

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**IF YOU ARE IN DOUBT AS TO THE COURSE OF ACTION TO TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT, BANK MANAGER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

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## **SINO HUA-AN INTERNATIONAL BERHAD**

(Company No. 732227-T)

(Incorporated in Malaysia under the Companies Act 2016)

### **CIRCULAR TO SHAREHOLDERS IN RELATION TO**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**AND**

**EXTRACT OF THE NOTICE OF ELEVENTH ANNUAL GENERAL MEETING**

The resolution in respect of the above proposal will be tabled at Sino Hua-An International Berhad's Eleventh Annual General Meeting ("AGM") to be held at the Banquet Hall, 2<sup>nd</sup> Floor Kelab Perdana DiRaja Kuala Lumpur (Royal Lake Club), Taman Tasek Perdana, Jalan Cenderamulia, Off Jalan Parlimen, 50480 Kuala Lumpur on Monday, 22 May 2017 at 9:00 a.m. The Notice of the AGM together with the Form of Proxy are set out in the Sino Hua-An International Berhad's 2016 Annual Report which is despatched together with this Circular.

The Form of Proxy must be completed and deposited at the registered office of Sino Hua-An International Berhad at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not later than forty-eight (48) hours before the time appointed for the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently decide to do so.

Last date and time for lodging the Form of Proxy.....: Saturday, 20 May 2017 at 9:00 a.m.

Date and time of the AGM ..... : Monday, 22 May 2017 at 9:00 a.m.

This Circular is dated 28 April 2017

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## DEFINITIONS

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In this Circular and the accompanying appendices, the following words and abbreviations shall have the following meanings unless otherwise stated:

“Act”	:	The Companies Act 2016 as amended from time to time and any re-enactment thereof
“AGM”	:	Annual General Meeting
“Board”	:	Board of Directors of Sino Hua-An
“Bursa Securities” or “the Exchange”	:	Bursa Malaysia Securities Berhad (635998-W)
“Director(s)”	:	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and for purposes of the Proposed Renewal of Shareholders’ Mandate, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Director of Sino Hua-An or any other Company which is its subsidiary or holding company and a chief executive of Sino Hua-An, its subsidiary or holding company
“EPS”	:	Earnings per Share
“FCSB”	:	Fancy Celebrations Sdn Bhd, a wholly-owned subsidiary of Sino Hua-An
“FYE”	:	Financial Year Ended/Ending
“Sino Hua-An” or “the Company”	:	Sino Hua-An International Berhad (732227-T)
“Sino Hua-An Shares” or “Shares”	:	Ordinary Shares in Sino Hua-An
“Sino Hua-An Group”	:	Sino Hua-An and its Group of Companies
“Jiangquan”	:	Huasheng Jiangquan Group Co., Ltd.
“Jiangquan Affiliated Companies”	:	Companies wherein Jiangquan has direct or indirect shareholdings. These are classified as related parties to the Group and the Company by virtue of LGD, the Managing Director of the Company, being the son-in-law of Mr. Wang Ting Jiang, a director and shareholder of Jiangquan
“LGD”	:	Liu Guodong
“Listing Requirements”	:	The Main Market Listing Requirements of Bursa Securities, including any amendment thereto that may be made from time to time
“LPD”	:	Latest Practicable Date, i.e. 31 March 2017

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## DEFINITIONS

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- “Major Shareholder(s)” : Means a person who has an interest or interests in one or more voting shares in a company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:
- (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the company; or
  - (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the company where such person is the largest shareholder of the company

For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act.

For the purposes of the Proposed Renewal of Shareholders’ Mandate, Major Shareholder(s) includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company or any other company which is its subsidiary or holding company

- “Person Connected” : In relation to a Director or a Major Shareholder, means such person who falls under any one (1) of the following categories:
- (i) a member of the Director’s or Major Shareholder’s family;
  - (ii) a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the Director, Major Shareholder or a member of the Director’s or Major Shareholder’s family is the sole beneficiary;
  - (iii) a partner of the Director, Major Shareholder or a partner of a person connected with that Director or Major Shareholder;
  - (iv) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
  - (v) a person in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
  - (vi) a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
  - (vii) a body corporate or its directors whose directions, instructions or wishes the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act;
  - (viii) a body corporate in which the Director, Major Shareholder or persons connected with him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
  - (ix) a body corporate which is a related corporation

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**DEFINITIONS**

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“PIPO”	:	PIPO Overseas Limited, a company incorporated in the British Virgin Islands
“PIPO Group”	:	PIPO and its wholly-owned subsidiary, Yehua
“PRC”	:	The People’s Republic of China
“Proposed Renewal of Shareholders’ Mandate”	:	Proposed renewal of existing shareholders’ mandate for RRPTs to be entered into by Sino Hua-An Group from the date of the forthcoming AGM until the next AGM
“Related Party(ies)”	:	Director(s), Major Shareholder(s) or Person(s) Connected with such Director(s) or Major Shareholder(s) as defined in Paragraph 10.02 of the Listing Requirements
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“RRPT(s)”	:	Recurrent related party transaction(s) of a revenue or trading nature, which is/are necessary for the Group’s day-to-day operations and is/are entered into by Sino Hua-An or its subsidiary companies in the ordinary course of business of the Group
“SC”	:	Securities Commission Malaysia
“Yehua”	:	Linyi Yehua Coking Co., Ltd., a company established in the PRC and a wholly-owned subsidiary of PIPO
“2016 Annual Report”	:	Annual Report of Sino Hua-An issued for the FYE 31 December 2016

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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**SINO HUA-AN INTERNATIONAL BERHAD**  
(Company No. 732227-T)  
(Incorporated in Malaysia under the Companies Act 2016)

Registered office:  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur

28 April 2017

Directors:

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar (*Executive Chairman*)  
Y. Bhg. Dato' Mohd Shahar Bin Abdul Hamid (*Senior Director; Independent Non-Executive Director*)  
Liu Guodong (*Managing Director*)  
Cedric Choo Sia Teik (*Executive Director*)  
Liu Xueqiang (*Non-Independent Non-Executive Director*)  
Lim See Tow (*Independent Non-Executive Director*)

**To: The Shareholders of Sino Hua-An**

Dear Sir/Madam,

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

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**1.0 INTRODUCTION**

At the Tenth AGM of the Company held on 18 May 2016, the Company obtained a general mandate from its shareholders for the Company and/or its subsidiaries to enter into RRPTs in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public.

In accordance with the Listing Requirements, the mandate referred to the above shall lapse at the conclusion of the forthcoming AGM of the Company, unless authority for its renewal is obtained from the shareholders at the said AGM of the Company.

On 24 March 2017, the Company announced to Bursa Securities of its intention to seek the shareholders' approval for the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM of the Company.

The purpose of this Circular is to provide you with details of the Proposed Renewal of Shareholders' Mandate and to seek your approval for the ordinary resolution to be tabled at the forthcoming AGM of the Company. The Notice of the Eleventh AGM together with the Form of Proxy are enclosed in the 2016 Annual Report.

**SHAREHOLDERS OF SINO HUA-AN ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AT THE FORTHCOMING AGM.**

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## **2.0 DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

### **2.1 The Listing Requirements**

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders for RRPTs subject to the following:

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (ii) the shareholder's mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder's mandate during the financial year where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with an issued and paid-up capital of RM60 million and above:
  - (a) the consideration, value of the assets, capital outlay or costs of the RRPTs is RM1 million or more; or
  - (b) the percentage ratio of such RRPTs is 1% or more,whichever is the higher.
- (iii) the listed issuer's circular to shareholders for the shareholder mandate includes the information as may be prescribed by the Exchange. The draft circular must be submitted to the Exchange together with a checklist showing compliance with such information;
- (iv) in a meeting to obtain shareholder mandate, the relevant related party must comply with the requirements set out in paragraph 10.08(7) of Listing Requirements.
- (v) the listed issuer immediately announces to the Exchange when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by the Exchange in its announcement.

Accordingly, the Board proposes to seek the shareholders' approval for the Proposed Renewal of Shareholders' Mandate. The Proposed Renewal of Shareholders' Mandate will allow Sino Hua-An Group, in the normal course of business, to enter into the RRPTs referred to in Section 2.4 with the Related Parties, provided that such transactions are made at arm's length, on Sino Hua-An Group's normal commercial terms and on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders of Sino Hua-An.

### **2.2 Validity Period of the Proposed Renewal of Shareholders' Mandate**

The authority to be conferred pursuant to the Proposed Renewal of Shareholders' Mandate, if approved by the shareholders, shall take effect from the passing of the ordinary resolution proposed at the forthcoming AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after that date it 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
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

### 2.3 Principal Activities of Sino Hua-An Group

Sino Hua-An is principally engaged in investment holdings and the principal activities of its subsidiary companies are as follows:

<b>Name</b>	<b>Principal activities</b>	<b>Effective equity interest</b>
FCSB	Dormant	100%
PIPO	Investment Holding	100%
Yehua	Manufacturing and sales of metallurgical coke and related by-products	100%

It is envisaged that, in the normal course of Sino Hua-An Group's businesses, transactions of a revenue or trading nature between companies in Sino Hua-An Group and the Related Parties are likely to occur, which are necessary for its day-to-day operations.

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## 2.4 Classes and Nature of the RRPTs

The details of the RRPTs which have been or will be entered by Sino Hua-An and the Related Parties are set out below:

Related Parties	Nature of Transactions	Estimated value as disclosed in the Circular to Shareholders dated 22 April 2016 (RM'000)	Actual value transacted from 18 May 2016 up to 31 March 2017 <sup>(1)</sup> (RM'000)	Estimated aggregate value from 22 May 2017 (date of AGM) to the next AGM <sup>(2)</sup> (RM'000)
<u>Jiangquan Affiliated Companies</u>				
Linyi Jiangxin Steel Co., Ltd	Sale of coke by Sino Hua-An	105,479	-	425,132
Shandong Huasheng Jiangquan Industrial Thermoelectricity Co., Ltd	Purchase of electricity by Sino Hua-An	7,834	-	16,574
Shandong Huasheng Jiangquan Industrial Thermoelectricity Co., Ltd	Purchase of steam by Sino Hua-An	4,219	-	-

Note:-

- <sup>(1)</sup> Being the LPD prior to the printing of this Circular. Following the leasing arrangement during the period under review, there was no related parties transaction recorded.  
<sup>(2)</sup> The estimated values as set out above are based on management estimates of the value of transactions to be undertaken for the period from the forthcoming AGM to the next AGM. However, the value of transactions may be subject to changes. Disclosure will be made in the Annual Report of the Company for the FYE 31 December 2017 of the actual breakdown of the aggregate value of transactions contemplated as required under Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements.

There was no deviation of 10% or more on the actual value transacted for the RRPTs, from 18 May 2016 up to 31 March 2017, and the estimated value as disclosed in the Circular to Shareholders dated 22 April 2016.

Save as disclosed above and in Section 3.0 of this Circular, there were no other persons deemed connected to the interested Directors and Major Shareholders.

## 2.5 Amount Due and Owing to Sino Hua-An Group by Related Parties

Saved and except for the below amounts due and owing by a particular Related Party to Sino Hua-An Group pursuant to the RRPTs as at 31 December 2016, there were no other amounts due and owing by other Related Parties to Sino Hua-An Group pursuant to the RRPTs which exceeded the credit terms granted. All other amounts outstanding were settled within a period of 60 days.

Name of Related Party	One (1) year or less		More than one (1) to three (3) years		More than three (3) to five (5) years		More than five (5) years	
	Principal sum (RM'000)	Interest (RM'000)	Principal sum (RM'000)	Interest (RM'000)	Principal sum (RM'000)	Interest (RM'000)	Principal sum (RM'000)	Interest (RM'000)
Linyi Jiangxin Steel Co., Ltd	-	-	33,827	-	-	-	-	-
Shandong Huasheng Jiangquan Industrial Thermoelectricity Co., Ltd	25,711	-	-	-	-	-	-	-

There is no late payment interest imposed on the overdue trade receivables as they were trade in nature and the terms and conditions of the contract does not include a late payment interest.

Saved and except for the amount outstanding which was more than one year as highlighted above (to which the appropriate amount of impairment has been made), the Board is of the opinion that there is no issue on the recoverability of the other outstanding amounts as at 31 December 2016 as the Related Parties have had long and good business relationship with Sino Hua-An Group. Notwithstanding the above, the management continues to actively engage with the relevant Related Parties for soonest possible settlement of the outstanding amounts.

As at the date of this Circular, the amount outstanding from the abovementioned two related parties have been partially settled.

## 2.6 Review Procedures for the RRPTs

The Board has in place the following internal control procedures to ensure that transactions with Related Parties are conducted at arm's length basis and are based on normal commercial terms consistent with the Sino Hua-An Group's usual business practices and are not prejudicial to the interests of the minority shareholders:-

- (i) The pricing of transactions with a Related Party will take into account the pricing, prevailing market rates, areas of space rented, quality, level of service, amenities offered and other related facts. The final pricing of transactions with a Related Party shall not be at terms more favourable than the prevailing market practices;
- (ii) All transactions entered into pursuant to the Proposed Renewal of Shareholders' Mandate have been/ will be tabled to the Audit and Risk Management Committee on a quarterly basis for its review of compliance with the above. In its review of such transactions, the Audit and Risk Management Committee may, as it deems fit, request for additional information pertaining to the transactions from independent sources;
- (iii) Records will be maintained by the Company to capture all RRPTs entered into pursuant to the Proposed Renewal of Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to;
- (iv) The Audit and Risk Management Committee shall continuously review the adequacy and appropriateness of the procedures, as and when required, with the authority to sub-delegate to individuals or committee(s) within the Company as they deem appropriate;

- (v) Where any of the Directors of the Company has an interest (whether direct or indirect) in a RRPT, such Director(s) shall abstain from all deliberations and voting on that matter in the Board's deliberations of such transaction. Where any member of the Audit and Risk Management Committee is interested in a RRPT, that member shall abstain from voting on any matter relating to any decisions to be taken by the Audit and Risk Management Committee with respect to such transaction;
- (vi) Immediate announcement will be made when the actual amount of a RRPT exceeds the estimated value of the RRPT disclosed in the Circular by 10% or more;
- (vii) Disclosure will be made in the Annual Report of the Company of the aggregate value of transactions conducted pursuant to the Proposed Renewal of Shareholders' Mandate; and
- (viii) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by related third parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction prices will be reviewed to ensure that the RRPTs are not detrimental to the Company. There are no thresholds for approval of RRPTs within Sino Hua-An Group.

## **2.7 Statement by the Audit and Risk Management Committee**

The Audit and Risk Management Committee of the Company has seen and reviewed the procedures set out in Section 2.6 above and is of the view that the review procedures for RRPTs are sufficient to ensure that the RRPTs will be entered into at arm's length and in accordance with Sino Hua-An Group's normal commercial terms, and on terms which are not more favourable to the Related Party than those generally available to the public, and hence, will not be detrimental to the minority shareholders. Any member of the Audit and Risk Management Committee who is interested in any RRPT shall not be involved in the review of the RRPT.

The Audit and Risk Management Committee is satisfied that Sino Hua-An Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and the review of these procedures and processes are conducted on an annual basis.

## **2.8 Rationale**

The RRPTs entered into by Sino Hua-An Group with the Related Parties are in the ordinary course of business and are necessary for its day-to-day operations. The RRPTs are recurring transactions of a revenue or trading nature that contribute either directly or indirectly to the generation of Sino Hua-An Group's revenue and cost structures. These RRPTs are likely to occur with some degree of frequency and may arise at any time and/or from time to time.

The RRPTs came about and are envisaged to subsist moving forward given Sino Hua-An Group's strategic business endeavour to pursue worthwhile and viable business opportunities, regardless of whether these are with third parties or otherwise, when such opportunities arise.

The Related Parties as disclosed in Section 2.4 in which Sino Hua-An Group transacts with are physically located within close proximity to Sino Hua-An Group's production facilities and thus it is clearly a logical business sense and justifiably cogent to transact with these customers/suppliers. The RRPTs entered or to be entered into are undertaken at an arm's length basis on normal commercial terms with due consideration given to applicable and relevant circumstances, if any, and on terms not more favourable to the Related Parties than those generally available to the public.

The Proposed Renewal of Shareholders' Mandate will enable Sino Hua-An Group to enter into the RRPTs which are necessary for Sino Hua-An Group's day-to-day operations, subject to these

transactions being conducted in the ordinary course of business as mentioned above and are not to the detriment of the minority shareholders of the Company.

### 3.0 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH DIRECTORS/MAJOR SHAREHOLDERS

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders' Shareholdings as at 31 March 2017, the direct and indirect interests of the interested Director and Major Shareholder of Sino Hua-An in respect of the Proposed Renewal of Shareholders' Mandate are as follows:

Interested Director/Major Shareholder	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
LGD	178,000,057*	15.86	-	-

*Note:-*

\* 64,000,057 Sino Hua-An shares are being held under the name of UOB Kay Hian Nominees (Asing) Sdn Bhd, Exempt AN for UOB Kay Hian (Hong Kong) Limited (A/C Clients)

LGD, the Managing Director and Major Shareholder of Sino Hua-An, is also the son-in-law of Mr. Wang Ting Jiang, a director and shareholder of Jiangquan, and is therefore deemed interested in the Proposed Renewal of Shareholders' Mandate for RRPT. Accordingly, LGD has abstained and will continue to abstain from all Board deliberations and voting in respect of his direct shareholdings in Sino Hua-An. LGD does not have any equity interest in the Related Parties as disclosed in Section 2.4.

Accordingly, LGD shall abstain from voting on the Proposed Renewal of Shareholders' Mandate for RRPT in respect of his direct shareholdings in Sino Hua-An at the forthcoming AGM.

LGD further undertakes to ensure that Persons Connected with him will abstain from voting in respect of their direct and/or indirect shareholdings in Sino Hua-An on the resolution and deliberating or approving the Proposed Renewal of Shareholders' Mandate at the AGM to be convened.

Save as disclosed above, none of the other Directors and/or Major Shareholders and/or Persons Connected to them, or associates of a Related Party as defined in the Listing Requirements, has any interest, whether direct or indirect, in the Proposed Renewal of Shareholders' Mandate.

### 4.0 FINANCIAL EFFECTS

The Proposed Renewal of Shareholders' Mandate is not expected to have any material impact on the share capital and number of issued shares, net assets, gearing, earnings and Major Shareholders' shareholdings of Sino Hua-An Group.

### 5.0 APPROVALS REQUIRED

The Proposed Renewal of Shareholders' Mandate is subject to the approval of the shareholders of Sino Hua-An at the forthcoming AGM to be convened or at any adjournment thereof.

## **6.0 DIRECTORS' RECOMMENDATION**

The Board (with the exception of LGD who has abstained from making any opinion and recommendation on the Proposed Renewal of Shareholders' Mandate), having considered all aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the above is in the best interests of the Company and therefore recommends that you vote in favour of the resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM of Sino Hua-An.

## **7.0 AGM**

The Eleventh AGM, the Notice of which is enclosed in the 2016 Annual Report accompanying this Circular, will be held at the Banquet Hall, 2<sup>nd</sup> Floor Kelab Perdana DiRaja Kuala Lumpur (Royal Lake Club), Taman Tasek Perdana, Jalan Cenderamulia, Off Jalan Parlimen, 50480 Kuala Lumpur on Monday, 22 May 2017 at 9:00 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the ordinary resolution on the Proposed Renewal of Shareholders' Mandate as set out in the said Notice.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the Form of Proxy which is attached to the 2016 Annual Report, in accordance with the instructions printed thereon as soon as possible so as to arrive at the registered office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not later than forty-eight (48) hours before the time fixed for the AGM. The lodging of the Form of Proxy will not, however, preclude you from attending and voting in person at the forthcoming AGM should you subsequently wish to do so.

Yours faithfully

For and on behalf of the Board of Directors of  
SINO HUA-AN INTERNATIONAL BERHAD

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar  
Executive Chairman

## APPENDIX I

### FURTHER INFORMATION

#### 1. RESPONSIBILITY STATEMENT

This Circular has been reviewed and approved by the Directors of Sino Hua-An and they individually and collectively accept full responsibility for the accuracy of the information contained herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Circular misleading.

#### 2. MATERIAL LITIGATION

Neither Sino Hua-An nor its subsidiaries are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, and the Directors of Sino Hua-An do not have any knowledge of any proceedings, pending or threatened against Sino Hua-An and/or its subsidiaries or of any facts likely to give rise to any proceedings which might adversely and materially affect the position or business of Sino Hua-An and its subsidiaries as at 31 March 2017 (*being the LPD prior to the printing of this Circular*).

#### 3. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered in the ordinary course of business) entered into by the Company or its subsidiaries during the two (2) years preceding the date of this Circular.

#### 4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Sino Hua-An at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan during normal business hours on any working day from the date of this Circular up to and including the date of the forthcoming AGM:

- (a) Memorandum and Articles of Association of Sino Hua-An; and
- (b) Audited consolidated accounts of Sino Hua-An for the past two (2) FYE 31 December 2015 and 31 December 2016.



**SINO HUA-AN INTERNATIONAL BERHAD**

(Company No. 732227-T)

(Incorporated in Malaysia)

**EXTRACT OF NOTICE OF THE ELEVENTH ANNUAL GENERAL MEETING**

**ORDINARY RESOLUTION 2**

**- PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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**"THAT** approval be and is hereby given to Sino Hua-An International Berhad Group ("Group") to enter into and to give effect to specified recurrent related party transactions of a revenue or trading nature and with the Related Parties as stated in Section 2.4 of the Circular to Shareholders dated 28 April 2017, which are necessary for its day-to-day operations, to be entered into by the Group on the basis that this transaction is entered into on terms which are not more favorable to the Related Party involved than generally available to the public and are not detrimental to the minority shareholders of the Company (hereinafter referred to as the "Proposed Renewal of Shareholders' Mandate");

**THAT** the Proposed Renewal of Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Renewal of Shareholders' Mandate, shall only continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which the Proposed Renewal of Shareholders' Mandate was passed, at which time it will lapse, unless by resolution passed at the general meeting, the authority is renewed; or
- (b) the expiration of the period within which the AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier;

**AND THAT** the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed Renewal of Shareholders' Mandate."