

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting of the Company will be held at the Meeting Room, TAFI Industries Berhad, PLO 3 Kawasan Perindustrian Bukit Pasir, Mukim Sg. Raya, 84300 Bukit Pasir, Muar, Johor, Malaysia on Friday, 17 July 2020, at 2:00 p.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 31 December 2019. **(Please refer to Note 2)**
2. To approve the payment of Directors' fees for an amount not exceeding RM200,000 for the financial year ending 31 December 2020 as recommended by the Directors. **(Resolution 1)**
3. To approve the payment of Directors' benefits for an amount not exceeding RM10,000 for the financial year ending 31 December 2020. **(Resolution 2)**
4. To re-elect the following Directors who retire in accordance with Clause 77(2) of the Constitution of the Company, and being eligible, have offered themselves for re-election:-
 - (i) Ratna Rajah Selvaduray **(Resolution 3)**
 - (ii) Siew Chee Choong **(Resolution 4)**
5. To re-appoint Messrs. Peter Chong & Co. as Auditors of the Company for the financial year ending 31 December 2020 and to authorise the Board of Directors to fix their remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

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

6. **As Ordinary Resolution**
Retention of Independent Non-Executive Director
"THAT subject to the passing of Ordinary Resolution No. 4 above, approval be and is hereby given to Mr. Siew Chee Choong who has served the Board as Independent Non-Executive Director of the Company for a cumulative term or more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting ("AGM") of the Company." **(Resolution 6)**
7. **As Ordinary Resolution**
Authority to Directors to Allot and Issue New Ordinary Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016
"THAT subject always to the Companies Act, 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities (if any), the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act to allot shares in the Company, from time to time, at such price, upon such terms and conditions, and for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit

provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for additional shares so issued from Bursa Securities AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by the Company at a general meeting.”

(Resolution 7)

8. 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)

Practicing Certificate: 201908003459

Company Secretary

Melaka

18 June 2020

NOTES:

1. APPOINTMENT OF PROXY

- (i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies and vote in his/her stead. A proxy need not be a member of the Company.
- (ii) A member may appoint up to two (2) proxies to attend and vote in his/her stead except where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account held by it with ordinary shares of the Company standing to the credit of the said securities account.
- (iii) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.
- (iv) Where a member appoints two (2) proxies, he/she shall specify the proportion of his shareholdings to be represented by each proxy.
- (v) The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised.
- (vi) The instrument appointing a proxy must be deposited at the Registered Office of the Company, PLO 3 Kawasan Perindustrian Bukit Pasir, Mukim Sg. Raya, 84300 Bukit Pasir, Muar, Johor, Malaysia not less than 48 hours before the time for holding the meeting or at any adjournment thereof.
- (vii) Only members whose names appear in the Record of Depositors as at 13 July 2020 will be entitled to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and vote on their behalf.

2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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. RESOLUTIONS 1 TO 2 : 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 31 December 2020.

4. RESOLUTIONS 3 AND 4 : RE-ELECTION OF DIRECTORS

Clause 77(2) of the Constitution of the Company provides that the number nearest to one-third of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company.

The Directors standing for re-election pursuant to the Constitution of the Company are:-

- (i) Ratna Rajah Selvaduray
- (ii) Siew Chee Choong

The Board has through the Nominating Committee ("NC"), 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 5 : RE-APPOINTMENT OF AUDITORS

The Audit Committee had at its meeting held on 12 May 2020 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 31 December 2020. 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. RESOLUTION 6 : RETENTION OF SIEW CHEE CHOONG AS AN INDEPENDENT NON EXECUTIVE DIRECTOR OF THE COMPANY

Both the NC and the Board have assessed the independence of Mr. Siew Chee Choong, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended him to continue to act as Independent Non-Executive Director of the Company based on the following justifications:

- (i) his experiences, networking, understanding of business and objectivity in approach enables him to provide the Board and Board Committees with pertinent expertise, skills and competence and his independence judgement will continue to add credence to the Company;
- (ii) he remain professionally independent and vocal, actively participated in deliberation and exercised independent judgement at Board and Board Committee meetings without being influenced by operational consideration;
- (iii) he act in the best interests of all shareholders and his continuation in office as Independent Non-Executive Director will provide a check and balance to operational management;
- (iv) he continue to bring independent and objective judgements to Board deliberations and the decision making process as a whole. He also possess vast professional experience and bring the right mix of skills to the Board;
- (v) he fulfilled the criteria as Independent Non-Executive Director as stipulated in the Listing Requirements and therefore are able to offer impartial judgement and advice to the Board; and
- (vi) he continue to exercise independent and objective judgement in carrying out their duties as Independent Non-Executive Director and he provide guidance, unbiased and independent views to many aspects of the Company and the Group's strategy so as to safeguard the interests of minority shareholders. His long tenure as Independent Non-Executive Director has no conflict of interest or undue influence from management and interested parties.

7. RESOLUTION 7 : AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

The proposed Resolution 7, if passed, is to empower the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening at a general meeting to approve such an issue of shares. This authority will, unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This General Mandate will provide flexibility to the Company for allotment of shares for any possible fund raising activities including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

8. ANNUAL REPORT

The Annual Report for the financial year ended 31 December 2019 is in CD-ROM format. Printed copy of the Annual Report shall be provided to the shareholders upon request within 4 market days from the date of receipt of the written request. A copy of the Annual Report can also be downloaded at www.tafi.com.my.

Shareholders who wish to receive the printed Annual Report and who require assistance in viewing the CD-ROM, kindly fax to Tricor Investor & Issuing House Services Sdn. Bhd. at fax +603 2783 9222 or email your request to is.enquiry@my.tricorglobal.com.