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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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SINO HUA-AN INTERNATIONAL BERHAD

(Registration No. 200601012477 (732227-T))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED VARIATION TO THE TERMS AND CONDITIONS OF THE SUBSCRIPTION AGREEMENT DATED 14 JUNE 2019 IN RELATION TO THE ISSUANCE OF REDEEMABLE CONVERTIBLE NOTES WITH AN AGGREGATE PRINCIPAL AMOUNT OF UP TO RM150 MILLION (“PROPOSED VARIATION”)

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

kenanga

Kenanga Investment Bank Berhad

(Registration No. 197301002193 (15678-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting (“**EGM**”) of Sino Hua-An International Berhad (“**SHIB**”) to be held at Banquet Hall, The Royal Selangor Golf Club, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur, Wilayah Persekutuan on Thursday, 5 March 2020 at 10.00 a.m. or at any adjournment thereof, together with the Form of Proxy are enclosed with this Circular.

You are entitled to attend and vote at the EGM or appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you may deposit the Form of Proxy at Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time and date stipulated for the EGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last day, date and time for lodging the Form of Proxy : Tuesday, 3 March 2020 at 10.00 a.m.
Day, date and time of the EGM : Thursday, 5 March 2020 at 10.00 a.m.

This Circular is dated 19 February 2020

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

2nd Supplemental Letter	:	A supplemental letter dated 14 February 2020 entered into between SHIB and the Subscriber in relation to the Proposed Variation
AOF or the Subscriber	:	Advance Opportunities Fund (CT 168559), incorporated under the Companies Law (2018 Revision) of Cayman Islands. B.W.I as an exempted company with limited liability
AOF's Agent	:	Any authorised agent to act for and on behalf of the Subscriber in respect of all its rights, obligations and entitlements set out under the Subscription Agreement
Act	:	Companies Act, 2016 of Malaysia, as amended from time to time including any re-enactment thereof
Announcement	:	Announcement dated 11 November 2019 in relation to the Proposed Variation
Bistromalones	:	Craveat International Sdn. Bhd. (<i>formerly known as Bistromalones (PJ) Sdn Bhd</i>) (Registration No. 201501030637 (1155961-V))
Bistromalones Group	:	Bistromalones and its subsidiaries and associated company
Board	:	Board of Directors of SHIB
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Circular	:	This circular to the shareholders of SHIB in relation to the Proposed Variation dated 19 February 2020
CMSA	:	Capital Markets and Services Act, 2007 of Malaysia, as amended from time to time including any re-enactment thereof
Conversion Limit	:	Aggregate 833,333,333 new Shares to be issued pursuant to the conversion of the Notes
Conversion Price	:	The price at which each Conversion Share shall be issued upon conversion of the Notes, as set out in the Subscription Agreement
Conversion Shares	:	New SHIB Shares to be issued pursuant to the conversion of the Notes at the conversion terms, subject to the terms and conditions as set out in the Subscription Agreement
Conversion Limit Redemption Amount	:	The amount to be paid by SHIB to redeem the outstanding unconverted Notes in the event the Conversion Limit has reached, being 115% of the principal amount of the outstanding unconverted Notes
Director(s)	:	A natural person who holds a directorship with SHIB, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the CMSA
EGM	:	Extraordinary general meeting

DEFINITIONS (Cont'd)

EPS	:	Earnings per share
FPE	:	Financial period ended/ending, as the case may be
FYE	:	Financial year ended/ending 31 December, as the case may be
Kenanga IB	:	Kenanga Investment Bank Berhad (Registration No. 197301002193 (15678-H))
LPD	:	6 February 2020, being the latest practicable date prior to the issuance of this Circular
LPD of the Announcement	:	4 November 2019, being the latest practicable date prior to the Announcement
Market Day(s)	:	A day on which Bursa Securities is open for the trading in securities
Minimum Conversion Price or MCP	:	The minimum Conversion Price for the Notes to be converted into Conversion Shares
NA	:	Net assets
Noteholder(s)	:	Holder(s) of the Notes
Notes	:	Redeemable convertible notes comprising redeemable convertible commercial papers (CPs) and/or redeemable convertible medium term notes (MTNs)
Notes Issue	:	Issuance of Notes with an aggregate principal amount of up to RM150 million which was approved by the shareholders of SHIB at the Previous EGM
Previous Circular	:	The circular to the shareholders of SHIB in relation to the Notes Issue dated 21 August 2019
Previous EGM	:	An extraordinary general meeting held on 5 September 2019, for the shareholders of SHIB to approve the Notes Issue
Proposed Acquisitions	:	Proposed acquisitions of TPI, Wavetree and Bistromalones Group
Proposed Bistromalones Acquisition	:	Proposed acquisition of the entire equity interest in Bistromalones, including the shares in its subsidiaries and associated company, for a total purchase consideration of RM8 million to be fully satisfied in cash
Proposed TPI Acquisition	:	Proposed subscription of new ordinary shares and acquisition of ordinary shares in TPI representing in aggregate of 51% of the enlarged issued share capital of TPI
Proposed Wavetree Acquisition	:	Proposed acquisition of business and assets including of intellectual property right owned by Wavetree
Proposed Variation	:	Proposed variation to the terms and conditions of the Subscription Agreement in relation to the Notes Issue
Record of Depositors	:	A record of depositors established by Bursa Depository in accordance with the rules of Bursa Depository

DEFINITIONS (Cont'd)

Revised MCP	:	RM0.10, being the revised MCP of the Notes to be converted in to Shares pursuant to the Proposed Variation
RM and sen	:	Ringgit Malaysia and sen respectively, being the lawful currency of Malaysia
SC	:	Securities Commission Malaysia
SHIB or Company	:	Sino Hua-An International Berhad (Registration No. 200601012477 (732227-T))
SHIB Group or Group	:	SHIB and its subsidiaries, collectively
SHIB Share(s) or Share(s)	:	Existing ordinary shares in SHIB
Subscription Agreement	:	A conditional subscription agreement dated 14 June 2019 entered into between SHIB and the Subscriber in relation to the Notes Issue
Supplemental Agreement	:	A supplemental agreement dated 11 November 2019 entered into between SHIB and the Subscriber in relation to the Proposed Variation
Supplemental Letter	:	A supplemental letter dated 4 February 2020 entered into between SHIB and the Subscriber for extension of time in relation to the Proposed Variation
TPI	:	TouchPoint International Sdn Bhd (Registration No. 201401008089 (1084167-M))
Tranche 1 Notes	:	Tranche 1 of RM50 million comprising 10 equal sub-tranches of RM5 million each prior to Proposed Variation
Tranche 2 Notes	:	Tranche 2 of RM50 million comprising 10 equal sub-tranches of RM5 million each prior to Proposed Variation
Tranche 3 Notes	:	Tranche 3 of RM50 million comprising 5 equal sub-tranches of RM10 million each prior to Proposed Variation
VWAP	:	Volume weighted average market price
Wavetree	:	Wavetree PLT (LLP No. LLP0000023-LGN)

All references to “**you**” in this Circular are references to shareholders of SHIB.

Words denoting the singular shall, where applicable, include the plural and *vice versa*. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and *vice versa*. References to persons shall include corporations.

Any reference to any enactment in this Circular 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 is a reference to Malaysian time, unless otherwise specified.

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SINO HUA-AN INTERNATIONAL BERHAD

(Registration No. 200601012477 (732227-T))
(Incorporated in Malaysia)

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

19 February 2020

Board of Directors

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar (*Executive Chairman*)
Liu Guodong (*Managing Director*)
Datuk Lim Chih Li @ Lin ZhiLi (*Executive Director*)
Lim See Tow (*Independent Non-Executive Director*)
Liu Xueqiang (*Non-Independent Non-Executive Director*)
Zhai Baoxing (*Independent Non-Executive Director*)

To: The Shareholders of SHIB

Dear Sir/Madam,

PROPOSED VARIATION

1. INTRODUCTION

Reference is made to the Previous Circular in relation to the Notes Issue.

On 2 August 2019, Bursa Securities had, *vide* its letter dated 2 August 2019, approved the listing of and quotation for up to 833,333,333 new Shares to be issued upon the conversion of the Notes on the Main Market of Bursa Securities.

At the Previous EGM, the shareholders of SHIB had approved the Notes Issue with an aggregate principal amount of up to RM150 million convertible into a maximum of 833,333,333 new SHIB Shares at the MCP of RM0.18. The issue and subscription of the Notes are subject to, among others, the terms and conditions of the Subscription Agreement.

On 11 November 2019, Kenanga IB had, on behalf of the Board, announced that SHIB and the Subscriber had entered into the Supplemental Agreement to amend, modify, substitute, vary and alter the terms, conditions and provisions of the Subscription Agreement.

On 4 February 2020, Kenanga IB had, on behalf of the Board, announced that SHIB and the Subscriber had entered into the Supplemental Letter to extend the time for the Company to procure and fulfil the conditions precedent to the Proposed Variation.

On 14 February 2020, Kenanga IB had, on behalf of the Board, announced that SHIB and the Subscriber had entered into the 2nd Supplemental Letter to amend, modify, substitute, vary and alter the terms, conditions and provisions of the Supplemental Agreement.

The details of the Proposed Variation are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED VARIATION AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED VARIATION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED VARIATION TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED VARIATION

On 11 November 2019, SHIB and the Subscriber had entered into the Supplemental Agreement to amend, modify, substitute, vary and alter the terms, conditions and provisions of the Subscription Agreement. Pursuant to the Supplemental Agreement, SHIB and the Subscriber have agreed to the followings:

- (i) to revise the MCP from RM0.18 to RM0.10;
- (ii) to set the limit of the number of Conversion Shares to be issued upon conversion of the Notes at 833,333,333 Conversion Shares which is in line with the aforementioned approvals from Bursa Securities and the shareholders of SHIB at the Previous EGM; and
- (iii) to revise the nominal value of each 50 equal sub-tranche of Tranche 1 Notes, Tranche 2 Notes and Tranche 3 Notes to RM1 million each.

For illustration purposes, the abovementioned changes are outlined in the table below:

	As per the Subscription Agreement	Proposed Variation
MCP	The MCP is set at RM0.18	The MCP is revised to RM0.10
Conversion Limit	(Note: There was no provision of Conversion Limit in the Subscription Agreement. However, based on the MCP of RM0.18, the maximum number of Conversion Shares is 833,333,333.	The Noteholder is only allowed to convert the Notes up to 833,333,333 Conversion Shares as approved by Bursa Securities and the shareholders of SHIB at the Previous EGM.
Revision of the nominal value of sub-tranches	Tranche 1 Notes shall comprise of 10 equal sub-tranches of RM5 million each, Tranche 2 Notes shall comprise of 10 equal sub-tranches of RM5 million each and Tranche 3 Notes shall comprise of 5 equal sub-tranches of RM10 million each.	Tranche 1 Notes, Tranche 2 Notes and Tranche 3 Notes shall each comprise of 50 equal sub-tranches of RM1 million each.

On 14 February 2020, SHIB and the Subscriber had entered into the 2nd Supplemental Letter to amend, modify, substitute, vary and alter the terms, conditions and provisions of the Supplemental Agreement. Pursuant to the 2nd Supplemental Letter, the summary of the amendments as agreed by the Company and the Subscriber are as follow:

Original term per Supplemental Agreement	Revised term per 2 nd Supplemental Letter
<p>“Conversion Limit” shall mean an aggregate of 833,333,333 new Shares to be issued pursuant to the conversion of the Notes or such other number of new Shares to be issued which may be approved by Bursa Securities and Shareholders of the Company.</p>	<p>“Conversion Limit” shall mean an aggregate of 833,333,333 new Shares to be issued pursuant to the conversion of the Notes.</p>
<p>A Noteholder who is and/or maybe in his absolute opinion unable to exercise his right of conversion of existing Notes held and/or prospective Notes to be subscribed under the terms and conditions of Notes by virtue of the Conversion Limit shall be entitled to submit a notice in writing to the Company requesting the Company to, as soon as practicable upon receipt of such notice and at its own cost, use all reasonable endeavours to procure necessary approvals and/or consents of Bursa Securities, shareholders of the Company or any other regulatory authorities to enable the issuance of Shares in excess of the Conversion Limit to such Noteholder upon the exercise of his right of conversion under the terms and conditions of Notes.</p>	<p>This clause is removed as per 2nd Supplemental Letter and is replaced with the following clause in substitution thereof:</p> <p>A Noteholder who is and/or may be in his absolute opinion unable to exercise his rights of conversion of existing Notes held and/or prospective Notes to be subscribed under the terms and conditions of Notes by virtue of the Conversion Limit shall be entitled to submit a notice in writing to the Company informing the Company to purchase the outstanding Notes at the Conversion Limit Redemption Amount (“Condition”). The Company shall within seven (7) Business Days from the receipt of the written notice pursuant to this Condition from the Noteholder, settle and pay in full the Conversion Limit Redemption Amount together with the payment of all outstanding costs, fees and interest payable under the Subscription Agreement to the relevant Noteholder. Should the Company fail to pay and/or settle in full the Conversion Limit Redemption Amount and all other relevant payments as set out in this Condition within the stipulated time period, the Noteholder shall be entitled to treat the failure to pay as an Event of Default under the Subscription Agreement.</p>

The consequent revisions made on the Supplemental Agreement is to ascertain that no additional Conversion Shares shall be issued in the event the Conversion Limit has reached.

Based on the Conversion Limit, SHIB will only issue up to 833,333,333 Conversion Shares upon conversion of the Notes. In the event the total aggregate number of Conversion Shares issued have already reached the Conversion Limit, the Company shall redeem the outstanding unconverted Notes at the Conversion Limit Redemption Amount of 115% of its principal amount.

The basis of the Conversion Limit Redemption Amount was agreed by the Company and the Subscriber from a commercial perspective after taking into consideration the flexibility of drawdown, the funding requirements and cash flow position of the Group.

For illustrative purpose, assuming the entire Notes of RM150 million are issued and 833,333,333 Conversion Shares are issued at the Revised MCP of RM0.10 pursuant to the Conversion Limit, the maximum Conversion Limit Redemption Amount that shall be paid by the Company for the outstanding unconverted Notes is computed as follow:

Details		RM
Aggregate principal amount of the entire Notes issued	(A)	150,000,000.00
Converted Notes	(B)	⁽¹⁾ 83,333,333.30
Outstanding unconverted Notes	(A) - (B)	66,666,666.70
Maximum Conversion Limit Redemption Amount		⁽²⁾ 76,666,666.70

Notes:

- (1) Assuming 833,333,333 Conversion Shares are issued at RM0.10 being the Revised MCP.
- (2) Based on 115% of the principal amount of the outstanding unconverted Notes in accordance with the Conversion Limit Redemption Amount.

Notwithstanding the above, the Company will not issue further Notes once the Conversion Limit has reached. Hence, the Conversion Limit Redemption Amount to be paid by the Company for any outstanding unconverted Notes shall be minimal in the event the Conversion Limit has reached. The Conversion Limit Redemption Amount for the outstanding unconverted Notes, if any, shall be funded by the Company via internally generated funds and/or bank borrowing, which will be determined at a later juncture.

There is in place a monitoring system to ensure the total aggregate number of Conversion Shares will not exceed the Conversion Limit. Kenanga IB, as the facility agent, will continue to monitor the number of Conversion Shares in issue as and when there is a request for issuance of new sub-tranches of Notes by the Company. The Company will also continue to monitor the total aggregate number of Conversion Shares in issue before any further issuance of new sub-tranches of Notes. In the event the total aggregate number of Conversion Shares issued have already reached the Conversion Limit, the Company shall redeem the remaining issued Notes as set out above, if any.

The salient terms of the Subscription Agreement (including other changes to the Subscription Agreement as amended by the Supplemental Agreement and the 2nd Supplemental Letter other than those as set out above) are set out in **Appendix I** of this Circular. Save for the consequential changes as a result of the changes to the Subscription Agreement and those as set out in Section 2 and **Appendix I** of this Circular, there are no other material amendments to the Subscription Agreement as varied by the Supplemental Agreement and the 2nd Supplemental Letter and all other terms and conditions of the Subscription Agreement shall remain unchanged and continue to be in full force and effect.

The Proposed Variation which includes, amongst other, the Revised MCP of RM0.10 shall also be applicable to the first sub-tranche of Tranche 1 Notes amounting to RM5 million which was issued by the Company on 12 November 2019 and all other terms and conditions of the Subscription Agreement shall remain in full force and effect.

The Notes Issue was constituted by a trust deed dated 12 September 2019 ("**Trust Deed**"), executed by the Company and MTrustee Berhad (being the trustee for the Notes Issue, "**Trustee**"). The Notes are neither guaranteed nor secured. As a result of the Proposed Variation, the Trust Deed will be amended accordingly, which shall be effected by a supplemental trust deed to be executed by SHIB and the Trustee at a later date upon obtaining all the relevant approvals.

2.1 Basis of determining the Revised MCP

Taking cognisance of the recent price performance of SHIB Shares, the discount rates to be applied to the relevant closing prices of SHIB Shares in determining the Conversion Price (i.e. from 5% to 15%) as set out in the Subscription Agreement (“**Conversion Price Discount**”) and the intention of the Board to facilitate a smooth implementation of the Notes Issue without any disruption (including the gradual issuance of subsequent tranches of the Notes and conversion of the Notes into Conversion Shares throughout the tenure of the Notes), SHIB and the Subscriber have agreed to revise the MCP to RM0.10. The revised MCP of RM0.10 is based on the historical minimum trading price of SHIB Shares from 1 year up to the LPD of the Announcement of RM0.115. For illustrative purpose, the Revised MCP represents a discount of RM0.015 or 13.04% to the lowest trading price of SHIB Shares from 1 year up to the LPD of the Announcement of RM0.115.

A comparison of the historical prices of SHIB Shares and the Revised MCP is as follows:

Period Date	Traded Price Range (RM)		Discount of Revised MCP to the traded price range of SHIB Shares ⁽¹⁾			
			(RM)		(%)	
	Low	High	Low	High	Low	High
1 year up to the LPD of the Announcement	0.115	0.300	0.015	0.200	13.04	66.67
From the date of approval by the shareholders to the LPD of the Announcement	0.115	0.170	0.015	0.070	13.04	41.18
5-day VWAP up to and including the LPD of the Announcement	0.1599		0.0599		37.46	

Note:

(1) Being the range of implied discount of the revised MCP to the traded price range of SHIB Shares.

For illustration purposes, assuming the conversion of the Notes is based on the closing price of SHIB Shares at RM0.115, being the lowest closing price of SHIB Shares for the past one (1) year up to the LPD of the Announcement, the conversion price of the Notes is as follows:

Tranche	Conversion Price Discount	Conversion Price (RM)
Tranche 1 Notes	15%	⁽¹⁾ 0.1000
Tranche 2 Notes	12%	0.1012
Tranche 3 Notes	10%	0.1035

Note:

(1) Being the Revised MCP, as the Conversion Price calculated after applying a discount of 15% on the lowest closing price of SHIB Shares for the past one (1) year up to the LPD of the Announcement is lower than the Revised MCP.

Premised on the above, the Board is of the view that the Revised MCP is reasonable such that it facilitates the continual operation of the Notes programme over the tenure of the Notes and at the same time is not detrimental to the interests of the Group and the shareholders of the Company, as the maximum number of the Conversion Shares remains at 833,333,333.

2.2 Number of Conversion Shares to be issued

The number of SHIB Shares to be issued upon conversion of the Notes shall depend on the Conversion Price which will be determined at a later juncture provided the Conversion Price is not less than RM0.10, being the Revised MCP.

For illustrative purpose, assuming the Notes are converted at RM0.10 being the Revised MCP, the number of SHIB Shares that may be issued under Tranche 1 Notes, Tranche 2 Notes and Tranche 3 Notes are as follow:

Tranche	No. of Conversion Shares	RM
Tranche 1 Notes	500,000,000	50,000,000
Tranche 2 Notes	333,333,333 ⁽¹⁾	33,333,333
Tranche 3 Notes	-(²)	-
Total	833,333,333	83,333,333

Notes:

- (1) Pursuant to the Conversion Limit, the number of Conversion Shares allowed to be issued for Tranche 2 Notes is 333,333,333.
- (2) No Conversion Shares shall be issued in Tranche 3 Notes if the Conversion Limit has been reached.

2.3 Ranking of the Conversion Shares

The Conversion Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing SHIB Shares, save that the Conversion Shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid where the entitlement date is prior to the date of allotment and issuance of the Conversion Shares.

2.4 Listing of and quotation for the Conversion Shares

Bursa Securities had on 2 August 2019 approved the listing of and quotation for up to 833,333,333 Conversion Shares pursuant to the Notes Issue. Save for the listing of and quotation for up to 833,333,333 Conversion Shares which was approved by Bursa Securities pursuant to the Notes Issue, there is no additional new SHIB Shares to be issued pursuant to the Proposed Variation. In this regard, the Company is not required to submit an application to Bursa Securities for the additional new SHIB Shares to be issued pursuant to the conversion of the Notes.

2.5 Utilisation of proceeds

For the avoidance of doubt, there will be no change and variation to the proposed utilisation of proceeds of the Notes Issue as approved by SHIB's shareholders at the Previous EGM. For information purpose, the Company will use the proceeds raised from the Notes Issue in the manner as set out in Section 2.9 of the Previous Circular.

Nonetheless, for illustrative purpose, assuming 833,333,333 Conversion Shares are issued at the Revised MCP of RM0.10 pursuant to the Conversion Limit and the Company chooses not to issue subsequent sub-tranche of the Notes, the Company will only raise gross proceeds of approximately RM83.3 million as shown in Section 2.2 above. Therefore, the RM83.3 million proceeds shall be utilised in the manner as set out below:

Purposes		RM million	Estimated timeframe for utilisation
Business expansion and working capital of TPI ⁽¹⁾		16.6	Within 18 months from the date of drawdown
Business expansion and working capital of Wavetree ⁽¹⁾		12.6	Within 18 months from the date of drawdown
Business expansion and working capital of Bistromalones Group within Malaysia ⁽¹⁾		21.0	Within 18 months from the date of drawdown
Business expansion and working capital of Bistromalones Group in China ⁽¹⁾		10.7	Within one (1) year from the date of drawdown
Working capital for SHIB's core business ⁽¹⁾		16.0	Within one (1) year from the date of drawdown
Estimated expenses in relation to the Notes Issue			
(a)	Professional fees, regulatory fees, printing and advertising costs	1.6	Within one (1) month from the date of drawdown
(b)	Upon issuance redemption and/or implementation of the Notes Issue which includes, inter-alia, the administrative fees and the annual fee ⁽²⁾	4.8	Within two (2) year from the date of drawdown
Total		83.3	

Notes:

- (1) *The remaining expenditure will be funded via other sources of funding such as internally generated funds, equity funding or bank borrowing, which will be determined at a later juncture.*
- (2) *The estimated expenses in relation to the Notes are inclusive of administrative fees payable to the Subscriber or AOF's Agent (of so directed by the Subscriber) in respect of the Notes amounting to RM83.3 million, professional fees and regulatory fees. The administrative fees in respect of the Notes amounting to RM83.3 million are approximately RM4.2 million, which is calculated based on 5% of the Notes amounting to RM83.3 million.*

For further details of the full utilisation of proceeds, please refer to Section 2.9 of the Previous Circular.

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3. RATIONALE FOR THE PROPOSED VARIATION

In view of the Group's requirements for funds and having considered the prevailing market price and trading history of SHIB Shares as described in the table of Section 2.1 of this Circular, the Board is of the view that the Revised MCP of RM0.10 will enable the Company to facilitate a progressive subscription and conversion of the Notes as well as a progressive divestment of the Conversion Shares via the open market without interruption arising from any non-conversion of the Notes due to the Conversion Price falling below the MCP. This is because no further subscription of the Notes can be undertaken by the Subscriber in the event the price of SHIB Shares is trading below the MCP. Therefore, the Revised MCP of RM0.10 will in turn facilitate continuous subscription and issuance of the Notes for the Group to raise adequate funds to be channelled to the projects as explained in details in Section 2.9 of the Previous Circular.

In addition to the above, the insertion of the Conversion Limit allows the Company to manage the dilution impact on the existing shareholders' shareholdings in SHIB as the Company is able to ascertain the maximum number of Conversion Shares to be issued upon conversion of the Notes.

4. RISK FACTORS OF THE PROPOSED VARIATION

(i) Risk of the Proposed Variation

Pursuant to the Proposed Variation, there is a potential that less proceeds would be raised from the Notes Issue as and when the Conversion Limit and the Revised MCP have taken effect on the Notes Issue. As illustrated in Section 2.5 above, assuming 833,333,333 Conversion Shares are issued at the Revised MCP of RM0.10 pursuant to the Conversion Limit and the Company chooses not to issue subsequent sub-tranche of the Notes, the Company would only raise gross proceeds of approximately RM83.3 million compared with the entire Notes amounting to RM150 million. In such event, the remaining expenditure shall be funded by the Company via other sources such as internally generated funds and/or bank borrowings, that will be determined by the Company at a later juncture as and when necessary.

(ii) Risk of payment of the Conversion Limit Redemption Amount to the Subscriber

As illustrated in Section 2 of this Circular, assuming the entire Notes of RM150 million are issued and 833,333,333 Conversion Shares are converted at the Revised MCP, the Company might potentially pay approximately RM76.67 million to the Subscriber in order to redeem the outstanding unconverted Notes which are not converted as set out in Section 2 above. Failure of settlement of the Conversion Limit Redemption Amount will constitute an event of default of the Notes Issue and consequentially lead to the termination of the Notes Issue programme. Furthermore, the payment of the Conversion Limit Redemption Amount by the Company may adversely affect the financial position of the Group and consequently decrease the shareholders' value.

Taking cognisance of the above, the Company will take reasonable steps to ensure no further sub-tranche of the Notes is issued once the Conversion Limit has reached. The Company shall monitor the total aggregate number of the issued Conversion Shares before issuing any further sub-tranche of the Notes. Based on the above measure, the Conversion Limit Redemption Amount shall be kept at minimal level.

In addition, the Board shall ensure that the Company has sufficient funds to fully settle the Conversion Limit Redemption Amount via internally generated funds and/or bank borrowings, which will be determined at a later juncture in the event there is any outstanding unconverted Notes.

(iii) **Non-subscription of Notes by the Subscriber**

In the event the price of SHIB Shares falls below or near the Revised MCP, the Subscriber may choose not to subscribe for subsequent sub-tranches of the Notes. As a result, the Company will not be able to raise the funds needed for the purposes as set out in Section 2.9 of the Previous Circular. The Company however anticipates its financial performance to improve in the future with the implementation of its plans as set out in Section 2.9 of the Previous Circular.

5. EFFECTS OF THE PROPOSED VARIATION

The Proposed Variation will impact the conversion terms (i.e. MCP, Conversion Limit and size of sub-tranches of the Notes) for the conversion of the Notes.

As at the LPD, the Conversion Price for the Notes is yet to be determined. Thus, the effects of the conversion of the Notes pursuant to the Proposed Variation are not ascertainable at this juncture.

Although the MCP is revised to RM0.10, the maximum number of Conversion Shares to be issued would remain unchanged at 833,333,333 pursuant to the Conversion Limit as set out in the Proposed Variation.

For illustration purposes, the pro forma effects of the Notes Issue as a result of the Proposed Variation, on the issued share capital of SHIB, the NA and gearing of SHIB Group, as well as the substantial shareholders' shareholdings in the Company are set out in the ensuing section based on the assumption that the entire Notes of RM150 million are issued and 833,333,333 Conversion Shares are converted at the Revised MCP of RM0.10 per Share pursuant to the Conversion Limit and therefore the outstanding unconverted Notes, if any, shall be redeemed by the Company at the Conversion Limit Redemption Amount.

5.1 Issued Share Capital

The pro forma effects of the conversion of the Notes pursuant to the Proposed Variation on SHIB's issued share capital are as follows:

	No. of Shares	RM
Issued share capital as at the LPD	1,122,307,817	1,115,044,734
To be issued pursuant to:		
- Conversion of the Notes at the Conversion Limit	833,333,333	83,333,333
Enlarged issued share capital	1,955,641,150	1,198,378,067

Note:

(1) *Assuming 833,333,333 Conversion Shares are issued at the Revised MCP of RM0.10 per Share pursuant to the Conversion Limit.*

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5.2 NA and Gearing

The pro forma effects of the Notes Issue pursuant to the Proposed Variation on the NA and gearing of the SHIB Group based on the audited consolidated financial statements of SHIB for FYE 2018 are set out below:

	Audited as at FYE 2018	After subsequent events up to the LPD ⁽¹⁾	Pro Forma (I)	Upon issuance of the Notes ⁽²⁾	Pro Forma (II)	Upon conversion of the Notes up to the Conversion Limit
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Share capital	1,115,045	1,115,045	1,115,045	1,115,045	1,115,045	(3)1,198,378
Reserves	(563,134)	(563,134)	(563,134)	(563,134)	(563,134)	(563,134)
Accumulated losses	(171,018)	(171,318)	(171,318)	(171,318)	(171,318)	(4)(5)(191,097)
Total equity/ NA	380,893	380,593	380,593	380,593	380,593	444,147
No. of Shares in issue ('000)	1,122,308	1,122,308	1,122,308	1,122,308	1,122,308	(3)1,955,641
NA per Share (RM)	0.34	0.34	0.34	0.34	0.34	0.23
Borrowings (RM'000)	24,055	-	-	140,222	140,222	(3)(5)76,667
Gearing (times)	0.06	-	-	0.37	0.37	0.17

Notes:

- (1) Taking into consideration of the estimated expenses of RM0.3 million has been defrayed upon the completion of the Proposed Acquisitions and full settlement of the Group's secured loan amounting to RM24 million as at the LPD.
- (2) In accordance with MFRS 132, the Notes is a financial liability in its entirety. The increase in the Group's total borrowings upon issuance of the Notes is RM140.22 million, being the carrying amount of the Notes after capitalising eligible estimated expenses in relation to the Notes Issue of RM9.78 million.
- (3) Assuming the entire Notes of RM150 million are issued and a maximum number of 833,333 Conversion Shares which has been approved by the shareholders of SHIB at the Previous EGM are converted at the Revised MCP of RM0.10 per Share pursuant to the Conversion Limit and therefore the outstanding unconverted Notes are redeemed at the Conversion Limit Redemption Amount of approximately RM76.67 million.
- (4) In accordance with MFRS 9, the capitalised estimated expenses amounting to RM9.78 million in relation to the Notes Issue is amortised in profit or loss over the tenure of the Notes. However, for illustrative purposes, the estimated expenses of RM9.78 million is assumed to be recognised to profit or loss upon conversion in Pro forma (II).
- (5) Assuming approximately RM66.67 million outstanding unconverted Notes are redeemed at the Conversion Limit Redemption Amount of approximately RM76.67 million by way of bank borrowing. The difference of RM10 million between the Conversion Limit Redemption Amount of approximately RM76.67 million and the principal amount of the outstanding unconverted Notes of approximately RM66.67 million is recognised in profit or loss.

5.3 Substantial Shareholders' Shareholdings

The pro forma effects of the Notes Issue pursuant to the Proposed Variation on the shareholdings of the substantial shareholders of SHIB based on the Record of Depositors of the Company as at the LPD are set out below:

Substantial Shareholders	As at the LPD				After issuance of the Notes ⁽¹⁾				After conversion of the Notes up to the Conversion Limit			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Rock Point Alliance Pte Ltd	285,000,080	25.39	-	-	285,000,080	25.39	-	-	285,000,080	14.57	-	-
Libran Infinity Inc	74,000,057	6.59	-	-	74,000,057	6.59	-	-	74,000,057	3.78	-	-
Liu Guodong	-	-	(2)74,000,057	6.59	-	-	(2)74,000,057	6.59	-	-	(2)74,000,057	3.78
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	12,073,700	1.08	(3)304,492,259	27.13	12,073,700	1.08	(3)304,492,259	27.13	12,073,700	0.62	(3)304,492,259	15.57
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar	1,221,500	0.11	(4)315,342,959	28.10	1,221,500	0.11	(4)315,342,959	28.10	1,221,500	0.06	(4)315,342,959	16.12
Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar	1,166,500	0.10	(5)315,397,959	28.10	1,166,500	0.10	(5)315,397,959	28.10	1,166,500	0.06	(5)315,397,959	16.13
Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar	1,176,500	0.10	(6)315,387,959	28.10	1,176,500	0.10	(6)315,387,959	28.10	1,176,500	0.06	(6)315,387,959	16.13
Y.A.M. Tunku Irinah Binti Tuanku Ja'afar	1,154,250	0.10	(7)315,410,209	28.10	1,154,250	0.10	(7)315,410,209	28.10	1,154,250	0.06	(7)315,410,209	16.13

**After conversion of the Notes up to the
Conversion Limit**

After issuance of the Notes⁽¹⁾

As at the LPD

Substantial Shareholders	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar	1,076,550	0.10	(8)315,487,909	28.11	1,076,550	0.10	(8)315,487,909	28.11	1,076,550	0.06	(8)315,487,909	16.13
Y.M. Tunku Nurul Hayati Binti Tunku Bahador	100,200	0.01	(9)316,465,759	28.20	100,200	0.01	(9)316,465,759	28.20	100,200	0.01	(9)316,465,759	16.18
Y.M. Mohamed Alauddin Tunku Naqiyuddin	1,500	*	(10)308,810,230	27.52	1,500	*	(10)308,810,230	27.52	1,500	*	(10)308,810,230	15.79
Noteholder(s)	-	-	-	-	-	-	-	-	(11)833,333,333	42.61	-	-

Notes:

* Negligible

(1) There will be no effect on the substantial shareholders' shareholdings in the Company upon the issuance of the Notes.

(2) Deemed interest pursuant to Section 8 of Companies Act, 2016 by virtue of his entire equity interest in Libran Infinity Inc.

(3) Deemed interested by virtue of:

- Him being the sibling to Y.A.M. Tunku Iriyah Binti Tuanku Ja'afar, Y.A.M. Tunku Dato Seri Nadzaruddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tuanku Tan Sri Naqiah Bte Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar;
- Him being the father of Y.M. Tunku Mohamed Alauddin Tunku Naqiyuddin;
- Him being the spouse of Y.M. Tunku Nurul Hayati Binti Tunku Bahador;
- His substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in SHIB;
- His direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn Bhd which in turn holds shares in SHIB; and
- His direct interest of over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds shares in SHIB; and
- His direct interest of over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in Rock Point Alliance Pte Ltd.

(4) Deemed interested by virtue of:

- Him being the sibling to Y.A.M. Tunku Naqiyuddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Iriyah Binti Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tuanku Tan Sri Naqiah Bte Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar;
- Him being the brother-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador;
- His substantial shareholdings in Syarikat Pesaka Antah Sdn Bhd which in turn holds shares in SHIB;
- His direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn Bhd which in turn holds shares in SHIB;
- Him being the sibling to Y.A.M. Tunku Naqiyuddin Ibni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in SHIB; and
- Him being the sibling to Y.A.M. Tunku Naqiyuddin Ibni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in Rock Point Alliance Pte Ltd.

- (5) Deemed interested by virtue of:
- Her being the sibling to Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibrni Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibrni Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar;
 - Her being the sister-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador;
 - Her substantial shareholdings in Syarikat Pesaka Antah Sdn Bhd which in turn holds shares in SHIB;
 - Her sibling's interest of over 20% equity interest in Syarikat Pesaka Radin Sdn Bhd which in turn holds shares in SHIB;
 - Her being the sibling to Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in Rock Point Alliance Pte Ltd.
 - Her being the sibling to Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Pte Ltd.
- (6) Deemed interested by virtue of:
- Him being the sibling to Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibrni Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar;
 - Him being the brother-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador;
 - His substantial shareholdings in Syarikat Pesaka Antah Sdn Bhd which in turn holds shares in SHIB;
 - His direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn Bhd which in turn holds shares in SHIB;
 - Him being the sibling to Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in SHIB; and
 - Him being the sibling to Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in Rock Point Alliance Pte Ltd.
- (7) Deemed interested by virtue of:
- Her being the sibling to Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibrni Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar;
 - Her being the sister-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador;
 - Her substantial shareholdings in Syarikat Pesaka Antah Sdn Bhd which in turn holds shares in SHIB;
 - Her sibling's interest of over 20% equity interest in Syarikat Pesaka Radin Sdn Bhd which in turn holds shares in SHIB;
 - Her being the sibling to Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in SHIB; and
 - Her being the sibling to Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in Rock Point Alliance Pte Ltd.
- (8) Deemed interested by virtue of:
- Her being the sibling to Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibrni Tuanku Ja'afar and Y.A.M. Tunku Irinah Binti Tuanku Ja'afar;
 - Her being the sister-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador;
 - Her substantial shareholdings in Syarikat Pesaka Antah Sdn Bhd which in turn holds shares in SHIB;
 - Her sibling's interest of over 20% equity interest in Syarikat Pesaka Radin Sdn Bhd which in turn holds shares in SHIB;
 - Her being the sibling to Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in SHIB; and
 - Her being the sibling to Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in Rock Point Alliance Pte Ltd.
- (9) Deemed interested by virtue of:
- Her being the spouse of Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar;
 - Her being the sister-in-law to Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibrni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar;
 - Her being the mother of Y.M. Tunku Mohamed Alauddin Tunku Naqiyuddin;
 - Her being the spouse of Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar who has substantial shareholdings in Syarikat Pesaka Antah Sdn Bhd which in turn holds shares in SHIB;
 - Her being the spouse of Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar who has over 20% equity interest in Syarikat Pesaka Radin Sdn Bhd which in turn holds shares in SHIB;
 - Her being the spouse of Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds shares in SHIB; and
 - Her being the spouse of Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in Rock Point Alliance Pte Ltd.
- (10) Deemed interested by virtue of:
- Him being the son of Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar and Y.M. Tunku Nurul Hayati Binti Tunku Bahador;
 - Him being the son of Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar who has over 20% equity interest in Syarikat Pesaka Radin Sdn Bhd which in turn holds shares in SHIB;
 - Him being the son of Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds shares in SHIB; and
 - Him being the son of Y.A.M. Tunku Naqiyuddin Ibrni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in Rock Point Alliance Pte Ltd.
- (11) Assuming a maximum number of 833,333,333 Conversion Shares which has been approved by Bursa Securities and the shareholders of the Company at the Previous EGM are issued pursuant to the effect of the Proposed Variation.

It is expected that there will be no change in the Company's controlling shareholder pursuant to the Notes Issue as there will be no conversion of Notes by the Subscriber and/or Noteholder(s) to transfer a controlling interest in the Company such that the Subscriber and/or Noteholder(s), as the case may be, become a controlling shareholder of the Company without the prior approval of the Company's shareholders, nor to hold more than 10% interest in the issued share capital of the Company, at any time and from time to time, without the Company's prior approval. In addition, the Conversion Shares are expected to be sold down via the open market on a progressive basis, in tandem with the progressive subscription and conversion of the Notes.

5.4 Earnings and EPS

The Proposed Variation is not expected to have any material effect on the earnings of the Group for FYE 2020.

Notwithstanding the above, the Notes Issue with the effect of the Proposed Variation is expected to contribute positively to the earnings of the Group in the future financial years when the benefits of the utilisation of proceeds from the Notes Issue are realised.

Subject to the future earnings of the Group, its EPS may be diluted in the future financial years as a result of the increase in its total number of issued shares arising from the conversion of the Notes into Conversion Shares.

5.5 Convertible Securities

As at the LPD, save for the first sub-tranche of Tranche 1 Notes amounting to RM5 million that was issued by the Company on 12 November 2019, the Company does not have any other existing convertible securities. For the avoidance of doubt, the Proposed Variation shall also apply to the first sub-tranche of Tranche 1 Notes which includes, amongst other, the revised MCP of RM0.10.

6. APPROVALS REQUIRED

The Proposed Variation is subject to the following approvals being obtained:

- (i) the shareholders of SHIB at the forthcoming EGM to be convened; and
- (ii) any other relevant authorities, if required.

The Proposed Variation is not conditional upon any other corporate exercises undertaken or to be undertaken by the Company.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors and/or major shareholders of SHIB and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Variation.

8. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered all aspects of the Proposed Variation including but not limited to the terms of the Supplemental Agreement and the 2nd Supplemental Letter, rationale of the Proposed Variation and effects of the Proposed Variation, is of the opinion that the Proposed Variation is in the best interest of the Group. As such, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Variation to be tabled at the forthcoming EGM of the Company.

9. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save as disclosed below and the Proposed Variation, there are no other corporate exercises which have been announced by the Company but have yet to be completed as at the LPD:

- (i) Notes Issue which was approved by the shareholders of the Company at the Previous EGM. The first sub-tranche of Tranche 1 Notes amounting to RM5 million has been issued by the Company on 12 November 2019.

For information purposes, the Proposed Bistromalones Acquisition was completed on 15 October 2019; whilst the Proposed TPI Acquisition and the Proposed Wavetree Acquisition were completed on 19 December 2019 as announced by the Company.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all requisite approvals being obtained, the Board expects the Proposed Variation to be completed in the first (1st) quarter of 2020.

11. EGM

The forthcoming EGM, the notice of which is enclosed with this Circular, will be held at Banquet Hall, The Royal Selangor Golf Club, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur, Wilayah Persekutuan on Thursday, 5 March 2020 at 10.00 a.m. or at any adjournment thereof for the purpose of considering and if thought fit, passing the resolution to give effect to the Proposed Variation.

If you are unable to attend and vote in person at the forthcoming EGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible and in any event, so as to arrive 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 forty-eight (48) hours before the time set for the EGM. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the forthcoming EGM should you subsequently wish to do so.

12. FURTHER INFORMATION

You are advised to refer to the attached appendices of this Circular for further information.

Yours faithfully,
for and on behalf of the Board
SINO HUA-AN INTERNATIONAL BERHAD

Y.A.M. TUNKU NAQUIYUDDIN IBNI TUANKU JA'AFAR
Executive Chairman

APPENDIX I - SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT, THE SUPPLEMENTAL AGREEMENT AND THE 2nd SUPPLEMENTAL LETTER

	Salient terms of the Subscription Agreement	Proposed Variation
Issue size	<p>Up to RM150 million principal amount in aggregate, divided into three (3) tranches, namely:</p> <p>(i) Tranche 1 of RM50 million comprising 10 equal sub-tranches of RM5 million each;</p> <p>(ii) Tranche 2 of RM50 million comprising 10 equal sub-tranches of RM5 million each; and</p> <p>(iii) Tranche 3 of RM50 million comprising 5 equal sub-tranches of RM10 million each;</p> <p>The issuance of Tranche 2 Notes and Tranche 3 Notes shall be at the option of the Company, in accordance with the terms and conditions of the Subscription Agreement.</p>	<p>Up to RM150 million principal amount in aggregate, divided into three (3) tranches, namely:</p> <p>(i) Tranche 1 of RM50 million comprising <u>50</u> equal sub-tranches of <u>RM1 million</u> each;</p> <p>(ii) Tranche 2 of RM50 million comprising <u>50</u> equal sub-tranches of <u>RM1 million</u> each; and</p> <p>(iii) Tranche 3 of RM50 million comprising <u>50</u> equal sub-tranches of <u>RM1 million</u> each;</p> <p>The issuance of Tranche 2 Notes and Tranche 3 Notes shall be at the option of the Company, in accordance with the terms and conditions of the Subscription Agreement.</p>
Conversion Limit	Nil	<u>“Conversion Limit” shall mean an aggregate of 833,333,333 new Shares to be issued pursuant to the conversion of the Notes.</u>

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APPENDIX I - SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT, THE SUPPLEMENTAL AGREEMENT AND THE 2nd SUPPLEMENTAL LETTER (cont'd)

	Salient terms of the Subscription Agreement	Proposed Variation
Conversion terms	<p>Each Noteholder has the right to convert any Notes (“Conversion Right”) into duly authorised, validly issued, fully-paid and unencumbered Shares, at the option of the holder thereof.</p> <p>The number of Conversion Shares to which a Noteholder is entitled on conversion of the Notes shall be determined by dividing the aggregate nominal value of the Notes held by the Noteholder with the applicable Conversion Price, determined in effect on the relevant Conversion Date (as defined below). Fractions of a Conversion Share will not be issued on conversion and no adjustment or cash payment will be made in respect thereof.</p> <p>The Notes will be issued in multiples of RM50,000, and the Noteholder is required to convert the Notes in multiples of RM50,000 should they wish to convert a particular sub-tranche of the Notes.</p>	<p>Each Noteholder has the right to convert any Notes (“Conversion Right”) into duly authorised, validly issued, fully-paid and unencumbered Shares, at the option of the holder thereof.</p> <p>The number of Conversion Shares to which a Noteholder is entitled on conversion of the Notes shall be determined by dividing the aggregate nominal value of the Notes held by the Noteholder with the applicable Conversion Price, determined in effect on the relevant Conversion Date (as defined below) <u>provided that the aggregate number of Shares arising from the conversion of the Notes shall not exceed the Conversion Limit</u>. Fractions of a Conversion Share will not be issued on conversion and no adjustment or cash payment will be made in respect thereof.</p> <p><u>A Noteholder who is and/or may be in his absolute opinion unable to exercise his rights of conversion of existing Notes held and/or prospective Notes to be subscribed under the terms and conditions of the Notes by virtue of the Conversion Limit shall be entitled to submit a notice in writing to the Company informing the Company to purchase the outstanding Notes at 115% of its principal amount (“Conversion Limit Redemption Amount”) (“Condition”). The Company shall within seven (7) Business Days from the receipt of the written notice pursuant to this Condition from the Noteholder, settle and pay in full the Conversion Limit Redemption Amount together with the payment of all outstanding costs, fees and interest payable under the Subscription Agreement to the relevant Noteholder. Should the Company fail to pay and/or settle in full the Conversion Limit Redemption Amount and all other relevant payments as set out in this Condition within the stipulated time period, the Noteholder shall be entitled to treat the failure to pay as an Event of Default under the Subscription Agreement.</u></p> <p>The Notes will be issued in multiples of RM50,000, and the Noteholder is required to convert the Notes in multiples of RM50,000 should they wish to convert a particular sub-tranche of the Notes.</p>

APPENDIX I - SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT, THE SUPPLEMENTAL AGREEMENT AND THE 2nd SUPPLEMENTAL LETTER (cont'd)

	Salient terms of the Subscription Agreement	Proposed Variation
Conversion Price	<p>The price at which each Conversion Share shall be issued upon conversion of the Notes ("Conversion Price") shall be:</p> <p>(i) in respect of Tranche 1 Notes, 85% of the average closing price per Share on any three (3) consecutive market days as selected by the Noteholder(s) during the thirty (30) market days immediately preceding the relevant conversion date on which SHIB Shares were traded on the Main Market of Bursa Securities;</p> <p>(ii) in respect of Tranche 2 Notes, 88% of the average closing price per Share on any three (3) consecutive market days as selected by the Noteholder(s) during the thirty (30) market days immediately preceding the relevant conversion date on which SHIB Shares were traded on Bursa Securities;</p> <p>(iii) in respect of Tranche 3 Notes, 90% of the average closing price per Share on any three (3) consecutive market days as selected by the Noteholder(s) during the thirty (30) market days immediately preceding the relevant conversion date on which SHIB Shares were traded on Bursa Securities; and</p> <p>provided always that the Conversion Price is not less than RM0.18, being the minimum Conversion Price for the Notes ("Minimum Conversion Price" or "MCP"). If the Conversion Price for each Conversion Share calculated in accordance with the conditions (i) to (iii) above is less than the Minimum Conversion Price, the Conversion Price for each Conversion Share shall be equal to the Minimum Conversion Price.</p> <p>Notwithstanding any other provisions to the contrary, in the event that the three (3) business days as selected by the relevant Noteholder were not consecutive business days, the three (3) business days selected shall be deemed consecutive in nature for the purposes of calculating the Conversion Price, provided that:</p> <p>(a) those consecutive business days that ought to have been selected (to constitute consecutive) were not selected as that they were business days where no trades were done on the Shares on the Main Market of Bursa Securities; and</p>	<p>The price at which each Conversion Share shall be issued upon conversion of the Notes ("Conversion Price") shall be:</p> <p>(i) in respect of Tranche 1 Notes, 85% of the average closing price per Share on any three (3) consecutive market days as selected by the Noteholder(s) during the thirty (30) market days immediately preceding the relevant conversion date on which SHIB Shares were traded on the Main Market of Bursa Securities;</p> <p>(ii) in respect of Tranche 2 Notes, 88% of the average closing price per Share on any three (3) consecutive market days as selected by the Noteholder(s) during the thirty (30) market days immediately preceding the relevant conversion date on which SHIB Shares were traded on Bursa Securities;</p> <p>(iii) in respect of Tranche 3 Notes, 90% of the average closing price per Share on any three (3) consecutive market days as selected by the Noteholder(s) during the thirty (30) market days immediately preceding the relevant conversion date on which SHIB Shares were traded on Bursa Securities; and</p> <p>provided always that the Conversion Price is not less than <u>RM0.10</u>, being the minimum Conversion Price for the Notes ("Minimum Conversion Price" or "MCP"). If the Conversion Price for each Conversion Share calculated in accordance with the conditions (i) to (iii) above is less than the Minimum Conversion Price, the Conversion Price for each Conversion Share shall be equal to the Minimum Conversion Price.</p> <p>Notwithstanding any other provisions to the contrary, in the event that the three (3) business days as selected by the relevant Noteholder were not consecutive business days, the three (3) business days selected shall be deemed consecutive in nature for the purposes of calculating the Conversion Price, provided that:</p> <p>(a) those consecutive business days that ought to have been selected (to constitute consecutive) were not selected as that they were business days where no trades were done on the Shares on the Main Market of Bursa Securities; and</p>

APPENDIX I - SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT, THE SUPPLEMENTAL AGREEMENT AND THE 2nd SUPPLEMENTAL LETTER (cont'd)

	Salient terms of the Subscription Agreement	Proposed Variation
	<p>(b) the first (1st) business day immediately thereafter where there were trading in the Shares were selected as a business day in their stead.</p> <p>If, during any period in which the Conversion Price is being determined, the Company shall, amongst other, (i) make a stock split, (ii) consolidate its outstanding Shares into a smaller number of shares, or (iii) re-classify any of its Shares into other securities of the Company, such that the closing price per Share before and after such event does not represent the same economic and financial participation that a holder of a Share would have had without the occurrence of such an event, then the closing price of the Shares for the business days preceding such event shall, for the purposes of such determination be adjusted to reflect the impact of such an event in such a manner as an independent reputable bank (such as but not limited to Bloomberg L.P.) or a reputable firm of investment advisers licensed by the SC would.</p> <p>Such bank or firm may be agreed between the Company and the Noteholders or, if not so agreed, the Company and the Noteholders shall agree to a bank or firm as nominated by the Malaysia Institute of Accountants which it deems is fair and reasonable to make such changes to the closing price.</p>	<p>(b) the first (1st) business day immediately thereafter where there were trading in the Shares were selected as a business day in their stead.</p> <p>If, during any period in which the Conversion Price is being determined, the Company shall, amongst other, (i) make a stock split, (ii) consolidate its outstanding Shares into a smaller number of shares, or (iii) re-classify any of its Shares into other securities of the Company, such that the closing price per Share before and after such event does not represent the same economic and financial participation that a holder of a Share would have had without the occurrence of such an event, then the closing price of the Shares for the business days preceding such event shall, for the purposes of such determination be adjusted to reflect the impact of such an event in such a manner as an independent reputable bank (such as but not limited to Bloomberg L.P.) or a reputable firm of investment advisers licensed by the SC would.</p> <p>Such bank or firm may be agreed between the Company and the Noteholders or, if not so agreed, the Company and the Noteholders shall agree to a bank or firm as nominated by the Malaysia Institute of Accountants which it deems is fair and reasonable to make such changes to the closing price.</p>

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SINC HUAN AN INTERNATIONAL BERHAD (732227-T)

Unit 18-3A, Menara Permata Damansara (Oval Tower Damansara),
685 Jalan Damansara, 60000 Kuala Lumpur.
Tel: 603-7733 7180 Fax: 603-7733 7170

Malaysia office:
2nd Floor, Wisma Anjlin
Changkat Semantan
Damansara Heights
50480 Kuala Lumpur
Tel: +6-03-2094 5099
Fax: +6-03-2093 5039

Date: 14 FEB 2020

TO:

ADVANCE OPPORTUNITIES FUND

Cricket Square, Hutchins Drive,
P.O. Box 2861, Grand Cayman,
KY1-1111, Cayman Islands.

Attention: Mr. Tan Choon Wee

CERTIFIED TRUE COPY

LOW BOON HOR
Advocate & Solicitor
Kuala Lumpur
BC/L/2320

Dear Sirs,

RE : Subscription agreement relating to the issue of 1.0% equity-linked redeemable structured convertible notes due 2022 ("Notes") with an aggregate principal amount of up to MYR 150,000,000

*Except where the context otherwise requires, or unless otherwise provided or defined in this supplemental letter ("**Supplemental Letter**"), all terms and references used in this Supplemental Letter shall bear the same meaning as those defined in the Subscription Agreement and the Supplemental Agreement (as defined herein).*

We refer to the above matter, the subscription agreement dated 14 June 2019 ("**Subscription Agreement**"), the supplemental agreement dated 11 November 2019 ("**Supplemental Agreement**") and the letter of extension of time dated 4 February 2020.

Kindly be informed that we received queries from Bursa Malaysia Securities Berhad ("**Bursa Securities**") on 13 December 2019 in relation to the draft circular of proposed variation as set out in the Supplemental Agreement. Pursuant thereto, we would like to seek your kind indulgence in the following: -

A. Amendment to Condition 1.1 of Schedule 3D of the Subscription Agreement

The deletion of the definition of "*Conversion Limit*" in Condition 1.1 of Schedule 3D of the Subscription Agreement and inserting a new definition of "*Conversion Limit*" in Condition 1.1 of Schedule 3D in substitution thereof:

"Conversion Limit" shall mean an aggregate of 833,333,333 new Shares to be issued pursuant to the conversion of the Notes."

B. Amendment to Condition 8.6A of Schedule 3D of the Subscription Agreement

The deletion of Condition 8.6A of Schedule 3D in its entirety and inserting a new Condition 8.6A in its entirety in substitution thereof:

"8.6A Notwithstanding any other provision in this Agreement, a Noteholder who is and/or may be in his absolute opinion unable to exercise his rights of conversion of existing



SINO HUI AN INTERMEDIATE HOLDINGS BERHAD (732227-T)

Unit 18-3A, Menara Permata Damansara (Oval Tower Damansara),
685 Jalan Damansara, 60000 Kuala Lumpur.
Tel: 603-7733 7180 Fax: 603-7733 7170

Malaysia office:
2nd Floor, Wisma Anah
Changkat Semantan
Damansara Heights
50490 Kuala Lumpur
Tel: +6-03-2094 5099
Fax: +6-03-2093 5939

Notes held under this Conditions by virtue of Condition 8.2, shall be entitled to submit a notice in writing to the Company informing the Company to purchase the outstanding Notes at 115% of its principal amount ("Conversion Limit Redemption Amount"). The Company shall within seven (7) Business Days from the receipt of the written notice pursuant to this Condition 8.6A from the Noteholder, settle and pay in full the Conversion Limit Redemption Amount together with the payment of all outstanding costs, fees and Interest (as defined in Condition 10.2A) payable under the Agreement or this Terms and Conditions to the relevant Noteholder. Should the Company fail to pay and/or settle in full the Conversion Limit Redemption Amount and all other relevant payments as set out in this Condition 8.6A within the stipulated time period, the Noteholder shall be entitled to treat the failure to pay as an Event of Default under Condition 12.1 of this Terms and Conditions."

C. Amendment to Condition 10.2A of Schedule 3D of the Subscription Agreement

The deletion of Condition 10.2A of Schedule 3D in its entirety and inserting a new Condition 10.2A of Schedule 3D in substitution thereof:

"10.2A For the purposes of Condition 8.6A and Condition 10.2, "Interest" shall refer to the:

- (a) accrued interest due and payable pursuant to Condition 6.1 of the terms and conditions of the Notes; and*
- (b) accrued Relevant Interest and Default Relevant Interest due and payable under Condition 6.4 and 6.6."*

This Supplemental Letter shall constitute an integral part of the Subscription Agreement and Supplemental Agreement whereby the Subscription Agreement and the Supplemental Agreement shall be amended and supplemented to the extent of the terms set out above and in the event of any conflict between the terms set out in this letter with any terms contained in Subscription Agreement and the Supplemental Agreement, the terms in this letter shall prevail to the extent of the conflict. Save as amended herein, all other terms of the Subscription Agreement and the Supplemental Agreement shall continue to be in full force and effect.

Please let us know if you are agreeable to the terms and conditions of this letter. Thank you.

Yours faithfully,

Name: Datuk Lim Chih Li @ Lin Zhili
Designation: Director

ACKNOWLEDGEMENT

Date: 14 February 2020

To: **SINO HUA-AN INTERNATIONAL BERHAD**
Level 7, Menara Milenium,
Jalan Damanlela, Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

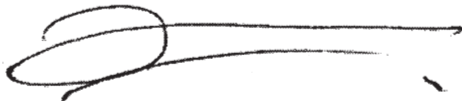
Dear Sirs:

RE : Subscription agreement relating to the issue of 1.0% equity-linked redeemable structured convertible notes due 2022 ("Notes") with an aggregate principal amount of up to MYR 150,000,000

We refer to your letter dated 14 February 2020 .

We confirm our acceptance of the terms of the said letter.

Yours faithfully,



For and on behalf of
Advance Opportunities Fund

Name: Tan Choon Wee
Designation: Director

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they, collectively and individually, accept full responsibility for the accuracy of the information given herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in this Circular false or misleading.

2. CONSENT AND CONFLICT OF INTEREST

Kenanga IB, being the Principal Adviser to the Company for the Proposed Variation, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Kenanga IB is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser for the Proposed Variation.

3. MATERIAL LITIGATION

As at the LPD, the Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board is not aware and does not have any knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**4.1 Material Commitments**

As at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by the Group, which may have a material impact on the results or financial position of the Group.

4.2 Contingent Liabilities

As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Group, which upon becoming enforceable may have a material impact on the results or financial position of the Group.

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5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to the date of the EGM:

- (i) the Constitution of the Company;
- (ii) audited consolidated financial statements of the Company for the FYE 2017 and FYE 2018 and the unaudited consolidated financial statements of the Company for the FPE 30 September 2019;
- (iii) letter of consent referred to in Section 2 of this appendix;
- (iv) Subscription Agreement dated 14 June 2019;
- (v) Supplemental Agreement dated 11 November 2019;
- (vi) Supplemental Letter dated 4 February 2020 and 2nd Supplemental Letter dated 14 February 2020; and
- (vii) draft supplemental trust deed.

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SINO HUA-AN INTERNATIONAL BERHAD

(Registration No. 200601012477 (732227-T))

(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Sino Hua-An International Berhad (“**SHIB**” or “**Company**”) will be held at Banquet Hall, The Royal Selangor Golf Club, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur, Wilayah Persekutuan on Thursday, 5 March 2020 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing the following resolution with or without modifications:

ORDINARY RESOLUTION

PROPOSED VARIATION TO THE TERMS AND CONDITIONS OF THE SUBSCRIPTION AGREEMENT DATED 14 JUNE 2019 IN RELATION TO THE ISSUANCE OF REDEEMABLE CONVERTIBLE NOTES (“NOTES”) WITH AN AGGREGATE PRINCIPAL AMOUNT OF UP TO RM150 MILLION (“PROPOSED VARIATION”)

“**THAT**, subject to the approval of all relevant authorities, approval be and is hereby given to the Company to amend, modify and/or vary the existing terms of the Notes of SHIB in accordance with the amendments, modifications and/or variations as set out in the supplemental agreement dated 11 November 2019 and the supplemental letter dated 14 February 2020 entered into between SHIB and the Subscriber.

AND THAT the Board be and is hereby authorised to take all such steps and to enter into all such other agreements, deeds, arrangements, undertakings, indemnities, transfers, assignments and guarantees with any party or parties and to do all acts and things, as the Board may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Variation with full powers to sign and execute all documents, make applications to authorities and regulatory bodies for any approvals and consents required and assent to any conditions, modifications, revaluations, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things in any manner as they may deem necessary or expedient and/or appropriate to implement, finalise and give full effect to the Proposed Variation.”

By Order of the Board

CHUA SIEW CHUAN (SSM PC NO. 201908002648) (MAICSA 0777689)

CHIN MUN YEE (SSM PC NO. 201908002785) (MAICSA 7019243)

Company Secretaries

Kuala Lumpur
19 February 2020

Notes:

- (i) *In respect of deposited security, only members whose names appear in the Record of Depositors on 28 February 2020 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.*
- (ii) *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, participate, speak 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 attend, participate, speak and vote at the Meeting.*
- (iii) *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 duly authorised.*
- (iv) *A member of the Company entitled to attend and vote at the Meeting is entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the same meetings except where Paragraphs (v) and (vi) below apply. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
- (v) *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.*
- (vi) *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.*
- (vii) *To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or notarially 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 forty-eight (48) hours before the time appointed of holding the above meeting or at any adjournment thereof.*
- (viii) *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.*



SINO HUA-AN INTERNATIONAL BERHAD
(Registration No. 200601012477 (732227-T))
(Incorporated in Malaysia)

FORM OF PROXY

No of Shares Held	CDS Account No	Shareholder's Contact No

*I/We, (full name in capital letters)
bearing *NRIC No./Passport No./Company No.....
of (full address)

being a *member/members of SINO HUA-AN INTERNATIONAL BERHAD ("**Company**"), hereby appoint:-

First Proxy "A"

Full Name	NRIC/ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			

and/or failing *him/her,

Second Proxy "B"

Full Name	NRIC/ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			

100%

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at Banquet Hall, The Royal Selangor Golf Club, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur, Wilayah Persekutuan on Thursday, 5 March 2020 at 10.00 a.m or at any adjournment thereof.

(Please indicate with an "X" in the spaces provided below on how you wish your vote to be casted. If no specific instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.)

RESOLUTION	FOR	AGAINST
ORDINARY RESOLUTION - PROPOSED VARIATION		

* Strike out whichever not applicable

Dated this day of 2020

.....
Signature(s) of Member(s) /
Common Seal

Notes:

- (i) In respect of deposited security, only members whose names appear in the Record of Deposit 28 February 2020 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.
- (ii) 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, participate, speak 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 attend, participate, speak and vote at the Meeting.
- (iii) 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 duly authorised.
- (iv) A member of the Company entitled to attend and vote at the Meeting is entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the same meetings except where Paragraphs (v) and (vi) below apply. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- (v) 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.
- (vi) 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.
- (vii) To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or notarially 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 forty-eight (48) hours before the time appointed of holding the above meeting or at any adjournment thereof.
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Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Registrar
SINO HUA-AN INTERNATIONAL BERHAD
(Registration No. 200601012477 (732227-T))
c/o Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur, Wilayah Persekutuan.

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