

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action to take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser. If you have sold or transferred all your ordinary shares in MiLOC Group Limited, you should pass this document and the accompanying form of proxy to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.**

## **MiLOC Group Limited**

*(Incorporated in the Cayman Islands under the Companies Law (2009 Revision) with registered no. AT-237076)*

*Directors:*

ONG Ban Poh Michael (*Chief Executive Officer and Executive Director*)

SHRAGO Ivor Colin (*Non-executive Chairman*)

OW Kian Jing Dennis (*Non-executive Director*)

CHOW Ching Fung (*Non-executive Director*)

*Registered office:*

*Windward 1,*

*Regatta Office Park,*

*P.O. Box 897 GT. Grand Cayman,*

*Cayman Islands*

*Business address:*

*2307, 23/F., Peninsula Tower,*

*No. 538 Castle Peak Road,*

*Cheung Sha Wan, Kowloon,*

*Hong Kong*

10 October 2022

Dear Shareholder

### **NOTICE OF THE ANNUAL GENERAL MEETING (“AGM”) OF MILOC GROUP LIMITED (“the Company”) and PROPOSED ACQUISITION OF CRUSHMETRIC LIMITED**

I am writing to inform you that the AGM of the Company will be held at 4:00 p.m. (Hong Kong time) on 2 November 2022 at 2307, 23/F., Peninsula Tower, No. 538 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong. The formal notice of the AGM is set out at the end of this letter.

The purpose of this letter is to provide you with further information in understanding the background to and the resolutions to be proposed at the AGM. In particular, the Company would like to draw your attention to the information contained in this circular on CRUSHMETRIC, and the resolutions referred to about the CRUSHMETRIC business and the accompanying change of strategy of the Company.

## **ORDINARY BUSINESS**

### **Annual report and accounts (Resolution 1)**

The Directors of the Company present to the shareholders of the Company (“the Shareholders”) for approval at the AGM, the annual report and accounts for the financial period ended 31 December 2021 together with the Directors’ and auditors’ reports on the annual report and accounts. A copy of the annual report and accounts is available for download from [www.milloc.com](http://www.milloc.com).

### **Re-appointment of Directors (Resolutions 2 and 3)**

Mr. Ow Kian Jing Dennis and Mr. Shrago Ivor Colin will each retire from the office of Director at the AGM in accordance with the articles of association of the Company (“the Articles”) and, being eligible, Mr. Ow Kian Jing Dennis and Mr. Shrago Ivor Colin will offer themselves for re-election at the AGM.

### **Auditors (Resolution 4)**

Resolution 4 re-appoints Pointon Young Chartered Accountants as auditors to the Company and authorises the Directors to fix their remuneration.

## **SPECIAL BUSINESS**

### **Authority to allot shares and disapply pre-emption rights (Resolutions 5 and 6)**

Resolution 5 authorises the Directors to allot and issue new shares of the Company up to an aggregate amount of not more than 50 per cent. of the issued share capital at the date of this resolution. Although there are no pre-emption rights attaching to the issue of share capital of the Company under the Cayman Islands Companies Law, Article 15 of the Articles confers on the Shareholders rights of pre-emption in respect of the allotment of new shares so that unless Shareholders have given specific authority for the waiver of these pre-emption rights, any new shares will be offered first to existing Shareholders in proportion to their existing shareholdings. In certain circumstances, it may be in the best interests of the Company to allot new shares (or to grant rights over shares) without first offering them to existing Shareholders

in proportion to their holdings, and the Directors wish to obtain a new authority to do so. Accordingly, Resolution 6 would authorise the Directors to disapply these pre-emption provisions as specified in that resolution insofar as is required to allow the issue of new shares as mentioned above to take place. The purpose of Resolutions 5 and 6 is to allow the Directors to raise equity funds at a future date, if needed.

**Authority for the proposed Acquisition of CRUSHMETRIC Limited (“CRUSHMETRIC”), Change of the Business Sector of the Company, Change of Company Name and Appointment of Chief Innovation Officer (Resolutions 7, 8, 9 and 10).**

Resolution 7 authorises the Directors to allot and issue new shares of the Company to the underlying shareholders of CRUSHMETRIC who will be swapping shares in CRUSHMETRIC in return for new Ordinary Shares of the Company. If the Resolutions pass, the new Ordinary Shares will be as follows:

Shareholder	Amount of new Ordinary Shares to be issued	% of enlarged issued Share Capital
ONG Ban Poh Michael ( <i>Chief Executive Officer and Executive Director</i> )*	66,920,317	27.9
Noah Deledda	69,683,082	29.06
Lim Yee Shenn	16,883,566	7.04
Total	153,486,965	64

\* ONG Ban Poh Michael is the current Chief Executive Officer of the Company. ONG Ban Poh Michael will hold in total 80,854,467 Ordinary Shares in the Company, representing 33.71% of the enlarged issued Ordinary Shares following the AGM.

The acquisition will be satisfied through the proposed issue of in total 153,486,965 Ordinary Shares, referred to in more detail in the table above.

• **Relationship Agreement**

On 10 October 2022, ONG Ban Poh Michael and Noah Deledda entered into a relationship agreement with Peterhouse and the Company (the “**Relationship Agreement**”) pursuant to which ONG Ban Poh Michael and Noah Deledda have undertaken (inter alia), for so long as the Ordinary Shares are admitted to trading on the AQSE Growth Market and ONG Ban Poh Michael and Noah Deledda (individually or together with their associates) continue to hold

more than 20 per cent of the voting rights attaching to the Ordinary Shares in issue from time to time, to procure that, inter alia, the enlarged share capital of the Company and its business shall be managed for the benefit of Shareholders as a whole, any transactions between each of them and a member of the enlarged group will be at arm's length, the board of directors of the Company will contain at least one independent director and certain reserved board matters will only be voted on by the directors of the Company.

Following the issue of the new Ordinary Shares, there will be 239,823,383 Ordinary Shares in issue, if the resolutions are approved.

The consideration is based on an independent valuation of CRUSHMETRIC which was carried out by Greater China Appraisal Limited ("GCA"), a leading financial services provider headquartered in Hong Kong with over 25 years of history. CRUSHMETRIC will become a wholly owned subsidiary of the Company. The value of CRUSHMETRIC was based on the discounted cashflow method. The value of 100% equity interest of CRUSHMETRIC is USD35 million.

Resolution 8 authorises the Company's business sector be changed to design/production of innovative products. The Company activities of the Company will be constant R&D of future concepts including but not limited to design, produce and sell products with the "crushing" effect which includes the crushable beverage can; crushable perfume can; the crushable stool chair and other accessories.

Resolution 9 authorises the Company's name be changed to CRUSHMETRIC Group Limited.

- **About CRUSHMETRIC**

CRUSHMETRIC is a design/production company established in August 2020, with operations in United States, Guangzhou, Hong Kong & Singapore. CRUSHMETRIC was co-founded by artist/inventor Noah Deledda and Mr. Michael Ong, the CEO of the Company who holds 43.6% of shares of CRUSHMETRIC. The principal activity of CRUSHMETRIC is to develop, produce and sell a catalog of products that integrate Deledda's innovative art, design and invention. At the core of CRUSHMETRIC's product line are their unique shape changing surfaces, what Deledda calls "Dynamic structures". CRUSHMETRIC's first project, the SwitchPen was launched in January, 2022.

Further information on CRUSHMETRIC can be found at website:

<https://www.crushmetric.com/>

The following is a summary of the audited financial information of CRUSHMETRIC to 31 July 2022.

		<b>2022</b>	<b>2021</b>
		HK\$	HK\$
Turnover		3,669,853	-
Cost of Sales		(922,826)	-
Gross Profit		2,747,027	-

- **About Noah Deledda**

Co-founder and designer of CRUSHMETRIC's products, Noah Deledda, who owns 45.4% of shares of CRUSHMETRIC, is an American can sculptor and artist. He creates sculptures by denting aluminum cans. This "Art of crushing" that Deledda developed led to the invention that is at the core of CRUSHMETRIC technology.

On passing of the resolutions at the AGM, it is intended that Noah Deledda will immediately become a non-board Chief Innovation Officer of the Company.

#### **Authority to allot shares for the proposed share options (Resolutions 10)**

Resolution 10 authorises the Directors to award share purchase options to any party who is approved by the board to subscribe for Ordinary Shares up to an amount which is 10 per cent. of the enlarged share capital of the Company as at date of passing of this resolution , at an exercise price of £0.2 each for a period of 5 years from the date of issuance, vesting immediately on award.

The Directors believe that it is important for the success and growth of the Company to employ and engage highly motivated personnel and that equity incentives are available to attract, retain and reward employees, directors and consultants. In order to achieve that objective, the Company intends to adopt an incentive plan under which it may award new Ordinary Shares to directors, employees and consultants pursuant to share option and incentive schemes approved by the Board. It is intended that any individual awards under any such scheme will be subject to vesting and/or performance conditions. Ordinary Shares under such plans will not exceed 10 percent of the Company's issued Ordinary Shares from time to time without the prior approval of the Shareholders.

#### **ACTION TO BE TAKEN**

You will find enclosed a form of proxy for use at the AGM. Please complete, sign and return

the enclosed form as soon as possible in accordance with the instructions printed thereon, whether or not you intend to be present at the AGM. Forms of proxy should be returned so as to be received at the business address of the Company at MiLOC Group Limited, 2307, 23/F., No. 538 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong as soon as possible and in any event no later than 4:00 p.m. (Hong Kong time) on 31 October 2022 which is 48 hours before the time appointed for holding the AGM.

## **RECOMMENDATION**

The Directors consider that the proposals described in this letter are in the best interests of Shareholders as a whole and unanimously recommend Shareholders to vote in favour of all the resolutions to be proposed at the AGM, as they intend to do in respect of their own beneficial holdings. The Directors collectively own 49.78% of the issued share capital of the Company as at 10 October 2022.

It is noted that for the purposes of this recommendation ONG Ban Poh Michael is not an independent director as a result of the related party transaction referred to in this circular.

## **FAIR AND REASONABLE STATEMENT**

Mr. Ivor Colin Shrago, as a director, has exercised reasonable care, skill and diligence, and reasonably believes that the related party transaction is fair and reasonable as far as the shareholders of the Company are concerned.

## **TAKEOVER PANEL ON MERGERS AND ACQUISITIONS**

Mr. Ivor Shrago also noted that the Company is incorporated in the Cayman Islands. Accordingly, the protections afforded to Shareholders by the Panel on Takeovers and Mergers will not be available. Mr. Ivor Shrago further noted that there is no obligation for the Company to abide by the spirit of the Panel on Takeovers and Mergers.

Yours faithfully



Ivor Colin Shrago

*Chairman*

## **MiLOC Group Limited**

(Incorporated in the Cayman Islands under the Companies Law (2009 Revision) with registered no. AT-237076)

### **Notice of Annual General Meeting**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of MiLOC Group Limited (the “Company”) will be held at 2307, 23/F., Peninsula Tower, No. 538 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on 2 November 2022 at 4:00p.m. (Hong Kong Time) for the following purpose:

#### **As ordinary business**

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:-

1. To receive and approve the audited financial statements of the Company for the year ended 31 December 2021, together with the reports of the Directors and the auditors on those audited financial statements all of which are attached to this Notice.
2. To re-elect Mr. Ow Kian Jing Dennis as a Director of the Company.
3. To re-elect Mr. Shrago Ivor Colin as a Director of the Company.
4. To re-appoint Pointon Young ,Chartered Accountants, as auditors of the Company to hold office from the conclusion of the meeting to the conclusion of the next meeting at which accounts are laid before the Company and to authorise the Directors of the Company to determine the remuneration of the auditors.

#### **As special business**

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:-

5. THAT the Directors of the Company be and are hereby generally and unconditionally authorised, for the purpose of Article 12(1) of the articles of association of the Company (the “Articles”) to allot such number of Relevant Securities (as defined in Article 12(2) of the Articles) up to an aggregate amount being not more than 50 per cent. of the issued share capital of the Company as at date of passing of this Resolution, provided that such authority, unless duly renewed, varied or revoked prior to the expiry date, shall expire on conclusion of the next annual general meeting of the Company after the passing of this resolution; For the avoidance of doubt, such authority shall allow the Company to make an offer or agreement which will or might require Relevant Securities (including ordinary shares in the capital of the Company (“Ordinary Shares”)) to be allotted after the authority expires, and in the event the Directors of the Company may allot such number

of Relevant Securities (including Ordinary Shares) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired and such authority shall be in substitution for any authorities conferred upon the directors of the Company prior to the passing of this resolution, which authorities (to the extent they remain in force and unexercised) are hereby revoked.

6. THAT, subject to the passing of resolution 5, the Directors of the Company be and are hereby empowered to allot Equity Securities (as defined in Article 18 of the Articles) (or to grant rights over shares) for cash, as if Article 15 of the Articles did not apply to any such allotment pursuant to the authority conferred on them by Resolution 5, provided that such power shall be limited to the allotment of such number of Equity Securities (as defined in Article 18 of the Articles) up to an aggregate amount being not more than 50 per cent. of the issued share capital of the Company as at date of passing of this resolution, provided that such authority, unless duly renewed, varied or revoked prior to the expiry date, shall expire on conclusion of the next annual general meeting of the Company after the passing of this resolution. For the avoidance of doubt, such authority shall allow the Company to make an offer or agreement which will or might require Relevant Securities (including Ordinary Shares) to be allotted after the authority expires, and in the event the directors of the Company may allot such number of Relevant Securities (including Ordinary Shares) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired and such authority shall be in substitution for any authorities conferred upon the Directors of the Company prior to the passing of this resolution, which authorities (to the extent they remain in force and unexercised) are hereby revoked.
7. That the Directors of the Company be and are hereby generally and unconditionally authorised, for the purpose of Article 12(1) of the articles of association of the Company (the "Articles") to allot such number of Relevant Securities (as defined in Article 12(2) of the Articles) an amount being 64 per cent. of the enlarged share capital of the Company as at date of passing of this Resolution to CRUSHMETRIC Limited with a consideration equivalent to the value of the 100% equity of CRUSHMETRIC Limited.
8. To change the Company's business sector to "Design/Production of innovative products" and that the relevant information be updated in the Aquis Exchange's record.
9. To change the Company's name to "CRUSHMETRIC Group Limited" and that the Company's memorandum and articles of association be amended to reflect such change of name.
10. That, the Directors of the Directors of the Company be and are hereby generally and unconditionally authorised, for the purpose of Article 12(1) of the articles of association



of the Company (the “Articles”) to allot such number of Relevant Securities (as defined in Article 12(2) of the Articles) through Share Purchase Options an amount being 10 per cent. of the enlarged share capital of the Company as at date of passing of this Resolution to any party who is approved by the Board (including but not limited to the Directors, employees and consultants) with an exercise price of £0.2 each for a period of 5 years from the date of issuance, vesting immediately on award.

By Order of the Board

10 October 2022

MiLOC Group Limited

2307, 23/F., Peninsula Tower, No. 538 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong

**Notes:**

- 1 A Shareholder entitled to attend and vote at the meeting convened by the notice set out above is entitled to appoint one or more proxies to attend and (on a poll) vote instead of that Shareholder. A proxy need not be a Shareholder of the Company. A proxy may demand, or join in demanding, a poll. A Form of Proxy is provided with this Notice. Completion and return of the Form of Proxy will not prevent a Shareholder from attending the meeting and voting in person. To be effective, the Form of Proxy and any power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of such authority) must be deposited at the Company’s business address at MiLOC Group Limited, 2307, 23/F., Peninsula Tower, No. 538 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong not later than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for taking the poll and, in default, the Form of Proxy shall not be treated as valid.
- 2 In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding.
- 3 Pursuant to Article 84 of the Articles of Association of the Company, the Company has specified that only those Shareholders registered on the register of Shareholders of the Company at 4:00 p.m. (Hong Kong time) on 31 October 2022 shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes to the register of Shareholders after 4:00 p.m. (Hong Kong time) on 31 October 2022 shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 4 Copies of the service agreements between the Company and its Directors will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) until the date of the meeting and also on the date and at the place of the meeting from 9.45 a.m. (Hong Kong time) until the conclusion of the meeting.