

TA WIN HOLDINGS BERHAD

(Company No. 291592-U)

(Incorporated in Malaysia)

Registered Office

No. 308, Block A (3rd Floor),

Kelana Business Centre,

97, Jalan SS7/2, Kelana Jaya,

47301 Petaling Jaya,

Selangor Darul Ehsan.

EXTRACT OF THE MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 27TH DAY OF FEBRUARY, 2018

PRESENT : Dato' Yeo Boon Leong, JP - Chairman of Meeting
Dato' Paduka Dr. Hii King Hiong
Mr. Tan Poo Chuan
Dato' Chin Swee Chong
Mr. Chen, Hsi-Tao
Datin Azreen Binti Abu Noh
Mr. Lai Kian Huat
Mr. Chen, Hung-Lin
As per attendance list

IN ATTENDANCE : Mr. Ho Meng Chan) Joint - Secretaries
Ms. Wu Siew Hong)

1. CHAIRMAN

The Chairman, Dato' Yeo Boon Leong, JP called the meeting to order upon the confirmation of the presence of a quorum by the Company Secretary. He extended a warm welcome to everyone present at the meeting and introduced the Board of Directors to the members. He extended apology on behalf of Encik Mohd Khasan Bin Ahmad, a Director of the Company who was unable to be present at the meeting.

2. NOTICE OF MEETING

The notice convening the meeting, having been circulated, was taken as read with the consent from the members.

3. PROPOSED RIGHTS ISSUE, PROPOSED ESOS, AND PROPOSED AMENDMENTS

The Chairman informed that all resolutions tabled at the Meeting should be voted by way of a poll and the poll results would be verified by the scrutineers, Messrs Ivan Law & Co. The polling process for the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the Meeting.

The Chairman proceeded to obtain the proposers and seconders of all resolutions set out in the notice of the meeting. The Chairman informed that Dr. Aliyah Binti Dato' Hj Baharuddin Marji, Mr. Huang, Ching-Fan and Mr. Wu, Ying-Ju have resigned as the Directors of the Company. Accordingly, Ordinary Resolutions 8, 10 and 11 would be dropped.

The shareholders raised concerns amongst others, the Group's overall performance, current cash flow position, gross profit inconsistency, dividend payment and future prospects. Shareholders also commented that the Proposed Rights Issue is complicated and it is only beneficial to those shareholders who have money to subscribe for it.

Mr. Chen, Hung-Lin, the Managing Director and Mr. Chen, Hsi-Tao, the Deputy Chairman of the Company, were invited to explain to the shareholders on the operation and challenges of the Group's business. Basically, the nature of the Group's business required large capital upfront in order to enjoy the profit. As such, the Group relies much on bank financing to purchase raw material and the Group's fixed deposit and buildings are pledged to the Bank as securities for the bank borrowings. It was noted that the two Taiwanese Banks recalled their facilities subsequent to the changes in shareholdings of the major shareholders. The inconsistency in gross profit was mainly due to fluctuation of copper prices. The profit margin of the Group's business is very thin and the management is currently working on setting up a new production line which is expected to have a better profit margin. As such, the Group requires fund to finance the working capital.

The Chairman also explained on the proposed utilization of the proceeds from the Proposed Right Issue. It was noted that if the shareholders approved the Proposed Right Issue which will be fully underwritten by the Adviser, Mercury Securities Sdn. Bhd., the proceeds from the Proposed Right Issue will definitely improve the financial position of the Group. It will further allow the Group to carry out proper plans to improve the performance of the Group and to safeguard the interest of the Shareholders. The Company is endeavor to resume the dividend payments when the Group achieves better results. The Chairman reiterated that the recommendation of the Proposed Rights Issue is not to suppress the minority shareholders and he strongly expressed his confident in the Group.

Upon obtaining the proposers and seconders of all resolutions set out in the notice of the meeting except Ordinary Resolutions 8, 10 and 11, the Chairman declared that the registration for attendance at the meeting be closed for proper and orderly conduct of the poll.

The proceedings of the poll were administered by the representatives from the Registrars, Securities Services (Holdings) Sdn. Bhd. and the poll took place at 11.15 a.m. The representatives of Messrs Ivan Law & Co., the scrutineers were present to monitor the polling process. The results of the poll for the Proposed Resolutions as per "Appendix 1" were announced at 11.45 a.m. after verification by the scrutineers.

The Chairman then declared that the following resolutions carried :-

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF 192,858,900 NEW ORDINARY SHARES IN TA WIN ("TA WIN SHARES") ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM0.20 PER RIGHTS SHARE AND 257,145,200 NEW REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") AT AN ISSUE PRICE OF RM0.05 PER RCPS IN TA WIN TOGETHER WITH 128,572,600 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF 3 RIGHTS SHARES AND 4 RCPS TOGETHER WITH 2 WARRANTS FOR EVERY 1 EXISTING TA WIN SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE")

"THAT subject to the passing of the Special Resolution below and subject to all relevant approvals being obtained from the relevant authorities and/or parties, approval be and is hereby given to the Board of Directors of Ta Win ("**Board**") to:

- (i) provisionally issue and allot by way of a renounceable rights issue of 192,858,900 Rights Shares and 257,145,200 RCPS together with 128,572,600 Warrants to 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 ("**Entitlement Date**") ("**Entitled Shareholders**") and/or their renounees, on the basis of 3 Rights Shares and 4 RCPS together with 2 Warrants for every 1 existing Ta Win Share held on the Entitlement Date;
- (ii) enter into and execute the deed poll constituting the Warrants ("**Deed Poll**") and to do all acts, deeds and things as the Board may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll wherein each of the Warrants will carry the rights to subscribe, subject to any adjustment in accordance with the Deed Poll, at any time during the Exercise Period (as defined in the Deed Poll) for 1 new Ta Win Share at an exercise price of RM0.45 per Warrant ("**Exercise Price**") and that the Common Seal of the Company be affixed to the Deed Poll in accordance with the provisions of the constitution of Ta Win ("**Constitution**");
- (iii) issue and allot such number of additional Warrants as may be required or permitted to be issued as a result of any adjustments under the provisions of the Deed Poll ("**Additional Warrants**") and to adjust from time to time, the Exercise Price of the Warrants as a consequence of the adjustments under the provisions of the Deed Poll and/or to effect such modifications, variations and/or amendments as may be imposed, required or permitted by Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant authorities or parties (if required);
- (iv) issue and allot such number of new Ta Win Shares credited as fully paid-up to the holders of the RCPS and/or holders of the Warrants arising from the conversion of the RCPS and/or exercise of the Warrants and such further new Ta Win Shares as may be required or permitted to be issued pursuant to the exercise of the Additional Warrants; and
- (v) deal with any fractional entitlement that may rise from the Proposed Rights Issue and any fractional new Ta Win Share arising from the conversion of the RCPS and/or exercise of the Warrants (or the Additional Warrants, as the case may be) in such manner as the Board shall in its sole and absolute discretion deem fit or expedient and in the best interest of the Company.

THAT any Rights Shares and RCPS which are not validly taken up or which are not allotted for any reason whatsoever to the Entitled Shareholders and/or their renounee(s) shall be made available for excess applications in a fair and equitable manner and to such persons ("**Excess Applicants**") as the Board shall determine at its absolute discretion;

THAT the Rights Shares, RCPS, Warrants and new Ta Win Shares to be issued pursuant to the conversion of the RCPS and/or exercise of the Warrants (or the Additional Warrants, as the case may be) shall be listed on the Main Market of Bursa Securities;

THAT the proceeds of the Proposed Rights Issue be utilised for the purposes as set out in Section 2.1.6 of the circular to shareholders dated 6 February 2018 ("**Circular**") and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject to the approval of the relevant authorities (if required);

THAT the Rights Shares shall, upon allotment, issuance and full payment of the issue price of RM0.20 per Rights Share, rank *pari passu* in all respects with the then existing issued Ta Win Shares, save and except that the holders of Rights Shares shall not be entitled to any dividend, rights, allotments and/or other distributions which may be declared, made or paid to any shareholders, the entitlement date of which is prior to the date of allotment of the Rights Shares;

THAT the new Ta Win Shares to be issued pursuant to the conversion of the RCPS and/or exercise of the Warrants (or the Additional Warrants, as the case may be) shall, upon allotment, issuance and full payment of the RCPS conversion price of RM0.20 for 1 new Ta Win Share and/or the full payment of the Exercise Price for the exercise rights of the Warrants, rank *pari passu* in all respects with the then existing issued Ta Win Shares, save and except that the holders of such new Ta Win Shares shall not be entitled to any dividend, rights, allotments and/or other distributions which may be declared, made or paid to any shareholders, the entitlement date of which is prior to the date of allotment of such new Ta Win Shares to be issued pursuant to the conversion of the RCPS and/or exercise of the Warrants (or the Additional Warrants, as the case may be);

THAT this resolution constitutes a specific approval for the issuance of the securities in Ta Win contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Rights Shares, RCPS, Warrants, Additional Warrants (if any) and new Ta Win Shares to be issued pursuant to or in connection with the Proposed Rights Issue have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue;

AND THAT in order to implement, complete and give full effect to the Proposed Rights Issue, approval be and is hereby given to the Board to do all such acts, deeds and things and to execute, sign and deliver on behalf of the Company, all such documents as it may deem necessary, expedient and/or appropriate to implement, give full effect to and complete the Proposed Rights Issue, with full powers to assent to any conditions, modifications, variations and/or amendments thereto as may be imposed by the relevant authority and/or as the Board may deem fit."

ORDINARY RESOLUTION 2

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES IN TA WIN (EXCLUDING TREASURY SHARES) AT ANY POINT OF TIME DURING THE DURATION OF THE ESOS FOR ELIGIBLE EMPLOYEES AND DIRECTORS OF TA WIN AND ITS SUBSIDIARIES ("GROUP") (EXCLUDING SUBSIDIARIES WHICH ARE DORMANT) ("ELIGIBLE PERSONS") ("PROPOSED ESOS")

"THAT subject to the approvals of all relevant regulatory authorities being obtained, the Board be and is hereby authorised to:

- (i) establish, implement and administer the ESOS for the benefit of the Eligible Persons, in accordance with the by-laws governing the Proposed ESOS ("**By-Laws**") as set out in Appendix III of the Circular;
- (ii) issue and allot from time to time such number of new Ta Win Shares as may be required to be issued pursuant to the exercise of options under the Proposed ESOS, **PROVIDED THAT** the total number of new Ta Win Shares to be issued under the Proposed ESOS shall not in aggregate exceed 15% of the total number of issued Ta Win Shares (excluding treasury shares) at any point of time during the

duration of the Proposed ESOS **AND THAT** the new Ta Win Shares to be issued and allotted upon the exercise of any options granted under the Proposed ESOS will, upon issuance and allotment, rank *pari passu* with the then existing Ta Win Shares, save and except that the new Ta Win Shares will not be entitled to any dividends, rights, allotments or other distributions, which may be declared, made or paid, of which the entitlement date is prior to the date of issuance and allotment of such new Ta Win Shares;

- (iii) do all necessary and make such applications as may be necessary at the appropriate time or times to Bursa Securities for the listing of and quotation for the new Ta Win Shares which may from time to time be issued and allotted arising from the exercise of the options;
- (iv) modify, vary and/or amend the By-Laws from time to time as may be required/permitted by the authorities or deemed necessary by the authorities or the Board **PROVIDED THAT** such modifications, variations and/or amendments are effected in accordance with the provisions of the By-Laws relating to modifications, variations and/or amendments, deeds or undertakings, to deliver and/or impose such terms and conditions and/or delegate part of its powers as may be necessary or expedient in order to implement, finalise and give full effect to the ESOS; and
- (v) extend the duration of the ESOS, if the Board deems fit, for up to a maximum period of an additional 5 years (“**Extension**”) upon the recommendation by the ESOS committee, **PROVIDED ALWAYS** that the initial ESOS period of 5 years and such Extension made pursuant to the By-Laws shall not in aggregate exceed a duration of 10 years or such other period as may be prescribed by Bursa Securities or any other relevant authorities, and that the Board be and is hereby authorised to implement the Extension and do all such acts and things and to execute all necessary documents to give full effect to and complete the Extension with full power to assent to or make any modification, variation and/or amendment as may be required by the relevant authorities and to take all steps and actions as may be required by the relevant authorities and as the Board may deem necessary and/or expedient to finalise, implement and give full effect to and complete the Extension.

THAT the Board be and is hereby authorised to give effect to the ESOS with full power to consent to and to adopt and implement such conditions, modifications, variations and/or amendments as may be required by the relevant regulatory authorities or as the Board may deem fit or necessary at its discretion;

AND THAT the By-Laws, as set out in Appendix III of the Circular, be and is hereby approved and adopted.”

ORDINARY RESOLUTIONS 3 –7, 9 AND 12

PROPOSED ALLOCATIONS

“**THAT** subject to the passing of Ordinary Resolution 2 above, the Company be and is hereby authorised, at any time and from time to time during the duration of the ESOS, to grant to the following persons, options to subscribe for new Ta Win Shares under the Proposed ESOS:

Directors

(i)	Dato Yeo Boon Leong, JP	Ordinary Resolution 3
(ii)	Chen, Hsi-Tao	Ordinary Resolution 4
(iii)	Chen, Hung-Lin	Ordinary Resolution 5
(iv)	Tan Poo Chuan	Ordinary Resolution 6
(v)	Dato Chin Swee Chong	Ordinary Resolution 7
(vii)	Mohd Khasan Bin Ahmad	Ordinary Resolution 9
(x)	Lai Kian Huat	Ordinary Resolution 12

PROVIDED THAT:

- (i) at any point of time when a written offer by the ESOS committee to an Eligible Person to participate in the ESOS in the manner provided in the By-Laws is made, not more than 10% of the new Ta Win Shares available under the ESOS shall be allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the total number of issued shares in the Company (excluding treasury shares): and
- (ii) at any point of time during the duration for the ESOS, not more than 50% of the new Ta Win Shares available under the ESOS shall be allocated, in aggregate, to Directors (including non-executive directors) and senior management of the Group.

AND THAT approval be and is hereby given to the Board to allot and issue such number of new Ta Win Shares credited as fully paid-up to the abovementioned directors pursuant to the exercise of such options.”

SPECIAL RESOLUTION

PROPOSED AMENDMENTS TO THE CONSTITUTION OF TA WIN (“PROPOSED AMENDMENTS”)

“**THAT** subject to the passing of Ordinary Resolution 1 above and conditional upon all relevant approvals being obtained from the relevant authorities and/or parties, approval be and is hereby given for the Proposed Amendments as set out in Appendix IV of the circular to shareholders dated 6 February 2018 to facilitate the issuance of the RCPS pursuant to Proposed Rights Issue;

AND THAT in order to implement, complete and give full effect to the Proposed Amendments, approval be and is hereby given to the Board to do all such acts, deeds and things and to execute, sign and deliver on behalf of the Company, all such documents as it may deem necessary, expedient and/or appropriate to implement, give full effect to and complete the Proposed Amendments, with full powers to assent to any conditions, modifications, variations and/or amendments thereto as may be imposed by the relevant authority and/or as the Board may deem fit.”

4. CLOSE OF MEETING

There being no other business, the Chairman of meeting declared the meeting closed after a vote of thanks had been accorded to him.