

# AVARGA LIMITED

(Company Registration No.: 196700346M)  
(Incorporated in the Republic of Singapore)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 53<sup>rd</sup> Annual General Meeting of **AVARGA LIMITED** (the “**Company**”) will be held on Friday, 26 June 2020 at 2.30 p.m. by way of electronic means 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 Financial Statements of the Company for the financial year ended 31 December 2019 together with the Auditors’ Report thereon.  
**(Ordinary Resolution 1)**
2. To approve a final dividend of 0.50 cent tax exempt (one tier) dividend per share for the financial year ended 31 December 2019.  
**(Ordinary Resolution 2)**
3. To approve the payment of Directors’ fees of up to S\$500,000 payable by the Company for the financial year ending 31 December 2020.  
**(Ordinary Resolution 3)**
4. To re-elect Mr. Loh Chen Peng, retiring pursuant to Regulation 114 of the Constitution of the Company.  
(See *Explanatory Note (i)*) **(Ordinary Resolution 4)**
5. To re-elect Mr. Tong Kooi Ong, retiring pursuant to Regulation 103 of the Constitution of the Company.  
(See *Explanatory Note (ii)*) **(Ordinary Resolution 5)**
6. To re-elect Mr. Tong Ian, retiring pursuant to Regulation 103 of the Constitution of the Company.  
(See *Explanatory Note (iii)*) **(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 and Allot 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**”);

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- (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 one hundred per cent. (100%) 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, provided the options or awards were granted in compliance with the Listing Manual; and
  - (iii) any subsequent bonus issue, consolidation or subdivision of shares.

Adjustments in accordance with the abovementioned (i) or (ii) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution; and

- (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 (iv)*)

**(Ordinary Resolution 8)**

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## 10. **Authority to issue shares under the Avarga Group Employees' Share Option Scheme 2018 ("Avarga Group ESOS 2018")**

As an Ordinary Resolution:

That the Directors be authorised and empowered to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the Avarga Group ESOS 2018, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Avarga Group ESOS 2018 and such other share-based incentive scheme shall not exceed fifteen per cent. (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that 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* (v))

**(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 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**");

(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

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(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 during the above-mentioned relevant 5 Market Days and the day on which the On-Market Share Purchase was made; and

(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 necessary, 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 (vi)*)

**(Ordinary Resolution 10)**

BY ORDER OF THE BOARD

Tong Kooi Ong  
Executive Chairman

11 June 2020

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## Important Notes:

### 1. Pre-Registration:

The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in this notice of AGM. This notice of AGM may be accessed at the URLs <https://www.sgx.com/securities/company-announcements> and <http://www.avarga.com.sg/investor-relations/sgx-announcements/>.

**Members will not be able to attend the AGM physically.** Members who wish to participate at the AGM may watch the AGM proceedings via a live audio-visual webcast or audio-only stream. To do so, members must pre-register their details including full name, NRIC/Passport/Company Registration No., contact number and email address on the Company's AGM pre-registration website at the URL [https://bit.ly/Avarga\\_Limited\\_AGM](https://bit.ly/Avarga_Limited_AGM) by **2.30 p.m. on Tuesday, 23 June 2020 ("Registration Deadline")** for the Company to verify their status as members.

Verified members will receive an email by Thursday, 25 June 2020 containing instructions to access the Live Webcast or Live Audio-Only Stream. Members must not forward the link or their log-in details to third persons who are not members and who are not entitled to attend the AGM proceedings.

Members who do not receive an email by **12 noon on Thursday, 25 June 2020** but have registered before the Registration Deadline should contact Easy Video by email to [yifan@easyvideo.sg](mailto:yifan@easyvideo.sg).

### 2. Submission of Questions:

**The Company will not be addressing any questions raised by the members during the Live Webcast and Live Audio-Only Stream.** Members who have any questions in relation to any agenda item of this notice, shall send their queries to the Company in advance, by **Friday, 19 June 2020**, via email to [admin@avarga.com.sg](mailto:admin@avarga.com.sg).

The Company will endeavour to upload the Company's responses to substantial and relevant queries from members on the SGXNet and the Company's website by **Thursday, 25 June 2020**.

### 3. Submission of Proxy Form:

A member will not be able to vote through the Live Webcast and Live Audio-Only Stream and voting is only through submission of proxy form. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of Chairman of the Meeting as proxy for that resolution will be treated as invalid.

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The accompanying proxy form for the AGM can be accessed at the Company's website at the URL <http://www.avarga.com.sg/investor-relations/sqx-announcements/>, and is made available with this notice of AGM on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> on the same day.

For CPF or SRS investors who wish to appoint Chairman of the Meeting as their proxy, they should approach their CPF and/or SRS Approved Nominees to submit their votes at least seven (7) working days before the AGM, i.e. by **5.00 p.m. on Wednesday, 17 June 2020**.

The instrument appointing Chairman of the Meeting as proxy must be:

- (a) deposited at the office of the Company's share registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902; or
- (b) emailed to: [gpb@mncsingapore.com](mailto:gpb@mncsingapore.com),

in either case, no later than **Tuesday, 23 June 2020 at 2.30 p.m.**

Any incomplete/improperly completed proxy form (including proxy form which is not appointing "Chairman of the Meeting" as proxy) will be rejected by the Company.

A member who wishes to submit an instrument of proxy must first **download, complete and sign the proxy form**, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

**In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**

The Company shall be entitled to reject the instrument appointing Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing Chairman of the Meeting as proxy). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing Chairman of the Meeting as proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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## 4. Key Dates/Deadlines:

In summary, the key dates/deadlines which members should take note of are set out in the table below:

Key Dates	Actions
<b>From 11 June 2020 (Thursday)</b>	<p>Members may begin to pre-register at the website <a href="https://bit.ly/Avarga_Limited_AGM">https://bit.ly/Avarga_Limited_AGM</a> for the live audio-visual webcast or audio-only stream of the AGM proceedings.</p> <p>Submission of questions in advance by email to <a href="mailto:admin@avarga.com.sg">admin@avarga.com.sg</a>.</p> <p>Submit completed proxy form either by (i) post to Company's Share Registrar, M &amp; C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902; or (ii) email to <a href="mailto:gpb@mncsingapore.com">gpb@mncsingapore.com</a>.</p>
<b>17 June 2020 at 5.00 p.m. (Wednesday)</b>	Deadline for CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy to approach their CPF and/or SRS Approved Nominees to submit their votes.
<b>19 June 2020 (Friday)</b>	Deadline for members to submit questions in advance.
<b>23 June 2020 at 2.30 p.m. (Tuesday)</b>	<p>Deadline for members to:</p> <ol style="list-style-type: none"> <li>1. pre-register online to attend the AGM; and</li> <li>2. submit proxy forms.</li> </ol>
<b>25 June 2020 at 12.00 noon (Thursday)</b>	<p>Verified members will receive an email containing a unique link, as well as a webinar ID and password details to access the live audio-visual webcast and the telephone number to access the audio-only stream of the AGM proceedings ("<b>Confirmation Email</b>").</p> <p>Members who do not receive the Confirmation Email by 12 noon on 25 June 2020, but have registered by the Registration Deadline should email to <a href="mailto:yifan@easyvideo.sg">yifan@easyvideo.sg</a>.</p>
<b>Date and time of AGM 26 June 2020 at 2.30 p.m. (Friday)</b>	<p>Click on the link in the Confirmation Email to access the live audio-visual webcast of the AGM proceedings;</p> <p>Members can also choose to access the live audio-visual webcast by entering the webinar ID and password; or</p> <p>Dial-in the telephone number and enter the webinar ID to access the audio-only stream of the AGM proceedings.</p>

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## 5. Annual Report and other documents:

The annual report for the financial year ended 31 December 2019 which was issued on 15 April 2020 can be accessed from the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <http://www.avarga.com.sg/investor-relations/sgx-announcements/>. No printed copy will be sent to members.

## Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM 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 4

Subject to his re-election, Mr. Loh Chen Peng will remain as an Independent Director. Mr. Loh Chen Peng is also a member of the Audit and Risk Management Committee and Remuneration Committee. Detailed information on Mr. Loh Chen Peng can be found in the "**Board of Directors**", "**Directors' Statement**" and "**Report on Corporate Governance**" sections of the Company's Annual Report 2019.

### (ii) Ordinary Resolution 5

Subject to his re-election, Mr. Tong Kooi Ong will remain as Executive Chairman. Detailed information on Mr. Tong Kooi Ong can be found in the "**Board of Directors**", "**Directors' Statement**" and "**Report on Corporate Governance**" sections of the Company's Annual Report 2019.

### (iii) Ordinary Resolution 6

Subject to his re-election, Mr. Tong Ian will remain as Executive Director and Chief Executive Officer. Detailed information on Mr. Tong Ian can be found in the "**Board of Directors**", "**Directors' Statement**" and "**Report on Corporate Governance**" sections of the Company's Annual Report 2019.



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## (iv) Ordinary Resolution 8

The Ordinary Resolution 8 proposed above, if passed, will empower the Directors of the Company, from the date of this AGM until 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, 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 one hundred per cent. (100%) 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.

On 8 April 2020, SGX RegCo issued a news release which introduced measures to support issuers amid the challenging business and economic climate due to COVID-19, including enabling the acceleration of fund-raising efforts by allowing Mainboard issuers to seek a general mandate for an issue of pro-rata shares and convertible securities of up to an aggregate of 100% of its issued shares (excluding treasury shares and subsidiary holdings), versus up to 50% previously (the “**Enhanced Share Issue Limit**”), of which the aggregate number of shares and convertible securities issued other than on a pro rata basis remains at not more than 20%. The Enhanced Share Issue Limit may be renewed at the AGM for year 2021 (“**2021 AGM**”) and is only valid until 31 December 2021, by which date any shares and/or convertible securities issued pursuant to the Enhanced Share Issue Limit must be listed, and no further shares and/or convertible securities shall be issued under this limit.

The Company is proposing to adopt the Enhanced Share Issue Limit and accordingly is seeking shareholders’ approval for the same at this AGM. The Board of Directors is of the view that it would be in the interests of the Company and its shareholders to do so in the event that circumstances evolve before the 2021 AGM amid the COVID-19 situation to such an extent that a 50% limit for pro rata issue of shares and/or convertible securities is not sufficient to meet the Company’s needs. Under such circumstances and if the Enhanced Share Issue Limit is not in place, fund raising efforts would be unnecessarily hampered and compromised in view of the time needed to obtain shareholders’ approval for the issue of shares above the 50% threshold. The limit for the aggregate of shares and convertible securities issued other than on a pro-rata basis shall remain at not more than 20% to shareholders.

## (v) Ordinary Resolution 9

The Ordinary Resolution 9 proposed above, if passed, will empower the Directors, from date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Avarga Group ESOS 2018 and such other share-based incentive scheme up to a number not exceeding in total (for the entire duration of the Avarga Group ESOS 2018) fifteen per cent. (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

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## (vi) 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 AGM until the date on which the next AGM of the Company is held, or the date by which the next AGM of the Company 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 2019 (for illustrative purposes only) are set out in greater detail in the Appendix to the Notice of Annual General Meeting dated 11 June 2020 in relation to the proposed renewal of the Share Purchase Mandate.