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

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WMG HOLDINGS BHD.

Registration No. 201501041664 (1166985-X)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED SPECIAL ISSUE OF UP TO 55,070,000 NEW ORDINARY SHARES IN WMG HOLDINGS BHD. ("WMG" OR THE "COMPANY") TO BUMIPUTERA INVESTORS TO BE IDENTIFIED AND RECOGNISED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



ALLIANCE INVESTMENT BANK

Alliance Investment Bank Berhad 197401004393 (21605-D)
A Participating Organisation of Bursa Malaysia Securities Berhad

The Extraordinary General Meeting ("**EGM**") of the Company will be held at Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia ("**Broadcast Venue**") on Wednesday, 11 November 2020 at 11.00 a.m. or at any adjournment thereof and conducted entirely through live streaming from the Broadcast Venue. The Notice of the EGM, Administrative Notes for the EGM and the Form of Proxy are enclosed herewith.

If you decide to appoint a proxy(ies) to attend and vote on your behalf at the EGM, the Form of Proxy should be completed and deposited at the office of the Company's share registrar at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, speaking and voting in person at the EGM should you subsequently wish to do so.

This Circular is dated 26 October 2020

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DEFINITIONS

In this Circular and the accompanying appendix, the following words and abbreviations shall have the following meanings unless otherwise stated:-

Act	: Companies Act 2016
AIBB or Principal Adviser	: Alliance Investment Bank Berhad, being the Principal Adviser for the Proposed Special Issue
Board	: Board of Directors of WMG
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd
Bursa Securities	: Bursa Malaysia Securities Berhad
Circular	: This circular to our shareholders dated 26 October 2020
Director(s)	: A director shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction was agreed upon, a director or a chief executive of WMG, its subsidiaries or holding company
EGM	: Extraordinary general meeting
EPS	: Earnings per share
FPE	: Financial period ended 30 June
FYE	: Financial year ended / ending 31 December, as the case may be
ICPS	: Irredeemable convertible preference shares
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 15 October 2020, being the latest practicable date prior to the printing of this Circular
LTD	: 7 September 2020, being the last market day prior to the announcement of the Proposed Special Issue on 8 September 2020
MITI	: Ministry of International Trade and Industry
NA	: Net assets
PAT	: Profit after tax
Proposed Special Issue	: Proposed special issue of up to 55,070,000 new WMG Shares to Bumiputera investors to be identified and recognised by the MITI
RCPS	: Redeemable convertible preference shares
Record of Depositors	: Record of securities holders established by Bursa Depository pursuant to the Rules of Bursa Depository as issued pursuant to the Central Depositories Act
RM and sen	: Ringgit Malaysia and sen, respectively
SC	: Securities Commission Malaysia

DEFINITIONS (CONT'D)

Special Issue Share(s)	: Up to 55,070,000 new WMG Shares which represents approximately 11.44% of the enlarged issued share capital of WMG of 481,237,169 ordinary shares after the Proposed Special Issue
VWAMP	: Volume weighted average market price
WMG or the Company	: WMG Holdings Bhd.
WMG Group or Group	: WMG and its subsidiaries, collectively
WMG Share(s) or Share(s)	: Ordinary shares in WMG

All references to “WMG” or “our Company” in this Circular are WMG, references to “WMG Group” or “Group” are to our Company and our subsidiaries and references to “we”, “us”, “our” and “ourselves” are to our Group, our Company, and where the context otherwise requires, our subsidiaries.

All references to “you” in this Circular are to the shareholders of our Company.

Words denoting the singular shall, where applicable, include the plural and *vice versa* and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and *vice versa*. References to persons shall include corporations, unless otherwise specified.

Any reference to a time of day in this Circular is a reference to Malaysian time, unless otherwise stated.

Any reference in this Circular to any enactment, codes, rules or regulations is a reference to that enactment, codes, rules or regulations as for the time being amended or re-enacted.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

This Circular includes forward-looking statements. All statements other than statements of historical facts in this Circular including, without limitation, those regarding our Company’s financial position, business strategies, plans and objectives of our Company for future operations, are forward-looking statements. There can be no assurance that such forward-looking statements will materialise, be fulfilled or be achieved.

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EXECUTIVE SUMMARY

All definitions used in this Executive Summary shall have the same meaning as the words and expressions provided in the “Definitions” Section and context of the Circular.

This Executive Summary highlights only the pertinent information of the Proposed Special Issue. Shareholders are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposed Special Issue before voting at the EGM.

Key information	Description
Summary of the Proposed Special Issue	<p>On 8 September 2020, AIBB had, on behalf of the Board, announced the proposed special issue of up to 55,070,000 new WMG Shares to Bumiputera investors to be identified and recognised by the MITI.</p> <p>On 13 October 2020, AIBB had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 13 October 2020, approved the listing of and quotation for the Special Issue Shares on the Main Market of Bursa Securities, subject to the conditions as stated in Section 8 of this Circular.</p>
Details of the Proposed Special Issue	<p>The Proposed Special Issue entails the issuance of up to 55,070,000 Special Issue Shares, which represents approximately 11.44% of the enlarged issued share capital of WMG after the Proposed Special Issue.</p> <p>Please refer to Section 2 of this Circular for further details of the Proposed Special Issue.</p>
Rationale for the Proposed Special Issue	The Proposed Special Issue is being undertaken to enable WMG to comply with the Bumiputera equity condition and to facilitate the equity participation of Bumiputera investors in WMG.
Approvals required	<p>The Proposed Special Issue is subject to the following approvals being obtained from the following authorities and/or parties:</p> <ul style="list-style-type: none"> (i) the Equity Compliance Unit of the SC, for the resultant equity structure of WMG pursuant to the Proposed Special Issue, which was obtained vide its letter dated 18 March 2020; (ii) MITI, for the recognition of the existing Bumiputera shareholders in WMG, which was obtained vide its letter dated 29 May 2020 (which was received on 3 June 2020); (iii) MITI, for the identification and recognition of new Bumiputera investors as approved Bumiputera shareholders; (iv) Bursa Securities, for the listing of and quotation for the Special Issue Shares, which was obtained vide its letter dated 13 October 2020, subject to the conditions set out in Section 8 of this Circular; (v) shareholders of WMG at the forthcoming EGM; and (vi) any other relevant authorities, if required.
Directors' recommendation	The Board, having considered all aspects of the Proposed Special Issue, including but not limited to the rationale and effects of the Proposed Special Issue, is of the opinion that the Proposed Special Issue is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Special Issue at the forthcoming EGM.



WMG HOLDINGS BHD.

Registration No. 201501041664 (1166985-X)

(Incorporated in Malaysia)

Registered Office:

Wisma WMG, Lot 1 & 2
Jalan Indah Jaya
Taman Indah Jaya
Jalan Lintas Selatan
90000 Sandakan, Sabah

26 October 2020

BOARD OF DIRECTORS

Datuk Eric Usip Juin (*Chairman / Senior Independent Non-Executive Director*)
Datuk Quek Siew Hau (*Managing Director*)
Fong Kin Wui (*Deputy Managing Director*)
Lim Ted Hing (*Executive Director*)
Seah Sen Onn @ David Seah (*Executive Director*)
Chan Ka Tsung (*Executive Director*)
Tan Kung Ming (*Independent Non-Executive Director*)
Hajah Shakinur Ain Binti Hj Karama (*Independent Non-Executive Director*)

To: Shareholders of WMG Holdings Bhd.

Dear Sir/Madam,

PROPOSED SPECIAL ISSUE

1. INTRODUCTION

On 8 September 2020, AIBB had, on behalf of the Board, announced the proposed special issue of up to 55,070,000 new WMG Shares to Bumiputera investors to be identified and recognised by the MITI.

On 13 October 2020, AIBB had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 13 October 2020, approved the listing of and quotation for the Special Issue Shares on the Main Market of Bursa Securities, subject to the conditions as stated in Section 8 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION OF THE PROPOSED SPECIAL ISSUE, AND TO SET OUT THE VIEWS AND RECOMMENDATIONS OF THE BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED SPECIAL ISSUE TO BE TABLED AT THE FORTHCOMING EGM.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SPECIAL ISSUE TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED SPECIAL ISSUE

WMG was a special purpose vehicle incorporated for a reverse takeover exercise ("**RTO**") of Tekala Corporation Berhad ("**Tekala**") pursuant to a regularisation plan undertaken by Tekala. Subsequently, the Company assumed Tekala's listing status pursuant to the completion of the RTO on 31 July 2017. As part of the approval of the SC for the regularisation plan, WMG is required to ensure at least 12.50% of its new enlarged issued share capital is to be allocated to or held by Bumiputera investors recognised by MITI, within one year after WMG registering a profit or three years after the implementation of the regularisation plan (i.e. by 31 July 2020), whichever is earlier ("**Bumiputera Equity Condition**").

On 31 January 2020, AIBB had, on behalf of the Company, announced that the Company had submitted an application to the SC to seek its approval for the resultant equity structure of WMG pursuant to the Proposed Special Issue. On 4 March 2020, AIBB had, on behalf of the Company, submitted an application to MITI for recognition of the Company's existing Bumiputera shareholders based on the Company's record of depositors as at 31 January 2020 being the latest practicable date prior to the application to MITI ("**ROD Date**"), as approved Bumiputera shareholders for the purpose of complying with the Bumiputera Equity Condition.

Subsequently, AIBB had, on behalf of the Company, announced the following:-

- (i) on 18 March 2020, the SC had approved the resultant equity structure of WMG pursuant to the Proposed Special Issue; and
- (ii) on 3 June 2020, MITI had confirmed its recognition of the existing Bumiputera shareholders in WMG as at the ROD Date with shareholdings of 5,095,417 WMG Shares which represents approximately 1.19% of the Company's existing issued share capital as at the LPD ("**Approved MITI Recognition**").

On 6 July 2020, AIBB had, on behalf of the Company, submitted an application to the SC for an extension of time for WMG to comply with the Bumiputera Equity Condition. The SC had, vide its letter dated 14 August 2020, approved an extension of time up to 31 December 2020 for the Company to comply with the Bumiputera Equity Condition.

The Proposed Special Issue is being undertaken to enable WMG to comply with the Bumiputera Equity Condition. The Proposed Special Issue entails the issuance of up to 55,070,000 Special Issue Shares (which represents approximately 11.44% of the enlarged issued share capital of WMG), which is the difference between the prescribed equity requirement of 12.50% of the Company's new enlarged issued share capital and the Approved MITI Recognition.

Further details of the Proposed Special Issue are set out in the ensuing sections of this Circular.

2.1 Size of the Proposed Special Issue

As at LPD, the issued share capital of WMG is RM229,133,063 comprising 426,167,169 Shares, as well as the following convertible securities:-

- (i) 155,000,000 RCPS. Each RCPS is redeemable at the option of WMG and convertible at the conversion price of RM0.50 for one new WMG Share at any time after 3 July 2017, being the date of issuance of the RCPS up to 2 July 2027, being the date immediately before the maturity date of the RCPS; and
- (ii) 211,281,792 ICPS. Each ICPS is convertible at the conversion price of RM0.50 for one new WMG Share at any time after 3 July 2017, being the date of issuance of the ICPS up to 2 July 2027, being the date immediately before the maturity date of the ICPS.

For avoidance of doubt, the number of Special Issue Shares to be issued under the Proposed Special Issue will not be affected on the assumption that none of the RCPS and ICPS will be redeemed and/or converted into WMG Shares as the conversion price of RM0.50 is higher than the 5-day VWAMP of WMG Shares up to and including the LPD of RM0.1160, which is substantially out-of-the-money. In addition, there will be no impact to the Bumiputera Equity Condition should there be any conversion of the RCPS and ICPS after the Proposed Special Issue is completed.

The Proposed Special Issue entails the issuance of up to 55,070,000 Special Issue Shares, which in aggregate with WMG Shares pursuant to the Approved MITI Recognition, represents 12.50% of the enlarged issued share capital of WMG.

The 55,070,000 Special Issue Shares to be issued under the Proposed Special Issue was arrived at in the following manner:-

Bumiputera shareholdings	As at LPD		After the Proposed Special Issue	
	No. of Shares	% ^(a)	No. of Shares	% ^(b)
Shares held by the existing Bumiputera shareholders pursuant to the Approved MITI Recognition	5,095,417	1.19	5,095,417	1.06
Proposed Special Issue	-	-	55,070,000	11.44
Total	5,095,417	1.19	60,165,417	12.50

Notes:-

(a) Based on the existing issued share capital of WMG of 426,167,169 Shares.

(b) Based on the enlarged issued share capital of 481,237,169 Shares after the Proposed Special Issue.

2.2 Proposed Special Issue arrangement

The Special Issue Shares shall be placed out to Bumiputera investors to be identified and recognised by MITI. The Special Issue Shares are not intended to be placed out to the:-

- (i) Directors, major shareholders or chief executive of WMG or persons connected with them; and
- (ii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

The Proposed Special Issue may be implemented in tranches within six (6) months from the date of approval from Bursa Securities, or any extended period as may be approved by Bursa Securities. For the avoidance of doubt, the issue price for each tranche of the Special Issue Shares shall be determined separately in accordance with the basis mentioned in Section 2.3 below.

2.3 Basis and justification for the issue price of the Special Issue Shares

The issue price of the Special Issue Shares will be determined and fixed by the Board at a later date after receipt of all requisite approvals for the Proposed Special Issue, after taking into consideration, among others, the prevailing market conditions and the 5-day VWAMP of WMG Shares immediately preceding the price-fixing date.

The discount for the issue price of the Special Issue Shares, if any, shall not be more than 10% to the 5-day VWAMP of WMG Shares immediately preceding the price-fixing date.

For illustration purposes, the indicative issue price of the Special Issue Shares is assumed at RM0.11 per Special Issue Share, representing a discount of approximately RM0.006 or 5.17% to the 5-day VWAMP of WMG Shares up to and including the LPD of RM0.1160.

2.4 Ranking of the Special Issue Shares

The Special Issue Shares shall, upon allotment and issue, carry the same rights with the existing WMG Shares, save and except that the Special Issue Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distributions which may be declared, made or paid, the entitlement date of which is prior to the date of allotment of such Special Issue Shares.

2.5 Listing of and quotation for the Special Issue Shares

On 13 October 2020, we have received the approval letter from Bursa Securities for the listing of and quotation for the Special Issue Shares on the Main Market of Bursa Securities, subject to the conditions as set out in Section 8 of this Circular.

3. UTILISATION OF PROCEEDS

The Company is unable to determine the actual amount of proceeds to be raised from the Proposed Special Issue at this juncture as the amount to be raised will depend on the actual issue price and the actual number of Special Issue Shares to be issued.

For illustration purposes, assuming an issue price of RM0.11 per Special Issue Share, the gross proceeds to be raised from the Proposed Special Issue (based on 55,070,000 Special Issue Shares) is RM6,057,700.

The proposed utilisation of proceeds is set out as follows:-

Details of utilisation	Notes	RM'000	Estimated timeframe for utilisation (from the date of listing of the Special Issue Shares)
Repayment of bank borrowings	(a)	5,828	Within 6 months
Estimated expenses in relation to the Proposed Special Issue	(b)	230	Within 3 months
Total gross proceeds raised from the Proposed Special Issue		6,058	

Notes:-

- (a) As at 30 June 2020, the total borrowings of WMG Group are approximately RM229.62 million. The Company proposes to utilise approximately RM5.83 million of the proceeds to partially repay its bank borrowings, details are set out as follows:-

Facility	Amount outstanding as at 30 June 2020 RM'000	Interest rate %	Repayment amount RM'000
Revolving credit	110,503	3.81	5,828

The repayment of the bank borrowings is expected to result in gross interest savings of approximately RM0.22 million per annum.

- (b) The estimated expenses consist of professional fees, fees payable to authorities, placement fees and other miscellaneous expenses to be incurred in relation to the Proposed Special Issue. Any surplus or shortfall for such expenses will be adjusted accordingly against the amount allocated for the repayment of bank borrowings.

The actual gross proceeds to be raised from the Proposed Special Issue are dependent on the issue price and actual number of Special Issue Shares to be issued. Any variation to the actual gross proceeds raised from the Proposed Special Issue will be adjusted to or from the amount allocated for repayment of bank borrowings of the WMG Group.

4. RATIONALE FOR THE PROPOSED SPECIAL ISSUE

The Proposed Special Issue is being undertaken to enable WMG to comply with the Bumiputera Equity Condition and to facilitate the equity participation of Bumiputera investors in WMG.

The Group did not undertake any equity fund raising exercise in the past 12 months prior to the date of announcement in relation to the Proposed Special Issue.

5. INDUSTRY OUTLOOK AND PROSPECTS

5.1 Overview and outlook of the Malaysian economy

The Malaysian economy was confronted by concurrent supply and demand shocks arising from weak external demand conditions and strict containment measures in second quarter (2Q) 2020. As a result, the economy registered its first contraction since the Global Financial Crisis (2Q 2020: -17.1%; third quarter (3Q) 2009: -1.1%). On the supply side, this was reflected in negative growth across most sectors. From the expenditure side, domestic demand declined, while exports of goods and services registered a sharper contraction. On a quarter-on-quarter seasonally-adjusted basis, the economy declined by 16.5% (first quarter (1Q) 2020: -2.0%).

Weak growth was recorded across most economic sectors amid the imposition of the Movement Control Order (“**MCO**”), followed by the Conditional MCO (“**CMCO**”) and Recovery MCO (“**RMCO**”), during 2Q 2020.

Domestic demand declined by 18.7% in 2Q 2020 (1Q 2020: 3.7%), due mainly to weaker private sector expenditure. Spending by the private sector was impacted by lower income, movement restrictions and subdued consumer and business sentiments.

Private consumption growth declined by 18.5% in 2Q 2020 (1Q 2020: 6.7%). Household spending was particularly impacted by the strict movement restrictions in the early part of the quarter and income losses amid weak economic conditions. As movement restrictions were gradually relaxed towards the end of the quarter, retail and financing data indicated some improvement in spending, albeit remaining subdued. During this challenging period, stimulus measures such as the disbursement of Bantuan Prihatin Nasional cash transfers, Employees Provident Fund i-Lestari withdrawals and the implementation of the loan moratorium helped to cushion consumption spending.

Headline inflation, as measured by the annual percentage change in the Consumer Price Index (“**CPI**”), declined to -2.6% during the quarter (1Q 2020: 0.9%). The lower headline inflation was primarily due to the substantial decline in retail fuel prices (average RON95 petrol price per litre in 2Q 2020: RM 1.37; 1Q 2020: RM 1.96) and the implementation of the tiered electricity tariff rebate beginning the month of April.

Notwithstanding the negative headline inflation, the decline in prices was not broad-based. In April, a relatively larger share of CPI items recorded unchanged prices (61%; March: 50%) amid the MCO which resulted in a significant reduction in economic activity. As economic activity gradually resumed under the CMCO and RMCO beginning from early May, there were some signs of normalisation in prices with a gradual increase in the share of CPI items recording price increases (May: 36%; June: 44%).

The COVID-19 pandemic and the ensuing unprecedented containment measures have brought about significant changes to the way the economy operates. Beyond the near-term impact, there are also channels that would lead to structural implications on inflation dynamics in the longer term. As we transition into a new normal, however, there remains a significant amount of uncertainty surrounding the future assessment of inflation and growth trajectories – a common sentiment across countries. While the situation has begun to stabilise, it is certain that we are not in the clear yet and thus greater vigilance is necessary as we continue to assess any changes in inflation dynamics.

In second half (2H) 2020, average headline inflation is expected to remain negative largely due to low retail fuel prices. Stimulus measures to alleviate cost burdens, such as the tiered electricity tariff rebate, would also keep inflation low. However, headline inflation is projected to decline by a smaller magnitude compared to 2Q 2020 as global oil prices continue to recover and economic conditions gradually improve.

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2020, Bank Negara Malaysia)

5.2 Outlook of the Malaysian property and construction sectors

The property market performance recorded a sharp decline in the first half (1H) 2020 compared to the same period last year 1H 2019. A total of 115,476 transactions worth RM46.94 billion were recorded, showing a decrease of 27.9% in volume and 31.5% in value compared to the same period last year, which recorded 160,165 transactions worth RM68.53 billion.

The residential sub-sector led the overall property market, with 65.2% contribution. This was followed by agriculture sub-sector (20.1%), commercial (7.0%), development land and others (5.9%) and Industrial (1.7%). In terms of transaction value, residential took the lead with 54.6% share, followed by commercial (18.1%), industrial (11.5%), agriculture (8.8%) and development land and others (7.0%).

The performance of East Malaysia Region property market softened in 1H 2020, indicated by lower volume and value of transactions as compared to 1H 2019. The region registered 10,389 transactions worth RM3.52 billion, decreased by 36.3% and 41.5% in volume and value respectively as compared to 1H 2019. However, the residential overhang situation improved in Labuan and Sabah.

(Source: Property Market Report First Half 2020 published on 22 September 2020, Valuation and Property Services Department)

Activity in the construction sector declined by 44.5% (1Q 2020: -7.9%), as almost all activities came to a standstill particularly in the month of April. Despite the partial reopening of the economy on 4 May, most construction sites faced challenges restarting due to adjustments required to comply with the strict COVID-19 Standard Operating Procedures (“SOPs”). Most of the construction sites were reported to remain idle as developers faced challenges to restart, including financial constraints, initial lack of clarity over the SOPs and COVID-19 testing, and disruptions in the supply of construction materials. However, the situation improved significantly towards the end of the quarter after the Government implemented additional measures to facilitate the revival of the economy.

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2020, Bank Negara Malaysia)

The value of construction work done in the 2Q 2020 contracted by 44.9% (Q1 2020: -6.3%) year-on-year basis, amounting to RM19.8 billion (Q1 2020: RM35.0 billion).

All construction activities slowed down in the 2Q 2020 due to the closing in construction activities during the implementation of the MCO. The decline was contributed by civil engineering (-55.2%), residential buildings (-38.7%), non-residential buildings (-36.2%) and special trades activities sub-sectors (-28.7%) in the 2Q 2020. The private sector continued to propel the construction activity with 62.2% share of value of construction work done (RM12.3 billion) as compared to the public sector with 37.8% share of value of construction work done (RM7.5 billion).

(Source: Quarterly Construction Statistics Second Quarter 2020 published on 10 August 2020, Department of Statistics Malaysia)

5.3 Prospects of the WMG Group

WMG Group is principally involved in property development, property letting and trading of building materials. In the Group's latest audited FYE 2019, 43% of its revenue was contributed from property development, 48% was from the trading of building materials and the remaining 9% was contributed from property letting.

As at 30 June 2020, the Group has three on-going property development projects which are residential terrace houses in Kota Kinabalu, residential condominium in Sandakan and a commercial project in Sandakan, with total unbilled sales of approximately RM49.53 million and gross development value ("**GDV**") of unsold properties of approximately RM130.10 million. While the Group will continue with its existing niche in the property segment, the Group is also planning to launch affordable and medium cost landed properties premised on better market demand and sentiments in the short and medium term.

The prospect of the Group in 2020 is expected to remain challenging in view of the prevailing economic condition and the soft property market which was further impacted by the COVID-19 outbreak. Nevertheless, the management of the Group will continue to devise new strategies and measures in order to improve the performance of the Group in the future.

(Source: Management of WMG)

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6. EFFECTS OF THE PROPOSED SPECIAL ISSUE

The pro forma effects of the Proposed Special Issue on WMG's issued share capital, NA, NA per share and gearing, earnings and EPS as well as the substantial shareholders' shareholding are set out below:-

6.1 Issued share capital

The pro forma effects of the Proposed Special Issue on the issued share capital of the Company are as follows:-

	No. of WMG Shares	RM	No. of RCPS	RM	No. of ICPS	RM
Issued share capital as at the LPD	426,167,169	229,133,063	155,000,000	149,172,930	211,281,792	203,338,864
To be issued pursuant to the Proposed Special Issue	55,070,000	(1)6,057,700	-	-	-	-
Enlarged issued share capital⁽²⁾	481,237,169	235,190,763	155,000,000	149,172,930	211,281,792	203,338,864

Notes:-

(1) Assuming the Special Issue Shares are issued at an illustrative issued price of RM0.11 per Special Issue Share.

(2) Assuming that none of the RCPS and ICPS will be redeemed and/or converted into WMG Shares as the conversion price of RM0.50 is higher than the 5-day VWAMP of WMG Shares up to and including the LPD of RM0.1160, which is substantially out-of-the-money.

6.2 NA, NA per share and gearing

For illustrative purposes only, based on the latest audited consolidated statements of financial position of WMG as at 31 December 2019 and on the assumption that the Proposed Special Issue had been effected on that date, the pro forma effects of the Proposed Special Issue on the NA, NA per share and gearing of the WMG Group are as follows:-

	Audited as at 31 December 2019	After the Proposed Special Issue⁽¹⁾
	RM'000	RM'000
Share capital	229,133	⁽²⁾ 235,191
RCPS	149,173	149,173
ICPS	203,339	203,339
Merger deficit	(312,039)	(312,039)
(Accumulated losses) / retained earnings	(84,911)	⁽³⁾ (85,141)
Equity attributable to owners of the Company / NA	184,695	190,523
No. of ordinary shares in issue ('000)	426,167	⁽²⁾ 481,237
NA per ordinary share (RM)	0.43	0.40
Total borrowings (RM'000)	215,039	⁽⁴⁾ 209,211
Gearing (times) ⁽⁵⁾	1.16	1.10

Notes:-

- (1) Assuming that none of the RCPS and ICPS will be redeemed and/or converted into WMG Shares as the conversion price of RM0.50 is higher than the 5-day VWAMP of WMG Shares up to and including the LPD of RM0.1160, which is substantially out-of-the-money.
- (2) Assuming 55,070,000 Special Issue Shares are to be issued at an illustrative issue price of RM0.11 per Special Issue Share and the amount is fully credited to the share capital account in accordance with the Act.
- (3) The said amount is after deducting the estimated expenses of RM230,000 to be incurred in relation to the Proposed Special Issue including the placement fee.
- (4) After adjusting for the RM5,828,000 of the proceeds earmarked from the Proposed Special Issue for the repayment of bank borrowings.
- (5) Computed based on total borrowings divided by the equity attributable to owners of the Company / NA.

6.3 Earnings and EPS

The Proposed Special Issue will not have any effect on the consolidated earnings and EPS of the Company for the FYE 2019.

However, the Special Issue Shares to be issued pursuant to the Proposed Special Issue will result in a corresponding dilution in WMG Group's EPS due to the increase in the number of WMG's ordinary shares in issue. Nevertheless, the utilisation of the proceeds to be raised from the Proposed Special Issue, as set out in Section 3 above, is expected to result in positive contribution to the future earnings of WMG Group.

6.4 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Special Issue on the shareholdings of the substantial shareholders of the Company are as follows: -

Substantial shareholders	As at the LPD			Pro Forma After the Proposed Special Issue [@]			
	Direct		Indirect	Direct		Indirect	
	No. of ordinary shares	% [#]	No. of ordinary shares	% [#]	No. of ordinary shares	% ^{**}	
Syarikat Kretam (Far East) Holdings Sdn. Bhd.	240,000,020	56.32	-	-	240,000,020	49.87	-
Real Paradigm Sdn. Bhd.	-	-	(1)240,000,020	56.32	-	(1)240,000,020	49.87
Quek Chiow Yong Holdings Sdn. Bhd.	11,296,253	2.65	(2)240,000,020	56.32	11,296,253	2.35	(2)240,000,020
Datuk Quek Siew Hau	411,620	0.10	(3)251,296,273	58.97	411,620	0.09	(3)251,296,273
Lim Ted Hing	(4)2,275,763	0.53	(5)240,000,020	56.32	(4)2,275,763	0.47	(5)240,000,020
Fong Kin Wui	(6)2,255,406	0.53	(7)241,289,553	56.62	(6)2,255,406	0.47	(7)241,289,553
Seah Sen Onn @ David Seah	3,709,104	0.87	(5)240,000,020	56.32	3,709,104	0.77	(5)240,000,020
Chan Ka Tsung	-	-	(5)240,000,020	56.32	-	-	(5)240,000,020

Notes:-

- © Assuming that none of the RCPS and ICPS will be redeemed and/or converted into WMG Shares as the conversion price of RM0.50 is higher than the 5-day VWAMP of WMG Shares up to and including the LPD of RM0.1160, which is substantially out-of-the-money.
- # Based on the existing issued share capital of WMG of 426,167,169 Shares.
- ** Based on the enlarged issued share capital of 481,237,169 Shares after the Proposed Special Issue.
- (1) Deemed interested through Syarikat Kretam (Far East) Holdings Sdn. Bhd.
- (2) Deemed interested through Syarikat Kretam (Far East) Holdings Sdn. Bhd. and Real Paradigm Sdn. Bhd.
- (3) Deemed interested through Real Paradigm Sdn. Bhd. and Quek Chiow Yong Holdings Sdn. Bhd.
- (4) Held directly and also via CGS-CIMB Nominees (Tempatan) Sdn. Bhd.
- (5) Deemed interested through Real Paradigm Sdn. Bhd.
- (6) Held directly and also via Maybank Nominees (Tempatan) Sdn. Bhd. – Amanahraya Investment Management Sdn. Bhd.
- (7) Deemed interested through Real Paradigm Sdn. Bhd. and Fong Tham Hing Enterprise Sdn. Bhd.

6.5 Convertible securities

Save for the RCPS and ICPS, the Company does not have any other convertible securities as at the LPD. The Proposed Special Issue will not result in any adjustment to the conversion price and number of RCPS and ICPS.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of WMG Shares as traded on Bursa Securities for the past 12 months up to September 2020 are as follows:

	High (RM)	Low (RM)
2019		
October	0.080	0.070
November	0.105	0.070
December	0.150	0.080
2020		
January	0.125	0.100
February	0.105	0.085
March	0.090	0.035
April	0.075	0.045
May	0.100	0.060
June	0.115	0.075
July	0.135	0.075
August	0.210	0.100
September	0.185	0.105

Last transacted market price of WMG Shares as at the LTD RM0.150

Last transacted market price of WMG Shares as at the LPD RM0.120

(Source: Bloomberg)

8. APPROVALS REQUIRED

The Proposed Special Issue is subject to the following approvals being obtained:-

- (i) the Equity Compliance Unit of the SC, for the resultant equity structure of WMG pursuant to the Proposed Special Issue, which was obtained vide its letter dated 18 March 2020;
- (ii) MITI, for the recognition of the existing Bumiputera shareholders in WMG as at the ROD Date, which was obtained vide its letter dated 29 May 2020 (which was received on 3 June 2020);
- (iii) MITI, for the identification and recognition of new Bumiputera investors as approved Bumiputera shareholders;
- (iv) Bursa Securities, for the listing of and quotation for the Special Issue Shares, which was obtained vide its letter dated 13 October 2020, subject to the following conditions:

Conditions	Status of compliance
(a) WMG and AIBB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Special Issue	Noted
(b) WMG and AIBB to inform Bursa Securities upon the completion of the Proposed Special Issue	To be complied
(c) WMG and AIBB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Special Issue is completed	To be complied
(d) WMG and AIBB to provide confirmation that all approvals from the relevant authorities have been obtained	To be complied
(e) WMG to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed Special Issue	To be complied
(f) To incorporate the comments from Bursa Securities in respect of the Circular to shareholders	Complied

- (v) shareholders of WMG for the Proposed Special Issue at the forthcoming EGM; and
- (vi) any other relevant authorities, if required.

The Proposed Special Issue is not conditional or inter-conditional upon any other corporate exercise undertaken or to be undertaken by WMG.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM

None of the Directors, major shareholders, chief executive of WMG and/or persons connected to them have any interest, whether direct or indirect, in the Proposed Special Issue.

10. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Special Issue, including but not limited to the rationale and effects of the Proposed Special Issue, is of the opinion that the Proposed Special Issue is in the best interest of the Company.

Accordingly, the Board recommends that you **vote in favour** of the resolution pertaining to the Proposed Special Issue at the forthcoming EGM.

11. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Special Issue is expected to be completed by the 4th quarter of 2020. The tentative timetable in relation to the completion of the Proposed Special Issue is as follows:-

Tentative Date	Event
11 November 2020	EGM for the Proposed Special Issue
Mid December 2020	Completion of the Proposed Special Issue

12. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Special Issue, our Board confirms that as at the date of this Circular, there are no other corporate exercises which have been announced but pending completion by the Company.

13. EGM

The EGM will be held at Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia ("**Broadcast Venue**"), on Wednesday, 11 November 2020 at 11.00 a.m. or at any adjournment thereof and conducted entirely through live streaming from the Broadcast Venue, for the purpose of considering and, if thought fit, passing the resolutions as set out in the Notice of EGM enclosed in this Circular, with or without modifications, to give effect to the Proposed Special Issue.

If you are entitled but unable to attend and vote at the forthcoming EGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions printed therein as soon as possible, so as to arrive at the office of the Company's share registrar at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not later than 48 hours before the time appointed for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending, speaking and voting in person at the EGM should you subsequently wish to do so.

14. FURTHER INFORMATION

Shareholders are advised to refer to the Appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
WMG HOLDINGS BHD.

DATUK ERIC USIP JUIN
Chairman / Senior Independent Non-Executive Director

APPENDIX I – ADDITIONAL INFORMATION IN RELATION TO THE WMG GROUP

1. Financial Information

The summary of the financial information of the Group for the past 3 audited FYE 2017 to FYE 2019 and for the unaudited 6-month FPE 2019 and FPE 2020 is as follows:-

	<-----Audited FYE----->			<----Unaudited FPE----->	
	2017	2018	2019	2019	2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	20,991	25,204	57,062	22,271	17,154
Loss after tax ("LAT")	(21,715)	(21,674)	(16,473)	(8,213)	(6,721)
NA	247,876	201,193	184,695	192,980	177,974
Share capital	205,073	229,133	229,133	229,133	229,133
Loans and borrowings	116,874	143,392	215,039	196,486	229,620
Number of WMG Shares in issue ('000)	426,167	426,167	426,167	426,167	426,167
NA per WMG Share (RM) ⁽¹⁾	0.58	0.47	0.43	0.45	0.42
Current ratio (times)	1.21	0.84	0.92	0.91	0.95
Gearing ratio (times) ⁽²⁾	0.47	0.71	1.16	1.02	1.29
Loss per share ("LPS") (sen) ⁽³⁾					
- Basic	(6.75)	(4.07)	(3.22)	(1.60)	(1.43)
- Diluted	(3.65)	(1.94)	(1.42)	(0.71)	(0.58)

Notes:-

- (1) Calculated based on the NA over number of WMG Shares in issue.
(2) Calculated based on the total loans and borrowings over NA.
(3) Calculated based on the LAT over the weighted average number of WMG Shares as follows:

	<-----Audited FYE----->			<----Unaudited FPE----->	
	2017	2018	2019	2019	2020
	RM'000	RM'000	RM'000	RM'000	RM'000
LAT					
- for computation of basic LPS [#]	(27,998)	(32,741)	(27,323)	(13,593)	(12,131)
- for computation of diluted LPS	(21,715)	(21,674)	(16,473)	(8,213)	(6,721)
Weighted average number of WMG Shares ('000)					
- for computation of basic LPS [@]	415,042	803,580	848,731	848,731	848,731
- for computation of diluted LPS ^{**}	594,549	1,118,923	1,158,731	1,158,731	1,158,731

Notes:-

- # After deducting the cumulative dividend on RCPS.
@ Including ordinary shares that will be issued upon the conversion of mandatory convertible ICPS outstanding during the financial year.
** Including ordinary shares that will be issued upon the conversion of mandatory convertible ICPS outstanding during the financial year plus conversion of all the dilutive potential ordinary shares into ordinary shares.

(a) Comparison between FYE 2017 and FYE 2018

WMG Group recorded an increase in revenue by 20.07% (RM4.21 million) mainly due to the increase in sale of building materials to contractors of RM11.16 million which offset the decrease in sale of properties of RM6.95 million.

The LAT decreased slightly by 0.19% (RM0.04 million).

(b) Comparison between FYE 2018 and FYE 2019

WMG Group recorded an increase in revenue by 126.40% (RM31.86 million) mainly due to the increase in:-

- (i) sale of properties of RM21.92 million, mainly attributed by its residential projects; and
- (ii) sale of building materials to contractors of RM9.94 million.

The LAT decreased by 24.00% (RM5.20 million) mainly due to:-

- (i) higher contribution from the sale of properties; and
- (ii) the increase in finance costs of RM2.72 million was offset by the decrease in administrative expenses of RM2.63 million.

(c) Comparison between 6-month FPE 2019 and 6-month FPE 2020

WMG Group recorded a decrease in revenue by 22.98% (RM5.12 million) mainly due to the decrease in sale of building materials to contractors of RM7.96 million which was partially offset by the increase in sale of properties of RM2.84 million, mainly attributed by its residential project.

The LAT decreased by 18.17% (RM1.49 million) mainly due to:-

- (i) higher contribution from other income of RM1.53 million;
- (ii) the decrease in administrative expenses of RM1.96 million which partially offset the increase in finance cost and other expenses of RM1.13 million and RM0.38 million, respectively; and
- (iii) lower operating profit of RM0.24 million.

2. Impact of the Proposed Special Issue and value creation to the Group and its shareholders

As illustrated in Section 6 of this Circular, the Proposed Special Issue is expected to increase the issued share capital of WMG and have a dilutive impact on the shareholdings of the Company's existing shareholders. In addition, based on the audited consolidated financial statements of WMG for the FYE 31 December 2019 and the illustrative issue price of RM0.11 per Special Issue Share, the Proposed Special Issue is expected to reduce the Group's NA per Share from RM0.43 to RM0.40.

Notwithstanding the above, the Proposed Special Issue will enable the Group to enhance its financial position as the Proposed Special Issue is expected to result in interest savings and reduce the gearing level of the Group as the proceeds to be raised will be mainly utilised for the repayment of the Group's bank borrowings.

Premised on the above, the Proposed Special Issue is expected to aid the company in its effort to improve its financial performance and thus enhancing its shareholders' value in the future.

3. The adequacy of the Proposed Special Issue in addressing the Group's financial concerns

As at 30 June 2020, the cash and bank balances of the Group stood at approximately RM7.95 million. The management of the Group believes that the cash available for the Group and its banking facilities should be conserved for the Group's operating expenses to facilitate its current operations. Based on the illustrative issue price of RM0.11 per Special Issue Share, approximately RM5.83 million of the proceeds will provide additional financial resources to the Group to partially repay its bank borrowings.

Premised on the steps taken by the Group to improve its financial position as set out in Section 4 of this Appendix and coupled with the proposed use of proceeds raised from the Proposed Special Issue as set out in Section 3 of this Circular, the Board is of the view that the Proposed Special Issue is adequate to address the Group's current financial concerns.

Nevertheless, the Board will continue to assess its funding requirements over the long term, based on the Group's capital structure and cost of funds in view to undertake future corporate exercises should the need and/or opportunity arise.

4. Steps taken by WMG Group to improve its financial position

The Group has been facing challenges in its existing business due to various factors which include the soft property market which was further impacted by the COVID-19 outbreak. Taking cognisance of the aforementioned, the Group has undertaken various steps to improve its financial performance and strengthen its financial position which include:-

- (i) the Group's commitment in completing its current on-going projects which comprises residential terrace houses in Kota Kinabalu, residential condominium in Sandakan and a commercial project in Sandakan. The residential terrace houses in Kota Kinabalu which consists of 115 units of terrace houses have achieved high percentage of take-up rate that is expected to improve the Group's cash flow position and financial performance.

As at 30 June 2020, the Group's on-going projects have total unbilled sales of approximately RM49.53 million and GDV of unsold properties of approximately RM130.10 million;

- (ii) the Group's on-going efforts to launch new projects to cater to the market in Sabah. In this respect, the Group is expected to launch at least 2 new residential projects in 2021. This include the launch of Phase 2 of the Group's Parklane project in Kota Kinabalu and Phase 8 of the Group's Taman Mawar project in Sandakan, with a total estimated GDV of approximately RM250 million; and
- (iii) the Group's continuing effort in exploring other property segment. In this respect, the Group is planning to launch affordable and medium cost landed properties in Kota Kinabalu and Sandakan, premised on better market demand and sentiment in the short and medium term.

Notwithstanding the above, the Board will continue to explore opportunities within its core business and devise new strategies and measures in order to improve the financial performance of the Group in the future.

1. RESPONSIBILITY STATEMENT

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

2. CONSENTS AND CONFLICT OF INTEREST

AIBB, being the Principal Adviser to the Company for the Proposed Special Issue, has given and has not subsequently withdrawn its written consent to the inclusion of its name in this Circular and all references thereto in the form and context in which it appears in this Circular.

AIBB is also not aware of any conflict of interest which exists or is likely to exist in relation to AIBB's capacity to act as the Principal Adviser to the Company for the Proposed Special Issue.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, the Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant or otherwise, and our Board is not aware of any proceedings pending or threatened against WMG, or its subsidiaries or of any facts likely to give rise to any proceedings which may materially or adversely affect the position or business of WMG and/or any of its subsidiaries.

4. MATERIAL COMMITMENTS

As at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by the Group, which may have a material effect on the financial results or financial position of the Group.

5. CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by WMG Group, which upon becoming enforceable, may have a material impact on the financial position of WMG Group.

6. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be made available for inspection at the registered office of the Company at Wisma WMG, Lot 1 & 2, Jalan Indah Jaya, Taman Indah Jaya, Jalan Lintas Selatan, 90000 Sandakan, Sabah during normal business hours from Monday to Friday (except public holidays) for the period commencing from the date of this Circular up to and including the date of our forthcoming EGM:

- (i) Constitution of WMG;
- (ii) The audited consolidated financial statements of WMG for the past 2 FYE 2018 and FYE 2019 as well as its latest unaudited consolidated quarterly results for the 6-month FPE 2020; and
- (iii) The letters of consent referred to in Section 2 of this Appendix.



WMG HOLDINGS BHD.

Registration No. 201501041664 (1166985-X)

(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of WMG Holdings Bhd. (“**WMG**” or the “**Company**”) will be held at Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (“**Broadcast Venue**”) on Wednesday, 11 November 2020 at 11.00 a.m. or at any adjournment thereof and conducted entirely through live streaming from the Broadcast Venue for the purpose of considering and, if thought fit, passing the following resolution, with or without modifications:-

ORDINARY RESOLUTION 1

PROPOSED SPECIAL ISSUE OF UP TO 55,070,000 NEW ORDINARY SHARES IN WMG (“WMG SHARE(S)” OR “SHARE(S)”) (“SPECIAL ISSUE SHARE(S)”) TO BUMIPUTERA INVESTORS TO BE IDENTIFIED AND RECOGNISED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (“PROPOSED SPECIAL ISSUE”)

“**THAT** subject to the approvals of all relevant authorities being obtained, where required, approval be and is hereby given to the Board of Directors of the Company (“**Board**”) to allot and issue up to 55,070,000 new Special Issue Shares;

THAT approval be and is hereby given to the Board to fix the issue price for the Special Issue Shares at a later date after obtaining the relevant approvals for the Proposed Special Issue, based on not more than 10% discount to the five-day volume weighted average market price of the WMG Shares immediately preceding the price-fixing date;

THAT approval be and is hereby given for the Company to utilise the proceeds raised from the Proposed Special Issue for the purposes as set out in the circular to shareholders dated 26 October 2020, and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of the utilisation of such proceeds in such manner as the Board shall in its absolute discretion deem fit, necessary, expedient and/or appropriate and in the best interests of the Company, subject to the approvals of relevant authorities, if required;

THAT the Special Issue Shares shall, upon allotment and issue, carry the same rights with the existing WMG Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distributions which may be declared, made or paid, the entitlement date of which is prior to the date of allotment of the Special Issue Shares;

AND THAT approval be and is hereby given to the Board to sign, execute and deliver on behalf of the Company all necessary documents and to do all acts and things as may be required for or in connection with and to give full effect to and complete the Proposed Special Issue with full power and discretion to assent to or make any modifications, variations and/or amendments in any manner as may be imposed, required or permitted by the relevant authorities or deemed necessary by the Board, and to take all steps and actions as it may deem fit, necessary, expedient and/or appropriate and in the best interests of the Company to finalise, implement and give full effect to the Proposed Special Issue.”

By Order of the Board
WMG HOLDINGS BHD.

THIEN VUI HENG

(MIA 5970) (SSM PC 202008000028)

CHUNG CHEN VUI

(MIA 7384) (SSM PC 202008000649)

Company Secretaries

Sandakan, Sabah

26 October 2020

Important notice:

- In view of the COVID-19 outbreak and in line with the Government's initiatives, the Company will conduct its EGM on a **virtual basis through live streaming and online remote** voting via Remote Participation and Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's ("Tricor") **TIIH Online** website at <https://tiih.online>.
- Shareholders/proxy(ies) who wish to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") may do so remotely via the RPV facilities. Please follow the procedures provided in the Administrative Notes for the EGM in order to register, participate and vote remotely.
- No shareholders/proxy(ies) will be allowed to be physically present at the Broadcast Venue. Kindly check the Company's website or announcements for updates, if any, on the status of its EGM.

Notes:-

1. A member who is entitled to participate in this EGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in their place. A proxy may but need not be a member of the Company.
2. A member of the Company who is entitled to participate at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the Member at the EGM.
3. Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company that is standing to the credit of the said securities account.
4. Where a member of the Company is an Exempt Authorised Nominee as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account (Omnibus Account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
5. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of two (2) authorised officers, one of whom shall be a Director, or of its attorney duly authorised. Any alteration to the instrument appointing a proxy must be initialed.
7. The appointment of proxy may be made in a hardcopy form or by electronic means as follows:
 - i. **In Hardcopy Form**
The Form of Proxy or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time for holding this EGM or no later than 9 November 2020 at 11.00 a.m.
 - ii. **By electronic means**
The Form of Proxy can be electronically submitted to the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Notes for this EGM on the procedures for the electronic submission of Proxy Form via TIIH Online.
8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

9. For a corporate member who has appointed a representative, please deposit the ORIGINAL certificate of appointment with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:
- (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
10. For the purpose of determining a member who shall be entitled to participate this meeting, the Company shall request Bursa Malaysia Depository Sdn Bhd in accordance with Article 36(1) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 4 November 2020. Only a depositor whose name appears therein shall be entitled to participate this meeting or appoint a proxy to participate and/or vote on his stead.



WMG HOLDINGS BHD.

Registration No. 201501041664 (1166985-X)

(Incorporated in Malaysia)

ADMINISTRATIVE NOTES FOR THE EXTRAORDINARY GENERAL MEETING (“EGM”) OF WMG HOLDINGS BHD.

Date : **Wednesday, 11 November 2020**
Time : **11.00 a.m.**
Broadcast Venue : **Tricor Leadership Room**
Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

Precautionary Measures against the Coronavirus Disease (“COVID-19”)

- In view of the Covid-19 outbreak and in line with the Government’s initiatives, the Company will conduct its EGM on **a virtual basis through live streaming and online remote** voting via Remote Participation and Voting (“RPV”) facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd’s (“Tricor”) **TIIH Online** website at <https://tiih.online>.
- The venue of the EGM is strictly for the purpose of complying with section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. No shareholders/proxy(ies) will be allowed to be physically present at the Broadcast Venue.
- We **encourage** you to attend the EGM via the RPV facilities. You may also consider appointing the Chairman of the Meeting as your proxy to attend and vote on your behalf at the EGM.
- Due to the evolving COVID-19 situation in Malaysia, the Company may be required to alter the arrangements of its EGM at short notice. Kindly check the Company’s website or announcements for updates, if any, on the status of its EGM.
- The Company will observe the relevant guidelines issued by the Ministry of Health and will take appropriate measures as advised.

Remote Participation and Voting (RPV) Facilities

- Shareholders may attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, “participate”) remotely at the EGM using RPV provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) via its **TIIH Online** website at <https://tiih.online>.
- Shareholders who appoint proxies to participate via RPV in the EGM must ensure that the duly executed proxy forms are deposited in a hard copy form or by electronic means to Tricor no later than **Monday, 9 November 2020 at 11.00 a.m.**
- Corporate representatives of corporate members must deposit their original certificate of appointment of corporate representative to Tricor not later than **Monday, 9 November 2020 at 11.00 a.m.** to participate via RPV in the EGM.
- Attorneys appointed by power of attorney are to deposit their power of attorney with Tricor not later than **Monday, 9 November 2020 at 11.00 a.m.** to participate via RPV in the EGM.
- A shareholder who has appointed a proxy or attorney or authorised representative to participate at this Extraordinary General Meeting via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV at TIIH Online website at <https://tiih.online>.

As the EGM is a fully virtual EGM, members who are unable to participate in this EGM may appoint the Chairperson of the meeting as his/her proxy and indicate the voting instructions in the proxy form.

No Door Gift or Food Voucher

- There will be no door gifts or food vouchers during the EGM since the meeting is being conducted on a virtual basis.

Pre-Meeting Submission of Questions to the Board of Directors

- In order to enhance the efficiency of the proceedings of the EGM, shareholder may in advance, before the EGM, submit questions to the Board of Directors via Tricor's TIIH Online website at <https://tiih.online>, by selecting "e-Services" to login, post your questions and submit it electronically no later than **Monday, 9 November 2020 at 11.00 a.m.**. The Board of Directors will endeavour to address the questions received at the EGM.

Procedures to Remote Participation and Voting via RPV Facilities

- Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the EGM using the RPV facilities:

Before the EGM Day

Procedure	Action
i. Register as a user with TIIH Online (applicable for Individual Shareholders only)	<ul style="list-style-type: none"> • Using your computer, access to website at https://tiih.online. Register as a user under the "e-Services". Refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
ii. Submit your request to attend EGM remotely	<ul style="list-style-type: none"> • Registration is open from Monday, 26 October 2020 until the day of EGM on Wednesday, 11 November 2020. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the EGM to ascertain their eligibility to participate in the EGM using the RPV. • Login with your user ID and password and select the corporate event: (Registration) WMG HOLDINGS BHD EGM. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select "Register for Remote Participation and Voting". • Review your registration and proceed to register. • System will send an e-mail to notify that your registration for remote participation is received and will be verified. • After verification of your registration against the General Meeting Record of Depositors as at 4 November 2020, the system will send you an e-mail to approve or reject your registration for remote participation and the procedures to use the RPV are detailed therein. • (Note: Please ensure to allow sufficient time required for the approval as a new user of TIIH Online as well as the registration for RPV in order that you can login to TIIH Online and participate the EGM remotely).

On the EGM Day

Procedure	Action
i. Login to TIIH Online	<ul style="list-style-type: none">• Login with your user ID and password for remote participation at the EGM at any time from 10.30 a.m. i.e. 30 minutes before the commencement of meeting at 11.00 a.m. on Wednesday, 11 November 2020.
ii. Participate through Live Streaming	<ul style="list-style-type: none">• Select the corporate event: (Live Streaming Meeting) WMG HOLDINGS BHD EGM to engage in the proceedings of the EGM remotely.• If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the EGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
iii. Online remote voting	<ul style="list-style-type: none">• Voting session commences from 11.00 a.m. on Wednesday, 11 November 2020 until a time when the Chairperson announces the completion of the voting session of the EGM.• Select the corporate event: “(REMOTE VOTING) WMG HOLDINGS BHD EGM”.• Read and agree to the Terms & Conditions and confirm the Declaration.• Select the CDS account that represents your shareholdings.• Indicate your votes for the resolutions that are tabled for voting.• Confirm and submit your votes.
iv. End of remote participation	<ul style="list-style-type: none">• Upon the announcement by the Chairman on the conclusion of the EGM, the Live Streaming will end.

Note to users of the RPV facilities:

1. Should your application to join the meeting be approved we will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
3. In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

ELECTRONIC LODGEMENT OF PROXY FORM

The procedures to lodge your proxy form electronically via Tricor's **TIIH Online** website are summarised below:

	Procedure	Action
(a)	Register as a User with TIIH Online	<ul style="list-style-type: none">• Using your computer, please access the website at https://tiih.online. Register as a user under the “e-Services”. Please do refer to the tutorial guide posted on the homepage for assistance.• If you are already a user with TIIH Online, you are not required to register again.
(b)	Proceed with submission of Proxy Form	<ul style="list-style-type: none">• After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password.• Select the corporate event: “SUBMISSION OF PROXY FORM”.• Read and agree to the Terms & Conditions and confirm the Declaration.• Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf.• Appoint your proxy(s) and insert the required details of your proxy(s) or appoint Chairman as your proxy.• Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote.• Review and confirm your proxy(s) appointment.• Print proxy form for your record.

ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line : +603-2783 9299
Fax Number : +603-2783 9222
Email : is.enquiry@my.tricorglobal.com
Contact persons : En. Mohd Kamal Bin Mohd Din
+603- 27839237 (Kamal.Mohd@my.tricorglobal.com)
Ms Esther Loo
+603-27839293 (Esther.Loo@my.tricorglobal.com)



WMG HOLDINGS BHD.

Registration No. 201501041664 (1166985-X)

FORM OF PROXY

I/We.....
(Full Name in Block Capitals, NRIC/Passport/Company No.)

of.....

being a member/members of **WMG HOLDINGS BHD.**, hereby appoint.....

(NRIC/Passport No.).....

of.....

and.....

(NRIC/Passport No.).....

of.....

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company which will be held at Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia ("**Broadcast Venue**") on Wednesday, 11 November 2020 at 11.00 a.m. or at any adjournment thereof and conducted entirely through live streaming from the Broadcast Venue.

In the event 2 proxies are appointed, the percentage of shareholdings to be represented by each proxy is:

First proxy

Second proxy

My/Our proxy is to vote as indicated below:

ORDINARY RESOLUTION		FOR	AGAINST
1.	Proposed Special Issue		

Please indicate with "X" how you wish your vote to be cast. In the absence of specific directions, your Proxy will vote or abstain as he thinks fit.

Signature or Common Seal of Shareholder(s)

Number of shares held	
CDS Account No.	

Signed this day of 2020.

Notes:-

1. A member who is entitled to participate in this EGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in their place. A proxy may but need not be a member of the Company.
2. A member of the Company who is entitled to participate at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the Member at the EGM.
3. Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company that is standing to the credit of the said securities account.
4. Where a member of the Company is an Exempt Authorised Nominee as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account (Omnibus Account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
5. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of two (2) authorised officers, one of whom shall be a Director, or of its attorney duly authorised. Any alteration to the instrument appointing a proxy must be initialed.
7. The appointment of proxy may be made in a hardcopy form or by electronic means as follows:
 - i. **In Hardcopy Form**
The Form of Proxy or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time for holding this EGM or no later than 9 November 2020 at 11.00 a.m.
 - ii. **By electronic means**
The Form of Proxy can be electronically submitted to the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Notes for this EGM on the procedures for the electronic submission of Proxy Form via TIIH Online.

Fold here

AFFIX STAMP

The Share Registrar
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Fold this flap for sealing

8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
9. For a corporate member who has appointed a representative, please deposit the ORIGINAL certificate of appointment with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
10. For the purpose of determining a member who shall be entitled to participate this meeting, the Company shall request Bursa Malaysia Depository Sdn Bhd in accordance with Article 36(1) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 4 November 2020. Only a depositor whose name appears therein shall be entitled to participate this meeting or appoint a proxy to participate and/or vote on his stead.