

TAFI INDUSTRIES BERHAD
Registration No: 200401002432 (640935-P)



NOTICE OF 17TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 17th Annual General Meeting of the Company will be held at Ballroom 2, TAMU Hotel & Suite Kuala Lumpur, No. 120, Jalan Raja Abdullah, Kampong Bahru, 50300 Kuala Lumpur, Malaysia on Tuesday, 25th May 2021, at 11:00 a.m., for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Directors' Report, Audited Financial Statements and Auditors' Report for the financial year ended 31st December 2020. **(Please refer to Note 2)**
2. To approve the payment of Directors' fees and Directors' benefits for an amount not exceeding RM3.0 million for the financial year ending 31st December 2021 as recommended by the Directors. **(Resolution 1)**
3. To re-elect the following Directors who retire in accordance with Clause 79 of the Constitution of the Company, and being eligible, have offered themselves for re-election:-
 - (a) Dato' Sri Ong Chee Kean **(Resolution 2)**
 - (b) Dato' Sri Azlan Bin Azmi **(Resolution 3)**
 - (c) Dato' Sri Wong Sze Chien **(Resolution 4)**
 - (d) Dato' Sri Andrew Lim Eng Guan **(Resolution 5)**
 - (e) Teh Soon Hin **(Resolution 6)**
 - (f) Leong Boon Tik **(Resolution 7)**
 - (g) Leong Sher-How **(Resolution 8)**
4. To re-appoint Messrs. Peter Chong & Co. as Auditors of the Company for the financial year ending 31st December 2021 and to authorise the Board of Directors to fix their remuneration. **(Resolution 9)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:-

5. **As Ordinary Resolution**

AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate").

THAT such approval on the Proposed General Mandate shall continue to be in force until:

- a) the conclusion of the next Annual General Meeting of the Company held after the approval was given;
- b) the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
- c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting, whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate." **(Ordinary Resolution 10)**

6. **As Ordinary Resolution**

PROPOSED NEW SHAREHOLDERS' MANDATE FOR NEW RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"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 the Circular to Shareholders dated 26th April 2021, 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 (hereinafter referred to as the "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") (but shall not extend 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."

(Ordinary Resolution 11)

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016.

By Order of the Board

TAFI INDUSTRIES BERHAD

NG BEE LIAN

(MAICSA 7041392)

SSM PC No.: 201908003459

TEH SOO YEE

(LS0010368)

SSM PC No.: 201908003457

Company Secretaries

26th April 2021

NOTES:

1. APPOINTMENT OF PROXY

- (a) For the purpose of determining who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a **Record of Depositors as at 19th May 2021**. Only a member whose name appears on this Record of Depositors shall be entitled to attend this AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
- (b) A member entitled to attend and vote at this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her/its place. A proxy may but need not be a member of the Company.
- (c) A member of the Company who is entitled to attend and vote at this AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the AGM.
- (d) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
- (e) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (f) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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. An exempt authorised nominee refers to an authorised nominee defined under Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (g) 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.

(h) *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:*

(i) *In hard copy form*

In the case of an appointment made in hard copy form, the proxy form 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.

(ii) *By electronic form*

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online> (applicable to individual shareholders only). Kindly refer to the Procedure for Electronic Submission of Proxy Form.

(i) *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited 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, 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 AGM or adjourned AGM 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.*

(j) *Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.*

(k) *Last date and time for lodging this proxy form is **Sunday, 23rd May 2021 at 11:00 a.m.***

(l) *Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:*

(i) *Identity card (NRIC) (Malaysian), or*

(ii) *Police report (for loss of NRIC)/Temporary NRIC (Malaysian), or*

(iii) *Passport (Foreigner).*

(m) *For a corporate member who has appointed a representative instead of a proxy to attend the AGM, please bring **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's registered officer earlier.*

(n) *Pursuant to Paragraph 8.29(A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions at the AGM shall be put by way of poll.*

(o) *The members are advised to refer to the Administrative Guide for the Annual General Meeting on the registration process for the AGM.*

(p) *In view that constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of the AGM at short notice. Kindly check Bursa Malaysia Securities Berhad's website and the Company's website at <https://welcome.tafi.com.my> for the latest updates on the status of the AGM.*

2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2020

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 ("CA2016") for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

3. RESOLUTION 1: PAYMENT OF DIRECTORS' FEES AND BENEFITS

Section 230(1) of the CA2016 provides that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval will be sought at this AGM on the Directors' fees and Directors' benefits for the financial year ending 31st December 2021.

4. RESOLUTIONS 2 TO 8: RE-ELECTION OF DIRECTORS

Clause 79 of the Constitution stated that a Director so appointed shall hold office only until the next following AGM and shall then be eligible for re-election.

Directors standing for re-election pursuant to the Company's Constitution are:-

(i) Dato' Sri Ong Chee Kean

(ii) Dato' Sri Azlan Bin Azmi

(iii) Dato' Sri Wong Sze Chien

(iv) Dato' Sri Andrew Lim Eng Guan

(v) Teh Soon Hin

(vi) Leong Boon Tik

(vii) Leong Sher-How

The Board has through the Nominating Committee, considered the assessment of the Directors and agreed that they met the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia

Securities Berhad on character, experience, integrity, competence and time to effectively discharge their roles as Directors.

5. RESOLUTION 9 : RE-APPOINTMENT OF AUDITORS

The Audit Committee had at its meeting held on 6th April 2021 assessed the suitability and independence of the External Auditors and recommended the re-appointment of Messrs. Peter Chong & Co. as External Auditors of the Company for the financial year ending 31st December 2021. The Board has in turn reviewed the recommendation of the Audit Committee and recommended the same be tabled to the shareholders for approval for the forthcoming AGM of the Company.

6. ORDINARY RESOLUTION 10 : AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

The proposed ordinary resolution 10, if passed, will empower the Directors of the Company to issue and allot ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being (“Proposed General Mandate”).

The authority for the Proposed General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting (“AGM”) or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This proposed Resolution is a renewal of the previous year’s mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders’ approval so as to avoid incurring additional costs and time.

The purpose of this general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

The Company had on 8th March 2021 proposed to undertake a renounceable right issue of 46,475,700 new ordinary shares in TAFI (“TAFI Share(s)” or “Share(s)”) (“Rights Share(s)”) at an issue price of RM0.58 per Right Shares (“Issue Price”), on the basis of three (3) Rights Shares for every five (5) existing TAFI Shares (excluding treasury shares) held on an entitlement date to be determined later (“Entitlement Date”) (“Right Issue of Shares”) under the following general mandate which were approved by the shareholders:-

- (a) the approval obtained from the Shareholders at its last Annual General Meeting (“AGM”) convened on 17th July 2020 to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 (“Act”), up to an amount not exceeding 10% of the prevailing total number of issued shares of the Company, until the conclusion of the next AGM unless revoked or varied by the Shareholders at a subsequent general meeting (“**General Mandate**”); and
- (b) the approval obtained from the Shareholders of the Company in an extraordinary general meeting (“EGM”) convened on 5th January 2021 for the Board to issue new rights shares not exceeding 50% of the Company’s total number of issued shares on a pro rata basis (excluding treasury shares) (“**Enhanced Rights Issue Mandate**”), whereby under the aforesaid mandate, the Company may issue the Rights Shares by 31st December 2021.

As at 15th April 2021, being the latest practicable date prior to the issuance of this Annual Report, the Company had obtained approval from Bursa Malaysia Securities Berhad (“Bursa Securities”) vide its letter dated 15th April 2021 approved the listing of and quotation of 46,475,700 new TAFI Shares to be issued pursuant to the Right Issue of Shares.

7. ORDINARY RESOLUTION 11 : PROPOSED NEW SHAREHOLDERS’ MANDATE FOR NEW RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The proposed Ordinary Resolution 11, if passed, will authorise the TAFI Group to enter into new recurrent related party transactions of a revenue or trading nature which are necessary for the TAFI Group's day-to-day operations with the respective related parties, subject that the transactions are transacted in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

8. ANNUAL REPORT

Should you require a printed copy of the 2020 Annual Report and Circular to Shareholders, kindly request through the online system at our Share Registrar (“TIIH Online”), Tricor Investor & Issuing House Services Sdn Bhd, at website <https://tjih.online> by selecting “Request for Annual Report” under the Investor Services. Alternatively, you may also make your request through email to our Share Registrar (is.enquiry@my.tricorglobal.com).

The printed copy of the 2020 Annual Report and Circular to Shareholders shall be provided to the shareholders within four (4) market days from the date of receipt of their written request.