

TAFI INDUSTRIES BERHAD
Registration No. 200401002432 (640935-P)
(Incorporated in Malaysia)

Minutes of the Extraordinary General Meeting (“EGM”) of TAFI Industries Berhad (“TAFI or “the Company”) conducted entirely through the online meeting platform of TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn. Bhd., Malaysia on Friday, 21 January 2022, at 11:00 a.m..

Shareholders

Present : As per the Attendance List

Directors

Dato’ Sri Andrew Lim Eng Guan (Chairman of the Meeting /Executive Director)

Dato’ Sri Ong Chee Kean (Non-Independent Non-Executive Chairman)

Dato’ Sri Azlan Bin Azmi (Group Managing Director)

Dato’ Sri Wong Sze Chien (Group Chief Executive Officer)

Mr. Teh Soon Hin (Independent Non-Executive Director)

Mr. Leong Boon Tik (Senior Independent Non-Executive Director)

Mr. Leong Sher-How (Independent Non-Executive Director)

By Invitation : Mr. Adrian Koh Yeow York (*Messrs. Mah-Kamariyah & Philip Koh*)
Ms. Sharon Chung Lai Wan (*Messrs. AmInvestment Bank Berhad*)
Mr. Lim Tee Phoi (*Messrs. AmInvestment Bank Berhad*)

In Attendance : Ms. Sukie Teh (Company Secretary)

1. **QUORUM**

Dato’ Sri Andrew Lim Eng Guan, the Executive Director took the chair and called the Meeting to order at 11:00 a.m. upon the confirmation of a quorum, and warmly welcomed all present on behalf of the Board.

The Chairman then proceeded to introduce the Board of Directors, the Company Secretary and the Representatives from AmInvestment Bank Berhad and Mah-Kamariyah & Philip Koh to the Shareholders.

2. **NOTICE**

The notice convening the deferred Meeting, which had been sent to all the Shareholders of the Company by email or post and duly advertised in a local vernacular, the New Straits Times, within the statutory period, was taken as read.

3. **POLL VOTING**

Before proceeding with the items of the agenda of the Meeting, the Chairman informed that the voting for all the resolutions to be considered at the Meeting would be put to vote by poll pursuant to Paragraph 8.29A (1) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

The Shareholders are required to complete online voting which was accessible from the meeting start until such time to be announced later.

All the questions submitted by the shareholders electronically in advance of the EGM and / or posed by the shareholders at the EGM would be answered by the Company during the Q&A Session.

The Chairman further informed that the Company had appointed Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor Investor") as their poll administrator to conduct the polling process and Quantegic Services Sdn. Bhd. as their Scrutineers to verify the poll results.

Tricor Investor played the video on remote voting procedures and steps for remote voting.

4. **PROPOSED BONUS ISSUE OF 252,951,400 NEW ORDINARY SHARES IN TAFI INDUSTRIES BERHAD ("TAFI SHARE(S)" OR "SHARE(S)") ("BONUS SHARE(S)") ON THE BASIS OF TWO (2) BONUS SHARES FOR EVERY ONE (1) EXISTING TAFI SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("ENTITLEMENT DATE") ("PROPOSED BONUS ISSUE OF SHARES")**

The Chairman informed that the first item on the Agenda was for the Shareholders to consider and approve the Proposed Bonus Issue of Shares.

The Chairman informed that Ordinary Resolution 1 be duly taken as read by the Shareholders and the said Ordinary Resolution on the Proposed Bonus Issue of Shares was tabled for consideration.

5. **PROPOSED BONUS ISSUE OF UP TO 63,237,850 WARRANTS ("WARRANT(S)") ON THE BASIS OF ONE (1) WARRANT FOR EVERY TWO (2) EXISTING TAFI SHARES HELD ON THE ENTITLEMENT DATE ("PROPOSED BONUS ISSUE OF WARRANTS")**

Subject to the passing of Ordinary Resolution 1, the second item of the Agenda is to consider and approve the Proposed Bonus Issue of Warrants

The Chairman informed that Ordinary Resolution 2 be duly taken as read by the Shareholders and the said Ordinary Resolution on the Proposed Bonus Issue of Warrants was tabled for consideration.

6. PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPTs")

The Meeting was informed by the Chairman that Ordinary Resolution 3 was for the Shareholders to consider and approve the new shareholders' mandate for RRPTs, details of which were found in the Circular to Shareholders dated 6 January 2022.

The Chairman informed that Ordinary Resolution 3 be duly taken as read by the Shareholders and the said Ordinary Resolution on the proposed new RRPTs was tabled for consideration.

7. Q&A SESSION

The Chairman moved to the Q&A Session and the following questions raised from shareholders had been answered accordingly:-

(a) Q: Will the Board Consider giving door gifts such as e-voucher or e-wallets as a token of appreciation for those participating in this EGM?

A: We are not providing any door gift.

(b) Q: Why was the exercise price of Warrants not fixed upfront?

A: The Company has decided to fix the exercise price at a date closer to the implementation of the Proposed Bonus Issue of Warrants, as this will allow the Company the flexibility to determine such parameters based on the prevailing market conditions, whilst meeting the Company's funding objectives, after taking into consideration, amongst others, the historical price movement of TAFI Shares.

(c) Q: What is the reason for seeking the new shareholders mandate for RPPTs?

A: The new shareholders' mandate for RRPTs are to meet the business needs of TAFI Group at the best possible terms. By transacting with the related parties, the Group would have an advantage of familiarity with the background, financial wellbeing and management of the related parties thus enabling more informed commercial decision to be made where all parties can benefit from conducting the RRPTs.

(d) Q: What kind of related party transactions TAFI expect to undertake?

A: Kindly refer to the Circular. The details of the related part transactions on which the new shareholders mandate for RRPTs being sought are disclosed in page 33 to 36 of the Circular.

(e) Q: What is the timeline for the Proposed Bonus Issue? When will the Proposed Bonus Issue be completed and Bonus Shares be listed on the Main Market of Bursa Securities?

A: Tentatively, the Company expects to announce the Entitlement Date by end-January 2022. Consequently, the Bonus Shares will be listed by mid-February 2022, whilst the Warrants will be listed by end-February 2022.

(f) Q: What is the estimated effect on TAFI's earnings / EPS?

A: The Proposals are not expected to have any material effect on the earnings of TAFI Group for the FYE 31 December 2021 save for the dilution in EPS as a result of the increase in the number of TAFI Shares pursuant to the issuance of the TAFI Shares upon completion of the Proposed Bonus Issue of Shares and when the Warrants are exercised into new TAFI Shares.

(g) Q: What is will be the impact to the share price of TAFI Shares after the implementation of the Proposals?

A: There will be a change in the reference price of TAFI Shares resulting from the completion of the Proposed Bonus Issue of Shares. This change is not expected to have any impact on the total market value of TAFI Shares held by the Company's shareholders.

The impact of the Warrants to the reference price of TAFI Shares will be dependent on the exercise price to be determined on the price fixing date

Due to the time constraint, the Chairman announced at 11:35 a.m. to close the Q&A session. The response to those questions would be either emailed to shareholders after the meeting or posted on the Company's website.

8. **POLLING**

Having dealt with all the items on the Agenda, the Meeting had played the recording on e-voting instructions to brief the Shareholders on the poll voting procedures.

The Chairman declared that the Meeting would be adjourned to facilitate the Poll Administrator and the Scrutineers to count and tabulate the poll results respectively.

14. **ANNOUNCEMENT OF POLL RESULTS**

At 11:45 a.m., the Chairman called the Meeting back to order for the declaration of the polling results. He informed that he had received the polling results from the Scrutineers and the said results were as follow:-

No.	Resolutions	Vote for		Vote Against		Results
		No. of Shares	%	No. of Shares	%	
1.	<u>Ordinary Resolution 1</u> To approve the Proposed bonus issue of 252,951,400 new ordinary shares in TAFI Industries Berhad (“TAFI share(s)” or “share(s)”) (“bonus share(s)”) on the basis of two (2) bonus shares for every one (1) existing TAFI share held on an entitlement date to be determined and announced later (“entitlement date”) (“proposed bonus issue of shares”)	83,315,862	99.9988	1,002	0.0012	Accepted
2.	<u>Ordinary Resolution 2</u> To approve the Proposed Bonus Issue of up to 63,237,850 Warrants (“Warrant(S)”) on the basis of one (1) Warrant for every two (2) existing TAFI Shares held on the entitlement date.	83,315,862	99.9988	1,002	0.0012	Accepted
3.	<u>Ordinary Resolution 3</u> To approve the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	15,595,832	99.9936	1,002	0.0064	Accepted

The Chairman then declared that all the following Ordinary Resolutions were duly carried-

a. Ordinary Resolution 1

"THAT subject to the approvals of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Board of Directors of the Company ("**Board**") to issue and allot 252,951,400 Bonus Shares to the shareholders of the Company who are registered as a member and whose names appear in the Record of Depositors of the Company as at 5:00 p.m. on the Entitlement Date to be determined by the Board and announced by the Company at a later date, on the basis of two (2) Bonus Shares for every one (1) existing TAFI Share held;

THAT fractional entitlements arising from the Proposed Bonus Issue of Shares, if any, will be disregarded and dealt with in such manner as the Board in its absolute discretion deems fit, expedient and in the best interest of the Company;

THAT the Bonus Shares shall, upon issuance and allotment, rank equally in all respects with the then existing TAFI Shares, save and except that they will not be entitled to any dividend, right, allotment and/or any other distribution that may be declared, made or paid prior to the date of allotment of the Bonus Shares;

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements (including without limitations, the affixation of the Company's Common Seal in accordance with the Company's Constitution) as may be necessary or expedient in order to implement, finalise, give effect and complete the Proposed Bonus Issue of Shares with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company."

b. Ordinary Resolution 2

"THAT subject to the passing of Ordinary Resolution 1, the approvals of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Board to issue and allot up to 63,237,850 Warrants (with an exercise price to be determined at a later date) to the shareholders of the Company who are registered as a member and whose names appear in the Record of Depositors of the Company as at 5:00 p.m. on the Entitlement Date to be determined by the Board and announced by the Company at a later date, on the basis of one (1) Warrant for every two (2) existing TAFI Shares held, in accordance with the provisions of the Deed Poll constituting the Warrants to be executed by the Company ("**Deed Poll**");

THAT the Board be and is hereby authorised to enter into and execute the Deed Poll with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company subject to the provisions contained in the Deed Poll, and with full powers for the Board to implement, finalise and give full effect to the Deed Poll;

THAT the Board be and is hereby authorised to issue and allot such appropriate number of Warrants in accordance with the provisions of the Deed Poll and where required, to adjust the exercise price and/or the number of the Warrants to be issued (including, without limitation, any additional Warrants as may be required or permitted to be issued) in consequence of the adjustments pursuant to the provisions of the Deed Poll;

THAT the Board be and is hereby authorised to issue and allot such appropriate number of new TAFI Shares pursuant to the exercise of the Warrants or additional Warrants issued pursuant to adjustments as provided for under the Deed Poll by the Warrants holders in accordance with the provisions of the Deed Poll;

THAT fractional entitlements arising from the Proposed Bonus Issue of Warrants, if any, will be disregarded and dealt with in such manner as the Board in its absolute discretion deems fit, expedient and in the best interest of the Company;

THAT the new TAFI Shares to be issued and allotted arising from the exercise of the Warrants shall, upon issuance and allotment, rank equally in all respects with the then existing TAFI Shares, save and except that they will not be entitled to any dividend, right, allotment and/or any other distribution that may be declared, made or paid prior to the date of allotment of such new TAFI Shares to be issued arising from the exercise of the Warrants;

THAT the Board be and is hereby authorised to utilise the proceeds to be raised from the exercise of the Warrants for such purposes and in such manner as set out in the Circular to shareholders of the Company dated 6 January 2022, and the Board be authorised with full powers to vary the manner and/or purpose of the utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject to the approval of the relevant authorities (where required) and in the best interest of the Company;

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements (including without limitations, the affixation of the Company's Common Seal) as may be necessary or expedient in order to implement, finalise, give effect and complete the Proposed Bonus Issue of Warrants

with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company."

c. Ordinary Resolution 3

"THAT, subject always to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), approval be and is hereby given to the Company and its subsidiaries (collectively the "**Group**") to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 5 of Part B of the Circular to Shareholders dated 6 January 2022, provided that such transactions and/or arrangements which are necessary for the Group's day-to-day operations are undertaken in the ordinary course of business, at arm's length basis, on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company ("**Proposed New Shareholders' Mandate**").

THAT the Proposed New Shareholders' Mandate shall only continue to be in full force until:-

- (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company at which time it will lapse, unless by a resolution passed at said AGM, such authority is renewed; or
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("**Act**") subject to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed New Shareholders' Mandate."

15. **CLOSURE**

There being no other business to be transacted, the Meeting closed at 12:00 p.m. with a vote of thanks to the Chairman.

Confirmed as a Correct Record

CHAIRMAN

Dated: 21 January 2022