

HENGYUAN REFINING COMPANY BERHAD (3926-U)
(“HRC” or “the Company”)

Minutes of the Extraordinary General Meeting (“EGM”) of the Company held at Ballroom 2, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 24 May 2018 at 12.10 p.m.

Present:

- Board of Directors : Mr Wang, YouDe (“Chairman Wang” or “Chairman of the Board”)
: Mr Wang, ZongQuan (“Deputy Chairman Wang”)
: Ms Lim Tau Kien (“Ms Lim”)
: Encik Alan Hamzah Sendut (“En Alan”)
: Puan Fauziah Binti Hisham (“Pn Fauziah”)
: Mr Liang Kok Siang (“Mr Liang”)
(collectively, the “Board”)
- HRC’s Senior Management: : Mr David Ronald Keat, Chief Executive Officer (“CEO”)
(seated alongside with the Board) : Ms Foo Ai Li, Chief Financial Officer (“CFO”)
: Mr William Chen, Chief Commercial Officer (“CCO”)
Ms Low Peng Peng, Legal Counsel (“LC”)
- Shareholders/Proxies : As per Shareholders/Proxies Attendance List
- In Attendance : Ms Donna Lim Hooi Mooi – Company Secretary
- By Invitation : As per Attendance List

1.0 ADDRESS BY THE CHAIRMAN

The Chairman of the Board, Wang YouDe, nominated, with no objections raised by the shareholders, Ms Low Peng Peng, the Legal Counsel of the Company (hereinafter as “Meeting Facilitator”), to facilitate the meeting’s proceedings in English, on his behalf.

2.0 QUORUM

As the requisite quorum was present, the Meeting Facilitator invited Chairman Wang to call the AGM to order.

3.0 NOTICE

The Notice of EGM dated 3 May 2018, which had been circulated within the statutory period to all shareholders of the Company, as well as being advertised in the newspaper, was taken as read with the consent of the shareholders present.

4.0 PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")

The Meeting Facilitator informed shareholders that the purpose of the EGM was to obtain approval from the shareholders for the Proposed New Shareholders' Mandate, details of which were contained in the Circular to Shareholders dated 3 May 2018 that was sent to shareholders. The full text of the Ordinary Resolution was set out in the Notice of EGM.

The Meeting Facilitator informed that interested major shareholders would abstain from voting in respect of their direct and indirect interests in the Proposed New Shareholders' Mandate and board members who were persons connected to the major shareholders had also abstained from deliberations on the matter. The Meeting Facilitator further added that directors who were deemed interested in the transactions would also abstain from voting at the EGM in respect of their personal interests in the proposed resolution. The full details of the interested parties could be found on page 5 of the Circular to Shareholders.

The questions raised by members of the floor are set out in Annexure I attached.

As with the 59th Annual General Meeting, the Meeting Facilitator once again sought co-operation from the floor to receive one question from each shareholder. For additional questions, the floor was requested to write them down in provided forms and the Board would provide answers within 5 working days. The questions raised and answers provided are listed in the annexure attached.

The Meeting Facilitator announced that pursuant to Paragraph 8.29(A) of the Main Market Listing Requirements of Bursa Malaysia, voting on the proposed resolution as set out in the notice of the EGM would be carried out by poll. The poll would be taken at the end of the EGM after questions raised by the shareholders have been dealt with. Asia Securities Sdn Bhd had been appointed as the independent scrutineers to validate the votes cast at the meetings.

After all questions had been dealt with, the Meeting Facilitator informed that the poll on the agenda item would proceed and invited the representative of the poll administrators, Tricor Investor & Issuing House Sdn Bhd, to brief those present on the poll procedures.

After the briefing by Tricor Investor & Issuing House Sdn Bhd, the Meeting Facilitator announced the start of the polling process and informed that the EGM would be adjourned for the counting of votes after polling had been completed and the meeting would be re-convened after the announcement of the poll results for the AGM for the purpose of announcing the results of the poll in relation to the EGM. After polling was completed, the meeting was adjourned.

5.0 ANNOUNCEMENT OF POLL RESULT

The EGM was reconvened at 12.43 pm and the Meeting Facilitator declared the results as follows:-

Resolution	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
Resolution 1	22,891,628	99.675	74,700	0.325	22,966,328	100.00

Based on the poll results, the Meeting Facilitator, on behalf of the Chairman, declared that the resolution tabled for shareholders' consideration at the EGM was carried.

It was RESOLVED as follows:-

ORDINARY RESOLUTION
PROPOSED NEW SHAHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")

"THAT subject to Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for the Company to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.2 of the Circular to the Shareholders dated 3 May 2018 which are necessary for the day-to-day operations of the Company and are carried out in the ordinary course of business on terms which are not more favourable to the related parties than those generally available to the public and are undertaken on an arms' length basis and not to the detriment of minority shareholders;

AND THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in full force until:

- (a) the conclusion of the next Annual General Meeting (AGM) of the Company at which time this shareholders' mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
- (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (the Act) (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

AND THAT the Board of Directors be and is hereby authorised to complete and do all such acts and things as it may consider expedient or necessary (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this mandate."

6.0 ANY OTHER BUSINESS

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There being no other business after the poll results were released and announced, the AGM was closed at 12.45 p.m. with a vote of thanks to the Meeting Facilitator and Chairman of the Board.

Signed as a correct record


CHAIRMAN

Date: 27 August 2018

Annexure

KEY MATTERS RAISED – EXTRAORDINARY GENERAL MEETING

- Q1 : Shareholders had enquired about the sale of petroleum products and purchase of crude oil between the Company and Shandong Hengyuan ("SH") and about transfer pricing issues.
- A1 : *The CFO explained that the sale and purchase transactions anticipated were considered commercial trading and as the Company's major shareholder MHIL is owned by Shandong Refinery, the Company would be able to gain access to the refinery so long pricings are competitive and right for the Company. All transactions were to be at competitive pricing.*
- Q2 : Shareholders raised concerns on the volatility of the Company's share prices and commented that a 15% dividend policy would help stabilize the share price. Shareholders had also raised the request for the Company to have more shareholders engagement sessions.
- A3 : *Chairman Wang, explained that the Company practices leveraging the best prices for its trading operations whether in sales or purchases. The Company would be looking into ways to improve engagement with the market / investment analysts.*
- Q4 : Shareholders had enquired on the payment of technical fees in FY2017 and had compared it with FY2016 which did not reflect any.
- A4 : *The CFO explained that for 2016 and prior years, technical fees were paid to Shell, specifically Shell Global Solutions for required technical services.*