

CIRCULAR DATED 5 NOVEMBER 2018

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your issued and fully paid-up ordinary shares in the capital of AA Group Holdings Ltd. (the “**Company**”), you should immediately forward this Circular, the enclosed Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

The Company is a sponsored company listed on the Catalist (“**Catalist**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Companies listed on Catalist may carry higher investment risks when compared with larger or more established companies listed on the Mainboard of the SGX-ST. In particular, companies may list on the Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares traded on the Catalist.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, Stamford Corporate Services Pte. Ltd. (the “Sponsor”) for compliance with the relevant rules of the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this Circular and the Circular has not been examined or approved by the SGX-ST. The SGX-ST and the Sponsor assume no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. The contact person for the Sponsor is Mr. Bernard Lui (Telephone: 6389 3000 or email: bernard.lui@morganlewis.com).



AA GROUP HOLDINGS LTD.

(Company Registration No. 200412064D)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to the

- (A) PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP CAPITAL OF POH HUAT HENG CORPORATION PTE. LTD.**
- (B) PROPOSED ALLOTMENT AND ISSUANCE OF 350,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.02 PER NEW ORDINARY SHARE AS PARTIAL CONSIDERATION FOR THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP CAPITAL OF POH HUAT HENG CORPORATION PTE. LTD.**
- (C) PROPOSED APPOINTMENT OF NG CHUAN HENG AND TAN POH GUAN AS THE NEW DIRECTORS OF THE COMPANY UPON THE COMPLETION OF THE PROPOSED ACQUISITION**
- (D) PROPOSED CHANGE OF AUDITORS**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	: 19 November 2018 at 9.30 a.m.
Date and time of Extraordinary General Meeting	: 21 November 2018 at 9.30 a.m.
Place of Extraordinary General Meeting	: 60 Benoi Road #03-02 EMS Building, Boardroom Singapore 629906

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DEFINITIONS

For the purpose of this Circular, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:–

“ACRA”	: The Accounting and Corporate Regulatory Authority of Singapore
“Act”	: The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
“Board” or “Board of Directors”	: The board of directors of the Company
“Business Day”	: A day (other than a Saturday, Sunday or public holiday) when the banks in Singapore are generally open for business
“Catalist”	: The SGX-ST sponsor-supervised listing platform
“Catalist Rules”	: The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, varied or supplemented from time to time
“CDP”	: The Central Depository (Pte) Limited
“Circular”	: This circular to the Shareholders in respect of the Proposed Transactions, the Proposed Appointment of New Directors and the Proposed Change of Auditors
“Code of Corporate Governance”	: The Code of Corporate Governance issued by the Monetary Authority of Singapore on 2 May 2012
“Company”	: AA Group Holdings Ltd.
“Completion”	: The completion of the Proposed Acquisition
“Completion Date”	: A Business Day falling no later than one (1) month after all the Sale Conditions are fulfilled or otherwise waived in accordance with the SPA (or on such other date as the Company and the Vendors may agree in writing)
“Consideration Shares”	: 350,000,000 new Shares to be allotted and issued to the Vendors at the Issue Price as partial consideration for the Proposed Acquisition
“Crowe Singapore”	: Crowe Horwath First Trust LLP
“Directors”	: The directors of the Company
“EGM”	: The extraordinary general meeting of the Company to be held, notice of which is set out on page 21 of this Circular
“Encumbrances”	: Any form of legal, equitable or security interests, including but not limited to any mortgage, assignment of receivables, debenture, lien, charge, pledge, adverse claim, rent-charge, claim, option, pre-emption rights, right to acquire, security arrangement, restriction, security interest, hypothecation, right of first refusal, any preference arrangement (including title transfers and retention arrangements or otherwise) and any other encumbrance or condition whatsoever or any other arrangements having similar effect

“EPS”	: Earnings per Share
“FY”	: Financial year ended or, as the case may be, ending 31 December
“Group”	: The Company and its subsidiaries
“Issue Price”	: The issue price of each Consideration Share, being S\$0.02
“Latest Practicable Date”	: 31 October 2018, being the latest practicable date prior to the printing of this Circular
“Long-Stop Date”	: 31 January 2019, or such other date as the Company and the Vendors may otherwise agree in writing
“Moore Stephens”	: Moore Stephens LLP
“New Directors”	: Ng Chuan Heng and Tan Poh Guan collectively, and each of them a “New Director”
“NTA”	: Net tangible assets, being total assets less total intangible assets, goodwill, total liabilities and non-controlling interests
“PHH”	: Poh Huat Heng Corporation Pte. Ltd.
“Proposed Acquisition”	: The proposed acquisition by the Company of the entire issued and paid-up share capital of PHH comprising 2,000,000 ordinary shares
“Proposed Appointment of New Directors”	: The proposed appointment of the New Directors
“Proposed Change of Auditors”	: The appointment of Crowe Singapore as the auditors of the Company, in place of Moore Stephens
“Proposed Transactions”	: The Proposed Acquisition and the allotment and issuance of the Consideration Shares
“Revised Code”	: The Code of Corporate Governance, read together with the Practice Guidance, issued by the Monetary Authority of Singapore on 6 August 2018
“Sale Conditions”	: Has the meaning ascribed to it in Paragraph 2.3.3 of this Circular
“Sale Shares”	: 2,000,000 fully paid-up ordinary shares in the capital of PHH, representing 100% of the issued and paid-up capital of PHH, and each a “Sale Share”
“Securities Account”	: The securities account maintained by a Depositor with CDP (but does not include securities sub-account)
“Securities and Futures Act”	: The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	: The Singapore Exchange Securities Trading Limited

“Shareholders”	: Persons who are registered as holders of the Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
“Shares”	: Ordinary shares in the capital of the Company
“SPA”	: The sale and purchase agreement entered into between the Company and the Vendors on 24 September 2018 in respect of the Proposed Acquisition
“Sponsor”	: Stamford Corporate Services Pte. Ltd.
“Vendors”	: Ng Chuan Heng, Teo Siew Cheng, Tan Poh Guan, Tan Zhen Ying (Chen Zhenying) and Tan Jun Hao
“S\$” and “cents”	: Singapore dollars and cents respectively, the lawful currency of Singapore
“%” or “per cent.”	: Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meaning ascribed to them in the relevant sections of the Securities and Futures Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof or the Catalist Rules and used in this Circular shall, where applicable, have the meaning assigned to it under the Act or any modification thereof or the Catalist Rules, as the case may be.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables included in this Circular between the listed amounts and the totals are due to rounding; accordingly, figures shown as totals in certain tables may not be an aggregation of the figures that precede them.

AA GROUP HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200412064D)

Board of Directors:

Lee Chong Yang (Chairman and Independent Director)
Yau Woon Foong (Executive Director)
Lai Choong Hon (Executive Director)
Amelia Vincent (Independent Director)
Ng Ser Chiang (Independent Director)

Registered Office:

7 Kim Yam Road
Singapore 239323

Date: 5 November 2018

To: **The Shareholders of the Company**

Dear Sir/Madam,

- (A) **PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP CAPITAL OF POH HUAT HENG CORPORATION PTE. LTD.**
- (B) **PROPOSED ALLOTMENT AND ISSUANCE OF 350,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.02 PER NEW ORDINARY SHARE AS PARTIAL CONSIDERATION FOR THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP CAPITAL OF POH HUAT HENG CORPORATION PTE. LTD.**
- (C) **PROPOSED APPOINTMENT OF NG CHUAN HENG AND TAN POH GUAN AS THE NEW DIRECTORS OF THE COMPANY UPON THE COMPLETION OF THE PROPOSED ACQUISITION**
- (D) **PROPOSED CHANGE OF AUDITORS**

1. INTRODUCTION

- 1.1 On 24 September 2018, the Board announced that the Company had on the same day entered into the SPA in respect of the Proposed Acquisition.
- 1.2 Pursuant to the SPA, the Company will purchase the entire issued and paid-up share capital of PHH from the Vendors for the sum of S\$9,000,000 which shall be satisfied by the payment of an aggregate of S\$2,000,000 in cash, and the allotment and issuance of an aggregate of 350,000,000 Consideration Shares at the Issue Price of S\$0.02 per Consideration Share to the Vendors in proportion to their current shareholdings in PHH.
- 1.3 The Proposed Acquisition is deemed to be a "Discloseable Transaction" as defined under Chapter 10 of the Catalist Rules, which does not require approval of shareholders in general meeting to proceed. Notwithstanding that, the Company decided and announced on 24 September 2018 that it would be seeking the approval of the Shareholders for the Proposed Acquisition. Accordingly, the Proposed Acquisition is conditional upon the receipt of approval, *inter alia*, from the Shareholders.
- 1.4 The Board is convening the EGM to seek the approval of the Shareholders for the following resolutions:
 - (i) the Proposed Acquisition ("**Ordinary Resolution 1**");
 - (ii) the allotment and issuance of the Consideration Shares ("**Ordinary Resolution 2**");
 - (iii) the proposed appointment of Ng Chuan Heng as a Director ("**Ordinary Resolution 3**");

- (iv) the proposed appointment of Tan Poh Guan as a Director (**“Ordinary Resolution 4”**); and
- (v) the Proposed Change of Auditors (**“Ordinary Resolution 5”**).

- 1.5 **Shareholders should note that the passing of Ordinary Resolutions 1, 2, 3 and 4 (collectively the “Inter-Conditional Resolutions”) are inter-conditional. This means that if any one of these Inter-Conditional Resolutions is not approved, all the other Inter-Conditional Resolutions would not be passed.**

Shareholders should also note that Ordinary Resolution 5 to approve the Proposed Change of Auditors is not conditional on any other resolutions put forward in this Circular to Shareholders for approval.

- 1.6 The purpose of this Circular is to explain the reasons for, and to provide Shareholders with relevant information relating to (i) the Proposed Transactions including the rationale and the financial effects thereof on the Group, (ii) the Proposed Appointment of New Directors, and (iii) the Proposed Change of Auditors, and to seek Shareholders’ approval on these resolutions at the EGM.
- 1.7 This Circular has been prepared solely for the purposes outlined above and shall not be relied upon by any persons (other than the Shareholder to whom this Circular is despatched by the Company) or for any other purpose.
- 1.8 Following from the acquisitions of 95% and 100% of the entire issued and paid-up share capital of W&P Precast Pte. Ltd. (**“W&P Precast”**) and W&P Corporation Pte. Ltd. (**“W&P Corporation”**) respectively in 2017, the Proposed Acquisition forms part of the Company’s continued search for new businesses to provide additional revenue and income streams in accordance with the business diversification mandate which the Company had obtained through an extraordinary general meeting held on 10 March 2016. This is part of the Board’s corporate strategy to revitalize the Group and bring about long-term growth for the Company, so as to enhance Shareholders’ value.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Information on PHH

PHH is a private company incorporated in Singapore with limited liability. It is principally engaged in the business of the provision of underground cable installation and road reinstatement services. The directors of PHH are Ng Chuan Heng, Tan Poh Guan and Tan Jun Hao. The shareholders of PHH are Ng Chuan Heng, Teo Siew Cheng, Tan Poh Guan, Tan Zhen Ying (Chen Zhenying) and Tan Jun Hao.

2.2 Information on the Vendors

The aforesaid shareholders of PHH are the Vendors.

Tan Poh Guan, whose appointment as a New Director is proposed under Ordinary Resolution 4, is the brother-in-law of a shareholder of PHH, Teo Siew Cheng, who in turn is the mother of Tan Zhen Ying (Chen Zhenying) and Tan Jun Hao.

2.3 Salient terms of the SPA

2.3.1 Sale and Purchase

Pursuant to the SPA, the Company will acquire all the Sale Shares free from all Encumbrances and together with all rights attaching thereto for the consideration of S\$9,000,000. Following Completion, PHH will become a wholly-owned subsidiary of the Company.

2.3.2 Consideration

The consideration for the sale and purchase of the Sale Shares of S\$9,000,000 shall be satisfied by the payment of an aggregate of S\$2,000,000 in cash, and the allotment and issuance of an aggregate of 350,000,000 Consideration Shares at the Issue Price of S\$0.02 per Consideration Share to the Vendors in proportion to their current shareholdings in PHH.

The cash consideration will be drawn from the Company's subsidiary, Engineering Manufacturing Services (S) Pte. Ltd., through cash dividends issued to the Company for the Proposed Acquisition.

Based on the Vendors' current shareholdings in PHH, Ng Chuan Heng will be allotted 173,250,000 Consideration Shares, Tan Poh Guan will be allotted 46,812,500 Consideration Shares and Teo Siew Cheng, Tan Zhen Ying and Tan Jun Hao will each be allotted 43,312,500 Consideration Shares. Based on the Issue Price of S\$0.02 per Consideration Share, this represents a premium of approximately 6.38% of the weighted average price of S\$0.0188 per Share for trades done on the Catalist on 24 September 2018 (being the full market day on which the SPA was signed). Details of the Vendors' shareholding interests in the Company before and after Completion are set out in Paragraph 2.3.9 below.

The Consideration Shares, when allotted and issued, shall be issued free from all claims, charges, liens and other Encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to the Shares, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of issue of the Consideration Shares. The Consideration Shares will be subject to a moratorium of six (6) months from the Completion Date, during which each of the Vendors shall not sell, transfer or otherwise dispose of or create any Encumbrance on his portion of the Consideration Shares (or any interest therein).

Each of the Vendors is not a person who falls within the categories set out in Rule 812(1) of the Catalist Rules unless Rule 812(3) of the Catalist Rules applies.

The Sponsor will be making an application on behalf of the Company to the SGX-ST, for the listing and quotation of the Consideration Shares on the Catalist. The Company will make the necessary announcement in due course upon obtaining the listing and quotation notice from the SGX-ST.

The listing and quotation notice of the SGX-ST for the listing and quotation of the Consideration Shares is not to be taken as an indication of the merits of the Proposed Acquisition, the Consideration Shares, the Company, its subsidiaries and their securities. The Sponsor and the SGX-ST assume no responsibility for the correctness of the statements made or reports contained or opinions expressed in this Circular.

The consideration of S\$9,000,000 was arrived at following arm's length negotiations on a willing buyer willing seller basis, and taking into account (i) the net profit of PHH for the 12 months from 1 April 2017 to 31 March 2018; and (ii) the net asset value of PHH as at 31 March 2018. The Company did not commission an independent valuation of the Sale Shares.

2.3.3 Conditions Precedent

Under the terms of the SPA, Completion is conditional upon, *inter alia*, the following salient conditions precedent (the "**Sale Conditions**"):

- (a) the fulfilment of all necessary requirements under the Catalist Rules and the receipt of all necessary consents or approvals (if any) being granted by third parties or governmental or regulatory bodies or competent authorities having jurisdiction over the sale and purchase of the Sale Shares, and the aforesaid consents or approvals not having been withdrawn or revoked and if such consents or approvals are obtained subject to any conditions, such conditions being acceptable to the Company, and to the extent that any conditions are required to be fulfilled on or before Completion, such conditions are so fulfilled;

- (b) the receipt of approvals of the respective board of directors of the Company and PHH for the Proposed Transactions, and the aforesaid approvals not having been withdrawn or revoked;
- (c) the approval by Shareholders at the EGM for the Proposed Transactions and if such approval is obtained subject to any conditions, such conditions being acceptable to the Company, and to the extent that any conditions are required to be fulfilled on or before Completion, such conditions are so fulfilled;
- (d) the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Consideration Shares and where such listing and quotation notice is obtained subject to conditions, such conditions being acceptable to the Company and the Vendors;
- (e) the appointments of each of Ng Chuan Heng and Tan Poh Guan as Non-Executive Non-Independent Chairman and Executive Director of the Company respectively;
- (f) the entry into new service agreements between PHH and each of Tan Poh Guan and Ng Chuan Heng for an initial term of two (2) years commencing on the Completion Date, upon terms and conditions mutually acceptable to the parties;
- (g) the Company having completed its legal and financial due diligence in respect of PHH and its business, including, *inter alia*, its affairs, operations, assets and liabilities, prospects and records, and being satisfied with the same (as determined in the Company's sole and absolute discretion);
- (h) no material adverse change (as determined by the Company in its sole discretion) in the business, prospects, financial condition, financial performance or operation of PHH occurring on or prior to Completion;
- (i) the receipt by the Company of the disclosure letter from the Vendors, delivered to the Company on or after the signing of the SPA but prior to the Completion Date and which discloses information relating to the respective warranties, and the Company being satisfied in its sole and absolute discretion with the contents thereof of the disclosure letter;
- (j) none of the Company, the Vendors or PHH having received, on or prior to the Completion, notice of any directive, injunction or other order, which restrains or prohibits the consummation, carrying out or undertaking of the transactions stated in the SPA and there being no action, on or prior to the Completion, seeking to restrain or prohibit the consummation, carrying out or undertaking thereof, or seeking damages in connection therewith, which is pending or any such directive, injunction or other order or action which is threatened;
- (k) all of the warranties being true and accurate in all respects at Completion, as if repeated at Completion and at all times between the date of the SPA and Completion;
- (l) each of the Vendors and the Company having fulfilled in all material respects all of their obligations under the SPA required to be fulfilled on or prior to the Completion Date; and
- (m) PHH having complied in all respects with all applicable laws, rules, regulations and orders of all relevant government or any governmental, semi-governmental, administrative, fiscal or judicial body, department commission, authority, tribunal, agency or entity, as of the date of the SPA and up to Completion.

Subject to the fulfilment of the Sale Conditions under the SPA, Completion shall take place on the Completion Date.

If any of the Sale Conditions has not been fulfilled or waived in accordance with the SPA on the Long-Stop Date, the SPA shall be deemed to be terminated and be of no effect whatsoever save for any claim arising from an antecedent breach of the terms thereof.

2.3.4 Value of the Sale Shares

(a) Net Asset Value

The net asset value of PHH as at 31 March 2018 based on the financial accounts of PHH is S\$4,972,784.07.

(b) Net Profit

The net profit before tax attributable to PHH for the 12 months period from 1 April 2017 to 31 March 2018 based on the financial accounts of PHH is S\$3,614,516.71.

2.3.5 Service Contracts

Upon Completion of the Proposed Acquisition, Ng Chuan Heng will be appointed to the Company as the Non-Executive Non-Independent Chairman and Tan Poh Guan will be appointed as an Executive Director.

Additionally, PHH will enter into new service agreements with each of Ng Chuan Heng and Tan Poh Guan for an initial period of two (2) years and renewable thereafter.

The existing management team of PHH will be retained to continue to manage the business and affairs of PHH.

2.3.6 Rationale

The Company has been actively diversifying its businesses based on the diversification of business mandate approved at the extraordinary general meeting held on 10 March 2016. With the direction set, the Company has been pursuing a strategy of acquiring businesses with potential in those sectors.

The Proposed Acquisition of PHH will add a new revenue stream to the Group and will help diversify the Group's business further. PHH will also provide synergistic and complementary effect to the Company's earlier acquisitions, namely W&P Precast and W&P Corporation. This is achieved through W&P Precast and W&P Corporation supplying concrete, cement, precast and related products to PHH, and with PHH supplying related services to both W&P Precast and W&P Corporation. Hence, the Board is of the view that the Proposed Acquisition is in the best interests of the Company and the Shareholders.

2.3.7 Financial Effects of the Proposed Acquisition

The pro forma financial effects in this paragraph are based on the audited consolidated accounts of the Group for the financial year ended 31 December 2017 ("**FY2017**") and the unaudited financial statements of PHH for the 12 months period from 1 January 2017 to 31 December 2017 and are purely for illustration purposes only and do not reflect the actual future results and financial position of the Group following Completion.

The fair value adjustments on the net assets of the Group and positive or negative goodwill arising from the Proposed Acquisition, if any, have not been considered for the purpose of computing the financial effects of the Proposed Acquisition and will be determined on the Completion Date of the Proposed Acquisition. Any goodwill arising from the Proposed Acquisition will be accounted for in accordance with the accounting policies of the Group.

(a) **NTA**

For illustrative purposes and assuming the Proposed Acquisition had been completed on 31 December 2017, the pro forma financial effects on the consolidated NTA for FY2017 are as follows:

	Before Proposed Acquisition	After Proposed Acquisition
NTA (S\$'000)	50,733	62,944
Number of Shares	1,423,018,461	1,773,018,461
NTA per Share (Singapore cents)	3.57	3.55

(b) **EPS**

For illustrative purposes and assuming the Proposed Acquisition had been completed on 1 January 2017, the pro forma financial effects on the EPS of the Group for FY2017 are as follows:

	Before Proposed Acquisition	After Proposed Acquisition
Net profit attributable to Shareholders after tax from continuing operations (S\$'000)	34,740	45,490
Number of weighted average Shares	1,319,239,496	1,669,239,496
EPS (Singapore cents)	2.63	2.73

(c) **Share Capital**

The Proposed Acquisition involves the allotment and issuance of the Consideration Shares.

The Consideration Shares represent approximately 24.49% of the existing issued and paid-up share capital of the Company of 1,428,934,461 Shares as at the date of the SPA and as at the Latest Practicable Date. The Company has no treasury shares. Immediately after Completion and assuming that no further Shares are issued prior thereto, the Proposed Acquisition will increase the number of issued and paid-up Shares to 1,778,934,461 Shares and the Consideration Shares will represent approximately 19.67% of the enlarged issued and paid-up share capital of the Company.

The Company is seeking the specific approval of Shareholders for the allotment and issuance of the Consideration Shares in Ordinary Resolution 2.

2.3.8 Relative Figures Computed on the Bases set out in Rule 1006 of the Catalist Rules

Based on (i) the unaudited consolidated financial statements of the Group for the six (6) months period ended 30 June 2018 ("1H2018") and (ii) the unaudited financial statements of PHH for the six (6) months period ended 30 June 2018, the relative figures for the Proposed Acquisition computed on the bases set out in Rules 1006 (a) to (e) of the Catalist Rules are as follows:

Rule 1006	Bases	Size of Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	- 26.64 ⁽¹⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	47.83 ⁽²⁾
(d)	The number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue	24.49 ⁽³⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable

Notes:

- (1) The Group had a net loss of S\$368,000 for 1H2018, whereas PHH had a net profit of S\$98,048 for the same period.
- (2) In accordance with Rule 1003(3) of the Catalist Rules, the aggregate value of the Consideration Shares was determined by reference to the net asset value ("NAV") (based on the 1H2018 financial statements) represented by the Consideration Shares. Assuming that the Consideration Shares are issued, the NAV per Share (based on the enlarged share capital) will be S\$0.031 (rounded up to the nearest S\$0.001), and the aggregate value of the Consideration calculated in accordance with Rule 1003(3) will be S\$12,850,000. The market capitalisation of S\$26,863,967.87 was derived from the 1,428,934,461 shares of the Company in issue and the weighted average price of S\$0.0188 per share as at 24 September 2018, being the date of the SPA.
- (3) The number of equity securities issued by the Company as Consideration Shares is 350,000,000 and the number of equity securities previously issued is 1,428,934,461 as at the date of the SPA.

2.3.9 Interests of the Vendors in the Shares of the Company

The table below sets out the number of Shares held by each of the Vendors as at the Latest Practicable Date and the number of Shares that each of them will hold pursuant to the allotment and issuance of Consideration Shares upon Completion.

Vendor	Current Shareholding in the Company		Post-Completion Shareholding in the Company	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾
Ng Chuan Heng	42,650,000	2.98%	215,900,000	12.14%
Tan Poh Guan	13,362,500	0.94%	60,175,000	3.38%
Teo Siew Cheng	10,662,500	0.75%	53,975,000	3.03%
Tan Zhen Ying	10,662,500	0.75%	53,975,000	3.03%
Tan Jun Hao	10,662,500	0.75%	53,975,000	3.03%

Notes:

- (1) The percentage of each Vendor's current shareholding is calculated based on the share capital comprising 1,428,934,461 Shares as at the Latest Practicable Date.
- (2) The percentage of each Vendor's post-Completion shareholding is calculated based on the enlarged share capital of 1,778,934,461 Shares, assuming that no further Shares are issued between the Latest Practicable Date and the Completion Date.

As at the Latest Practicable Date, the largest single Shareholder is Thanaboonchuchai Karnsiri, who holds 19.43% of the Shares. Post Completion, assuming no further Shares are issued prior thereto, she will hold 15.61% of the Shares and continue to remain the largest single Shareholder. As such, the allotment and issuance of the Consideration Shares in connection with the Proposed Acquisition does not transfer a controlling interest for the purposes of Rule 803 of the Catalyst Rules. Accordingly, the Proposed Acquisition will not result in a change in control of the Company for the purposes of Rule 1015 of the Catalyst Rules.

3. PROPOSED APPOINTMENT OF NEW DIRECTORS

- 3.1 Under the SPA, the Company and each of the Vendors agreed, as a Sale Condition, to the appointment by the Company of Ng Chuan Heng as the Non-Executive Non-Independent Chairman and Tan Poh Guan as an Executive Director of the Company.
- 3.2 The Company intends to seek the Shareholders' approval for the Proposed Appointment of New Directors at the EGM.
- 3.3 **Shareholders should note that the passing of Ordinary Resolutions 1, 2, 3 and 4 are inter-conditional. As such, if the Shareholders do not vote in favour of Ordinary Resolutions 3 and 4 to approve the Proposed Appointment of New Directors, Ordinary Resolutions 1 and 2 to approve the Proposed Acquisition and allotment and issuance of the Consideration Shares will be deemed not passed and not approved.**
- 3.4 The details of the proposed New Directors are set out below:

Name	Age	Address	Position to be held in the Company	Present Directorships	Past Directorships
Ng Chuan Heng	62	30 Jubilee Road Singapore 128582	Non-Executive Non-Independent Chairman	1. Power Works Pte. Ltd. 2. Poh Huat Heng Corporation Pte. Ltd.	1. W&P Precast Pte. Ltd. (2007 – 2017) 2. W & P Corporation Pte Ltd (2012 – 2017) 3. Engineering Manufacturing Services (S) Pte. Ltd. (2002 – 2017)
Tan Poh Guan	46	17 Park Villas Green Singapore 545435	Executive Director	1. Power Works Pte. Ltd. 2. Poh Huat Heng Corporation Pte. Ltd.	1. W&P Precast Pte. Ltd. (2008 – 2017) 2. W & P Corporation Pte Ltd (2004 – 2017) 3. Engineering Manufacturing Services (S) Pte. Ltd. (2007 – 2017)

3.5 Details and Work Experience of the Proposed New Directors

3.5.1 Ng Chuan Heng

Ng Chuan Heng is a director of PHH.

Ng Chuan Heng has over four decades of experience in the construction industry, having started off as an apprentice construction worker in the 1970s. Prior to founding PHH, he handled subcontract roles primarily in the area of civil works. Ng Chuan Heng's expertise lies in handling the operational aspects of the construction business, having been closely involved (at both his past and present companies) in all the day-to-day activities such as logistics, managing of workers and supervising at the construction sites.

Pursuant to his appointment to the Board, Ng Chuan Heng will assume the position of Non-Executive Non-Independent Chairman of the Company and he will be responsible for leading and ensuring the effectiveness of the Board, including promoting a culture of openness and debate at the Board and facilitating the effective contribution of all Directors.

3.5.2 Tan Poh Guan

Tan Poh Guan is a director of PHH.

Tan Poh Guan has extensive experience in the construction business, having handled various aspects such as planning, operations, overseeing the finances and tendering for projects. As a current director and general manager of PHH, he oversees and is involved in all its activities. In addition to attending the BizSAFE Workshop for CEO/Top Management, he has obtained various certifications relevant to his directorship roles (e.g. on directors' duties and finance for directors).

Pursuant to his appointment to the Board, Tan Poh Guan will assume the position of Executive Director of the Company and he will be responsible for the overall business development and general management of the Group, and oversee the overall strategic directions and expansion plans for the growth and development of the Group.

Ng Chuan Heng and Tan Poh Guan have no prior experience as a director of an issuer listed on the SGX-ST. However, both Ng Chuan Heng and Tan Poh Guan have undergone training in the roles and responsibilities of a director of a listed issuer in compliance with Guideline 1.6 of the Code of Corporate Governance. If applicable, they will undergo the mandatory training in compliance with Rule 406(3) of the Catalist Rules (which takes effect from 1 January 2019) at an appropriate time.

3.6 Post-Completion Board Composition

3.6.1 Further to the allotment and issuance of Consideration Shares to Ng Chuan Heng upon Completion, Ng Chuan Heng will become a holder of 12.14% of Shares in the Company.

3.6.2 In accordance with the principles and provisions of the Revised Code, the Nominating Committee of the Company is of the view that Ng Chuan Heng will not satisfy the requirements to be appointed as an independent director, as he will be a substantial Shareholder of the Company upon Completion. Pursuant thereto, he shall be appointed as the Non-Executive Non-Independent Chairman.

3.6.3 As the Chairman will be non-independent, the Nominating Committee has recommended that the Board have a lead independent director and that Lee Chong Yang shall be re-designated from his current appointment of Chairman to be the Company's Lead Independent Director with effect from Completion, in compliance with Guideline 3.3(d) of the Code of Corporate Governance and Provision 3.3 of the Revised Code. The Nominating Committee is of the view that Lee Chong Yang is suitable for the role as Lead Independent Director and is satisfied with his independence.

3.6.4 Accordingly, the post-Completion Board composition will be as follows:

Name	Designation
Ng Chuan Heng	Non-Executive Non-Independent Chairman
Tan Poh Guan	Executive Director
Lai Choong Hon	Executive Director
Yau Woon Foong	Executive Director
Lee Chong Yang	Lead Independent Director
Amelia Vincent	Independent Director
Ng Ser Chiang	Independent Director

As the Chairman is not independent, the Company will seek to improve the Board composition by early 2019 such that independent directors make up half of the Board, in compliance with Guideline 2.2 of the Code of Corporate Governance. The Company will seek to further ensure sometime next year that independent directors make up a majority of the Board, in compliance with Provision 2.2 of the Revised Code.

Save as set out above, there will be no changes to the composition of the Nominating Committee, Remuneration Committee and Audit Committee of the Company following Completion.

4. PROPOSED CHANGE OF AUDITORS

4.1 On 21 September 2018, the Company announced its intention to change its auditors from Moore Stephens to Crowe Singapore. Moore Stephens were re-appointed as the auditors of the Company at the last annual general meeting of the Company held on 30 May 2018. Moore Stephens had served as the auditors of the Company since November 2004.

4.2 The Company proposes to seek Shareholder's approval at the EGM for Crowe Singapore to be appointed as the auditors of the Company, in place of Moore Stephens.

4.3 **Shareholders should note that Ordinary Resolution 5 to approve the Proposed Change of Auditors is not conditional on any other resolutions put forward in this Circular to Shareholders for approval.**

4.4 Rationale for the Proposed Change of Auditors

4.4.1 The Board is of the view that as a matter of good corporate governance, it would be appropriate to periodically rotate auditors. The Board believes that a change of auditors may enable the Company to benefit from fresh perspectives and the views of another professional audit firm and further enhance the value of the audit. As such, it would be timely to rotate and effect a change of external auditors and to seek a fee quotation from another major international audit firm for the audit of the Company's financial statements for the financial year ending 31 December 2018.

4.4.2 Crowe Singapore was selected for the proposed appointment after the Audit Committee of the Company evaluated competitive proposals from various audit firms. In reviewing the suitability of Crowe Singapore, the Audit Committee took into consideration various factors, such as the adequacy of the resources and experience of the audit firm to be selected and the audit engagement partner to be assigned to the audit, having due regard to the size, businesses and complexity of the Group. After evaluation, the Audit Committee recommended that Crowe Singapore be selected for the proposed appointment. The Directors have taken into account the Audit Committee's recommendation, including the factors considered in their evaluation, and are satisfied that Crowe Singapore will be able to meet the audit requirements of the Company, and Rules 712 and 715 of the Catalist Rules will be complied with.

- 4.4.3 The scope of audit services to be provided by Crowe Singapore will be comparable to the services provided by Moore Stephens. Following the above, Crowe Singapore had, on 31 August 2018, given their written consent to be appointed as the new auditors of the Company, subject to approval of the Shareholders at the EGM.
- 4.4.4 On 24 August 2018, Moore Stephens informed the Company, among others, that Moore Stephens had applied to ACRA to seek its consent to resign as auditors. On 14 September 2018, Moore Stephens received a letter from ACRA consenting to the resignation of Moore Stephens as auditors. Subsequently, Moore Stephens had, on 14 September 2018, provided the Company with their notice of resignation dated 14 September 2018 (“**Written Statement**”). A copy of the Written Statement is set out in the Appendix to this Circular. In accordance with Section 205AB(5) of the Act and the written approval from ACRA, the resignation of Moore Stephens as auditors took effect on 14 September 2018.
- 4.4.5 Pursuant to Rule 712(3) of the Catalist Rules and Section 205AF of the Act, the appointment of Crowe Singapore as new auditors in place of Moore Stephens would be effective upon obtaining the approval of Shareholders at the EGM for the Proposed Change of Auditors. If appointed, Crowe Singapore will hold office until the conclusion of the next annual general meeting of the Company.
- 4.4.6 The Directors wish to express their appreciation for the past services rendered by Moore Stephens.

4.5 Information on Crowe Singapore

- 4.5.1 Crowe Singapore is one of the leading mid-tier public accounting and consulting firms in Singapore that provides audit, advisory, tax, outsourcing and fund administration solutions to a diverse and international clientele including public-listed entities, multinational corporations and financial institutions. The firm was awarded the 2018 Growth Award (Open Category) and the 2016 Best Practice Award (Large Practice Category) by the Institute of Singapore Chartered Accountants. It provides external and internal audit, tax and accounting services to many public listed corporations in Singapore, and has acted as the reporting accountant in various initial public offerings in Singapore. Crowe Singapore’s clients in Singapore include listed, enterprise and statutory boards, which span across a broad range of industries such as manufacturing, trading and distribution, financial markets, telecommunication, healthcare, shipping, waste management, leisure, education, information technology, food and beverage and logistics amongst others.

Crowe Singapore is also a member of Crowe Global, the 8th largest accounting network in the world with over 200 independent accounting and advisory services firms, supported by 35,327 professionals and staff in close to 130 countries around the world. As a network firm of Crowe Global, Crowe Singapore is committed to providing impeccable quality and highly integrated service delivery with the full support of Crowe Global Methodology, technical resources and knowledge databases.

- 4.5.2 More information about Crowe Singapore, its values and its services can be found on Crowe Singapore’s website at <https://www.crowe.com/sg>.
- 4.5.3 The Audit Engagement Partner, Mr Alfred Cheong Keng Chuan, will be the primary link to Crowe Global’s inter-firms’ network of resources. He has more than 20 years of experience in audit and assurance services and is a practising member of the Institute of Singapore Chartered Accountants and a public accountant registered with the Accounting and Corporate Regulatory Authority of Singapore. Mr Alfred Cheong will be responsible for audit and financial reporting services of the Company and its subsidiaries. He will work with the component audit teams in various locations to help ensure that Crowe Singapore proactively identifies and efficiently addresses the Company’s needs as they arise, and help to effect a smooth transition of the audit to Crowe Singapore. Currently, Mr Alfred Cheong is also the Partner-in-Charge of one other public company listed on the SGX-ST.

4.6 Compliance with Rule 712 of the Catalist Rules

In accordance with the requirements of Rule 712(3) of the Catalist Rules, the Company confirms that:

- (a) Moore Stephens, has confirmed, by way of their letter dated 23 August 2018 to Crowe Singapore that it is not aware of any professional reasons why Crowe Singapore should not accept appointment as auditors of the Company;
- (b) there were no disagreements with Moore Stephens on accounting treatments within the last 12 months up to the date of their resignation, 14 September 2018;
- (c) it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this Circular;
- (d) the specific reasons for the Proposed Change of Auditors are set out in Paragraph 4.4 above. The Proposed Change of Auditors is neither due to the dismissal of Moore Stephens nor Moore Stephens declining to continue to serve as the auditors of the Company; and
- (e) it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the proposed appointment of Crowe Singapore as its new auditors.

4.7 Compliance with Rule 715 of the Catalist Rules

Following Shareholders' approval of the Proposed Change of Auditors, Crowe Singapore and its member firms will become the auditors of all the Company's Singapore incorporated subsidiaries and foreign-incorporated subsidiary. The Company does not have any significant associated companies.

4.8 Statement of the Audit Committee

The Audit Committee has reviewed the Proposed Change of Auditors, and after taking into account the audit quality indicators introduced by the ACRA on the selection of auditors, the suitability of Crowe Singapore, the Group's audit requirements and the requirements of the Catalist Rules, recommends the proposed appointment of Crowe Singapore as auditors of the Company in place of Moore Stephens.

5. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 5.1 The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date, based on the Company's register of Directors' shareholdings and register of Substantial Shareholders respectively, are as follows:

Directors	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Lee Chong Yang	42,697,753	2.99	1,000,000	0.07
Yau Woon Foong	—	—	—	—
Lai Choong Hon	21,000,000	1.47	—	—
Amelia Vincent	—	—	—	—
Ng Ser Chiang	—	—	—	—

Substantial Shareholders (excluding Directors)	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Thanaboonchuchai Karnsiri	277,621,542	19.43	–	–
Quek Lay Wah	82,604,984	5.78	–	–

Notes:

- (1) The percentage of Shares is computed based on 1,428,934,461 Shares, being the total number of issued voting shares of the Company (excluding treasury shares) as at the Latest Practicable Date.
- (2) Deemed interest means interest determined pursuant to Section 4 of the Securities and Futures Act.

- 5.2 Save as disclosed herein, none of the Directors or controlling Shareholders of the Company have any direct or indirect interest in the Proposed Transactions, the Proposed Appointment of New Directors or the Proposed Change of Auditors, other than through their respective shareholdings in the Company.

6. DIRECTORS' RECOMMENDATION

- 6.1 Having considered and reviewed, amongst others, the terms of the SPA, the rationale for and the financial effects of the Proposed Transactions, and all other relevant facts set out in this Circular, the Directors are of the opinion that:

- (a) the Proposed Transactions;
- (b) the Proposed Appointment of New Directors; and
- (c) the Proposed Change of Auditors,

are in the best interest of the Company, and accordingly, the Directors recommend that Shareholders vote in favour of all the resolutions relating to the abovementioned matters to be proposed at the EGM. In giving the above recommendations, the Directors have not had regard to the general or specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers immediately.

- 6.2 Shareholders are advised to read this Circular in its entirety. Shareholders and the public are advised to exercise caution before making any decision in respect of their dealings in the Shares. Shareholders who are in any doubt about this Circular should consult their stockbroker, bank manager, solicitor or other professional adviser.

7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 21 of this Circular, will be held at the place and time as set out in the notice of EGM, for the purpose of considering and, if thought fit, passing with or without modification(s), the resolutions as set out in the notice of EGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

- 8.1 Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company not less than 48 hours before the time fixed for the EGM. The completion and lodgement of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.

- 8.2 A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register, as certified by the CDP at least 72 hours before the EGM.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 7 Kim Yam Road Singapore 239323 during normal business hours for three (3) months from the date of this Circular:

- (a) the SPA;
- (b) the Company's Annual Report for FY2017;
- (c) the Constitution of the Company;
- (d) the professional clearance letter issued by Moore Stephens to Crowe Singapore dated 23 August 2018;
- (e) the letter of consent to act as auditors of the Company from Crowe Singapore dated 31 August 2018; and
- (f) the letter of resignation as auditors of the Company from Moore Stephens dated 14 September 2018.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the (i) Proposed Transactions, (ii) Proposed Appointment of New Directors and (iii) Proposed Change of Auditors, and the Group and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

Yours faithfully

For and on behalf of
the Board of Directors of
AA Group Holdings Ltd.

Lai Choong Hon
Executive Director

APPENDIX – WRITTEN STATEMENT

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MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

Our Reference: AUD/WN/nor

14 September 2018

The Board of Directors
AA Group Holdings Ltd.
7 Kim Yam Road
Singapore 239323

10 Anson Road
#29-15 International Plaza
Singapore 079903

Tel: 6221 3771
Fax: 6221 3815
Email: email@moorestephens.com.sg

Attention: Mr Peter Yau/Mr Lai Choong Hon

Dear Sirs

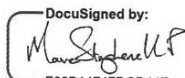
RESIGNATION AS AUDITORS

- 1) AA GROUP HOLDINGS LTD.
- 2) A2A MANAGEMENT PTE. LTD.
- 3) ENGINEERING MANUFACTURING SERVICES (S) PTE. LTD.
- 4) GERMAXCO PTE. LTD.
- 5) JULIQUE CAPITAL PTE. LTD.
- 6) W & P CORPORATION PTE LTD
- 7) W & P PRECAST PTE. LTD.

We hereby give notice to resign as auditors of the above-named companies.

We would like to place on record our thanks for the opportunity to have worked with your organisation. Should there be any occasion where we can be of service to you in any other capacity, we look forward to hearing from you.

Yours faithfully,

DocuSigned by:

F60B14747DCD44F...

Moore Stephens LLP is a limited liability partnership registered in Singapore with registration number T08LL0862H.

*An independent
member firm of
Moore Stephens
International Limited
-members in principal
cities throughout
the world.*

AA GROUP HOLDINGS LTD.

(Company Registration No. 200412064D)

(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of the shareholders (the “**Shareholders**”) of AA Group Holdings Ltd. (the “**Company**”) will be held at 60 Benoi Road, #03-02 EMS Building, Boardroom, Singapore 629906 on 21 November 2018 at 9.30 a.m. for the purposes of considering and, if thought fit, passing (with or without modifications) the following ordinary resolutions:

*All capitalised terms in this notice which are not defined herein shall have the same meanings ascribed to them in the circular to shareholders of the Company dated 5 November 2018 (the “**Circular**”).*

ORDINARY RESOLUTION 1: THE PROPOSED ACQUISITION

THAT contingent on the passing of Ordinary Resolutions 2, 3 and 4:

- (a) approval be and is hereby given for the Company to effect and complete the Proposed Acquisition and all transactions in relation thereto, on the terms and subject to the conditions set out in the SPA, as defined in the Circular, the principal terms of which are set out in the Circular; and
- (b) the Directors of the Company and each of them be and are hereby authorised to implement, execute, perfect or give effect to complete and do all such acts and things (including but not limited to the execution of all such agreements and documents as may be required) as they/he may in their/his absolute discretion consider necessary, desirable, expedient or in the interests of the Company, to complete the transactions contemplated in the SPA and to give effect to the approvals given by this ordinary resolution.

ORDINARY RESOLUTION 2: THE ALLOTMENT AND ISSUANCE OF THE CONSIDERATION SHARES

THAT contingent on the passing of Ordinary Resolutions 1, 3 and 4:

- (a) the Directors of the Company be and are hereby authorized to allot and issue 350,000,000 new ordinary shares in the capital of the Company to the Vendors or their nominees in satisfaction of a portion of the consideration payable in accordance with the SPA; and
- (b) the Directors of the Company and each of them be and are hereby authorised to implement, execute, perfect or give effect to complete and do all such acts and things (including but not limited to the execution of all such agreements and documents as may be required) as they/he may in their/his absolute discretion consider necessary, desirable, expedient or in the interests of the Company, to complete the transactions contemplated in the SPA.

ORDINARY RESOLUTION 3: THE PROPOSED APPOINTMENT OF NG CHUAN HENG AS A DIRECTOR OF THE COMPANY

THAT contingent on the passing of Ordinary Resolutions 1, 2 and 4 and completion of the Proposed Acquisition (“**Completion**”), Ng Chuan Heng be appointed as a Non-Executive Non-Independent Director and Chairman of the Board of the Company with effect from Completion.

ORDINARY RESOLUTION 4: THE PROPOSED APPOINTMENT OF TAN POH GUAN AS A DIRECTOR OF THE COMPANY

THAT contingent on the passing of Ordinary Resolutions 1, 2 and 3 and Completion, Tan Poh Guan be appointed as an Executive Director of the Company with effect from Completion.

ORDINARY RESOLUTION 5: THE PROPOSED CHANGE OF AUDITORS

THAT:

- (a) Crowe Singapore be and is hereby appointed as the auditors of the Company in place of Moore Stephens to hold office until the conclusion of the next annual general meeting of the Company, and the Directors be and are hereby authorised to fix their remuneration; and
- (b) the Directors of the Company and each of them be and are hereby authorised to do all such acts and things (including, without limitation, executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Change of Auditors and/or this Resolution.

Notes to Ordinary Resolution 5:

- (i) *Moore Stephens, has confirmed, by way of their letter dated 23 August 2018 to Crowe Singapore that it is not aware of any professional reasons why Crowe Singapore should not accept appointment as auditors of the Company;*
- (ii) *The Company confirms that there were no disagreements with Moore Stephens on accounting treatments within the last 12 months up to the date of their resignation, being 14 September 2018;*
- (iii) *The Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this Circular;*
- (iv) *The specific reasons for the Proposed Change of Auditors are set out in Paragraph 4.4 of the Circular. The Proposed Change of Auditors is neither due to the dismissal of Moore Stephens nor Moore Stephens declining to continue to serve as the auditors of the Company; and*
- (v) *The Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the proposed appointment of Crowe Singapore as its new auditors.*

By Order of the Board

AA GROUP HOLDINGS LTD.

Andrew Quah
Company Secretary
Singapore, 5 November 2018

Notes:

- 1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.
- 2. A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act (Cap. 50)) is entitled to appoint not more than two proxies and where two proxies are appointed, shall specify the proportion of shareholding to be represented by each proxy.
- 3. A member who is a relevant intermediary is entitled to appoint more than two proxies and where such member's proxy form appoints more than one proxy, the number of and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form. Each proxy must be appointed to exercise the rights attached to the different share or shares held by such member.
- 4. In any case where more than one proxy is appointed, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no such proportion or number is specified, the first named proxy may be treated as representing 100 per cent of the shareholding and any second named proxy as an alternate to the first named.
- 5. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be either under its common seal or under the hand of any duly authorised officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), if required by law, be duly stamped and be deposited at the registered office of the Company at 7 Kim Yam Road Singapore 239323, not less than 48 hours before the time appointed for the EGM, failing which the instrument may be treated as invalid.
- 6. The instrument appointing a proxy must be deposited at the registered office of the Company, 7 Kim Yam Road Singapore 239323, not less than 48 hours before the time of the EGM.

7. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

AA GROUP HOLDINGS LTD.

(Company Registration No. 200412064D)
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. For investors who have used their CPF monies to buy AA Group Holdings Ltd. shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies or the appointment of their Agent Banks as proxies for the EGM.

PROXY FORM

(Please see notes overleaf before completing this Form)

*I/We, _____ (Name) _____ (NRIC/ Passport No.)
of _____ (Address)
being a member/members of **AA GROUP HOLDINGS LTD.** (the “**Company**”) hereby appoint:

Name	NRIC/Passport No.	Proportion of shareholdings to be represented by proxy	
		No. of Shares	%
Address			

*and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of shareholdings to be represented by proxy	
		No. of Shares	%
Address			

or failing *him/her/they, the Chairman of the meeting as *my/our proxy/proxies to attend and vote for *me/us on *my/our behalf at the Extraordinary General Meeting (the “**Meeting**”) of the Company to be held at 60 Benoi Road, #03-02 EMS Building, Boardroom, Singapore 629906 on 21 November 2018 at 9.30 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the ordinary resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

Note: Please indicate with an “X” in the spaces provided whether you wish your vote(s) to be cast for or against the resolution as set out in the notice of the Meeting. In the absence of specific directions or in the event of any item arising at the Meeting not summarised below, the proxy/proxies may vote or abstain from voting as he/she/they may think fit.

S/N	Ordinary Resolutions	For	Against
1.	To approve the Proposed Acquisition		
2.	To approve the allotment and issuance of Consideration Shares to the Vendors		
3.	To approve the appointment of Ng Chuan Heng as Director of the Company		
4.	To approve the appointment of Tan Poh Guan as Director of the Company		
5.	To approve the appointment of Crowe Horwath First Trust LLP as auditors of the Company, in place of Moore Stephens LLP		

Note: Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of Extraordinary General Meeting for the full purpose and intent of the Resolutions to be passed.

Dated this _____ day of _____ 2018

Total Number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) and
Common Seal of Corporate Member(s)
**Delete where applicable*

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in the relevant sections of the Securities and Futures Act (Cap. 289)), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at the above Extraordinary General Meeting of the Company ("EGM") is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act (Cap. 50)) is entitled to appoint not more than two proxies and where two proxies are appointed, shall specify the proportion of shareholding to be represented by each proxy.
4. A member who is a relevant intermediary is entitled to appoint more than two proxies and where such member's proxy form appoints more than one proxy, the number of and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form. Each proxy must be appointed to exercise the rights attached to the different share or shares held by such member.
5. In any case where a more than one proxy is appointed, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no such proportion or number is specified, the first named proxy may be treated as representing 100 per cent of the shareholding and any second named proxy as an alternate to the first named.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company, 7 Kim Yam Road Singapore 239323, not less than 48 hours before the time appointed for the EGM.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
8. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof shall, if required by law, be duly stamped and be deposited at the registered office of the Company, 7 Kim Yam Road Singapore 239323, not less than 48 hours before the time appointed for the EGM, failing which the instrument may be treated as invalid.
9. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act (Cap. 50).
10. Completion and return of this proxy form appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
11. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
12. CPF Investors who buy Shares in the Company may attend and cast their vote at the EGM in person. CPF Investors who are unable to attend the EGM but would like to vote, may inform their CPF Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF Investors shall be precluded from attending the EGM.
13. Capitalised terms not defined herein shall bear the same meanings ascribed to them in the Company's Circular to Shareholders dated 5 November 2018.

Personal Data Privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.