



# SINO HUA-AN INTERNATIONAL BERHAD

(Company No. 732227-1)  
(Incorporated in Malaysia)

## NOTICE OF THE ELEVENTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Eleventh Annual General Meeting ("AGM") of the Company will be held at the Banquet Hall, 2<sup>nd</sup> Floor Kelab Perdana DiRaja Kuala Lumpur (Royal Lake Club), Taman Tasek Perdana, Jalan Cenderamulia, Off Jalan Parlimen, 50480 Kuala Lumpur on Monday, 22 May 2017 at 9:00 a.m. or any adjournment for the following purposes:

### A G E N D A

- To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and the Auditors thereon. *[Please refer to Explanatory Note (a)]*
  - To approve the payment of Directors' Fees to the Non-Executive Directors for the financial year ended 31 December 2016. *(Resolution 1)*
  - To approve the payment of Directors' allowances and other benefits (excluding Directors' fees) to the Non-Executive Directors up to an amount of RM100,000 from 1 January 2017 until the next AGM of the Company. *(Resolution 2)*
  - To re-elect the following Directors who retire by rotation pursuant to Article 95 of the Company's Articles of Association and being eligible, have offered themselves for re-election:
    - Mr. Cedric Choo Sia Teik *(Resolution 3)*
    - Mr. Liu Xueqiang *(Resolution 4)*
  - To re-appoint Y. Bhg. Dato' Mohd Shahar Bin Abdul Hamid, who is to vacate office upon the conclusion of this AGM, to continue in office until resolved otherwise, subject to the Companies Act 2016 ("Act"), Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements") and the Company's Articles of Association as may be amended from time to time. *(Resolution 5)*
  - To re-appoint Messrs. Morison Anuarul Azizan Chew as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. *(Resolution 6)*
- As Special Business**  
To consider and if thought fit, with or without any modification, to pass the following Ordinary Resolutions:
- ORDINARY RESOLUTION 1**  
**AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE ACT** *(Resolution 7)*  
 "THAT subject to Sections 75 and 76 of the Act and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby 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 issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued share of the Company for the time being; **AND THAT** the Directors be and are also empowered to obtain the approval for the listing and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; **AND THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company."
  - ORDINARY RESOLUTION 2**  
**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** *(Resolution 8)*  
 "THAT approval be and is hereby given to Sino HUA-An International Berhad Group ("Group") to enter into and to give effect to specified recurrent related party transactions of a revenue or trading nature and with the Related Parties as stated in Section 2.4 of the Circular to Shareholders dated 28 April 2017, which are necessary for its day-to-day operations, to be entered into by the Group on the basis that this transaction is entered into on terms which are not more favorable to the Related Party involved than generally available to the public and are not detrimental to the minority shareholders of the Company (hereinafter referred to as the "Proposed Renewal of Shareholders' Mandate");  
**THAT** the Proposed Renewal of Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Renewal of Shareholders' Mandate, shall only continue to be in force until:
    - the conclusion of the next AGM of the Company following the general meeting at which the Proposed Renewal of Shareholders' Mandate was passed, at which time it will lapse, unless by resolution passed at the general meeting, the authority is renewed; or
    - the expiration of the period within which the AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
    - revoked or varied by resolution passed by the shareholders of the Company in general meeting, whichever is the earlier;**AND THAT** the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed Renewal of Shareholders' Mandate."
  - ORDINARY RESOLUTION 3**  
**RETENTION OF Y. BHG. DATO' MOHD SHAHAR BIN ABDUL HAMID AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR** *(Resolution 9)*  
 "THAT subject to the passing of Resolution No. 5, approval be and is hereby given to retain Y. Bhg. Dato' Mohd Shahar Bin Abdul Hamid who has served for more than nine (9) years as Independent Non-Executive Director of the Company in accordance with Malaysian Code on Corporate Governance 2012 ("MCCG 2012")."
  - ORDINARY RESOLUTION 4**  
**RETENTION OF MS. LIM SEE TOW AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR** *(Resolution 10)*  
 "THAT approval be and is hereby given to retain Ms. Lim See Tow who has served for more than nine (9) years as Independent Non-Executive Director of the Company in accordance with MCCG 2012."
  - To transact any other ordinary business of which due notice has been given.

By Order of the Board

CHUIA SIEW CHUAN (MAICSA 0777689)  
CHIN MUN YEE (MAICSA 7019243)

Company Secretaries

Kuala Lumpur  
28 April 2017

### Explanatory Note (a)

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

### Explanatory Note to Ordinary and Special Business:

#### (i) Approval for the payment of Directors' allowances and other benefits (excluding Directors' fees) to the Non-Executive Directors

The Directors' allowances and other benefits (excluding Directors' fees) to the Non-Executive Directors envisaged to be payable from 1 January 2017 until the next AGM of the Company are as follows:

Description	Non-Executive Directors	Executive Chairman/ Managing Director/ Executive Director
Allowances	Up to RM100,000.00	Nil
Other Benefits	Nil	Nil

#### (ii) Re-appointment of Y. Bhg. Dato' Mohd Shahar Bin Abdul Hamid

This resolution is to re-appoint Y. Bhg. Dato' Mohd Shahar Bin Abdul Hamid who is above 70 years old and who is to vacate office under the term of appointment in the resolution passed at last year's AGM held on 18 May 2016 pursuant to Section 129(6) of the Companies Act 1965, which was then in force and which could only permit the re-appointment of the Director to hold office until this AGM. If passed, this agenda item will approve and authorise the continuation of the Director in office from this AGM onwards without limitation in tenure, subject to the prevailing applicable law, listing requirements, and the Company's constitution, as may be amended from time to time.

Upon re-appointment as a Director of the Company, Y. Bhg. Dato' Mohd Shahar Bin Abdul Hamid will remain as the Chairman of Audit and Risk Management Committee and Nomination Committee and a member of the Remuneration Committee.

#### (iii) Authority to Allot Shares pursuant to Section 75 and 76 of the Act

The Company had been granted a mandate by its shareholders at the Tenth AGM of the Company held on 18 May 2016 (hereinafter referred to as the "Previous Mandate").

As at the date of this Notice, no new shares in the Company were issued pursuant to the Previous Mandate and hence, no proceeds were raised therefrom.

The proposed resolution is primarily to give a renewal mandate to the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time consuming to organise a general meeting. The general mandate will provide flexibility and expediency to the Company for any possible fund raising activities involving the issuance or placement of shares to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or working capital requirements, which the Directors of the Company consider to be in the best interest of the Company.

#### (iv) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature

This resolution is intended to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis and on the Group's normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

By obtaining the Shareholders' Mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

#### (v) Retention of Independence Non-Executive Director

(a) Y. Bhg. Dato' Mohd Shahar Bin Abdul Hamid was appointed as Independent Non-Executive Director of the Company on 21 March 2007 and has, therefore served for more than nine (9) years. In accordance with the MCCG 2012, the Board of Directors of the Company after having assessed the independence of Y. Bhg. Dato' Mohd Shahar Bin Abdul Hamid, regarded him to be independent, based amongst others, the following justifications and recommends that Y. Bhg. Dato' Mohd Shahar Bin Abdul Hamid be retained as Independent Non-Executive Director of the Company:

- He has met the independence guidelines as set out in Chapter 1 of the Listing Requirements;
  - He does not have any conflict of interest with the Company and has not been entering/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies; and
  - The Board of Directors is of the opinion that Y. Bhg. Dato' Mohd Shahar Bin Abdul Hamid is an important Independent Non-Executive Director of the Board in view of his incumbent knowledge of the Company and familiarity with the Group's activities and corporate history. He has been providing invaluable contributions to the Board in his role as an Independent Non-Executive Director.
- (b) Ms. Lim See Tow was appointed as Independent Non-Executive Director of the Company on 18 January 2008 and has, therefore, served for more than nine (9) years. In accordance with the MCCG 2012, the Board of Directors of the Company after having assessed the independence of Ms. Lim See Tow, regarded her to be independent, based amongst others, the following justifications and recommends that Ms. Lim See Tow be retained as Independent Non-Executive Director of the Company:
- She has met the independence guidelines as set out in Chapter 1 of the Listing Requirements;
  - She does not have any conflict of interest with the Company and has not been entering/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies; and
  - The Board of Directors is of the opinion that Ms. Lim See Tow is an important Independent Non-Executive Director of the Board in view of her incumbent knowledge of the Company and familiarity with the Group's activities and corporate history. She has been providing invaluable contributions to the Board in her role as an Independent Non-Executive Director.

### Notes:

- In respect of deposited security, only members whose names appear in the Record of Depositors on 16 May 2017 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.
- A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar of Companies. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. 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.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under the common seal or under the hand of an officer or attorney so authorised.
- A member of the Company entitled to attend and vote at the Meeting is entitled to appoint more than one (1) proxy to attend and vote at the same meetings subject always to a maximum of two (2) proxies at each meeting, except where Paragraphs (5) and (6) below apply. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- 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 in respect of each Securities Account it holds with shares of the Company standing to the credit of the said Securities Account.
- Where a member of the Company is an exempt authorised nominee 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.
- To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or notationally certified copy of such power of authority, must be deposited at the Company's Registered Office at c/o Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, PUSAT BANDAR DAMANSARA, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time appointed of holding the above meeting and at any adjournment thereof.
- The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us your personal data which may include your name and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this Meeting and convening the Meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and authorisation of all persons whose personal data you have disclosed and/or processed in connection with the foregoing.