



## XINGHE HOLDINGS BERHAD

(Company No. 643114-X)  
(Incorporated in Malaysia)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 12th Annual General Meeting of XingHe Holdings Berhad ["Company"] will be held at Balai Tunku Abdul Rahman, The Royal Commonwealth Society, No. 4, Jalan Birah, Damansara Heights, 50490 Kuala Lumpur on Friday, 26 May 2017 at 9:30 a.m. to transact the following businesses:

#### ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Directors' and Auditors' Reports thereon.
- To approve the payment of Directors' Fees of RM386,000 for the financial year ended 31 December 2016. **Resolution 1**
- To approve the payment of the following Directors' Fees with effect from 1 January 2017 until the conclusion of the 13th Annual General Meeting: **Resolution 2**
  - RM6,500 per month for the Non-Executive Chairman of the Board and RM5,500 per month for each of other Board Members; and
  - RM1,000 per month for the Chairman of the Audit Committee (each of the foregoing payments being exclusive of the others).
- To approve the payment of the following attendance allowances to the Non-Executive Directors from 1 February 2017 until the conclusion of the 13th Annual General Meeting: **Resolution 3**
  - RM1,500 per Board/shareholders meeting for the Non-Executive Chairman of the Board and RM1,000 per Board/shareholders meeting for each of other Non-Executive Board Members; and
  - RM1,000 per Board committee meeting for the Non-Executive Board Members who are chairs of the Board committees and RM500 per Board committee meeting for the Non-Executive Board Members who are members of the Board Committees.
- To re-elect the following Directors of the Company who retire pursuant to Article 105 of the Company's Articles of Association and who have offered themselves for re-election: **Resolution 4**
  - Mr. Ma GuoLiang **Resolution 5**
  - Mr. Ng Min Lin **Resolution 6**
- To re-appoint Messrs. BDO as Auditors of the Company and to hold office until the conclusion of the 13th Annual General Meeting at such remuneration to be determined by the Directors of the Company. **Resolution 6**

#### SPECIAL BUSINESS

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

- Authority to Directors pursuant to Sections 75 and 76 of the Companies Act 2016** **Resolution 7**

"THAT subject always to the Companies Act 2016 ("Act"), the Memorandum and Articles of Association of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("ACLR") and the approvals of any relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered pursuant to Sections 75 and 76 of the Act, to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to the authority granted pursuant to this resolution, when aggregated with all shares issued pursuant to Sections 75 and 76 of the Act in the preceding 12 months (calculated in accordance with the ACLR) does not exceed 10% of the issued share capital of the Company at the time of issuance of shares and such authority under this resolution shall continue in force until the conclusion of the 13th Annual General Meeting of the Company or when it is required by law to be held, whichever is earlier, and that the Directors of the Company be and are empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad."
- To transact any other ordinary business of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act 2016.

By Order of the Board

**DATUK TAN LEH KIAH**  
**LIM CHIEN JOO (MS)**  
Company Secretaries

Kuala Lumpur  
28 April 2017

#### Notes:

- A depositor shall not be regarded as a member entitled to attend this Annual General Meeting ("AGM") and to speak and vote thereat unless his/her name appears on the Record of Depositors as at 22 May 2017 (which is not less than three clear market days before the date of this AGM) issued by Bursa Malaysia Depository Sdn. Bhd. ("Bursa Depository") in accordance with the rules of Bursa Depository.
- A member entitled to attend and vote at this AGM who is the holder of two or more shares is entitled to appoint more than two proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
- Where a member appoints more than two proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. Provided that having appointed a proxy to attend in his/her stead, if such member personally attends this AGM, his/her proxy shall be precluded from the meeting.
- Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of 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.
- The duly completed instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be lodged at the Company's Registered Office at Suite 13.03, 13th Floor, Menara Tan & Tan, 207, Jalan Tun Razak, 50400 Kuala Lumpur no later than Thursday, 25 May 2017 at 9:30 a.m.
- Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("ACLR"), all the resolutions set out in the Notice of this AGM will be put to vote by poll.

#### Explanatory Notes

- Audited Financial Statements for the financial year ended 31 December 2016**

This item of the Agenda is for discussion purposes only, as Section 340(1)(a) of the Companies Act 2016 ("Act") does not require the shareholders to formally approve the Audited Financial Statements. Hence, this item will not put forward for voting.
- Resolution 1 - Payment of Directors' Fees for the financial year ended 31 December 2016**

Article 114(1) of the Company's Articles of Association ("AA") provides that the Company shall determine Directors' Fees in general meeting. The Directors' Fees are further disclosed in Note 23 to the Financial Statements and the Statement on Corporate Governance on page 26 respectively of this Annual Report.
- Resolution 2 - Payment of Directors' Fees with effect from 1 January 2017 until the conclusion of the 13th Annual General Meeting**

The rationale for the introduction of monthly fixed fees for the Directors is to commensurate and compensate the Directors for their time and effort on an on-going basis throughout a financial year while the additional fee for the Chairman of the Audit Committee is to commensurate and compensate him for his additional responsibility.
- Resolution 3 - Payment of attendance allowances to the Non-Executive Directors from 1 February 2017 until the conclusion of the 13th Annual General Meeting**

The payment of attendance allowances to the Non-Executive Directors is to defray their travelling and other incidental costs for attending Board's, Board committees' and shareholders' meetings.
- Resolutions 4 and 5 - Re-election of Directors pursuant to Article 105 of the Articles of Association**

Article 105 of the Company's AA expressly states that at every AGM, at least one-third of the Directors for the time being, shall retire from office. In addition, Article 105 also states that all Directors shall retire from office at least once every three years. A retiring Director shall be eligible for re-election. Mr Ma GuoLiang and Mr Ng Min Lin being eligible, have offered themselves for re-election at this AGM pursuant to Article 105 of the AA. Both Mr Ma and Mr Ng have undergone an annual assessment on their performance and contribution for the financial year ended 31 December 2016 by the Company's Nomination Committee ("NC") and based on this assessment, the Board recommends the re-election of Mr Ma and Mr Ng. Both Mr Ma and Mr Ng have abstained from all deliberations and decisions on their respective eligibility to stand for re-election at the relevant NC and/or Board meetings, and will continue to abstain from all deliberations and decisions on their respective eligibility to stand for re-election at this AGM. Madam Li HuiJun, the spouse of Mr Ma, had also abstain from all Board's deliberations and decisions on Mr Ma's eligibility as well and she will continue to abstain from all deliberations and decisions on the same matter at this AGM.
- Resolution 6 - Re-appointment of Auditors**

Pursuant to Section 273(b) of the Act, the term of office of the present Auditors, Messrs. BDO, shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office. Messrs BDO, have indicated their willingness to continue their service until the conclusion of the 13th AGM. The re-appointment of BDO as Auditors has been considered against the relevant criteria prescribed by Rule 15.21 of the ACLR. This proposed Resolution 6, if passed, will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.
- Resolution 7 - Authority to Directors pursuant to Sections 75 and 76 of the Companies Act 2016**

The Company has not issued any new shares under the general mandate pursuant to Section 132(D) of the Companies Act 1965 for issuance and allotment of shares up to 10% of the issued share capital of the Company, which was approved at the 11th AGM held on 27 May 2016 and which will lapse at the conclusion of this AGM. A renewal of this mandate is sought at this AGM as Resolution 7. This proposed Resolution 7, if passed, will give the Directors of the Company, from the date of this AGM, the authority to issue and allot shares from the unissued shares of the Company of up to 10% of the issued share capital of the Company at the time of issuance and for such purposes as the Directors of the Company may consider to be in the best interest of the Company. This authority, unless revoked or varied by the Company in general meeting will expire at the conclusion of the 13th AGM. This general mandate, if passed, will provide flexibility to the Directors of the Company to allot and issue shares for any possible fund raising activities, including but not limited to placement of shares, for the purposes of funding future investments, working capital, acquisitions and/or such other applications as the Directors of the Company deem fit.