



XIAN LENG HOLDINGS BERHAD

Registration No. 199801012014 (468142-U)
(Incorporated in Malaysia)

NOTICE OF 21ST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 21st Annual General Meeting of Xian Leng Holdings Berhad will be held at The Landmark Hotel, Dynasty Hall, 4th Floor, No. 1, Jalan Omar, 83000 Batu Pahat, Johor, Malaysia on Wednesday, 22 July 2020 at 9.30a.m to transact the following businesses:-

AGENDA

AS ORDINARY BUSINESS:

- To receive the Audited Financial Statements of the Company and of the Group for the financial year ended 31 January 2020 and the Reports of the Directors and Auditors thereon. (Please refer Explanatory Note 1)
- To approve the Directors' fees and benefits amounting to RM220,000.00 for the financial year ending 31 January 2021. (Ordinary Resolution 1)
- To approve the Directors' fees and benefits amounting to RM220,000.00 for the financial year ending 31 January 2022. (Ordinary Resolution 2)
- To re-elect Mr. Lee Kian Hu, who retires pursuant to Article 127 of the Company's Constitution. (Ordinary Resolution 3)
- To re-elect Mr. Kuan Kai Seng, who retires pursuant to Article 127 of the Company's Constitution. (Ordinary Resolution 4)
- To re-elect Ms. Kok Lee Nee, who retires pursuant to Article 132 of the Company's Constitution. (Ordinary Resolution 5)
- To re-appoint Messrs Ecovis Malaysia PLT as the Company's Auditors for the ensuing year and to authorize the Board of Directors to fix their remuneration. (Ordinary Resolution 6)

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following Resolution as Ordinary Resolution:-

- ORDINARY RESOLUTION AUTHORITY TO ISSUE SHARES** (Ordinary Resolution 7)

"THAT, subject always to the Companies Act 2016, the Company's Constitution and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to Section 75 and Section 76 of the Companies Act 2016, to issue shares in the Company from time to time and 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 issued pursuant to this Resolution does not exceed 20% of the total number of issue shares of the Company for the time being (hereinafter referred to as "20% General Mandate").

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 pursuant to the 20% General Mandate from Bursa Malaysia Securities Berhad.

AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and shall continue in force until the conclusion of the next Annual General Meeting of the Company after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given or 31 December 2021, as empowered by Bursa Malaysia Berhad pursuant to their letter dated 16 April 2020 to grant additional temporary relief measures to listed corporations, whichever is earlier unless revoked or varied by an ordinary resolution of the Company at a general meeting (hereinafter referred to as "Expiry Date")."

- To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD, XIAN LENG HOLDINGS BERHAD

LAANG JHE HOW (MIA 25193)
SSM PC No. 201908002558
Company Secretary

Kuala Lumpur
29 June 2020

NOTES:-

- In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at 17 July 2020 shall be eligible to attend, participate, speak and vote at this meeting or his/her proxy(ies) to attend, speak and vote on his/her behalf.
- A member of the Company who is entitled to attend, participate, speak and vote at this meeting is entitled to appoint not more than two (2) proxies, and in the case of a corporation, a duly authorised representative to attend, speak and vote in its stead.
- A proxy may but need not be a member of the Company, an advocate, an approved auditor or a person approved by the Registrar. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy.
- 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 an officer or attorney duly authorised in writing.
- The original instrument appointing a proxy must be deposited at the Registered Office of the Company situated at 35, Jalan Penjaja 3, 83000 Batu Pahat, Johor, Malaysia, not less than forty-eight (48) hours before the time set for holding this meeting or at any adjournment thereof.

EXPLANATORY NOTES

1. Item 1 of the Agenda

The item is meant for discussion only, as the provision of Section 340(1) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item is not put forward for voting.

2. Ordinary Resolution 7 – Authority to issue shares

The Company wishes to renew the mandate on the authority to issue shares pursuant to Section 75 of the Companies Act 2016 at the 21st Annual General Meeting of the Company (hereinafter referred to as the "General Mandate").

The Company had been granted a General Mandate by its shareholders at the 20th Annual General Meeting of the Company held on 27 June 2019 (hereinafter referred to as the "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.

Bursa Malaysia Berhad has via their letter dated 16 April 2020 granted several additional temporary relief measures to listed corporations, amongst others, an increase in general mandate limit (hereinafter referred to as "the increased General Mandate") for new issues of securities to not more than 20% of the total number of issued shares of the Company for the time being (hereinafter referred to as the "20% General Mandate"). In addition, Bursa Malaysia Berhad has also accorded in its above mentioned letter that the increased General Mandate may be utilised by a listed corporation to issue new securities until 31 December 2021.

The Board would like to procure approval of its shareholders at the 21st AGM for the 20% General Mandate.

The purpose to seek the 20% General Mandate is to enable 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 and cost consuming to organise a general meeting merely for such purpose. The 20% General Mandate 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 its business plans, future investment project(s), working capital and/or acquisitions.

The 20% General Mandate will expire on the Expiry Date as stipulated in the Ordinary Resolution 7 above. After having considered all aspects of the 20% General Mandate the Board is of the opinion that the adoption of the 20% General Mandate would be in the best interest of the Company and its shareholders, on the following basis:-

- The interest of the Company as well as its long-term shareholders should be in congruence on the issue of long term sustainability of the Company as only a business operation with healthy and sufficient working capital could generate positive returns to the Company and its shareholders.
- Given the outbreak of Coronavirus Disease 2019 ("COVID-19") pandemic and the subsequent imposition of the Movement Control Order by the Malaysian Government to contain the COVID-19, the additional fund raising flexibility through the 20% General Mandate will enable the Company, should it require to do so, to meet its funding requirements for working capital and operational expenditure, expeditiously and efficiently, without burdening the shareholders with a separate general meeting during this challenging period.
- The 20% General Mandate accorded by Bursa Malaysia Berhad has provided flexibility to the cash flow planning of the Company should the Company requires additional funding for the business contingency plans to mitigate the financial impact of COVID-19, if any.