

b) Net Assets

The Proposed Renewal of Share Buy-Back Authority may increase or decrease the net assets per share of the AppAsia Group depending on the purchase price in comparison to the net assets per share of AppAsia Group at the time that the purchase is made.

c) Earnings

Depending on the number of AppAsia Shares purchased and the purchase price of the AppAsia Shares, the Proposed Renewal of Share Buy-Back Authority may increase the earnings per share of AppAsia Group. Similarly, on the assumption that the AppAsia Shares purchased are resold, the extent of the effect on earnings of AppAsia Group will depend on the actual selling prices, the number of Treasury Shares resold and the effective gain or interest savings arising.

3.11 IMPLICATION RELATING TO THE CODE

Pursuant to the Code, a person and any parties acting in concert with him will be required to make a mandatory offer for the remaining AppAsia Shares not already owned by him/her/them if his/her/their stake in the Company is increased to beyond 33.0% or if his/her/their shareholdings is between 33.0% and 50.0% and increases by another 2.0% in any six (6) months period.

However, an exemption from mandatory offer obligation may be granted by the SC under the Code subject to the parties acting in concern complying with the conditions stipulated in the Code.

The Company intends to implement the Proposed Share Buy-Back Authority in the manner that will not result in any of the shareholders having to undertake a mandatory offer pursuant to the Code. In this respect, the Board will be mindful of the requirements of the Code when implementing the Proposed Share Buy-Back Authority.

Based on the shareholdings of the substantial shareholders of the Company as at LPD and assuming the Proposed Share Buy-Back Authority is carried out in full, none of the substantial shareholder together with any person acting in concert with them will trigger a mandatory general offer under the Code.

3.12 PURCHASE, RE SALE AND CANCELLATION OF SHARES MADE IN PREVIOUS TWELVE (12) MONTHS

As at LPD, the Company held a total of 50,761,200 of its own Shares, all of which were retained as treasury shares. During the past twelve (12) months preceding the date of this Statement, with details as follows:

Date of Purchase	No. of Shares Purchased	Highest price paid (RM)	Lowest price paid (RM)	Average price paid (RM)	Total amount paid (RM)
28.10.2022	600,600	0.0750	0.0700	0.0749	45,335.85
01.11.2022	1,059,200	0.0750	0.0750	0.0750	80,060.48
02.11.2022	538,300	0.0750	0.0750	0.0750	40,688.36
07.11.2022	500,000	0.0750	0.0750	0.0750	37,793.25
14.11.2022	1,000,000	0.0800	0.0800	0.0800	80,624.00
16.11.2022	320,600	0.0800	0.0800	0.0800	25,848.59
06.12.2022	1,000,000	0.0850	0.0850	0.0850	85,663.00

During the previous twelve (12) months up to LPD, the Company did not resell/cancel any Treasury Shares.

As at the LPD, a total of 50,761,200 AppAsia Shares were held as Treasury Shares.

3.13 HISTORICAL SHARE PRICES

The monthly highest and lowest price of AppAsia Shares as traded in Bursa Securities for the past twelve (12) months are as follows:

Month	Highest (RM)	Lowest (RM)
2022		
April	0.100	0.085
May	0.095	0.075
June	0.080	0.065
July	0.095	0.070
August	0.085	0.070
September	0.075	0.065
October	0.085	0.060
November	0.090	0.075
December	0.125	0.080

Month	Highest (RM)	Lowest (RM)
2023		
January	0.130	0.105
February	0.140	0.095
March	0.120	0.090

(Source: www.investing.com)

The last transacted price of AppAsia Shares on LPD was RM0.110.

3.14 INTEREST OF DIRECTORS, MAJOR AND/OR SUBSTANTIAL SHAREHOLDERS AND PERSON CONNECTED TO THEM

Save for the inadvertent increase in the percentage of the shareholding and/or voting rights of the shareholders as a consequence of the Proposed Renewal of Share Buy-Back, none of the Directors and substantial shareholders of the Company or person connected to them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back or resale of Treasury Shares, if any.

4. APPROVAL REQUIRED

The Proposals are subject to the approval of the shareholders of AppAsia at the forthcoming 19th AGM to be convened.

5. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposals, including but not limited to the rationale and justification of the Proposals and the financial effects of the Proposals of this Circular/Statement respectively, the Board is of the opinion that the Proposals are in the best interest of the Company and the shareholders of the Company. Accordingly, the Board hereby recommends that the shareholders vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming 19th AGM.

6. AGM

The 19th AGM of the Company, the notice and the proxy form which is enclosed in the Annual Report for the financial year ended 31 December 2022, will be held Concorde V, Lobby Level, Concorde Hotel Kuala Lumpur, No. 2, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on Friday, 9 June 2023 at 10.30 a.m. or at any adjournment thereof for the the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Renewal of Shareholders' Mandate and Proposed Renewal of Share Buy-Back Authority.

If a shareholder is unable to attend and vote in person at the 19th AGM and wishes to appoint a proxy to attend, participate, speak and vote in his/her stead, he/she must complete, sign and return the proxy form enclosed the Annual Report in accordance with the instruction contained therein as soon as possible and in any event so as to ensure it arrives at the share registrar of the Company, GAP Advisory Sdn. Bhd. at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the 19th AGM or any adjournment thereof. Alternatively, individual shareholder(s) may submit the Proxy Form electronically at ir.shareregistry@gapadvisory.my, not less than forty-eight (48) hours before the time for holding the 19th AGM or any adjournment thereof. The lodging of the Proxy Form shall not preclude the shareholder(s) of the Company from attending and voting in person at the 19th AGM should such shareholder(s) subsequently wishes to do so.

7. FURTHER INFORMATION

Shareholders are advised to refer to Appendix I for additional information.

Yours faithfully
For and on behalf of the Board
APPASIA BERHAD

Datuk Seri Rahadian Mahmud bin Mohammad Khalil
Independent Non-Executive Chairman

APPENDIX I – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of AppAsia who individually and collectively accept full responsibility for the accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or incorrect.

2. MATERIAL CONTRACTS

The Board has confirmed that as at the LPD, the Group has not entered into any material contract (being a contract entered into out of the ordinary course of business) during the past two (2) years immediately preceding the date of this Circular.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

The Board has confirmed that as at the LPD, neither AppAsia nor its subsidiaries is engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Board has no knowledge of any proceeding pending or threatened against AppAsia Group or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the AppAsia Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by the shareholders of AppAsia at the Registered Office of AppAsia at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur during normal office hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the AGM:

- (i) The Constitution of AppAsia; and
- (ii) The audited financial statements of AppAsia Group for the past two (2) financial years ended 31 December 2021 and 2022.