



## XINGHE HOLDINGS BERHAD

(Company No. 643114-X)

(Incorporated in Malaysia)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 13th 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 Monday, 28 May 2018 at 9:30 a.m. to transact the following ordinary businesses:

- To receive the Audited Financial Statements for the financial year ended 31 December 2017 together with the Directors' and Auditors' Reports thereon (Explanatory Note 1)
- To approve the payment of the following Directors' Fees to the Non-Executive Directors from the conclusion of the 13th Annual General Meeting until the conclusion of the 14th Annual General Meeting:  
(i) RM6,500 per month for the Non-Executive Chairman of the Board and RM5,500 per month for each of other Non-Executive Board Members; and  
(ii) RM1,000 per month for the Chairman of the Audit Committee (each of the foregoing payments being exclusive of the Others). **Resolution 1**  
(Explanatory Note 2)
- To approve the payment of the following attendance allowances to the Non-Executive Directors from the conclusion of the 13th Annual General Meeting until the conclusion of the 14th Annual General Meeting:  
(i) 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  
(ii) 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. **Resolution 2**  
(Explanatory Note 3)
- To re-elect the following Directors who retire pursuant to Article 105 of the Company's Constitution and who have offered themselves for re-election:  
(i) Mr. Wang ZhiMin  
(ii) Mr. Chung Wai Choong **Resolution 3**  
**Resolution 4**  
(Explanatory Note 4)
- To appoint Messrs. Moore Stephens Associates PLT as Auditors of the Company in place of the retiring Auditors of the Company, Messrs. BDO, to hold office until the conclusion of the 14th Annual General Meeting and to authorise the Directors to fix their remuneration. **Resolution 5**  
(Explanatory Note 5)
- To transact any other ordinary business of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

By Order of the Board

**DATUK TAN LEH KIAH**

**LIM CHIEN JOO (MS)**

Company Secretaries

Kuala Lumpur

27 April 2018

#### 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 21 May 2018 (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 Form of Proxy and the duly completed instrument appointing a proxy or 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 not less than 48 hours before the time for holding this AGM or any adjournments thereof.
- Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("AMLR"), all the resolutions set out in the Notice of this AGM shall be put to vote by poll.

#### Explanatory Notes

##### 1. Audited Financial Statements for the financial year ended 31 December 2017

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 approve the Audited Financial Statements formally. Hence, this item will not put forward for voting.

##### 2. Resolution 1 - Payment of Directors' Fees to the Non-Executive Directors from the conclusion of the 13th AGM until the conclusion of the 14th AGM

Article 114(1) of the Company's Constitution ("Constitution") provides that the Company shall determine Directors' Fees in general meeting. The payment of monthly fixed fees to the Non-Executive Directors is to commensurate and compensate them for their time and effort on an on-going basis throughout the year while the additional fee for the Chairman of the Audit Committee is to commensurate and compensate him for his additional responsibility.

The full details of Directors' Fees paid during the financial year ended 31 December 2017 are further disclosed in Note 26 to the Financial Statements on pages 100 to 102 respectively of this Annual Report.

##### 3. Resolution 2 - Payment of attendance allowances to the Non-Executive Directors from the conclusion of the 13th AGM until the conclusion of the 14th AGM

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.

The full details of attendance allowances paid to the Non-Executive Directors during the financial year ended 31 December 2017 are further disclosed in Note 26 to the Financial Statements on pages 100 to 102 respectively of this Annual Report.

##### 4. Resolutions 3 and 4 - Re-election of Directors pursuant to Article 105 of the Constitution

Article 105 of the Constitution 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 Wang ZhiMin and Mr Chung Wai Choong being eligible have offered themselves for re-election at this AGM pursuant to Article 105.

Both Mr Wang and Mr Chung have undergone an annual assessment on their performance and contribution for the financial year ended 31 December 2017 by the Company's Nomination Committee ("NC") and based on this assessment, the Board recommends the re-election of Mr Wang and Mr Chung. Both Mr Wang and Mr Chung 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.

##### 5. Resolution 5 - Appointment of Messrs. Moore Stephens Associates PLT as Auditors of the Company

Pursuant to Section 273(b) of the Act, the term of office of the present Auditors of the Company ("Auditors"), Messrs. BDO, shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office.

The Company has received a notice of nomination dated 12 April 2018 from its major shareholder, Testa Holdings Limited, nominating Messrs. Moore Stephens Associates PLT as the Auditors. A copy of the said notice of nomination is annexed as "Appendix A" to this Notice.

The proposed appointment of Messrs. Moore Stephens Associates PLT as Auditors had been considered by the Audit and Risk Management Committee, against the relevant criteria prescribed by Rule 15.21 of the AMLR.

This proposed Resolution 5, if passed, will also give the Directors, the authority to determine the remuneration of the Auditors.