



SINO HUA-AN INTERNATIONAL BERHAD

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

NOTICE OF THE TWELFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting ("AGM") of the Company will be held at the Banquet Hall, The Royal Selangor Golf Club, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur on Monday, 28 May 2018 at 10:00 a.m. or any adjournment for the following purposes:

AGENDA

- To receive the Audited Financial Statements for the financial year ended 31 December 2017 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 2017. *(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 29 May 2018 until the next AGM of the Company. *(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: *(Resolution 3)*
 - Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar; and
 - Y. Bhg. Dato' Mohd Shahar Bin Abdul Hamid. *(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. *(Resolution 5)*

As Special Business

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

6. ORDINARY RESOLUTION 1

AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 *(Resolution 6)*

"**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."

7. ORDINARY RESOLUTION 2

RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

- "**THAT** subject to the passing of Resolution No. 4, approval be and is hereby given to Y. Bhg. Dato' Mohd Shahar Bin Abdul Hamid who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company." *(Resolution 7)*
- "**THAT** 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 nine (9) years, to continue to act as an Independent Non-Executive Director of the Company." *(Resolution 8)*

- 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

27 April 2018

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:

(i) 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 29 May 2018 until the next AGM of the Company are as follows:

Description	Non-Executive Directors
Allowances	up to RM100,000
Other Benefits	nil

(ii) 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 Twelfth AGM of the Company (hereinafter referred to as the "**General Mandate**").

The Company had been granted a general mandate by its shareholders at the Eleventh AGM of the Company held on 22 May 2017 ("**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 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.

(iii) Retention of Independent Non-Executive Director

The Nomination Committee had assessed the independence of Y. Bhg. Dato' Mohd Shahar Bin Abdul Hamid and Ms. Lim See Tow, who have served on the Board as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years. The Board has recommended that the approval of the shareholders be sought to re-appoint Y. Bhg. Dato' Mohd Shahar Bin Abdul Hamid and Ms. Lim See Tow as Independent Non-Executive Directors 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 their responsibilities as an Independent Non-Executive Director of the Company; and
- had exercised their due care in the interest of the Company and shareholders during their tenure as an Independent Non-Executive Director of the Company.

Notes:

- In respect of deposited security, only members whose names appear in the Record of Depositors on 21 May 2018 ("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 subject always to a maximum of two (2) proxies at each meeting, 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 notorally 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.