

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 52<sup>nd</sup> Annual General Meeting of **AVARGA LIMITED** (the "**Company**") will be held on Friday, 26 April 2019 at 9.30 a.m. at Tan Chin Tuan Function Room 2, Level 4, YMCA of Singapore, 1 Orchard Road, Singapore 238824 for the following purposes:

## AS ORDINARY BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

1. To receive and adopt the Directors' Statement and Audited Accounts of the Company for the financial year ended 31 December 2018 together with the Auditors' Report thereon. **(Ordinary Resolution 1)**
2. To approve a final dividend of 3.00 cents tax exempt (one tier) dividend per share for the financial year ended 31 December 2018. *(See Explanatory Note (i))* **(Ordinary Resolution 2)**
3. To approve the payment of Directors' fees of up to S\$400,000 payable by the Company for the financial year ending 31 December 2019. **(Ordinary Resolution 3)**
4. To re-elect Ms. Ng Shin Ein, retiring pursuant to Regulation 104 of the Constitution of the Company. *(See Explanatory Note (ii))* **(Ordinary Resolution 4)**
5. To re-elect Dato' Seri Kalimullah Bin Masheerul Hassan, retiring pursuant to Regulation 104 of the Constitution of the Company. *(See Explanatory Note (iii))* **(Ordinary Resolution 5)**
6. To re-elect Ms. Chan Lay Hoon, who ceases to hold office in accordance with Regulation 114 of the Constitution of the Company and who, being eligible, offers herself for re-election. *(See Explanatory Note (iv))* **(Ordinary Resolution 6)**
7. To re-appoint Messrs Nexia TS Public Accounting Corporation as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 7)**
8. To transact any other ordinary business which may be transacted at an Annual General Meeting.

## AS SPECIAL BUSINESS

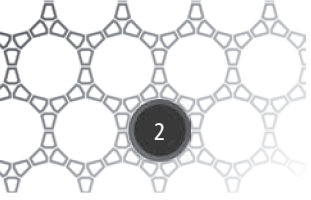
To consider and if thought fit, to pass the following resolutions, with or without any modifications:

### 9. **Authority to Directors to Issue Shares**

As an Ordinary Resolution:

That pursuant to Section 161 of the Companies Act, Chapter 50 (the "**Act**") and the rules, guidelines and measures issued by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Directors of the Company be and are hereby authorised and empowered to issue:

- (i) shares in the capital of the Company ("**shares**");



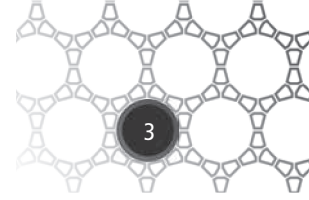
## NOTICE OF ANNUAL GENERAL MEETING

- (ii) convertible securities;
- (iii) additional convertible securities issued pursuant to adjustments; or
- (iv) shares arising from the conversion of the securities in (ii) and (iii) above,

(whether by way of rights, bonus or otherwise in pursuance of any offer, agreement or option made or granted by the Directors during the continuance of this authority or thereafter) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit (notwithstanding the authority conferred by this Resolution may have ceased to be in force), provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of convertible securities made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as calculated in accordance with sub-paragraph (2) below ("**Issued Shares**"), provided that the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of convertible securities made or granted pursuant to this Resolution) does not exceed twenty per cent. (20%) of the total number of Issued Shares;
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of Issued Shares shall be based on the total number of Issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for:
  - (i) new shares arising from the conversion or exercise of any convertible securities;
  - (ii) (where applicable) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with the Listing Manual; and
  - (iii) any subsequent bonus issue, consolidation or subdivision of shares.
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and (unless revoked or varied by the Company in General Meeting), in respect of sub-paragraph (1) above the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company ("**AGM**") or the date by which the next AGM of the Company is required by law to be held, whichever is earlier. (See *Explanatory Note (v)*)

**(Ordinary Resolution 8)**



# NOTICE OF ANNUAL GENERAL MEETING

## 10. **Authority to offer and grant options and allot and issue shares pursuant to the Avarga Group Employees' Share Option Scheme 2018**

As an Ordinary Resolution:

That authority be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the Avarga Group Employees' Share Option Scheme 2018 (the "**Avarga Group ESOS 2018**") approved by Shareholders in general meeting on 27 April 2018 as may be amended from time to time, and pursuant to Section 161 of the Companies Act, Cap. 50, to allot and issue and/or transfer from time to time such number of shares in the Company as may be required to be issued and/or transferred pursuant to the exercise of the options under the Avarga Group ESOS 2018, notwithstanding that the approval has ceased to be in force if the shares are issued pursuant to the exercise of an option granted while the approval to offer and grant the option was in force provided always that the aggregate number of shares to be issued pursuant to the Avarga Group ESOS 2018, when added to (a) the aggregate number of shares issued or issuable in respect of any other share-based incentive schemes of the Company (if any) and (b) the number of treasury shares and subsidiary holdings delivered in respect of the options granted under all the other share-based incentive schemes of the Company (if any), shall not exceed fifteen per cent. (15%) of the issued shares (excluding treasury shares and subsidiary holdings) of the Company on the date immediately preceding the date of grant of the option. Such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

(See *Explanatory Note (vi)*)

**(Ordinary Resolution 9)**

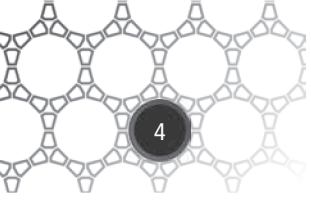
## 11. **Approval for Renewal of Share Purchase Mandate**

As an Ordinary Resolution:

(a) That for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50 of Singapore (the "**Act**"), the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (the "**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

- (i) on-market purchases (each an "**On-Market Share Purchase**") on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or
- (ii) off-market purchases (each an "**Off-Market Share Purchase**") effected in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");



## NOTICE OF ANNUAL GENERAL MEETING

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next AGM of the Company is held;
  - (ii) the date by which the next AGM of the Company is required by law to be held; and
  - (iii) the date on which the purchase of Shares by the Company pursuant to the Share Purchase Mandate is carried out to the full extent mandated;

- (c) in this Resolution:

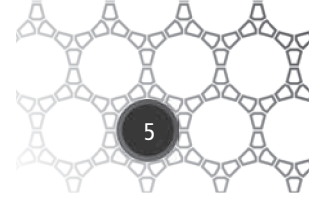
**“Prescribed Limit”** means 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares or subsidiary holdings as at that date); and

**“Maximum Price”** in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price,

where:

**“Average Closing Price”** means the average of the closing market prices of a Share over the last 5 Market Days (**“Market Day”** being a day on which the SGX-ST is open for securities trading), on which transactions in the Shares were recorded, before the day on which the On-Market Share Purchase was made or before the date of the Company’s announcement of an offer for the Off-Market Share Purchase, as the case may be, and deemed to be adjusted for any corporate action that occurs after the relevant 5 Market Days; and



# NOTICE OF ANNUAL GENERAL MEETING

- (d) the Directors of the Company and/or each of them be and are/is hereby authorised to complete and do all such acts and things as they and/or he may consider necessary, desirable, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution. (See *Explanatory Note (vii)*) **(Ordinary Resolution 10)**

BY ORDER OF THE BOARD

Tong Kooi Ong  
Executive Chairman and Chief Executive Officer

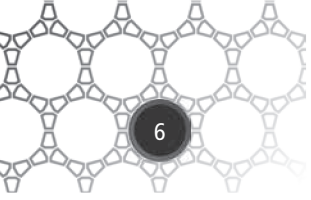
11 April 2019

**Notes:**

1. (a) A member of the Company who is not a relevant intermediary entitled to attend and vote at the above Meeting may appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
- (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member (which number and class of Shares shall be specified). In such an event, such member shall submit a list of its proxies together with the information required in this proxy form to the Company.

**“relevant intermediary”** means:

- (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (ii) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or
- (iii) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.



# NOTICE OF ANNUAL GENERAL MEETING

2. A proxy need not be a member of the Company.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than seventy-two (72) hours before the time appointed for holding the Meeting.
4. If the member is a corporation, the instrument appointing the proxy must be under common seal or the hand of an officer or attorney duly authorised.

## **Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting 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 AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing 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.

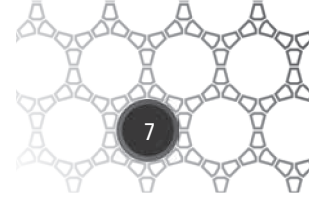
## **Explanatory Notes:**

### **(i) Ordinary Resolution 2**

For the financial year ended 31 December 2017, the Company paid an interim dividend of 0.50 cents per share and a final dividend of 0.50 cents per share. For the financial year ended 31 December 2018, the Company has paid an interim dividend of 0.50 cents per share and will be paying an additional final dividend of 3.00 cents per share, if approved by the members of the Company at the Annual General Meeting. More information on the proposed final dividend of 3.00 cents can be found in the "**Chairman and CEO's Statement**" section of the Company's Annual Report 2018.

### **(ii) Ordinary Resolution 4**

Subject to her re-election, Ms. Ng Shin Ein will be re-appointed as an Independent Director. Ms. Ng Shin Ein is also the Chairman of the Remuneration Committee, and a member of the Nominating Committee and the Audit and Risk Management Committee. Detailed information on Ms. Ng Shin Ein can be found in the "**Board of Directors**", "**Directors' Statement**" and "**Report on Corporate Governance**" sections of the Company's Annual Report 2018.



# NOTICE OF ANNUAL GENERAL MEETING

## (iii) Ordinary Resolution 5

Subject to his re-election, Dato' Seri Kalimullah Bin Masheerul Hassan will be re-appointed as an Independent Director. Dato' Seri Kalimullah Bin Masheerul Hassan is also the Chairman of the Nominating Committee, and a member of the Remuneration Committee and the Audit and Risk Management Committee. Detailed information on Dato' Seri Kalimullah Bin Masheerul Hassan can be found in the "**Board of Directors**", "**Directors' Statement**" and "**Report on Corporate Governance**" sections of the Company's Annual Report 2018.

## (iv) Ordinary Resolution 6

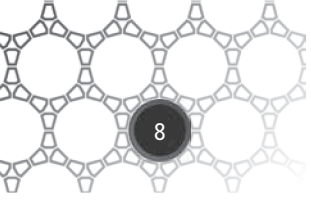
Subject to her re-election, Ms. Chan Lay Hoon will be re-appointed as a Non-Executive, Non-Independent Director. Ms. Chan Lay Hoon is also a member of the Audit and Risk Management Committee. Detailed information on Ms. Chan Lay Hoon can be found in the "**Board of Directors**", "**Directors' Statement**" and "**Report on Corporate Governance**" sections of the Company's Annual Report 2018.

## (v) Ordinary Resolution 8

The Ordinary Resolution 8 proposed above, if passed, will empower the Directors of the Company to issue shares in the capital of the Company and to make or grant convertible securities, and to issue shares in pursuance of such convertible securities, without seeking any further approval from shareholders in general meeting, up to a number not exceeding fifty per cent. (50%) of the total number of Issued Shares of which up to twenty per cent. (20%) of the total number of Issued Shares may be issued other than on a pro rata basis to shareholders.

## (vi) Ordinary Resolution 9

The Ordinary Resolution 9 proposed above, if passed, will empower the Directors of the Company to offer and grant options and to allot and issue and/or transfer shares in the capital of the Company pursuant to the exercise of options under the Avarga Group ESOS 2018, provided that the aggregate number of shares to be issued and/or transferred pursuant to the Avarga Group ESOS 2018, when added to (a) the aggregate number of shares issued or issuable in respect of any other share-based incentive schemes of the Company (if any) and (b) the number of treasury shares and subsidiary holdings delivered in respect of the options granted under all the other share-based incentive schemes of the Company (if any), shall not exceed fifteen per cent. (15%) of the issued shares (excluding treasury shares and subsidiary holdings) of the Company on the date immediately preceding the date of grant of the option. This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.



# NOTICE OF ANNUAL GENERAL MEETING

## (vii) Ordinary Resolution 10

The Ordinary Resolution 10 proposed above, if passed, will enable the Directors of the Company, unless varied or revoked by the Company in general meeting, from the date of the above Annual General Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting is required by law to be held, or the date on which the purchase of Shares by the Company is carried out to the full extent mandated, whichever is the earliest, to purchase Shares by way of On-Market Share Purchases and/or Off-Market Share Purchases of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings of the Company) at the time of the passing of the ordinary resolution and up to the Maximum Price. The Company intends to use internal sources of funds or external borrowings, or a combination of both, to finance its purchase of Shares pursuant to the Share Purchase Mandate. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from the purchase of Shares cannot be ascertained as at the date of this Notice as these will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, and the consideration paid at the relevant time and the amount (if any) borrowed by the Company to fund the purchase. The rationale for, the authority and the limits on, and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Company and the Group for the financial year ended 31 December 2018 (for illustrative purposes only) are set out in greater detail in the Appendix to the Notice of Annual General Meeting dated 11 April 2019 in relation to the proposed renewal of the Share Purchase Mandate.