



SINO HUA-AN INTERNATIONAL BERHAD

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

NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting ("AGM") of the Company will be held at Banquet Hall, The Royal Selangor Golf Club, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur on Friday, 24 May 2019 at 10:00 a.m. for the following purposes:

AGENDA

- To receive the Audited Financial Statements for the financial year ended 31 December 2018 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 2018. *(Ordinary 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 25 May 2019 until the next AGM of the Company. *(Ordinary 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. Liu Guodong; and
 - Ms. Lim See Tow. *(Ordinary Resolution 3)*
- To re-elect Mr. Zhai Baoxing who retires pursuant to Article 101 of the Company's Articles of Association, and being eligible, has offered himself for re-election. *(Ordinary Resolution 4)*
- To re-appoint Messrs. Morison Anuarul Azizhan Chew as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. *(Ordinary Resolution 5)*

As Special Business

To consider and if thought fit, with or without any modification, to pass the following Ordinary and Special Resolutions:

- ORDINARY RESOLUTION**
AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 *(Ordinary Resolution 7)*

"THAT subject always to the Companies Act 2016 ("**Act**"), the Articles of Association of the Company and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this Resolution does not exceed ten percent (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 of and quotation for the additional shares so issued on Bursa Securities; **AND FURTHER 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**
RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR *(Ordinary Resolution 8)*

"THAT subject to the passing of Ordinary Resolution No. 4, approval be and is hereby given to Ms. Lim See Tow who has served as an Independent Director of the Company for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company."

- SPECIAL RESOLUTION**
PROPOSED ADOPTION OF A NEW CONSTITUTION OF THE COMPANY ("PROPOSED ADOPTION") *(Special Resolution)*

"THAT approval be and is hereby given to the Company to revoke the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Appendix A despatched together with the Company's Annual Report 2018, be and is hereby adopted as the Constitution of the Company;

AND THAT the Directors of the Company be and are hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed Adoption with the full power to assent to any conditions, modification, and/or amendments as may be required by any relevant authorities to give effect to the Proposed Adoption."

- To transact any other ordinary business of which due notice has been given.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
CHIN MUN YEE (MAICSA 7019243)
Company Secretaries

Kuala Lumpur
24 April 2019

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:

- Ordinary Resolution 2 - 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 25 May 2019 until the next AGM of the Company are as follows:

Description	Non-Executive Directors
Allowances	Up to RM100,000
Other Benefits	Nil

- Ordinary Resolution 7 - Authority to Issue Shares pursuant to the Act**

The Company wishes to renew the mandate on the authority to issue shares pursuant to the Act at the Thirteenth AGM of the Company (hereinafter referred to as the "**General Mandate**").

The Company has been granted a general mandate by its shareholders at the Twelfth AGM of the Company held on 28 May 2018 ("**Previous Mandate**").

As at the date of this Notice, the Previous Mandate granted by the shareholders had not been utilised 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.

- Ordinary Resolution 8 - Retention of Independent Non-Executive Director**

The Nomination Committee had assessed the independence of Ms. Lim See Tow, who has served on the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years. The Board has recommended that the approval of the shareholders be sought through a two-tier voting process as described in the Guidance to Practice 4.2 of the Malaysian Code on Corporate Governance to re-appoint Ms. Lim See Tow as an Independent Non-Executive Director based on the following justification:-

- had fulfilled the criteria under the definition of Independent Director pursuant to the Main Market Listing Requirements of Bursa Securities;
- had ensured effective check and balance in the proceedings of the Board and the Board Committees;
- had actively participated in the Board deliberations, provided objectivity in decision making and an independent voice to the Board and contributed in preventing Board domination by any single party;
- had devoted sufficient time and attention to her responsibilities as an Independent Non-Executive Director of the Company; and
- had exercised her due care in the interest of the Company and shareholders during her tenure as an Independent Non-Executive Director of the Company.

- Special Resolution - Proposed Adoption of a New Constitution of the Company ("Proposed Adoption")**

The proposed Special Resolution, if passed, will primarily bring the Company's Constitution in line with the Companies Act 2016 and the changes made to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as well as to enhance administrative efficiency.

In view of the substantial amendments to be made on the existing Memorandum and Articles of Association ("**M&A**"), the Board proposed that the existing M&A be revoked in its entirety and by the replacement thereof with a new Constitution. Please refer to the new Constitution set out in Appendix A despatched together with the Company's Annual Report 2018.

Notes:

- In respect of deposited security, only members whose names appear in the Record of Depositors on 16 May 2019 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.
- A proxy need not be a member of the Company. 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, 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 notariarily certified copy of such power of authority, must be deposited at the Company's Registered Office at 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.