



# QIAN HU CORPORATION LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number:199806124N)

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of the Company will be held at No. 71 Jalan Lekar, Singapore 698950 on Tuesday, 16 March 2010 at 11.00 a.m. to transact the following business:-

### Ordinary Business

1. To receive and adopt the Directors' Report and Audited Accounts for the financial year ended 31 December 2009 and the Auditors' Report thereon. **[Resolution 1]**
2. To declare a first and final dividend of 0.5 cents per ordinary share one-tier tax exempt for the financial year ended 31 December 2009. **[Resolution 2]**
3. To re-elect Mr Andy Yap Ah Siong, who is retiring by rotation in accordance with Article 89 of the Company's Articles of Association, as director of the Company. **[Resolution 3]**
4. To re-elect Ms Lai Chin Yee, who is retiring by rotation in accordance with Article 89 of the Company's Articles of Association, as director of the Company. **[Resolution 4]**
5. To re-elect Mr Chang Weng Leong, who is retiring by rotation in accordance with Article 89 of the Company's Articles of Association, as director of the Company. **[Resolution 5]**
6. To approve the sum of \$60,000 as directors' fees for the financial year ended 31 December 2009. (2008: \$54,000) **[Resolution 6]**
7. To re-appoint KPMG LLP as Auditors of the Company and to authorise the directors to fix their remuneration. **[Resolution 7]**
8. To transact any other business that may be transacted at an Annual General Meeting.

### Special Business

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:-

#### 9. General Mandate to authorise the Directors to issue shares or convertible securities

"That pursuant to Section 161 of the Companies Act, Chapter 50 (the "**Act**"), the Articles of Association and the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the directors of the Company to:-

- (a) (i) allot and issue shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise); and/or
- (ii) make or grant offers, agreements, or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force):
  - (i) issue additional instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the directors while this Resolution was in force; and
  - (ii) issue Shares in pursuance of any Instruments made or granted by the directors while this Resolution was in force or such additional Instruments in (b)(i) above, provided that:
    - (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares, if any) at the time of the passing of this Resolution (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares issued other than on a pro rata basis to existing shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 15% of the Company's total number of issued Shares (excluding treasury shares, if any) (as calculated in accordance with sub-paragraph (2) below); and
    - (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares, if any) at the time of the passing of this Resolution, after adjusting for:-
      - (a) new Shares arising from the conversion or exercise of convertible securities;
      - (b) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the SGX-ST Listing Manual; and
      - (c) any subsequent bonus issue, consolidation or subdivision of Shares;
  - (3) the 50% limit in sub-paragraph (1) above may be increased to 100% for issues of Shares and/or Instruments by way of a renounceable rights issue where shareholders of the Company are given the opportunity to participate in the same on a pro rata basis;
  - (4) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the listing rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and
  - (5) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

**[See Explanatory Note (b)]**

**[Resolution 8]**

#### 10. Authority to increase discount limit for placement exercise

- (a) subject to and conditional upon the passing of Resolution 8 above, authority be and is hereby given to the directors of the Company to issue Shares (other than on a pro rata basis to shareholders of the Company) at an issue price for each Share which shall be determined by the directors of the Company in their absolute discretion provided that such price shall not represent a discount of more than 20% to the weighted average price of a Share for trades done on the SGX-ST (determined in accordance with the requirements of the SGX-ST); and
- (b) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

**[See Explanatory Note (c)]**

**[Resolution 9]**

#### 11. Renewal of Share Buyback Mandate

"That:

- (a) for the purposes of the Companies Act, Chapter 50 (the "**Act**"), the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
  - (i) market purchase(s) (each a "**Market Purchase**") transacted through the SGX-ST's ready market or, as the case may be, on another stock exchange on which the Shares are listed, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
  - (ii) off-market purchase(s) (each an "**Off-Market Purchase**") effected pursuant to an equal access scheme (as defined in Section 76C of the Act) as may be determined or formulated by the directors as they consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act and the Listing Rules, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the directors of the Company pursuant to the Share Buyback Mandate may be exercised by the directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
  - (i) the date on which the next Annual General Meeting ("**AGM**") of the Company is held or required by the law to be held;
  - (ii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied; or
  - (iii) the date on which share purchases are carried out to the full extent mandated;
- (c) in this Resolution:

"**Maximum Limit**" means 10% of the Shares as at the date of the passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the Relevant Period (as defined hereinafter), in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time);

"**Relevant Period**" means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution; and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:
  - (i) in the case of an Market Purchase: 105% of the Average Closing Price; and
  - (ii) in the case of an Off-Market Purchase, pursuant to an equal access scheme, 120% of the Average Closing Price, where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days period; and
- (d) the directors of the Company 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) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution. **[See Explanatory Note (d)]**

**[Resolution 10]**

By Order of the Board

**Lai Chin Yee**  
**Sharon Yeoh**  
Company Secretaries

Singapore  
1 March 2010

### Explanatory Notes:

- (a) Mr Chang Weng Leong, if re-elected, will remain as member of the Company's Audit Committee, Nominating Committee and Remuneration Committee and will also continue to remain as Chairman of the Remuneration Committee. Mr Chang Weng Leong will be considered as an independent director of the Company.
- (b) The ordinary resolution 8, under item 9 above, if passed, will empower the directors from the date of the Annual General Meeting until the date of the next Annual General Meeting of the Company, to issue shares and convertible securities in the Company up to an aggregate number not exceeding 50% (or 100 % in the event of pro rata renounceable rights issue) of the total number of issued shares excluding treasury shares in the capital of the Company, of which the aggregate number issued other than on a pro rata basis to all existing shareholders of the Company shall not exceed 15% of the total number of issued shares excluding treasury shares in the capital of the Company, as more particularly set out in the resolution. The authority for the 100% renounceable rights issue is proposed pursuant to the measures implemented by the SGX-ST as stated in its press release entitled "SGX introduces further measures to facilitate fund raising" dated 19 February 2009 and which became effective on 20 February 2009 ("**SGX News Release**"). This measure is subject to the condition that issuer makes periodic announcements on the use of the proceeds as and when the funds are materially disbursed and provides a status report on the use of proceeds in the annual report.
- (c) The ordinary resolution 9 under item 10 above is proposed pursuant to the SGX News Release. Under the measures implemented by the SGX-ST, issuers will be allowed to undertake non-pro rata placements of new shares priced at discounts of not more than 20% to the weighted average price of a Share for trades done on the SGX-ST (determined in accordance with the requirements of the SGX-ST).
- (d) The ordinary resolution 10 under item 11 above, if passed, will renew the Share Buyback Mandate and will authorise the directors to purchase or otherwise acquire Shares on the terms and subject to the conditions of the resolution. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial statements of the Group for the financial year ended 31 December 2009 are set out in greater detail in the Appendix enclosed together with the Annual Report.

### Note:

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint no more than two proxies to attend and vote on his behalf and such proxy need not be a member of the Company. Where a member appoints more than one proxy, he shall specify the proportion of his shares to be represented by each proxy. The instrument appointing the proxy must be deposited at the registered office of the Company at No. 71 Jalan Lekar, Singapore 698950 not less than 48 hours before the time set for the Annual General Meeting.

### Notice of Books Closure and Dividend Payment Date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 31 March 2010 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Limited, 138 Robinson Road #17-00 The Corporate Office, Singapore 068906 up to 5.00 p.m. on 30 March 2010 will be registered to determine shareholders' entitlements to the said dividend.

Members whose Securities Accounts with The Central Depository (Pte) Ltd are credited with shares at 5.00 p.m. on 30 March 2010 will be entitled to the proposed dividend.

The proposed dividend, if approved by the members at the Eleventh Annual General Meeting to be held on 16 March 2010, will be paid on 12 April 2010.

By Order of the Board

**Lai Chin Yee**  
**Sharon Yeoh**  
Company Secretaries

Singapore  
1 March 2010