

9R LIMITED
(Incorporated in Singapore)
(Company Registration No: 199307300M)
(the “**Company**”)

MINUTES OF EXTRAORDINARY GENERAL MEETING

- DATE** : Friday, 5 January 2024
- TIME** : 10.30 a.m.
- VENUE** : RNN Conference Center, 137 Cecil Street, Cecil Building #04-01, Singapore 069537
- PRESENT** : **Board of Directors**
Datuk Low Kim Leng - Independent Non-executive Chairman
Mr Ong Swee Sin - Executive Director and CEO
Mr Wee Hock Kee - Independent Non-executive Director
Mr Mark Leong Kei Wei - Independent Non-executive Director
- Shareholders**
As set out in the attendance records maintained by the Company.
- IN ATTENDANCE/
BY INVITATION** : The Company Secretary, the Chief Financial Officer of the Company and other external professionals as set out in the attendance records maintained by the Company.
- CHAIRMAN** : Datuk Low Kim Leng

*Unless otherwise defined, all capitalised terms herein shall bear the same meaning as used in the circular to the shareholders of the Company dated 14 December 2023 (the “**Circular**”).*

1. INTRODUCTION & QUORUM

- 1.1 The Chairman welcomed shareholders to the Extraordinary General Meeting (the “**Meeting**” or “**EGM**”) of the Company. As a quorum was present, the Chairman declared the Meeting open.
- 1.2 The Chairman introduced the Board of Directors, the Chief Financial Officer and professionals present at the EGM.
- 1.3 Voting was by poll. The Meeting was informed that Convene SG Pte. Ltd. and CitadelCorp Pte. Ltd. had been appointed as polling agent and independent scrutineer respectively for the conduct of the poll. The validity of the proxies submitted by shareholders had been duly reviewed and the votes of all such valid proxies had been duly counted and verified.
- 1.4 It was noted that the Chairman had been appointed as proxy by some shareholders and that he would be voting in accordance with those shareholders’ instructions.

2. Q&A SESSION

- 2.1 As set out in the notice convening the EGM dated 14 December 2023 (“**Notice**”), shareholders were invited to pre-submit their questions relating to the Resolutions tabled. The Company did not receive any questions from shareholders in advance of the EGM.
- 2.2 Shareholders were invited to raise their questions, if any, before proceeding to the Resolutions.

Question 1:

- 2.3 Shareholder Mr Ou Yang Yan Te (“**Mr Ou Yang**”) enquired on the rationale for acquiring the Target Companies instead of building the Company’s own karaoke business from scratch. He commented that the future earnings from acquiring the Target Companies would effectively be

applied towards payment of the Consideration; and Body Power should provide a profit guarantee of two to five years.

Answer:

- 2.4 The CEO shared that the karaoke outlets under the Target Companies are currently located in shopping malls at quality locations, which have a conventional practice of only permitting one karaoke outlet per shopping mall. Such practice makes it challenging for the Group to set up newly established outlets in shopping malls. The Company had concluded that acquisition of the Target Companies would be the better and more efficient option compared to establishing new outlets. By acquiring the remaining seven operating outlets of Body Power's family style karaoke and entertainment business, the Group will own a total of nine outlets in Malaysia, creating economies of scale and further developing its lifestyle retail business. The Earn-Out Amount was a carefully deliberated commercial decision.
- 2.5 The Chairman added that the Proposed Acquisition includes acquiring the intellectual property rights relating to the Target Companies' business, as well as the brand equity associated with the brand name "*Red Box*". The Company believes that it is more beneficial to acquire the Target Companies and the *Red Box* branding, which is well established in the market. The Consideration and Earn-Out Amount was arrived at on a "willing-buyer willing-seller" basis. The businesses being acquired are a long-term investment.

Question 2:

- 2.6 Mr Ou Yang directed his next queries to the independent valuer appointed to undertake the valuation of 100% equity interest in the capital of the Target Companies, Navi Corporate Advisory Pte Ltd. ("**NAVI**"). Mr Ou Yang queried on the use of the income approach to forecast future income instead of using comparisons of historical financial performance; and the discount rate applied.

Answer:

- 2.7 Mr Richard Yap ("**Mr Yap**"), CEO of NAVI, advised that NAVI had adopted the income approach as its primary approach and the market approach as reference, and had also considered and reviewed the historical financial performance of the Target Companies. NAVI had adopted Weighted Average Cost of Capital ranging from 16% to 18% as discount rate used to discount the forecasted free cash flow to firm to its present value, which is used as a measure of enterprise value. The selected market multiple, namely the enterprise value to sales ("**EV/Sales**"), is indicating an equity value of approximately up to MYR35 million as stated in the Valuation Report.

Question 3:

- 2.8 Mr Ou Yang enquired on how the EV/Sales in the Valuation Report was derived.

Answer:

- 2.9 Mr Yap informed that the EV/Sales multiples is based on listed comparable companies after review of the business of the Target Companies and discussion with the Management. As the Target Companies are not publicly traded on any stock exchange, NAVI had also applied a Discount for Lack of Marketability (DLOM) of approximately 30% with reference to historical empirical studies.

Question 4:

- 2.10 Mr Ou Yang made reference to Regulation 144B and 144C of the proposed new constitution of the Company to be adopted. He commented that elderly shareholders might find notices and documents disseminated to shareholders via electronic means to be more challenging to access and that this approach may not be fair to the certain shareholders.

Answer:

- 2.11 The Company Secretary noted Mr Ou Yang's concern and explained that the said Regulations in relation to electronic communication is consistent and compliant with the relevant statutes and Catalist Rules.
- 2.12 Having addressed the shareholders' questions, the Chairman declared the Q&A session closed and proceeded to the Resolutions.

3. NOTICE OF EGM

- 3.1 The Notice was taken as read.
- 3.2 The Chairman informed the Meeting that he would be proposing all motions. Shareholders were informed that Ordinary Resolution 1 and Ordinary Resolution 2 are conditional on each other. If either Ordinary Resolution 1 or Ordinary Resolution 2 is not approved at the EGM, neither Ordinary Resolutions 1 or 2 will be passed.

4. ORDINARY RESOLUTION 1 – THE PROPOSED ACQUISITION AS A MAJOR TRANSACTION

- 4.1 Ordinary Resolution 1 is to approve the Proposed Acquisition as a Major Transaction. The full text of Ordinary Resolution 1 is set out in the Notice and was taken as read.
- 4.2 The Chairman proposed the motion:

“Subject to and contingent upon the passing of Resolution 2:

- (a) *For the purposes of Chapter 10 of the Catalist Rules, approval be and is hereby given for the acquisition by 9R Leisure Sdn Bhd, a wholly-owned subsidiary of the Company, as purchaser, of 100.0% of the shareholding interests in the Target Companies from Body Power, as vendor, subject to and otherwise in accordance with the terms and conditions of the SPA.*
- (b) *The Directors and each and any of them be and are hereby authorised to take any and all steps and to do and/or procure to be done any and all acts and things (including without limitation finalising, approving and executing all such documents as may be required) as they and/or he may in their absolute discretion consider necessary, desirable or expedient in order to implement, complete or give effect to all matters and transactions as contemplated in this resolution.”*

5. ORDINARY RESOLUTION 2 – THE PROPOSED ALLOTMENT

- 5.1 Ordinary Resolution 2 is to approve the Proposed Allotment. The full text of Ordinary Resolution 2 is set out in the Notice and was taken as read.
- 5.2 The Chairman proposed the motion:

“Subject to and contingent upon the passing of Resolution 1:

- (a) *Pursuant to Section 161 of the Companies Act 1967 of Singapore and Rule 805(1) of the Catalist Rules, approval be and is hereby given for the proposed allotment and issue of up to 100,170,000 new 9R Shares at an issue price of S\$0.06 for each 9R Share to Body Power or a related entity of Body Power subject to and otherwise in accordance with the terms and conditions of the SPA.*
- (b) *The Directors and each and any of them be and are hereby authorised to take any and all steps and to do and/or procure to be done any and all acts and things (including without limitation finalising, approving and executing all such documents as may be required) as*

they and/or he may in their absolute discretion consider necessary, desirable or expedient in order to implement, complete or give effect to all matters and transactions as contemplated in this resolution.”

6. SPECIAL RESOLUTION 3 – THE PROPOSED ADOPTION OF THE NEW CONSTITUTION

6.1 Special Resolution 3 is to approve the adoption of the Company’s new constitution as set out in the Circular. The full text of Special Resolution 3 is set out in the Notice and was taken as read.

6.2 The Chairman proposed the motion:

“Resolved that,

- (a) The proposed adoption of the new constitution of the Company in the manner and to the extent set out in the Circular to the Shareholders of the Company dated 14 December 2023 be and is hereby approved; and*
- (b) The Directors and/or any of them be and are/is hereby authorized to complete and do all such acts and things (including executing such documents as may be required, approving and making any subsequent amendment, alteration, or modification to the Constitution to comply with the requirements of the Companies Act, and sign and file and/or submit any notices, forms, and documents with or to the relevant authorities) as they and/or he may consider expedient or necessary to give effect to this Special Resolution.”*

7. RESULTS OF POLL VOTING

7.1 The Meeting proceeded to conduct poll voting. Shareholders were given a further two minutes to finalise and cast their votes. The following poll results, which were duly verified, were announced by the Chairman:

Resolution details	For		Against	
	Number of shares	Percentage (%)	Number of shares	Percentage (%)
Ordinary Resolution 1 Proposed Acquisition as a Major Transaction	799,368,173	99.999%	8,500	0.001%
Ordinary Resolution 2 Proposed Allotment	799,368,173	99.999%	8,500	0.001%
Special Resolution 3 Proposed Adoption of the New Constitution	799,368,173	99.999%	8,500	0.001%

7.2 Based on the poll results, the Chairman declared all the Resolutions carried.

8. CONCLUSION

8.1 There being no other business to transact, the Chairman declared the EGM closed at 10:55 a.m. and thanked everyone for their attendance.

Confirmed as a True Record of Proceedings Held

Datuk Low Kim Leng
Chairman

This announcement has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.