



XINGHE HOLDINGS BERHAD
Registration No. 200401004611 (643114-X)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 15th Annual General Meeting ("AGM") 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 Friday, 4 September 2020, at 9:00 a.m. or at any adjournment thereof to consider and if thought fit, to pass the following resolutions with or with modifications:

Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Directors' and Auditors' Reports thereon.
- To approve the payment of Directors' Fees of RM265,000 by the Company's subsidiary, XW Aquaculture Sdn. Bhd. ("XW Aquaculture"), to the Independent Directors for the financial year ended 31 December 2019.
- To approve the payment of the following Directors' Fees to the Independent Directors from the conclusion of the 15th AGM until the conclusion of the 16th AGM:
 - RM3,500 per month for the Independent Members of the Board of Directors ("Board"); and
 - RM1,000 per month for the Chairman of the Audit and Risk Management Committee.
 (each of the foregoing parties being exclusive of the other).
- To approve the payment of an attendance allowance of RM300 per Board/Board committee/shareholders' meeting to the Independent Directors from the conclusion of the 15th AGM until the conclusion of the 16th AGM.
- To re-elect Mr. Wang ZhiMin who retires pursuant to Article 106 of the Company's Constitution ("Constitution") and who has offered himself for re-election.
- To re-elect the following Directors who retire pursuant to Article 110 of the Constitution and who have offered themselves for re-election:
 - Mr. Yeoh Wooi Kia
 - Mr. Collin Goonting a/l O.S. Goonting
- To appoint Moore Stephens Associates PLT as Auditors of the Company for the financial year ending 31 December 2020 at such remuneration to be determined by the Directors.

(Explanatory Note 1)

Ordinary Resolution 1
(Explanatory Note 2)

Ordinary Resolution 2
(Explanatory Note 3)

Ordinary Resolution 3
(Explanatory Note 4)

Ordinary Resolution 4
(Explanatory Note 5)

Ordinary Resolution 5
Ordinary Resolution 6
(Explanatory Note 6)

Ordinary Resolution 7
(Explanatory Note 7)

Special Business

To consider and if thought fit, to pass the following resolutions, with or without modifications:

- Authority to Directors pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act")**

Ordinary Resolution 8
(Explanatory Note 8)

"THAT subject always to Sections 75 and 76 of the Act, the Constitution, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of any governmental and/or regulatory authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any 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 to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company at the time of issuance and such authority under this resolution shall continue in force until the conclusion of the 16th AGM or when it is required by law to be held, whichever is earlier, AND THAT the Directors be and are empowered to obtain the approval for the listing and ad quotation for the additional shares so issued on Bursa Securities."

- Renewal of proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature**

Ordinary Resolution 9
(Explanatory Note 9)

"THAT subject always to the provisions of the Listing Requirements and the Act, approval be and is hereby granted to XW Aquaculture, to enter into and to give effect to the recurrent related party transactions of a revenue or trading nature with the related party as specified in Section 2.2 of the Circular to Shareholders of the Company dated 30 July 2020, provided that such transactions are:

- necessary for the day-to-day operations of XW Aquaculture;
- undertaken in the ordinary course of business at arms' length basis and on normal commercial terms which are not more favourable to the related party than those generally available to the public; and
- not detrimental to the interest of the minority shareholders of the Company ("Mandate").

THAT such approval and authority conferred shall continue to be in force until:

- the conclusion of the next AGM following this AGM at which the Mandate is passed, at which time it shall lapse, unless by a resolution passed at such AGM whereby the Mandate is renewed;
 - the expiration of the period within which the next AGM after the date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,
- whichever is the earlier.

AND THAT the Board be and is hereby authorised to do all such acts, deeds and things and to execute, sign and deliver or caused to be delivered for and on behalf of the Company in order to implement, finalise and give full effect to the Mandate with full powers to assent to any terms, conditions, modifications, variations and/or amendments in any manner as the Board may deem necessary and/or expedient in the best interest of the Company to give effect to this resolution."

- To transact any other ordinary business of which due notice shall have been given in accordance with the Constitution or the Act.

By Order of the Board

WONG YUET CHYN
(MAICSA 7047163) (SSM PC 202008002451)
Company Secretary

Kuala Lumpur
30 July 2020

Notes:

- A depositor shall not be regarded as a member entitled to attend this AGM or at any adjournment thereof and to speak and vote thereat unless his/her/its name appears on the Record of Depositors as at 1 September 2020 (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 who is a holder of 2 or more shares shall be entitled to appoint up to 2 proxies to attend and vote at this AGM. Where a member appoints 2 proxies, the appointments shall be invalid unless he/she/it specifies the proportions of his/her/its holdings to be represented by each proxy. Provided that having appointed a proxy to attend in his/her/its stead, if such member personally attends this AGM, his/her/its proxy shall be precluded from the meeting.

- 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 is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least 1 proxy 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 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 SICDA, 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 its officer or attorney so authorised.

- The Office 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 No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur not less than 48 hours before the time appointed for holding this AGM or at any adjournment thereof.

- Pursuant to Rule 8.31A(1) of the Listing Requirements, all resolutions set out in this Notice of AGM shall be put to vote by poll.

Explanatory Notes

- Audited Financial Statements for the financial year ended 31 December 2019 ("FY2019")**

This item of the Agenda is for discussion purposes only, as Section 340(1)(a) of the Act does not require the shareholders to approve the Audited Financial Statements formally. Hence, this item will not put forward for voting.

- Ordinary Resolution 1 - Payment of Directors' Fees by XW Aquaculture to the Independent Directors for FY2019**

The Remuneration Committee ("RC") recognised that the Independent Directors had during FY2019 spent considerable time and effort to assist the Executive Directors (based outside Malaysia) to evaluate and/or implement XW Aquaculture's acquisition of Wakuba Farm as well as the fund raising by the Company for the said acquisition. In view thereof, it had recommended to the Board that fees of RM265,000 be paid by XW Aquaculture to the Independent Directors for FY2019. The Board had accepted the RC's proposal as it opined that the proposal concerned was fair and reasonable and was in the Company's best interest.

- Ordinary Resolution 2 - Payment of Directors' Fees to the Independent Directors from the conclusion of the 15th AGM until the conclusion of the 16th AGM**

Section 230(1) of the Act and Article 92(1) of the Constitution provide that the Company shall determine Directors' Fees in general meeting.

The 2020 Movement Control Order implemented on 18 March 2020 had severely affected the Group's business operations and since the COVID-19 pandemic is a global pandemic, it would take some time for business to get back to normal. In view thereof, the RC had recommended that Directors' Fees from the conclusion of the 15th AGM until the conclusion of the 16th AGM be revised as follows:

	Current	Proposed
(i) Independent Board Members	RM6,000 per month	RM3,500 per month
(ii) Chairman of the Audit and Risk Management Committee	RM1,500 per month	RM1,000 per month

The Board had accepted the RC's proposal as it opined that the said proposal was fair and reasonable and was in the Company's best interest.

The payment of fees to the Independent Directors is on a monthly basis. This is to commensurate and compensate the Directors for their time and effort contributed to the Company on an on-going basis throughout the year whereas the additional fee for the Chairman of the Audit and Risk Management Committee is to commensurate and compensate him for his additional responsibilities being the chair of the said committee.

The full details of Directors' Fees paid during FY2019 are disclosed in Note 7(b) to the Financial Statements on pages 90 to 92 of this Annual Report.

- Ordinary Resolution 3 - Payment of attendance allowances to the Independent Directors from the conclusion of the 15th AGM until the conclusion of the 16th AGM**

Section 230(1) of the Act provides that "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

At the 14th AGM held on 12 June 2019, the shareholders of the Company had approved the payment of attendance allowances to the Non-Executive Directors from the conclusion of 14th AGM until the conclusion of the 15th AGM. These allowances were intended defray their travelling and other incidental costs for attending Board's, Board committees' and shareholders' meetings.

The full details of the above attendance allowances paid during FY2019 are further disclosed in Note 7(b) to the Financial Statements on pages 90 to 92 of this Annual Report.

In view of the uncertainties brought about by the COVID-19 pandemic as detailed in Explanatory Note 3 above, the RC has recommended the said allowances be streamlined and revised to RM300 per Board/Board Committee/shareholders meeting from the conclusion of the 15th AGM until the conclusion of the 16th AGM.

The Board had accepted the RC's proposal as it opined that the said proposal was fair and reasonable.

- Ordinary Resolution 4 - Re-election of Mr. Wang ZhiMin pursuant to Article 106 of the Constitution**

Article 106 of the Constitution expressly states that at every AGM, at least one-third of the Directors for the time being, or the number nearest to one-third, shall retire from office. The said Article also states that all Directors shall retire from office at least once in every three (3) years and that if there is only one (1) Director who is subjected to retirement by rotation, he/she shall retire. All Directors who retire from office shall be eligible for re-election.

Mr. Wang ZhiMin being eligible, has offered himself for re-election at this AGM pursuant to Article 106.

Mr. Wang had undergone an annual assessment on his performance and contribution for FY2019 by the Nomination Committee ("NC") and based on this assessment, the Board recommends his re-election. He had abstained from all deliberations and decisions on his 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 his eligibility to stand for re-election at this AGM.

Mr. Chung Wai Choong who is due to retire pursuant to Article 106 of the Constitution, has intimated his intention of not seeking re-election. Hence, he will remain in office until the conclusion of this AGM.

- Ordinary Resolutions 5 and 6 - Re-election of Directors pursuant to Article 110 of the Constitution**

Article 110 of the Constitution expressly states that the Directors shall have power at any time to elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following AGM, and shall then be eligible for re-election but shall not be taken into account in determining the retirement of Directors by rotation at such meeting.

Mr. Yeoh Wooi Kia and Mr. Collin Goonting a/l O.S. Goonting who were appointed on 1 June 2020 and 16 July 2020 respectively and being eligible, have offered themselves for re-election at this AGM pursuant to Article 110.

- Ordinary Resolution 7 - Appointment of Auditors**

Pursuant to Section 273(b) of the Act, the term of office of the present Auditors, Moore Stephens Associates PLT, shall lapse at the conclusion of this AGM unless they are reappointed by the shareholders to continue in office. Moore Stephens Associates PLT, have indicated their willingness to be appointed as Auditors for the financial year ending 31 December 2020. The appointment of Moore Stephens Associates PLT as Auditors has been considered by the Audit and Risk Management Committee, against the relevant criteria prescribed by Rule 15.21 of the Listing Requirements.

This proposed Resolution 7, if passed, will also give the Directors, the authority to determine the remuneration of the Auditors.

- Ordinary Resolution 8 - Authority to Directors pursuant to Sections 75 and 76 of the Act**

The Company has not issued any new shares under the general mandate pursuant to Sections 75 and 76 of the Act for the issuance and allotment of shares up to 10% of the total number of issued shares (excluding treasury shares) of the Company at the time of issuance of the shares, which was approved at the 14th AGM held on 12 June 2019 and which shall lapse at the conclusion of this AGM. A renewal of this mandate is sought at this AGM as Resolution 8.

The proposed Resolution 8, if passed, will give the Directors, from the date of this AGM, the authority to issue and allot shares up to 10% of the total number of issued shares (excluding treasury shares) of the Company at the time of issuance and for such purposes as the Directors may consider to be in the best interest of the Company. This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the 16th AGM.

This mandate will provide flexibility to the Directors to allot and issue shares for any possible fund-raising activities, including but not limited to the placement of shares, for the purposes of funding future investments, working capital, acquisitions and/or such other applications as the Directors deem fit.

- Ordinary Resolution 9 - Renewal of proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature**

This proposed Resolution 9, if approved, will allow XW Aquaculture to enter into and to give effect to the recurrent related party transactions of a revenue or trading nature with the related party as specified in Section 2.2 of the Circular to Shareholders dated 30 July 2020, which is issued with this Annual Report.