



XIN HWA HOLDINGS BERHAD
Registration No. 201301002265 (1032102-P)
(Incorporated in Malaysia)

NOTICE OF THE EIGHTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighth Annual General Meeting of the Company will be held on a fully virtual basis at a venue in Malaysia where the Chairman is present via online meeting platform provided by Tricor Investor & Issuing House Services Sdn. Bhd. at <https://tiih.online> on Thursday, 30 September 2021 at 11.00 a.m. and at any adjournment thereof to transact the following businesses:

AGENDA

As Ordinary Business:

- To receive the Audited Financial Statements for the financial year ended 31 March 2021 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 RM400,000 from 1 October 2021 until the next annual general meeting of the Company. *Ordinary Resolution 1*
- To approve the payment of Directors' benefits to Non-Executive Directors up to an amount of RM60,000 from 1 October 2021 until the next annual general meeting of the Company. *Ordinary Resolution 2*
- To re-elect the following Directors who retire in accordance with Article 107(1)(b) of the Company's Constitution:
 - Tan Sri Dr. Suleiman Bin Mohamed *Ordinary Resolution 3*
 - Mr. Ng Yam Pin *Ordinary Resolution 4*
- To re-appoint Crowe Malaysia PLT as Auditors of the Company 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: *Ordinary Resolution 6*

AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 75 OF THE COMPANIES ACT 2016

"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 20% 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 (SSM PC No. 201908002299)

MOK MEE KEE (SSM PC No. 201908002288)

Secretaries

Petaling Jaya

30th August 2021

NOTES TO THE NOTICE OF THE EIGHTH ANNUAL GENERAL MEETING:

- The members' 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 23rd September 2021 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 / her 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 or in some other manner approved by directors.
- The instrument appointing a proxy must be deposited physically 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 or alternatively, the Customer Service Centre at Unit G3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or by electronic means via TIH Online website at <https://tiih.online>, not less than 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 members' approval shall be sought at the Eighth Annual General Meeting ("AGM") on the Directors' fees and benefits in two (2) resolutions as follows:

- Ordinary Resolution 1 on payment of Directors' fees from 1 October 2021 until the next AGM

The total amount of Directors' fees payable to the Non-Executive Directors from 1 October 2021 until the next AGM tabled for the members' approval is RM400,000. 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.

- Ordinary Resolution 2 on payment of Directors' benefits from 1 October 2021 until the next AGM

The Directors' benefits (excluding Directors' fees) 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 1 October 2021 until the conclusion of next AGM is estimated not to exceed RM60,000.

The proposed amounts are lower than last year due to reduced Board size. Nevertheless, in the event the amount of Directors' fees and benefits is insufficient due to an increase in Board size and/or number of meetings during the aforesaid period, the Board will seek shareholders' approval at the next AGM.

Ordinary Resolution 6

Authority to Allot Shares Pursuant to Section 75 of the Companies Act 2016

At the Extraordinary General Meeting held on 23 December 2020, mandate was given to Directors to issue at no more than 20% of the total number of issued shares of the Company ("Mandate") pursuant to the Companies Act 2016 and higher general mandate (instead of 10%) granted by Bursa Malaysia Berhad as an interim measure for listed issuers to raise funds quickly and efficiently during the challenging time due to Covid-19 pandemic via its letter dated 16 April 2020 ("20% General Mandate").

As at the date of this Notice, the following new shares had been issued pursuant to the Mandate and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"):

Date Issued	No. of Ordinary Shares	Issue Price (RM)	Proceeds Raised (RM)	Actual Utilisation at the Date of this Notice (RM)	Balance Unutilised
30 April 2021	6,750,000	0.3717	2,508,975	(53,190)	2,455,785
26 July 2021	5,000,000	0.4018	2,009,000	(942,591)	1,066,409

The Mandate will expire at the conclusion of the forthcoming Eighth AGM. As such, the Board would like to seek for a new mandate. As the 20% General Mandate is allowed until 31 December 2021, the Board will like to procure the shareholders' approval for the 20% General Mandate. After 31 December 2021, the 10% limit under paragraph 6.03(1) of the Main Market Listing Requirements of Bursa Securities will be reinstated.

The Proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company to allot not more than 20% 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.

The Board is of the view that the 20% General Mandate is in the best interest of the Company and its shareholders due to the rising risk from the uncertain global and domestic economic environment, coupled with weak Ringgit performance and this measure could give access to fundraising flexibility in a quick and efficient manner especially during this challenging time as to ensure the long term sustainability of the Company for the purpose of funding future investment projects, working capital and/or acquisition, or strategic opportunities involving equity deals, which may require the allotment of new shares. In addition, any delay arising from and cost involved in convening an extraordinary general meeting to approve such issuance of shares should be eliminated.

This authorisation will, unless revoked or varied by the Company in general meeting, expire at the next AGM of the Company.