



HWA TAI INDUSTRIES BERHAD
(Company No. 19688-V)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“EGM”) of Hwa Tai Industries Berhad (“**Hwa Tai**” or the “**Company**”) will be held at The Hwa Tai Grand Conference Room, Ground Floor, No. 12, Jalan Jorak, Kawasan Perindustrian Tongkang Pecah, 83010 Batu Pahat, Johor Darul Takzim, Malaysia on Wednesday, 12 November 2014 at 11.00 a.m., for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:

SPECIAL RESOLUTION 1

PROPOSED REDUCTION OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY PURSUANT TO SECTION 64(1) OF THE COMPANIES ACT, 1965, INVOLVING THE CANCELLATION OF RM0.60 OF THE PAR VALUE OF EACH ORDINARY SHARE OF RM1.00 IN THE COMPANY (“PROPOSED PAR VALUE REDUCTION”)

“**THAT** subject to the passing of Special Resolution 2 on the Proposed Amendments to the Memorandum of Association of the Company to facilitate the Proposed Par Value Reduction, the sanction of the High Court of Malaya pursuant to Section 64(1) of the Companies Act, 1965 and the approvals of the relevant authorities, approval be and is hereby given for the reduction of the existing issued and paid-up share capital of the Company comprising 40,042,400 ordinary shares of RM1.00 via the cancellation of RM0.60 from the par value of each ordinary share of RM1.00 each in the Company **AND THAT** the credit arising therefrom be utilised to set-off the accumulated losses of the Company and any remaining credit after the set-off of the accumulated losses of the Company will be credited to the retained earnings of the Company which shall include but not limited to be distributed, capitalised and/or set-off accumulated losses in future (if any) by the Company in the manner to be determined by the Board at a later date.

AND THAT authority be and is hereby given to the Directors of the Company to do all such deeds, acts and things and execute, sign and deliver all documents for and on behalf of the Company as they may consider necessary or expedient to give effect to and implement the Proposed Par Value Reduction with full power to assent to any condition, modification, variation and/or amendment as may be imposed or permitted by the relevant authorities and/or the High Court of Malaya as the Directors may in their discretion deem fit or expedient in the best interest of the Company.”

SPECIAL RESOLUTION 2

PROPOSED AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY TO FACILITATE THE PROPOSED PAR VALUE REDUCTION (“PROPOSED AMENDMENT”)

“**THAT**, subject to the passing of Special Resolution 1 on the Proposed Par Value Reduction and the approvals of the relevant authorities, approval be and is hereby given for the Company to amend its Memorandum of Association in the manner set out below to facilitate the implementation of the Proposed Par Value Reduction-

Memorandum of Association	Existing Provision	Revised Provision
Clause 5	The capital of the Company is RM1,000,000,000/- divided into 1,000,000,000 shares of RM1/- each. The Company shall have the power to increase or reduce its capital, to consolidate or subdivide the shares into shares of larger or smaller amounts, and to divide the shares forming the capital (original, increased or reduced) of the Company into several classes and to attach thereto respectively, preferential, deferred or special rights, privileges or conditions as may be determined by, or in accordance with the regulations for the time being of the Company and to issue additional capital with any such rights, privileges or conditions as aforesaid, and any preference share may be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.	The capital of the Company is RM1,000,000,000/- divided into 2,500,000,000 shares of RM0.40 each. The Company shall have the power to increase or reduce its capital, to consolidate or subdivide the shares into shares of larger or smaller amounts, and to divide the shares forming the capital (original, increased or reduced) of the Company into several classes and to attach thereto respectively, preferential, deferred or special rights, privileges or conditions as may be determined by, or in accordance with the regulations for the time being of the Company and to issue additional capital with any such rights, privileges or conditions as aforesaid, and any preference share may be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.

AND THAT authority be and is hereby given to the Directors of the Company to do all such deeds, acts and things and execute, sign and deliver all documents for and on behalf of the Company as they may consider necessary or expedient to give effect to and implement the Proposed Amendment with full power to assent to any condition, modification, variation and/or amendment as may be imposed or permitted by the relevant authorities as the Directors may in their discretion deem fit or expedient in the best interest of the Company.”

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 60,063,600 NEW SHARES OF THE COMPANY OF RM0.40 EACH (“RIGHTS SHARES”) AT AN ISSUE PRICE OF RM0.40 PER RIGHTS SHARE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWO (2) EXISTING SHARES OF THE COMPANY HELD AFTER THE PROPOSED PAR VALUE REDUCTION, BASED ON A MINIMUM SUBSCRIPTION LEVEL OF 30,031,800 RIGHTS SHARES, ON AN ENTITLEMENT DATE (“PROPOSED RIGHTS ISSUE”)

“**THAT**, contingent upon the passing of Special Resolution 1 on the Proposed Par Value Reduction, Special Resolution 2 on the Proposed Amendment and Ordinary Resolution 2 on the proposed exemption to Mr. Soo Thien Ming @ Soo Thien See (“**Mr. Soo**”) and persons acting in concert with Mr Soo (“**PACs**”) from the obligation to undertake a mandatory take-over offer to acquire all the remaining shares of the Company not already owned by Mr. Soo and his PACs upon completion of the Proposed Rights Issue pursuant to Practice Note 9, Paragraph 16.1 of the Malaysian Code on Take-Overs and Mergers 2010 and the approval of all relevant authorities, including but not limited to the approval-in-principle granted by Bursa Securities for the listing of and quotation for all the Rights Shares to be issued hereunder (whether in its original form or with or subject to any condition, modification, variation and/or amendment imposed by Bursa Securities), approval be and is hereby given to the Directors of the Company to allot and issue by way of a renounceable rights issue of up to 60,063,600 Rights Shares at an issue price of RM0.40 per Rights Share on the basis of three (3) Rights Share for every two (2) existing shares of the Company held by the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined by the Board, after the Proposed Par Value Reduction based on a minimum subscription level of 30,031,800 Rights Shares;

THAT any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever shall be made available for excess applications in such manner as the Directors of the Company shall determine at its absolute discretion;

THAT the Directors of the Company be and are hereby empowered and authorised to deal with any fractional entitlements that may arise from the Proposed Rights Issue in such manner and on such terms and conditions as the Directors of the Company in their absolute discretion as they may deem fit or think expedient or in the best interest of the Company;

THAT the proceeds of the Proposed Rights Issue be utilised for the purposes as set out in Section 2.3.7 of the Circular to Shareholders of the Company dated 10 October 2014, and the Directors of the Company be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Directors of the Company may deem fit, necessary and/or expedient, subject (where required) to the approval of the relevant authorities;

THAT the Rights Shares shall upon allotment and issue, rank *pari passu* in all respects with the then existing issued and fully paid-up shares in the capital of the Company, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions, which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the Rights Shares;

THAT the Rights Shares shall be listed on Bursa Securities;

THAT the Directors of the Company be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Rights Issue with full power to assent to any conditions, variations, modifications and/ or amendments as may be required by any relevant authorities or deemed necessary by the Directors of the Company in the best interest of the Company, and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue;

AND THAT this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all the Rights Shares have been fully allotted and issued in accordance with the terms of the Proposed Rights Issue.”

ORDINARY RESOLUTION 2

PROPOSED EXEMPTION TO MR SOO THIEN MING @ SOO THIEN SEE AND PERSONS ACTING IN CONCERT WITH MR. SOO FROM THE OBLIGATION TO UNDERTAKE A MANDATORY TAKE-OVER OFFER TO ACQUIRE ALL THE REMAINING SHARES OF THE COMPANY NOT ALREADY OWNED BY MR. SOO AND HIS PACS UPON COMPLETION OF THE PROPOSED RIGHTS ISSUE PURSUANT TO PRACTICE NOTE 9, PARAGRAPH 16.1 OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS 2010 (“PROPOSED EXEMPTION”)

“**THAT**, subject to the passing of Special Resolution 1 on the Proposed Par Value Reduction, Special Resolution 2 on the Proposed Amendment and Ordinary Resolution 1 on the Proposed Rights Issue and the approvals of all relevant authorities including such conditions as may be imposed by the Securities Commission and any other relevant authorities, approval be and is hereby given for exemptions to be granted to Mr. Soo and his PACs, by the Securities Commission under Practice Note 9, Paragraph 16.1 of the Malaysian Code on Take-Overs and Mergers 2010 from the obligation to undertake a mandatory take-over offer to acquire all the remaining Shares of the Company not already held by Mr. Soo and his PACs which would arise pursuant to the Proposed Rights Issue;

AND THAT the Directors of the Company be and hereby empowered and authorised to do all such acts and things, take such steps, execute such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit, necessary or expedient or appropriate in order to finalise, implement and/or give full effect to the Proposed Exemption with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be agreed to/required by any relevant authority or as a consequence of any such requirement as may be deemed necessary and/or expedient in the best interest of the Company.”

By Order of the Board of
HWA TAI INDUSTRIES BERHAD

Jessica Chin Teng Li (MAICSA 7003181)
Company Secretary

Johor Darul Takzim, Malaysia
10 October 2014

Notes:

- (i) *In respect of deposited securities, only members whose names appear in the Record of Depositors as at 5 November 2014 (“General Meeting Record of Depositors”) shall be eligible to attend the Meeting.*
- (ii) *A member entitled to attend and vote at the meeting is entitled to appoint at least one proxy or proxies to attend and vote in his stead. A proxy may, but need not, be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 are not applicable to the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.*
- (iii) *A member shall be entitled to appoint more than one proxy to attend and vote at the same meeting. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
- (iv) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. In such instance, the member shall specify the securities account number for each appointment.*
- (v) *Where a member of the Company is an exempt authorised nominee as defined under the SICDA 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 to the omnibus account.*
- (vi) *The instrument appointing a proxy or proxies shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
- (vii) *The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at No. 12, Jalan Jorak, Kawasan Perindustrian Tongkang Pecah, 83010 Batu Pahat, Johor Darul Takzim not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.*