

HWA TAI INDUSTRIES BERHAD
Company No.: 19688-V (New Reg. No.: 197401002656)
(Incorporated in Malaysia)

Minutes of the Forty-Sixth Annual General Meeting of the Company held as a fully virtual meeting using online meeting platform of TIIH Online via website at <https://tiih.online> in Malaysia on Wednesday, 2 June 2021 at 11.30 a.m.

PRESENT

Directors:-

Datuk Soo Chung Yee
Yee Fook Loong
Kamal Bin Abd Karim
Aisyah Kamaliah Binti Abu Bakar

Fong May Khuan

Shareholders:-

Chu Kwok Keong

Fong Chee Chung

Fong Chee Hung

Kek Chin Chin

Khor Bee Kuan

Koh Ah Geok

Kweh Wan Siew

Lam Ruey Shiang

Lau Chuan Hooi

Low Kim Bok

Mok Guck Mee

Ng Eng Chuan

Ng Kian Huat

Ong Chee Peng

Rapheal Wong Kim Leong

Tan Kay Wee

Tan Poh Boon

Thavarajan A/L Muthiah Pillai

Tiw Chee Keong

Yu Chooi Chin

Lanjut Bestari Sdn Bhd (per proxy Chairman of the Meeting)

Teh Leong Kok (per proxy Chairman of the Meeting)

Yam Lai Mun (per proxy Chairman of the Meeting)

AllianceGroup Nominees (Tempatan) Sdn. Bhd.

– A/C Datuk Soo Chung Yee

(per proxy Datuk Soo Chung Yee)

Public Nominees (Tempatan) Sdn. Bhd.

– A/C Soo Thien Ming @ Soo Thien See

(per proxy Datuk Soo Chung Yee)

Soo Thien Ming @ Soo Thien See

(per proxy Datuk Soo Chung Yee)

APOLOGY

Soo Thien Ming @ Soo Thien See

...2/-

CONTINUATION OF THE MINUTES OF THE FORTY-SIXTH ANNUAL GENERAL MEETING
OF HWA TAI INDUSTRIES BERHAD HELD ON 2 JUNE 2021

IN ATTENDANCE	Jessica Chin Teng Li Ong Teng Yan	(Company Secretary) (Representing Auditors, Baker Tilly Monteiro Heng PLT)
	Irene Lee Kim Hong	(Financial Controller)
	Teo Giap Cheng	(General Manager)
	Low Chee Chong	(Senior Manager, Production)
	Tricor Investor & Issuing House Services Sdn. Bhd.	(Poll Administrator)
	Asia Securities Sdn. Berhad	(Independent Scrutineer)

CHAIRMAN

The Group Chief Executive Director, Datuk Soo Chung Yee, informed that the Chairman of the Board of Directors, Soo Thien Ming @ Soo Thien See, was unavailable to attend the Meeting and that following a discussion among the Board members earlier, the Independent Director, Kamal Bin Abd Karim, agreed to chair the Meeting.

INTRODUCTION

Kamal Bin Abd Karim, having assumed the chair for the Meeting, welcomed everyone to the Meeting.

He clarified that due to the announcement by the Government on the third Movement Control Order (“MCO”) from 12 May 2021 to 7 June 2021 and further extended to 14 June 2021 to curb the spread of coronavirus Covid-19 in Malaysia and in compliance with the standard operating procedures of the MCO which prohibits the holding of physical meetings, the Meeting as scheduled for 2 June 2021 will be conducted fully virtual through the remote participation and electronic voting (“RPV”) application. He further reminded that the change in the mode of the Meeting to fully virtual was informed via an announcement made to Bursa Securities Sdn. Bhd. and the despatch of a notice to all Shareholders on 21 May 2021.

The Chairman proceeded to introduce to the Meeting each member of the Board of Directors, the Company Secretary, the Audit Partner from the External Auditors Baker Tilly Monteiro Heng PLT, the Financial Controller and the senior management team.

...3/-

CONTINUATION OF THE MINUTES OF THE FORTY-SIXTH ANNUAL GENERAL MEETING
OF HWA TAI INDUSTRIES BERHAD HELD ON 2 JUNE 2021

QUORUM

The Chairman informed that the required quorum for the Meeting is two members present in person or by proxy according to the Company's Constitution.

He announced that the Company had received proxies totalling 38,016,217 shares representing 50.80% of the issued share capital of the Company. In his capacity as Chairman of the Meeting, he had been appointed as proxy by some Shareholders and he shall vote in accordance with their instructions.

The Chairman announced that the Company Secretary with the advice of the Poll Administrator had confirmed that a quorum was present and thus, declared the Meeting duly convened.

NOTICE

The Notice convening the Meeting was taken as read.

MEETING
PROCEDURE

The Chairman explained the procedures in tabling and approving the resolutions and also the sequence of the flow of the Meeting.

He also informed that voting will be by polling as per Bursa Securities Listing Requirements and voting by way of poll accords one vote for every one share held by the Shareholders pursuant to the Company's Constitution.

He reminded the Meeting that as discussion that transpires in the Meeting is deemed confidential and only for the knowledge of the authorised attendees, any visual or audio recording whilst the Meeting is conducted is strictly prohibited unless prior written consent is obtained.

The Chairman introduced to the Meeting the Poll Administrator from Tricor Investor & Issuing House Services Sdn. Bhd. and the Independent Scrutineer from Asia Securities Sdn. Berhad.

A video presentation to explain the voting procedure and how to raise questions through the RPV application was shown.

...4/-

CONTINUATION OF THE MINUTES OF THE FORTY-SIXTH ANNUAL GENERAL MEETING
OF HWA TAI INDUSTRIES BERHAD HELD ON 2 JUNE 2021

AUDITED FINANCIAL STATEMENTS AND REPORTS The Audited Financial Statements for the financial year ended 31 December 2020, together with the Directors' and Auditors' Reports thereon, were presented at the Meeting.

The Chairman announced that Item 1 of the Agenda is meant for discussion only and it does not require a formal approval of Shareholders. He reminded Shareholders to use the query box to transmit their questions which will be responded to during the Question and Answer ("Q&A") session.

DIRECTORS' FEE Ordinary Resolution No. 1 on the payment of an increased amount of Directors' fee of RM130,000.00 for the financial year ended 31 December 2020, of which the details are disclosed in the notes of the Notice of Annual General Meeting, was tabled for Shareholders' consideration and put to vote by poll after the Q&A session.

The Chairman informed that the increase in fee to Non-Executive Directors by RM10,000.00 each was proposed by the Board following a recommendation by the Remuneration Committee.

ALLOWANCE TO NON-EXECUTIVE CHAIRMAN Ordinary Resolution No. 2 on the payment of an allowance of RM10,000.00 per month to the Non-Executive Chairman from 2 June 2021 to the next Annual General Meeting of the Company, was tabled for Shareholders' consideration and put to vote by poll after the Q&A session.

DIRECTORATE – DATUK SOO CHUNG YEE Ordinary Resolution No. 3 on the re-election of Director, Datuk Soo Chung Yee, who retired by rotation in accordance with the Company's Constitution was put to vote by poll after the Q&A session.

It was noted that Datuk Soo Chung Yee is the Group Chief Executive Director of the Company and has been on the Board since 2004.

...5/-

CONTINUATION OF THE MINUTES OF THE FORTY-SIXTH ANNUAL GENERAL MEETING OF HWA TAI INDUSTRIES BERHAD HELD ON 2 JUNE 2021

DIRECTORATE –
KAMAL BIN ABD
KARIM

The Chairman explained that as Ordinary Resolution No. 4 is pertaining to his re-election, he proposed Datuk Soo Chung Yee to take over the chair of the Meeting for the said resolution.

Datuk Soo Chung Yee obliged and informed that Kamal Bin Abd Karim has been on the Board since 2016 as Independent Non-Executive Director. He proceeded to put Ordinary Resolution No. 4 on the re-election of Kamal Bin Abd Karim as Director, who retired by rotation in accordance with the Company's Constitution, to vote by poll after the Q&A session.

Datuk Soo Chung Yee then handed back the chair of the Meeting to Kamal Bin Abd Karim.

DIRECTORATE –
AISYAH KAMALIAH
BINTI ABU BAKAR

Ordinary Resolution No. 5 on the re-election of Director, Aisyah Kamaliah Binti Abu Bakar, who retired by rotation in accordance with the Company's Constitution was put to vote by poll after the Q&A session.

It was noted that Aisyah Kamaliah Binti Abu Bakar has been on the Board as Independent Director since 2016.

DIRECTORATE –
FONG MAY KHUAN

Ordinary Resolution No. 6 on the re-election of Director, Fong May Khuan, who retired by rotation in accordance with the Company's Constitution was put to vote by poll after the Q&A session.

It was noted that Fong May Khuan has been on the Board since 2018 as Independent Director.

AUDITORS

Ordinary Resolution No. 7 on the appointment of Baker Tilly Monteiro Heng PLT, who hold office until the conclusion of the Meeting pursuant to the Companies Act 2016 and who have expressed their willingness to continue in office, as Auditors for the financial year ending 31 December 2021 and on authority to Directors to fix their remuneration was put to vote by poll after the Q&A session.

It was noted that the Audit Committee had reviewed the Auditors' performance and fees and had recommended for their re-appointment.

...6/-

CONTINUATION OF THE MINUTES OF THE FORTY-SIXTH ANNUAL GENERAL MEETING OF HWA TAI INDUSTRIES BERHAD HELD ON 2 JUNE 2021

SPECIAL BUSINESS –
AUTHORITY TO
ALLOT AND ISSUE
SHARES IN GENERAL
PURSUANT TO
SECTIONS 75 & 76 OF
THE COMPANIES
ACT, 2016

Having not received any notice of any other business appropriate to an Annual General Meeting, the Chairman proceeded to the Special Business which is the final resolution.

He informed the Meeting that Ordinary Resolution No. 8 gives authority to Directors with full power to allot and issue shares up to an amount not exceeding 10% of the issued shares of the Company for such purposes as the Directors consider would be in the best interest of the Company. He further explained that the purpose for such allotment and issuance of shares is to enable the Directors to take swift action in case of a need for any possible fund raising corporate exercise or in the event of business opportunities arise which involve the issuance of new shares, thus avoiding any delay and cost involved in convening a general meeting.

Ordinary Resolution No. 8 on authority to allot and issue shares in general pursuant to Sections 75 & 76 of the Companies Act, 2016 was put to vote by poll after the Q&A session.

QUESTION &
ANSWER

Upon conclusion of the presentation of all the eight resolutions, the Chairman invited questions from Shareholders on the said resolutions. He requested the Group Chief Executive Director to conduct the Q&A session, to which Datuk Soo Chung Yee obliged.

Question 1

Datuk Soo Chung Yee read out the following question received from Shareholder, Tan Poh Boon:-

“Dear Director and Management, with current commodity price hike, like flour, sugar, oil palm etc.– any plans or solution for (to) overcome those ingredients’ increase (in) cost? Thanks”

Datuk Soo Chung Yee requested the Financial Controller to reply the question. The Financial Controller informed that in order to mitigate cost increase of raw materials, the Company tries to source for raw materials from various suppliers. At the same time the Company’s Research & Development team experiments with different ingredients while maintaining the quality. The Company also surveys the market price of biscuits before considering a price increase to ensure the Company’s products remain competitive. The Company also considers reducing grammage of the products if a price increase is not competitive.

...7/-

CONTINUATION OF THE MINUTES OF THE FORTY-SIXTH ANNUAL GENERAL MEETING OF HWA TAI INDUSTRIES BERHAD HELD ON 2 JUNE 2021

QUESTION &
ANSWER
(Continuation)

Question 2

Datuk Soo Chung Yee read out the following question received from Shareholder, Thavarajan A/L Muthiah Pillai:-

“Dear Sir, will Hwa Tai consider merging with other companies to go next level and unlocking the true value of the Company. Please reward your loyal shareholders with e-vouchers to purchase Hwa Tai products. Thank you.”

Datuk Soo Chung Yee replied that the Company is open to explore any mergers and acquisitions and at the moment the Company had not received any proposals. He advised Shareholders to refer to the many campaigns which the Company had tied up with various supermarkets and also the promotion activities in the Company’s Facebook. He thanked the loyal Shareholders for their support over the years.

When the Q&A session ended, Datuk Soo Chung Yee took the opportunity to brief Shareholders on the performance of the Company for year 2020. He announced that the Group returned to the black with a profit of RM1.09 million on the back of a revenue of RM74.95 million. A revenue of RM20.19 million and a profit of RM0.50 million were registered in the first quarter of year 2021 which had been publicly announced recently. The Company anticipates that the year ahead to remain difficult and challenging amidst the coronavirus Covid-19 outbreak; nevertheless, the Company will constantly focus on improving the Group’s performance.

POLL VOTING

As there were no further questions raised, the Chairman proceeded to put all the eight motions to vote by poll and he announced the commencement of the online remote voting session which will be opened for five minutes and automatically ends after 5 minutes.

Upon the conclusion of the online remote voting session, the Chairman invited the Independent Scrutineer to cast and verify the poll results which would take about 20 to 30 minutes to complete.

The Meeting was adjourned at 11.58 a.m. for casting and verification of the poll results by the Scrutineer.

...8/-

CONTINUATION OF THE MINUTES OF THE FORTY-SIXTH ANNUAL GENERAL MEETING OF HWA TAI INDUSTRIES BERHAD HELD ON 2 JUNE 2021

POLL VOTING
(Continuation)

The Meeting resumed at 12.13 p.m. and the Chairman announced that he had been advised by the Independent Scrutineer on the results of the poll for the eight resolutions which were shown on the screen as follows:-

Resolution	Vote For		Vote Against		Total Votes	
	No. of Units	%	No. of Units	%	No. of Units	%
1	38,050,817	99.9750	9,500	0.0250	38,060,317	100
2	7,107,250	99.9508	3,500	0.0492	7,110,750	100
3	38,049,117	99.9706	11,200	0.0294	38,060,317	100
4	38,056,817	99.9908	3,500	0.0092	38,060,317	100
5	38,056,817	99.9908	3,500	0.0092	38,060,317	100
6	38,046,817	99.9645	13,500	0.0355	38,060,317	100
7	38,059,117	99.9968	1,200	0.0032	38,060,317	100
8	38,056,817	99.9908	3,500	0.0092	38,060,317	100

With the announcement of the abovementioned poll results, the Chairman declared all the eight resolutions passed:-

Ordinary Resolution No. 1

To approve payment of an increased amount of Directors' fee of RM130,000.00 for the financial year ended 31 December 2020.

Ordinary Resolution No. 2

To approve an amount of RM10,000.00 per month as allowance to the Non-Executive Chairman from 2 June 2021 to the next Annual General Meeting of the Company.

Ordinary Resolution No. 3

To re-elect the Director, Datuk Soo Chung Yee, who retired in accordance with the Company's Constitution.

Ordinary Resolution No. 4

To re-elect the Director, Kamal Bin Abd Karim, who retired in accordance with the Company's Constitution.

Ordinary Resolution No. 5

To re-elect the Director, Aisyah Kamaliah Binti Abu Bakar, who retired in accordance with the Company's Constitution.

Ordinary Resolution No. 6

To re-elect the Director, Fong May Khuan, who retired in accordance with the Company's Constitution.

...9/-

CONTINUATION OF THE MINUTES OF THE FORTY-SIXTH ANNUAL GENERAL MEETING
OF HWA TAI INDUSTRIES BERHAD HELD ON 2 JUNE 2021

POLL VOTING
(Continuation)

Ordinary Resolution No. 7

To appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company for the financial year ending 31 December 2021 and to authorise the Directors to fix their remuneration.

Ordinary Resolution No. 8

AUTHORITY TO ALLOT AND ISSUE SHARES IN
GENERAL PURSUANT TO SECTIONS 75 AND 76 OF THE
COMPANIES ACT, 2016

“That, subject to the Companies Act, 2016 and approvals from the relevant governmental or regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act, 2016 to allot and issue shares in the Company from time to time upon such terms and conditions and for such purposes as the Directors may in their discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued shares of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

TERMINATION

There being no further business, the Meeting terminated at 12.15 p.m. with a vote of thanks to the Chair.

C O N F I R M E D

C H A I R M A N