

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting ("13th AGM") of Hiap Huat Holdings Berhad ("Hiap Huat" or "the Company") will be conducted on a virtual basis through live streaming and remote participation and voting ("RPV") from the Broadcast Venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Monday, 29 May 2023 at 9.00 a.m. or at any adjournment thereof for the following purposes:-

A G E N D A

AS ORDINARY BUSINESS:

- To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon.
- To approve the payment of Directors' fees of up to RM250,000 for the financial year ending 31 December 2023 and other benefits payable of up to RM50,000 commencing from the conclusion of the 13th AGM up to the next AGM of the Company to be divided amongst of the Directors of the Company.
- To re-elect Dato' Chan Say Hwa as Director, who retires by rotation in accordance with Clause 105(1) of the Company's Constitution and who being eligible, has offered himself for re-election.
- To re-elect Ms. Cheng Mun Mun, who is retires in accordance with Clause 114 of the Company's Constitution and who being eligible, has offered herself for re-election.
- To re-appoint TGS TW PLT ("TGS") as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS:

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

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

"THAT pursuant to section 85 of the Companies Act 2016, read in conjunction with Clause 61 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from the allotment and issuance of shares.

THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 ("the Act"), the Constitution of the Company, the Ace Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby authorised and empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes 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 of the Company (excluding treasury shares) at any point in time.

AND THAT authority under this resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or when it is required by law to be held, whichever is earlier, AND THAT the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities."

7. PROPOSED RENEWAL OF SHARES BUY-BACK AUTHORITY FOR THE PURCHASE OF ITS OWN ORDINARY SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

"THAT, subject always to the Act, the provisions of the Constitution of the Company, the AMLR of Bursa Securities and the approvals of all relevant authorities (if any), the Board of Directors of the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase and/or hold such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- the maximum aggregate number of shares which may be purchased and/or held as treasury shares by the Company pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase including the shares previously purchased and retained as treasury shares (if any);
- the maximum fund to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of purchase; and
- the Directors of the Company may decide either to retain the shares purchased as treasury shares, or cancel the shares, or retain part of the shares so purchased as treasury shares and cancel the remainder, or resell the shares, or transfer the shares or distribute the shares as dividends or in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

THAT the authority conferred by this resolution will commence immediately upon the passing of this resolution and will continue to be in force until:

- the conclusion of the next AGM of the Company following the general meeting at which such resolution is passed, at which time the authority will lapse, unless by an ordinary resolution passed at the general meeting, the authority is renewed, either unconditionally or subject to conditions; or
- the expiration of the period within which the next AGM of the Company is required by law to be held; or
- the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first, but shall not prejudice the completion of the purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and/or any other relevant authority.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the interests of the Company."

8. RETENTION OF MR. WOO YEW TIM AS INDEPENDENT NON-EXECUTIVE DIRECTOR PURSUANT TO PRACTICE 5.3 OF THE MALYSIAN CODE ON CORPORATE GOVERNANCE

"THAT subject to the approval be and is hereby given to Mr. Woo Yew Tim who has served as an Independent Non-Executive Director ("INED") of the Company for a cumulative term of more than nine (9) years to continue to act as an INED of the Company until the conclusion of the next AGM."

- To transact any other ordinary business for which due notice shall have been given in accordance with the Act.

BY ORDER OF THE BOARD

Tan Tong Lang (MAICSA 7045482 / SSM PC No. 202208000250)

Thien Lee Mee (LS 0010621 / SSM PC No. 201908002254)

Company Secretaries

Kuala Lumpur

Dated this 28 April 2023

Notes:

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy may but need not, be a member of the Company. Where a member/shareholder appoints two (2) or more proxies to attend and vote at the meeting, such appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) or more proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee 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 nominees may appoint in respect of each omnibus account it holds.
- Where the authorised nominee or an exempt authorised nominee 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.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its Common Seal or under the hands of an officer or attorney duly authorised.
- The Form of Proxy must be deposited at the Share Registrar Office of the Company at B-21-1, Northpoint Mid Valley City, No. 1 Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
- For the purposes of determining a member who shall be entitled to attend the meeting, the Company shall be requesting the Record of Depositors as at 18 May 2023. Only a depositor whose name appears on the Record of Depositors as at 18 May 2023 shall be entitled to attend, speak and vote at the meeting as well as for appointment of proxy(ies) to attend, speak and vote on his/her stead.
- Pursuant to Rule 8.31A of the Listing Requirements of Bursa Securities, all resolutions set out above will be put to vote by way of poll.

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS:

1. Audited Financial Statements for the Financial Year Ended 31 December 2022

This Agenda no.1 is meant for discussion only as Section 340(1)(a) of the Act provide that the audited financial statements are to be laid in the general meeting and does not require a formal approval of the shareholders. Hence, this Agenda item is not put forward to the shareholders for voting.

2. Ordinary Resolution 1: Payment of Directors' Fees and Other Benefits Payable

Pursuant to Section 230(1) of the Act, fees and benefits payable to the Directors of public company or a listed company and its subsidiaries shall be approved by shareholders at a general meeting. The Directors' benefits payable comprises of meeting attendance allowances and other claimable benefits.

In determining the estimated total amount of Directors' benefits, the Board has considered various factors, among others, the estimated claimable benefits and estimated number of meetings for the Board and Board Committees held for the period commencing from 13th AGM until the next AGM of the Company.

In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

3. Ordinary Resolution 2: Re-election of Director

Clause 105(1) of the Company's Constitution states that an election of Directors shall take place each year at the annual general meeting of the Company, where one-third of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election, PROVIDED ALWAYS that Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Dato' Chan Say Hwa is standing for re-election as Directors of the Company and being eligible, has offered himself for re-election.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 13th AGM, the Nomination Committee has considered the requirements under Rule 2.20A of the Listing Requirements of Bursa Securities and recommended Dato' Chan Say Hwa for re-election as Director pursuant to Clause 105(1) of the Company's Constitution.

Retirement Director

En. Zulkifly Bin Zakaria who is retiring pursuant to Clause 105(1) of the Company's Constitution at the 13th AGM of the Company, has expressed his intention not to seek re-election at the forthcoming 13th AGM of the Company. Hence, he shall cease to be a Director of the Company at the conclusion of the 13th AGM of the Company.

4. Ordinary Resolution 3: Re-election of Directors who retire in accordance with Clause 114 of the Company's Constitution

Clause 114 of the Company's Constitution states that an election of Directors shall take place if the Company, at the meeting at which a Director retires by rotation, does not fill the vacancy, the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting, it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost. All Directors who retire from office shall be eligible for re-election.

Ms. Cheng Mun Mun is standing for re-election as Directors of the Company and being eligible, has offered herself for re-election.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 13th AGM, the Nomination Committee has considered and recommended Ms. Cheng Mun Mun for re-election as Directors pursuant to Clause 114 of the Company's Constitution.

5. Ordinary Resolution 4: Re-appointment of Auditors

The Audit Committee and the Board have considered the re-appointment of TGS as auditor of the Company and collectively agreed that TGS have met the relevant criteria prescribed by Rule 15.21 of Ace Market Listing Requirement.

6. Ordinary Resolution 5: Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 5, if passed, is a general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the total number of issued share of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company ("10% General Mandate").

The 10% General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions. The 10% General Mandate, unless revoked or varied by the Company in general meeting, will expire at the next AGM.

The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 10% General Mandate is in the best interest of the Company and its subsidiaries.

7. Ordinary Resolution 6: Proposed Renewal of Share Buy-Back Authority

The Ordinary Resolution 6, if passed, will renew the authority given to the Directors of the Company to purchase its own ordinary shares of up to 10% of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the total amount of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of purchase of the Company's shares. This authority, unless renewed or revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM after that date is required by the law to be held, whichever occurs first.

Further information on the Proposed Renewal Share Buy-Back Authority is set out in the Share Buy-Back Statement to Shareholders dated 28 April 2023 which is dispatched together with the Company's Annual Report 2022.

8. Ordinary Resolution 7: Retention of Independent Non-Executive Director pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance

Pursuant to the Malaysian Code on Corporate Governance, it is recommended that approval of shareholders be sought in the event that the Company intends to retain the independent director who has served in that capacity for more than nine (9) years. Following an assessment and recommendation by the Nomination Committee, the Board recommended that Mr. Woo Yew Tim who has served as INED for a cumulative term of more than nine (9) years to continue to be designated as INED of the Company based on the following key justifications:

- he fulfills the criteria under the definition of Independent Director as stated in the Listing Requirements of Bursa Securities and, therefore, is able to bring independent and objective judgment to the Board as a whole;
- his experience in the relevant industries has enabled him to provide the Board and Board Committees, as the case may be, with pertinent expertise, skills, contribution and competence;
- he has been with the Company for a certain period and therefore understands the Company's business operations which enables them to contribute actively and effectively during deliberations or discussions at Board and Committee meetings;
- he continues to be scrupulously independent in his thinking and in his effectiveness as constructive challenger of the Group Managing Director and Executive Directors; and
- he exercises due care during his tenure as an INED and carried out his professional duties in the best interest of the Company and shareholders.

*Please refer to
Explanatory Note 1*

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3

Ordinary Resolution 4

Ordinary Resolution 5

Ordinary Resolution 6

Ordinary Resolution 7