



XIN HWA HOLDINGS BERHAD (1032102-P)
(Incorporated in Malaysia)

NOTICE OF THE FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting of the Company will be held at Emerald 3, Level 3, Grand Paragon Hotel Johor Bahru, 18 Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor Darul Takzim on 29 August 2017 at 11.00 a.m. for the following businesses:

AGENDA

1. To receive the Audited Financial Statements for the 15-month financial period ended 31 March 2017 together with the Directors' and Auditors' Reports thereon. *(Please refer to Note 1)*
2. To approve the payment of Directors' fees of up to an amount of RM493,000 from 1 April 2017 until the next annual general meeting of the Company. **Ordinary Resolution 1**
3. To approve the payment of Directors' benefits of up to an amount of RM80,000 from 1 April 2017 until the next annual general meeting of the Company. **Ordinary Resolution 2**
4. To re-elect the following Directors who retire in accordance with the Company's Constitution:
(a) Mr. Ng Aik Chuan
(b) Mr. Leong Kam Weng **Ordinary Resolution 3**
Ordinary Resolution 4
5. To re-appoint Messrs. Crowe Horwath as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**
6. As Special Business:
To consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications:
AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 75 OF THE COMPANIES ACT 2016 **Ordinary Resolution 6**
"THAT subject always to the Companies Act 2016 ("Act") and the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Section 75 of the Act, to allot shares in the Company at any time until the conclusion of the next Annual General Meeting 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 10% of the total number of issued shares of the Company for the time being."
7. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

SEOW FEI SAN
MOK MEE KEE

Secretaries
Petaling Jaya
28 July 2017

Notes:

1. The shareholders' approval on the Audited Financial Statements is not required pursuant to the provision of Section 340(1) of the Companies Act 2016 ("Act") and hence, the matter will not be put for voting.
2. Only depositors whose names appear in the Record of Depositors as at 23 August 2017 shall be regarded as members and entitled to attend, speak and vote at the Meeting.
3. A member entitled to attend, speak and vote at the Meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his/her behalf. A proxy may but need not be a member of the Company.
4. A member may appoint up to two (2) proxies to attend the Meeting. Where a member appoints two (2) proxies, he/she shall specify the proportions of his/her holdings to be represented by each proxy.
5. 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 but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
6. Where a member of the Company is an Exempt Authorised Nominee 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 Nominee may appoint in respect of each omnibus account it holds.
7. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.
8. The instrument appointing a proxy must be deposited at the Company's Share Registrar's office at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting.
9. Explanatory Notes:

Ordinary Resolutions 1 and 2

Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board of Directors ("Board") agreed that the shareholders' approval shall be sought at the Fourth Annual General Meeting ("AGM") on the Directors' fees and benefits in two (2) separate resolutions as follows:

- Ordinary Resolution 1 on payment of Directors' fees for the period 1 April 2017 until the next AGM (i.e. 17 months); and
- Ordinary Resolution 2 on payment of Directors' benefits (excluding Directors' fees) for the period 1 April 2017 until the next AGM (i.e. 17 months).

The Directors' fees paid to the non-executive directors for the 15-month financial period ended 31 March 2017 of RM435,000 were within the mandated amount of RM500,000.00 per annum and hence, no approval is to be sought. However, for good corporate governance practice, notwithstanding there is no change in the fees structure and Board size, from current year onwards, the Board would like to seek for shareholders' approval for Directors' fees on annual basis.

The total amount of Directors' fees payable to the non-executive directors for the period 1 April 2017 until the next AGM (i.e. 17 months), with the assumption that there is no adjustment to the Directors' fees and no change in the Board size during the aforesaid period, tabled for the shareholders' approval is RM493,000. The Board will seek shareholders' approval at the next AGM in the event the amount of Directors' fees and benefits are insufficient due to an increase in the Board size.

In addition to the Directors' fees, the non-executive directors are also entitled to meeting attendance fees for attending the Company's meetings, including meetings of the Board, Board's Committees and general meetings. The Board would like to seek for shareholders' approval for this Directors' benefits on annual basis.

A total amount of Directors' benefits of up to RM80,000 payable to the non-executive directors for the period 1 April 2017 until the next AGM (i.e. 17 months) is proposed for the shareholders' approval.

Ordinary Resolution 6

The Proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company to allot not more than 10% of the total number of issued shares of the Company subject to approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the interest of the Company. This authorisation will, unless revoked or varied by the Company in general meeting, expire at the next AGM of the Company.

As at the date of printing of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the Third AGM held on 16 June 2016 and which will lapse at the conclusion of the Fourth AGM.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital, acquisitions, repayment of bank borrowings, etc.