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

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PAPPAJACK BERHAD

(Registration No. 202001042414 (1398735-V))
(Incorporated in Malaysia)

SHARE BUY-BACK STATEMENT TO SHAREHOLDERS

IN RELATION TO THE

**PROPOSED SHARE BUY-BACK AUTHORITY OF UP TO 10% OF THE
TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY
("PROPOSED SHARE BUY-BACK AUTHORITY")**

The Proposed Share Buy-Back Authority will be tabled as Special Business at the Fourth ("**4th**") Annual General Meeting ("**AGM**") of Pappajack Berhad ("**Pappajack**" or "**Company**") to be held at Four Points by Sheraton Puchong, The Heron (Function Room), Level 2, Puchong Financial Corporate Centre (PFCC), Jalan Puteri 1/2, Bandar Puteri, 47100 Puchong, Selangor Darul Ehsan on Monday, 16 June 2025 at 2.30 p.m.

The Notice of the 4th AGM together with the Form of Proxy are set out in the Annual Report 2024 of the Company which is available to be downloaded from the Company's website at <https://pappajack.com.my/investor-relations/>

The Proxy Form should be completed and returned in accordance with the instruction therein as soon as possible and should reach our 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, Malaysia. Alternatively, you may deposit it in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on or before the date and time indicated below or any adjournment thereof.

Last day and time for lodging the Form of Proxy : Sunday, 15 June 2025 at 2.30 p.m.

Date and time of the 4th AGM : Monday, 16 June 2025 at 2.30 p.m.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Statement:

| | |
|-------------------------------------|--|
| “Act” | : The Companies Act 2016, as amended from time to time and including any re-enactment thereof |
| “AGM” | : Annual general meeting |
| “Board” | : Board of Directors of Pappajack |
| “Bursa Securities” | : Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W)) |
| “Code” | : Malaysian Code on Take-Overs and Mergers 2016 and any amendment made thereto from time to time |
| “Director” | : A natural person who holds a directorship in a company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act, 2007 |
| “EPS” | : Earnings per share |
| “ESOS” | : Employees’ share option scheme involving up to 10% of the total number of issued Pappajack Shares (excluding treasury shares, if any) for the eligible directors and employees of the Pappajack Group, excluding subsidiaries that are dormant |
| “ESOS Options” | : ESOS options granted/to be granted pursuant to the ESOS |
| “FYE” | : Financial year ending/ended, as the case may be |
| “Listing Requirements” | : Main Market Listing Requirements of Bursa Securities |
| “LPD” | : 3 April 2025, being the latest practicable date prior to the printing of this Statement |
| Maximum Scenario | : Assuming all the ESOS Options are granted and exercised prior to the implementation of the Proposed Share Buy-Back |
| Minimum Scenario | : Assuming none of the ESOS Options are granted and exercised prior to the implementation of the Proposed Share Buy-Back |
| “NA” | : Net assets |
| “Pappajack” or “the Company” | : Pappajack Berhad [Registration No. 202001042414 (1398735-V)] |
| “Pappajack Group” or “Group” | : Pappajack and its subsidiaries, collectively |
| “Pappajack Share(s)” or “Shares” | : Ordinary shares in Pappajack |
| “Proposed Share Buy-Back” | : Proposed purchase of up to ten per centum (10%) of Pappajack's total number of issued shares |
| “Proposed Share Buy-Back Authority” | : Proposed shareholders' mandate for the authority to the Company to purchase its own shares of up to 10% of our total number of issued shares |

DEFINITIONS (Cont'd)

| | | |
|------------------------------|---|---|
| "Purchased Share(s)" | : | Shares to be purchased by the Company pursuant to the Proposed Share Buy-Back |
| "RM" and "sen" | : | Ringgit Malaysia and sen, respectively |
| "Rules" | : | Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia, including any amendment thereto that may be made from time to time |
| "Statement" | : | This statement dated 30 April 2025 in relation to the Proposed Share Buy-Back Authority |
| "Substantial Shareholder(s)" | : | A person who has an interest or interests in one or more voting shares in the Company and the number of the aggregate number of such shares is not less than 5% of the total number of all the voting shares in the Company |
| "Treasury Shares" | : | The purchased shares which are retained by the Company and shall have the meaning given under Section 127 of the Act |
| "VWAMP" | : | Volume weighted average market price |

Any reference to "we", "us", "our" and "ourselves" are to the Company, and where the context otherwise requires, our subsidiaries. All references to "you" are to the shareholders of the Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Statement to any statutes, rules, regulations or rules of the stock exchange is a reference to such statutes, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time or date in this Statement shall be a reference to Malaysian time, unless otherwise stated.

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

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PAPPAJACK BERHAD
(Registration No. 202001042414 (1398735-V))
(Incorporated in Malaysia)

Registered Office:
Level 5, Tower 8, Avenue 5
Horizon 2, Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia

30 April 2025

Board of Directors:

Chong Chee Fire (*Independent Non-Executive Chairman*)
Lim Boon Hua (*Managing Director/Chief Executive Officer*)
Law Book Ching (*Executive Director*)
Koo Woon Kan (*Independent Non-Executive Director*)
Cheong Woon Yaw (*Independent Non-Executive Director*)
Mah Ying Ying (*Independent Non-Executive Director*)

To: The Shareholders of Pappajack

Dear Sir/Madam,

PROPOSED SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

On 21 April 2025, the Board announced to Bursa Securities that the Company intends to seek shareholders' approval for the Proposed Share Buy-Back Authority at the forthcoming Fourth AGM.

The purpose of this Statement is to provide you with information in relation to the Proposed Share Buy-Back Authority and to seek your approval on the ordinary resolution pertaining to the Proposed Share Buy-Back Authority to be tabled at the forthcoming AGM of the Company

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK AUTHORITY AT THE FORTHCOMING AGM.

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2. DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

The Board is proposing to seek its shareholders' approval for the authority for the Company to purchase its own shares of up to ten percent (10%) of its total number of issued Shares at the point of purchase, subject to compliance with Sections 112, 113 and 127 of the Act, the Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities. The purchase of Shares under the Proposed Share Buy-Back Authority will be carried out through Bursa Securities via stockbroker(s) to be appointed by the Board at a later date.

Pursuant to Paragraph 12.07(3) of the Listing Requirements, the approval from the shareholders of the Company for the Proposed Share Buy-Back Authority would be effective immediately upon the passing of the ordinary resolution for the Proposed Share Buy-Back Authority at the forthcoming 4th AGM of the Company and shall be valid until:

- (a) the conclusion of the next AGM of the Company ("**5th AGM**"), following the 4th AGM, at which such resolution was passed at which time the said authority will lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the 5th AGM after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting, whichever occurs first.

2.1 Maximum number of Shares to be acquired

The Board proposes to seek a mandate from the shareholders of the Company to purchase and/or hold in aggregate of up to 10% of the total issued Shares through Bursa Securities.

Details of the computation of the amount of issued Shares that Pappajack may buy-back is as follows:

| | Minimum Scenario | Maximum Scenario |
|--|-------------------------|-------------------------|
| Issued Shares as at the LPD | 768,200,000 | 768,200,000 |
| Add: | | |
| Assuming all the ESOS Options are granted and exercised | - | 76,820,000 |
| Enlarged issued Shares | 768,200,000 | 845,020,000 |
| Maximum number of Pappajack Shares that may be purchased under the Proposed Share Buy-Back Authority | (76,820,000) | (84,502,000) |
| Total number of issued Shares after the Proposed Share Buy-Back | 691,380,000 | 760,518,000 |

Note:

If the number of Shares issued pursuant to the exercise of the ESOS Options is lesser than the amount stipulated above, the number of Shares that Pappajack may buy-back will be reduced accordingly.

2.2 Funding

The Proposed Share Buy-Back Authority will be funded through internally generated funds and/or bank borrowings, the proportion of which will depend on, among others, the availability of internally generated funds, the actual number of Shares to be purchased and other relevant cost factors at the time of purchase(s). The actual number of Shares to be purchased and/or held will also depend on the market conditions, sentiments of the stock market as well as financial resources available to the Company. In the event the purchase of Shares is to be partly financed by bank borrowings, the Board will ensure that it has the capability of repaying the borrowings and the repayment of borrowings will not have any material effect on the Company's cash flows. In addition, the Board will ensure that the Company satisfies the solvency test as stated under Section 112(2) of the Act before executing the Proposed Share Buy-Back Authority.

In accordance with the Listing Requirements, the funds for the Proposed Share Buy-Back Authority must be made wholly out of retained profits of the Company. As such, the Board proposes to allocate a maximum amount not exceeding the aggregate sum of the retained profits of the Company at the time of such purchase(s). Based on the Company's latest audited financial statements for the FYE 31 December 2024, the accumulated retained earnings of the Company was RM352,650.00.

2.3 Treatment of Purchased Shares

Pursuant to the provision of Section 127(4) of the Act, the Board may resolve, at its discretion, to deal with the purchased Shares in the following manner:

- (a) cancel the Shares so purchased; or
- (b) retain the Shares so purchased in treasury which is known as "treasury shares" in the Act; or
- (c) retain a portion of the Shares so purchased as treasury shares and cancel the remainder of the Shares.

Accordingly, based on Section 127(7) of the Act, where such Shares are held as treasury shares, the Board may, at its discretion:

- (i) distribute the treasury shares as dividends to shareholders, such dividend to be known as "share dividends";
- (ii) resell the treasury shares, or any of the treasury shares, in accordance with the relevant rules of Bursa Securities;
- (iii) transfer the treasury shares, or any of the treasury shares, for the purpose of or under an employees' share scheme or such other purposes as allowed under the Act;
- (iv) transfer the treasury shares, or any of the treasury shares as purchase consideration;
- (v) cancel the treasury shares, or any of the treasury shares; or
- (vi) sell, transfer, or otherwise use the treasury shares for such other purposes as the Minister may order prescribe.

Upon each purchase of the Shares pursuant to the Proposed Share Buy-Back Authority, an immediate announcement will be made to Bursa Securities in respect of the intention of the Board to either retain the Shares purchased as treasury shares or cancel them or a combination of both. An immediate announcement will also be made to Bursa Securities of any resale, transfer or cancellation of Shares so purchased.

While the purchased shares are held as treasury shares, the right attached to them as to voting, dividends and participation in any other distribution or otherwise are suspended, and the treasury shares shall not be taken into account in calculating the number or percentage of Shares or a class of Shares in the Company for any purposes including substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on a resolution at a meeting of the shareholders.

2.4 Pricing

Pursuant to Paragraph 12.17 of the Listing Requirements, Pappajack may only purchase its own Shares at a price which is not more than 15% above the VWAMP of Pappajack Shares for the 5 market days immediately preceding the date of the purchase(s).

Pursuant to Paragraph 12.18 of the Listing Requirements, the Company may only resell any treasury shares on Bursa Securities or transfer any treasury shares pursuant to the Act at:

- (i) a price which is not less than the VWAMP of Pappajack Shares for the 5 market days immediately before the date of the resale or transfer; or
- (ii) a discounted price of not more than 5% to the VWAMP of Pappajack Shares for the 5 market days immediately before the date of resale or transfer, provided that:
 - (a) the resale or transfer takes place not earlier than 30 days from the date of the purchase; and
 - (b) the resale or transfer price is not less than the cost of purchase of the Pappajack Shares being resold or transferred.

2.5 Purchase, resale transfer or cancellation of shares made in the preceding 12 months

Given that this is the first time the Company is seeking authority from the shareholders for the Proposed Share Buy-Back Authority, the Company does not currently hold any treasury shares and has not purchased, resold, transferred or cancelled any Shares during the last twelve (12) months preceding the LPD.

2.6 Public shareholding spread

The Proposed Share Buy-Back Authority will be carried out in accordance with the prevailing laws at the time of purchase, including compliance with the 25% public shareholding spread requirements as set out in Paragraph 8.02(1) of the Listing Requirements.

As at the LPD, the public shareholding spread of the Company was approximately 37.36%.

The Board is mindful of the requirement that any purchase of Pappajack Shares by the Company must not result in the public shareholding spread of Pappajack falling below 25% of its issued Shares pursuant to Paragraph 8.02(1) of the Listing Requirements.

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2.7 Potential advantages and disadvantages of the Proposed Share Buy-Back Authority

2.7.1 Potential advantages

The potential advantages of the Proposed Share Buy-Back Authority to the Company and its shareholders are as follows:

- (a) allows the Company to take preventive measure against speculation, particularly when the Shares are undervalued and this would, in turn, stabilise the market price of the Shares and hence, enhance investors' confidence;
- (b) allows the Company the flexibility to achieve the desired capital structure, in terms of debt and equity composition and size of equity;
- (c) provides the Company with opportunities for potential gains if the purchased shares which are retained as treasury shares, are resold at a higher price than they were bought for; and
- (d) serve to reward the shareholders of the Company and/or eligible employees if the purchased Shares which are retained as treasury shares, are distributed as share dividends to the shareholders and/or issued under an employees' share scheme.

2.7.2 Potential disadvantages

The potential disadvantages of the Proposed Share Buy-Back Authority to the Company and its shareholders are as follows:

- (a) temporarily reduces the financial resources of the Company, which may result in the Company foregoing feasible investment opportunities that may emerge in the future; and
- (b) reduces the financial resources available for distribution of dividends to shareholders in the immediate future as the funds to be allocated for the Proposed Share Buy-Back Authority must be made wholly out of the retained profits of the Company.

Nevertheless, the Proposed Share Buy-Back Authority is not expected to have any material disadvantages to the Company and its shareholders, as it will be implemented only after due consideration of the financial resources of the Company and of the resultant impact to the Company and its shareholders. The Board, in exercising any decision to purchase any of the shares, will be mindful of the Company's and its shareholders' interest.

2.8 Implication of the Proposed Share Buy-Back Authority relating to the Code and the Rules

The Company does not intend to undertake the Proposed Share Buy-Back Authority such that it will trigger any obligation to undertake a mandatory general offer pursuant to the Code and the Rules.

In the event the Proposed Share Buy-Back Authority results in any parties triggering a mandatory offer obligation under the Code and the Rules, which is an action outside their direct participation, the relevant parties shall make the necessary application to the Securities Commission Malaysia for a waiver to undertake a mandatory offer pursuant to the Rules.

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3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK AUTHORITY

The Proposed Share Buy-Back Authority will provide the Company with an additional option to utilise its surplus financial resources, which is not immediately required for other uses, to purchase its own Shares from the open market at market prices which the Board views as favourable to help stabilise the supply and demand of Shares traded on the Bursa Securities and thereby support its fundamental value.

If the purchased shares are subsequently cancelled and subsequently a lower number of Shares being used for the purpose of computing EPS, all things being equal, long-term investors are expected to enjoy a corresponding increase in the value of their investments in the Company with the proportionate strengthening of the EPS and the NA per Share may improve, which is in turn expected to have a positive impact on the market price of the Shares.

If the purchased Shares are kept as treasury shares, it will provide the Company an opportunity to resell the treasury shares at higher price in future and may potentially generate capital gains for the Company. Should the treasury shares be distributed as share dividends and/or issued under an employees' share scheme, this would serve to reward the shareholders of Pappajack and/or eligible employees.

4. EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

The effects of the Proposed Share Buy-Back Authority on the share capital, NA, earnings, EPS, working capital and shareholdings of Directors and substantial shareholders of Pappajack are set out below based on the following assumptions:

| | |
|-------------------------|--|
| Minimum Scenario | Assuming none of the ESOS Options granted are exercised prior to the implementation of the Proposed Share Buy-Back |
| Maximum Scenario | Assuming all the ESOS Options are granted and exercised prior to the implementation of the Proposed Share Buy-Back |

4.1 Share capital

The effects of the Proposed Share Buy-Back Authority on the issued share capital of Pappajack will depend on whether the Pappajack Shares purchased are subsequently cancelled or retained as treasury shares.

In the event the maximum number of Shares authorised under the Proposed Share Buy-Back Authority are purchased and retained as treasury shares, there would be no effect to the issued share capital of Pappajack. However, the treasury shares do not confer rights as to voting, dividends and participation in other distributions or otherwise. The Proposed Share Buy-Back Authority will reduce the issued share capital of Pappajack if the Purchased Shares are cancelled. Please refer to Section 2.1 of this Statement for the maximum number of Pappajack Shares that may be purchased under the Proposed Share Buy-Back Authority.

4.2 NA per Share and gearing

The effects of the Proposed Share Buy-Back Authority on the NA per Share of the Pappajack Group are dependent on the eventual number of Pappajack Shares purchased by the Company, purchase price of the Pappajack Shares at the time of the buy-back, the treatment of the Purchased Shares and the funding cost, if any.

If the Purchased Shares are subsequently cancelled, the NA per Share of the Pappajack Group would reduce if the purchase price exceeds the NA per Share at the relevant point in time. Conversely, the NA per Share of the Group would increase if the purchase price is less than the NA per Share at the relevant point in time.

If the Pappajack Shares are retained as treasury shares, the NA per Share would increase or decrease depending on the purchase price of the Purchased Shares. The NA per Share of the Group would reduce if the purchase price exceeded the NA per Share and vice versa.

If the treasury shares are resold on Bursa Securities, the NA per Share will increase if the Company realises a gain from the resale and vice versa. If the treasury shares are distributed to shareholders as share dividends, the NA per Share will decrease by the cost of the treasury shares.

4.3 Earnings and EPS

The effect of the Proposed Share Buy-Back Authority on the earnings of the Pappajack Group will depend on, among others, actual number of Shares bought back, the purchase price paid and the effective cost of funding to the Pappajack Group, or any loss in interest income to Pappajack.

The Proposed Share Buy-Back Authority, regardless if the Purchased Shares are maintained as treasury shares or cancelled, will result in a lower number of Shares being used for the purposes of computing the EPS. Hence, the Proposed Share Buy-Back Authority will improve the EPS of the Company, which in turn is expected to have a positive influence on the market price of Pappajack Shares.

In the event the Purchased Shares which are retained as treasury shares are resold, the extent of the effect on the earnings of the Pappajack Group will depend on the actual selling prices, the number of treasury shares resold and effective gain or interest savings arising therefrom.

4.4 Working capital

The Proposed Share Buy-Back Authority will reduce the working capital and cash flow of the Pappajack Group, the quantum of which will depend on the actual purchase price of the Shares and number of Shares purchased and the funding cost, if any.

For Shares purchased which are kept as treasury shares, upon resale of such Shares, the working capital and cash flow of the Pappajack Group will increase assuming that a gain has been realised. The quantum of the increase in the working capital will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

4.5 Dividends

The Proposed Share Buy-Back Authority must be wholly made out of the Company's retained profits and thus, may have impact on the Company dividend rate as it will reduce the cash available for distribution of dividends to the shareholders of the Company.

Nonetheless, if the Shares purchased are retained as treasury shares, the treasury shares may be distributed as dividends to the shareholders, if the Company so decides. If the Shares purchased are cancelled, the Proposed Share Buy-Back Authority will have the effect of increasing the dividend rate of the Company as a result of the reduction in the number of issued Shares.

Barring any unforeseen circumstances, the Proposed Share Buy-Back Authority is not expected to have any material impact on the policy of the Board in the recommending dividends for the financial year ending 31 December 2025, which would depend on, amongst others, the profitability, cash flow position and financing requirements of the Company.

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4.6 Directors' and substantial shareholders' shareholdings

Save for Lim Boon Hua and Law Book Ching, the other Directors of Pappajack do not have any shareholdings in Pappajack, whether directly or indirectly.

For illustration purposes only, the pro forma effects of the Proposed Share Buy-Back Authority on the shareholdings of Lim Boon Hua, Law Book Ching and the substantial shareholders in Pappajack as at the LPD are as follows:

Minimum Scenario

| | As at the LPD | | | | After the Proposed Share Buy-Back Authority | | | |
|--|---------------|-------|----------------------------|-------|---|------------------|----------------------------|------------------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | % | No. of Shares | % | No. of Shares | % ⁽¹⁾ | No. of Shares | % ⁽¹⁾ |
| <u>Directors</u> | | | | | | | | |
| Lim Boon Hua | 42,473,877 | 5.53 | 342,051,874 ⁽²⁾ | 44.53 | 42,473,877 | 6.14 | 342,051,874 ⁽²⁾ | 49.47 |
| Law Book Ching | 6,508,332 | 0.85 | 319,638,347 ⁽³⁾ | 41.61 | 6,508,332 | 0.94 | 319,638,347 ⁽³⁾ | 46.23 |
| Chong Chee Fire | - | - | - | - | - | - | - | - |
| Koo Woon Kan | - | - | - | - | - | - | - | - |
| Cheong Woon Yaw | - | - | - | - | - | - | - | - |
| Mah Ying Ying | - | - | - | - | - | - | - | - |
| <u>Substantial Shareholders</u> | | | | | | | | |
| TSE Sejahtera Sdn. Bhd. | 319,638,347 | 41.61 | - | - | 319,638,347 | 46.23 | - | - |
| Lim Boon Hua | 42,473,877 | 5.53 | 342,051,874 ⁽²⁾ | 44.53 | 42,473,877 | 6.14 | 342,051,874 ⁽²⁾ | 49.47 |
| Law Book Ching | 6,508,332 | 0.85 | 319,638,347 ⁽³⁾ | 41.61 | 6,508,332 | 0.94 | 319,638,347 ⁽³⁾ | 46.23 |
| Lim Siew Fang | - | - | 319,638,347 ⁽³⁾ | 41.61 | - | - | 319,638,347 ⁽⁴⁾ | 46.23 |
| Lee Kooi Lan | 22,413,527 | 2.92 | 362,112,224 ⁽⁴⁾ | 47.14 | 22,413,527 | 3.24 | 362,112,224 ⁽⁵⁾ | 52.38 |

Notes:

- (1) The pro forma effects of the Proposed Share Buy-Back Authority are for illustration purposes only. As it is not intended for the Proposed Share Buy-Back Authority to trigger the obligation to undertake a mandatory offer under Rule 4.01 of the Rules, by any of the Company's substantial shareholders and/or parties acting in concert with them, the Board will ensure that such number of Shares that are purchased, retained as treasury shares (if applicable), cancelled or distributed such that the Proposed Share Buy-Back Authority would not result in triggering any mandatory offer obligation on the part of its substantial shareholders and/or parties acting in concert with them. In this connection, the Board is mindful of the requirements when making any purchase of the Shares pursuant to the Proposed Share Buy-Back Authority.
- (2) Deemed interested by virtue of the interest of his spouse (Lee Kooi Lan) in Pappajack Berhad and his interest in TSE Sejahtera Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
- (3) Deemed interested by virtue of his interest in TSE Sejahtera Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
- (4) Deemed interested by virtue of her interest in TSE Sejahtera Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
- (5) Deemed interested by virtue of the interest of her spouse (Lim Boon Hua) in Pappajack Berhad and his interest held through TSE Sejahtera Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Maximum Scenario

| | As at the LPD | | | | (i) Assuming all the ESOS Options are granted and exercised | | | | After (i) and the Proposed Share Buy-Back | | | |
|---------------------------------|---------------|-------|----------------------------|-------|---|-------|----------------------------|-------|---|-------|----------------------------|-------|
| | Direct | | Indirect | | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| | | | | | | | | | | | | |
| Directors | | | | | | | | | | | | |
| Lim Boon Hua | 42,473,877 | 5.53 | 342,051,874 ⁽¹⁾ | 44.53 | 42,473,877 | 5.03 | 342,051,874 ⁽¹⁾ | 40.48 | 42,473,877 | 5.58 | 342,051,874 ⁽¹⁾ | 44.98 |
| Law Book Ching | 6,508,332 | 0.85 | 319,638,347 ⁽²⁾ | 41.61 | 6,508,332 | 0.77 | 319,638,347 ⁽²⁾ | 37.83 | 6,508,332 | 0.86 | 319,638,347 ⁽²⁾ | 42.03 |
| Chong Chee Fire | - | - | - | - | 300,000 | 0.04 | - | - | 300,000 | 0.04 | - | - |
| Koo Woon Kan | - | - | - | - | 250,000 | 0.03 | - | - | 250,000 | 0.03 | - | - |
| Cheong Woon Yaw | - | - | - | - | 250,000 | 0.03 | - | - | 250,000 | 0.03 | - | - |
| Mah Ying Ying | - | - | - | - | - | - | - | - | - | - | - | - |
| Substantial Shareholders | | | | | | | | | | | | |
| TSE Sejahtera Sdn. Bhd. | 319,638,347 | 41.61 | - | - | 319,638,347 | 37.83 | - | - | 319,638,347 | 42.03 | - | - |
| Lim Boon Hua | 42,473,877 | 5.53 | 342,051,874 ⁽¹⁾ | 44.53 | 42,473,877 | 5.03 | 342,051,874 ⁽¹⁾ | 40.47 | 42,473,877 | 5.58 | 342,051,874 ⁽¹⁾ | 44.98 |
| Law Book Ching | 6,508,332 | 0.85 | 319,638,347 ⁽²⁾ | 41.61 | 6,508,332 | 0.77 | 319,638,347 ⁽²⁾ | 37.83 | 6,508,332 | 0.86 | 319,638,347 ⁽²⁾ | 42.03 |
| Lim Siew Fang | - | - | 319,638,347 ⁽³⁾ | 41.61 | - | - | 319,638,347 ⁽²⁾ | 37.83 | - | - | 319,638,347 ⁽²⁾ | 42.03 |
| Lee Kooi Lan | 22,413,527 | 2.92 | 362,112,224 ⁽⁴⁾ | 47.14 | 22,413,527 | 2.65 | 362,112,224 ⁽³⁾ | 42.85 | 22,413,527 | 2.95 | 362,112,224 ⁽³⁾ | 47.61 |

Notes:

- (1) Deemed interested by virtue of the interest of his spouse (Lee Kooi Lan) in Pappajack Berhad and his interest in TSE Sejahtera Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
- (2) Deemed interested by virtue of his interest in TSE Sejahtera Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
- (3) Deemed interested by virtue of her interest in TSE Sejahtera Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
- (4) Deemed interested by virtue of the interest of her spouse (Lim Boon Hua) in Pappajack Berhad and his interest held through TSE Sejahtera Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

5. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Pappajack Shares as traded on Bursa Securities for the past 12 months from April 2024 to March 2025 are set out below:

| | High (RM) | Low (RM) |
|---|--------------|-------------|
| 2024 | | |
| April | 1.040 | 0.995 |
| May | 1.060 | 0.990 |
| June | 1.020 | 0.990 |
| July | 1.040 | 0.995 |
| August | 1.020 | 0.950 |
| September | 1.020 | 0.965 |
| October | 1.040 | 0.955 |
| November | 1.080 | 0.960 |
| December | 1.000 | 0.960 |
| 2025 | | |
| January | 0.970 | 0.930 |
| February | 1.010 | 0.935 |
| March | 0.990 | 0.935 |
| Last transacted market price as at the LPD (RM) | | 1.000 |

(Source: investing.com)

6. APPROVAL REQUIRED AND CONDITIONALITY OF THE PROPOSED SHARE BUY-BACK AUTHORITY

The Proposed Share Buy-Back Authority is subject to and conditional upon the shareholders' approval being obtained at the 4th AGM of Pappajack to be convened.

The Proposed Share Buy-Back Authority is not conditional upon any other corporate exercises/schemes or proposal undertaken or to be undertaken by the Company.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save for the proportionate increase in percentage of shareholdings and/or voting rights of shareholders of the Company as a result of the Proposed Share Buy-Back Authority, none of the Directors and major shareholders of the Company and/or any persons connected with them have any interest, direct or indirect, in the Proposed Share Buy-Back Authority or resale of the treasury shares, if any.

8. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board having considered all aspects of the Proposed Share Buy-Back Authority, including but not limited to the rationale and effects of the Proposed Share Buy-Back Authority, is of the opinion that the Proposed Share Buy-Back Authority is in the best interest of the Company and its shareholders.

Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposal to be tabled at the forthcoming 4th AGM of the Company.

9. ANNUAL GENERAL MEETING

The ordinary resolution to vote on the Proposed Share Buy-Back Authority is set out in the Notice of AGM. The 4th AGM will be held at Four Points by Sheraton Puchong, The Heron (Function Room), Level 2, Puchong Financial Corporate Centre (PFCC), Jalan Puteri 1/2, Bandar Puteri, 47100 Puchong, Selangor Darul Ehsan on Monday, 16 June 2025 at 2.30 p.m. for the purpose of considering and, if thought fit, passing the ordinary resolution pertaining to the Proposed Share Buy-Back Authority.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the Form of Proxy which is available to be downloaded from the Company's website at <https://pappajack.com.my/investor-relations/> in accordance with the instructions printed therein as soon as possible so as to arrive at 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. Alternatively, you may deposit it in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than twenty-four (24) hours before the time appointed for the taking of poll at the meeting or adjourned meeting.

The completion and return of Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

10. FURTHER INFORMATION

Shareholders are advised to refer to the attached Appendix I for further information.

Yours faithfully,
For and on behalf of the Board
PAPPAJACK BERHAD

LIM BOON HUA
Managing Director/Chief Executive Officer

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of Pappajack at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia, during normal business hours from Mondays to Fridays (except public holidays) from the date of this Statement up to and including the date of the forthcoming 4th AGM of the Company:

- (i) the Constitution of Pappajack; and
- (ii) the audited consolidated financial statements of Pappajack for the past 2 financial years ended 31 December 2023 and 31 December 2024.

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