



XIN HWA HOLDINGS BERHAD

Registration No. 201301002265 (1032102-P)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“EGM”) of Xin Hwa Holdings Berhad (“XHH” or the “Company”) will be held on a virtual basis at a venue in Malaysia where the Chairman is present via the online meeting platform of TIIH Online provided by Tricor Investor & Issuing House Services Sdn. Bhd. at <https://tiih.online> on Tuesday, 5 July 2022 at 10.00 a.m., or any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:-

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION BY XHH OF 355,500 ORDINARY SHARES IN MICRON METAL ENGINEERING SDN BHD (“MICRON”), REPRESENTING 79% EQUITY INTEREST IN MICRON, FROM HOON EEL AN, CHIA MING HOW AND SEE KAI MUN (COLLECTIVELY REFERRED TO AS THE “VENDORS”) FOR A PURCHASE CONSIDERATION OF RM19,750,000, TO BE SATISFIED VIA A COMBINATION OF CASH PAYMENT OF RM16,750,000 AND ISSUANCE OF 10,507,881 ORDINARY SHARES IN XHH AT AN ISSUE PRICE OF RM0.2855 PER XHH SHARE AMOUNTING TO RM3,000,000, WITH A PUT OPTION GRANTED BY XHH TO THE VENDORS FOR THE SALE OF THE REMAINING 94,500 ORDINARY SHARES IN MICRON REPRESENTING 21% EQUITY INTEREST IN MICRON, FOR A CASH CONSIDERATION OF RM5,250,000 (“PROPOSED ACQUISITION”)

“**THAT** subject to passing of Ordinary Resolution 2 and approvals of all relevant authorities in respect of the listing and quotation for 10,507,881 Consideration Shares (as defined herein) on the Main Market of Bursa Malaysia Securities Berhad, and/ or parties being obtained, approval be and is hereby given to the Company to acquire 355,500 ordinary shares of Micron Metal Engineering Sdn. Bhd. (“Micron”), representing 79% equity interest in Micron from Hoon Eel An, Chia Ming How and See Kai Mun (collectively referred to as the “Vendors”) for a purchase consideration of RM19,750,000 to be satisfied via a combination of RM16,750,000 in cash and RM3,000,000 via the issuance and allotment of 10,507,881 ordinary shares in the Company at an issue price of RM0.2855 per share (“Consideration Shares”) to the Vendors, with a put option granted by the Company to the Vendors for the sale of the remaining 94,500 ordinary shares in Micron representing 21% equity interest in Micron for a cash consideration of RM5,250,000 (“Proposed Acquisition”), in accordance with the terms and conditions of the conditional share sale agreement dated 10 May 2022 entered into between the Company and the Vendors pursuant to the Proposed Acquisition.

THAT such Consideration Shares shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that the Consideration Shares will not be entitled to any dividends, rights, allotment and/ or other forms of distributions where the entitlement date of such dividends, rights, allotments and/ or any other forms of distribution precedes the date of allotment and issuance of the Consideration Shares.

THAT the pre-emptive right of the existing shareholders to be offered with new shares in the Company in proportion to their shareholding in the Company pursuant to Section 85(1) of the Companies Act 2016 be and is hereby waived in respect of the issuance and allotment of the Consideration Shares.

AND THAT the Board of Directors be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the aforesaid Proposed Acquisition with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Acquisition.”

ORDINARY RESOLUTION 2

PROPOSED DIVERSIFICATION OF THE EXISTING PRINCIPAL ACTIVITIES OF XHH AND ITS SUBSIDIARIES TO INCLUDE THE MANUFACTURING OF PRECISION MACHINING COMPONENTS AND PARTS (“PROPOSED DIVERSIFICATION”)

“**THAT** subject to the passing of Ordinary Resolution 1 and approvals of all relevant regulatory authorities and/ or parties being obtained, approval is hereby given for the Company and its subsidiaries to diversify its existing principal activities to include the manufacturing of precision machining components and parts.

AND THAT the Board of Directors be and is hereby authorised to sign and execute all necessary documents, do all things and act as may be required to give effect to the Proposed Diversification with full power to assent to any conditions, variations, modifications, and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Diversification.”

By Order of the Board

SEOW FEI SAN (SSM PC No. 201908002299)

MOK MEE KEE (SSM PC No. 201908002288)

Company Secretaries

Petaling Jaya
17 June 2022

Notes:-

1. Only depositors whose names appear in the Record of Depositors as at 28 June 2022 shall be regarded as members and entitled to attend, speak and vote at the EGM.
2. A member entitled to attend and vote at the EGM 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.
3. A member may appoint up to 2 proxies to attend the EGM. Where a member appoints 2 proxies, he/ she shall specify the proportions of his/ her holdings to be represented by each proxy.
4. 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 1 proxy but not more than 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.
5. 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.
6. 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 the directors.
7. 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 G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or by electronic means via TIIH Online website at <https://tiih.online>, not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.