



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

NOTICE OF THE FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifth 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 28 August 2018 at 11.30 a.m. to transact the following businesses:

AGENDA

- To receive the Audited Financial Statements for the financial year ended 31 March 2018 together with the Reports of Directors and Auditors thereon. *(Please refer to Note 1)*
- To approve the payment of Directors' fees up to an amount of RM350,000 from 29 August 2018 until the next annual general meeting of the Company. **Ordinary Resolution 1**
- To approve the payment of Directors' benefits (excluding Directors' fees) to Non-Executive Directors up to an amount of RM60,000 from 29 August 2018 until the next annual general meeting of the Company. **Ordinary Resolution 2**
- To re-elect the following Directors who retire in accordance with the Company's Constitution:
 - Tan Sri Dr. Suleiman Bin Mohamed **Ordinary Resolution 3**
 - Datin Rahmah Binti Mahmood **Ordinary Resolution 4**
- To appoint Crowe Horwath as Auditors of the Company under the new practice name of Crowe Malaysia for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**
- 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."
- 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
30 July 2018

NOTES TO THE NOTICE OF THE FIFTH ANNUAL GENERAL MEETING:

- 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.
- Only depositors whose names appear in the Record of Depositors as at 20 August 2018 shall be regarded as members and entitled to attend, speak and vote at the Meeting.
- A member entitled to attend 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.
- 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.
- 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.
- 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.
- 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.
- 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 appointed for holding the Meeting or any adjournment thereof.
- Explanatory Notes:

Ordinary Resolutions 1 and 2: Directors' fees and benefits payable to Non-Executive Directors

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 Fifth 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 from 29 August 2018 until the next AGM; and
- Ordinary Resolution 2 on payment of Directors' benefits (excluding Directors' fees) from 29 August 2018 until the next AGM.

The total amount of Directors' fees payable to the Non-Executive Directors from 29 August 2018 until the next AGM tabled for the shareholders' approval is RM350,000. The figure is calculated with the assumption that there is no adjustment to the Directors' fees and no change in the Board size during the aforesaid period.

The Directors' benefits payable to the Non-Executive Directors are essentially the meeting allowance for attendance of meetings of the Board, Board Committees and general meetings. The Directors' benefits from 29 August 2018 until the conclusion of next AGM is estimated not to exceed RM60,000.

The Board will seek shareholders' approval at the next AGM in the event the amount of Directors' fees and benefits is insufficient due to an increase in Board size and/or number of meetings.

Ordinary Resolution 6: Authority to Allot Shares Pursuant to Section 75 of the Companies Act 2016

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 Fourth AGM held on 29 August 2017 and which will lapse at the conclusion of the Fifth 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.