

HENGYUAN REFINING COMPANY BERHAD
(“HRC” or “the Company”)
Registration No.: 196001000259 (3926-U)

MINUTES OF Extraordinary General Meeting (“EGM”) of the Company held physically at Ballroom, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 18 September 2025 at 10:00 a.m.

Present
Directors : Mr Wang, YouDe (“**Chairman**”)
Mr Surinderdeep Singh A/L Mohindar Singh
Ms Li, XiaoXia
Mr Peter Ho Kok Wai (“**Mr Peter**”)
(Collectively, “the Board”)

Absent with : Ms Tai Sook Yee
Apologies

HRC’s Senior : Mr Luke Yin, Lujiang, Chief Executive Officer (“**CEO**”)
Management: : Ms Yeo Bee Hwan, Chief Financial Officer (“**CFO**”)

Shareholders: : As per Shareholder Attendance List

Proxies : As per Proxy Attendance List

In Attendance : Ms Tan Ai Ning (“**Company Secretary**”)
Ms Tan Siew Hong (“**Company Secretary**”)

By Invitation : As per Attendance List

1. ADDRESS BY THE CHAIRPERSON

The Chairperson thanked and extended warm welcome to the shareholders, authorised representatives, Board of Directors and Management team for attending the EGM of the Company.

The Chairperson reminded all attendees to switch off mobile phones, tablets and similar electronic devices during the AGM to prevent disruptions.

The Chairperson also informed that the EGM was restricted to shareholders, proxies and authorised representatives of corporate shareholders who have registered to join the meeting. The Chairperson informed that the discussion that transpired in the EGM was deemed confidential, any visual or audio recording of this meeting was strictly prohibited unless prior written consent has been obtained from the Company.

The Chairperson then proceeded to introduce the Board members and Management team presented at the meeting venue, including Mr Peter Ho Kok Wai, Ms Li Xiao Xia, Mr Surinderdeep Singh A/L Mohindar Singh, Mr Luke Yin, LuJiang, the Chief Executive Officer, Ms Yeo Bee Hwan, the Chief Financial Officer, Company Secretary,

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as well as the representatives from AmInvestment Bank Berhad, Mah-Kamariyah & Philip Koh and KPMG PLT.

2. NOTICE OF MEETING

The Notice convening the Meeting, having been circulated in the prescribed period, was with the consent of the members present, taken as read.

3. QUORUM

The Company Secretary confirmed that the requisite quorum was present. The Chairperson called the EGM to order.

For the EGM to proceed seamlessly, the Chairperson has nominated Mr Peter to chair the EGM on his behalf with the consent of shareholders.

POLLING AND ADMINISTRATIVE MATTERS

Mr Peter thanked the Chairperson and invited the CFO to explain the questions and answer and voting processes for this EGM.

The CFO encouraged the shareholders and appointed proxies presented at the EGM to participate, speak and exercise their voting rights in this EGM. The CFO assured that the Board and the Management would attempt to answer all the questions raised throughout the Question-and-Answer session. She further mentioned that the questions that were not answered during the EGM would be addressed via e-mail within 14 days from the date of EGM.

The CFO informed that pursuant to Paragraph 8.29(A) of the Main Market Listing Requirements, all resolution set out in the notice of the EGM would be voted by poll. The Company had appointed Boardroom Share Registrar Services Sdn Bhd to conduct the electronic voting and Scrutineer Solutions Sdn Bhd as the scrutineer to verify the poll result.

4. ORDINARY RESOLUTION

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 300.0 MILLION NEW ORDINARY SHARES IN HRC ("HRC SHARES") ("RIGHTS SHARES") TOGETHER WITH UP TO 150.0 MILLION FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING HRC SHARE HELD AND ONE (1) WARRANT FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED FOR AT AN ISSUE PRICE AND ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED RIGHTS ISSUE OF WARRANTS")

4.1 Presentation on overview of the Proposed Rights Issue with Warrants

At the Invitation of Mr Peter, Ms Charlotte Lim of AmInvestment Bank Berhad, the Principal Adviser ("**Principal Adviser**") of the Company presented the overview of the

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Proposed Rights Issue with Warrants (as per Appendix I attached), covering the following topics:

- (a) The details of the Proposed Rights Issue with Warrants;
- (b) Subscription Basis, Undertaking and Underwriting;
- (c) Key Salient Terms of the Warrants;
- (d) Price Determination;
- (e) Utilisation of Proceeds;
- (f) Rationale for the Proposed Rights Issue with Warrants;
- (g) Effects of the Proposed Rights Issue with Warrants;
- (h) Approvals required for the Proposal; and
- (i) Estimated Timetable.

- 4.2 Mr Peter thanked the Principal Adviser for the comprehensive presentation. He then informed the Meeting that the Board of Directors wished to seek approval from the shareholders on the Proposed Rights Issue with Warrants. The details of the Proposed Rights Issue with Warrants are set out in the Circular to shareholders dated 4 September 2025.

5. QUESTION AND ANSWER (“Q&A”) SESSION

- 5.1 Mr Peter proceeded with the Meeting by inviting questions from the shareholders. The shareholders raised various questions, and the responses were provided accordingly. The details of the questions and the respective replies were as set out in Appendix II attached to this Minutes.

6. VOTING

- 6.1 Following the conclusion of Q&A session, Mr Peter declared the registration for shareholders and proxies was now closed to ensure proper conduct of poll. The Shareholders were briefed by Boardroom Share Registrar Sdn Bhd on the polling procedures. A video presentation was shown on the screen to brief the shareholders on the polling procedures. The Shareholders were then given reasonable time to cast their votes on the resolutions. Upon completion of voting by the shareholders and proxyholders, the meeting was adjourned at 11:43 a.m. for a refreshment session to allow the scrutineers to verify the votes casted.

7. ANNOUNCEMENT OF THE POLL RESULTS

The meeting was reconvened at 12:16 p.m., Mr Peter announced the poll result for the sole Ordinary Resolution as follows, which were projected on the screen:-

Ordinary Resolution	Votes in favour		Votes against		Result
	No. of HRC Shares	%	No. of HRC Shares	%	
Proposed Rights Issue with Warrants	153,390,950	99.2322	1,186,796	0.7678	Accepted

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It was RESOLVED:

ORDINARY RESOLUTION

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 300.0 MILLION NEW ORDINARY SHARES IN HRC (“HRC SHARES”) (“RIGHTS SHARES”) TOGETHER WITH UP TO 150.0 MILLION FREE DETACHABLE WARRANTS (“WARRANTS”) ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING HRC SHARE HELD AND ONE (1) WARRANT FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED FOR AT AN ISSUE PRICE AND ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“PROPOSED RIGHTS ISSUE OF WARRANTS”)

THAT subject to the approvals of all relevant authorities and/or parties being obtained (where required), approval be and is hereby given to the Board of Directors of HRC (“**Board**”) for the following:

- (i) to provisionally allot and issue by way of a renounceable rights issue of up to 300.0 million Rights Shares at an issue price to be determined by the Board and announced by HRC at a later date together with up to 150.0 million Warrants to the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined by the Board and announced by HRC at a later date (“**Entitled Shareholders**”), on the basis of one (1) Rights Share for every one (1) existing HRC Share held and one (1) Warrant for every two (2) Rights Shares subscribed for by the Entitled Shareholders and/or their renouncee(s);
- (ii) constitute the Warrants upon the terms and conditions of a deed poll to be executed by HRC (“**Deed Poll**”), the indicative salient terms of the Warrants which are set out in Section 2.4 of the circular to shareholders dated 4 September 2025 (“**Circular**”) and wherein each of the Warrant will carry the right to subscribe, subject to adjustments made in accordance with the provisions of the Deed Poll, at any time during the exercise period, for one new HRC Share; and
- (iii) to allot and issue such number of new HRC Shares credited as fully paid-up to the holders of the Warrants upon their exercise of the relevant Warrants to subscribe for new HRC Shares during the tenure of the Warrants in accordance with the provisions of the Deed Poll;

THAT any Rights Shares, together with the accompanying Warrants which are not taken up or validly taken up or which are not allotted for any reason whatsoever to the Entitled Shareholders and/or their renouncee(s) shall be made available for excess applications in such manner and to such persons and to be allocated in a fair and equitable manner on a basis to be determined by the Board;

THAT any fractional entitlements arising from the Proposed Rights Issue with Warrants, if any, shall be disregarded and/or dealt with by the Board in such manner

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as the Board in its absolute discretion deems fit or expedient and in the best interests of the Company;

THAT the approval be and is hereby given to the Board to determine the issue price of the Rights Shares and the exercise price of the Warrants;

THAT the proceeds of the Proposed Rights Issue with Warrants be utilised for the purposes as set out in Section 2.5 of the Circular, and the Board is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interest of the Company, subject (where required) to the approval of the relevant authorities and/or shareholders of the Company;

THAT the Rights Shares will, upon allotment and issuance, rank equally in all respects with the existing HRC Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions which may be declared, made or paid, the entitlement date of which precedes the date of allotment and issuance of the Rights Shares;

THAT the new HRC Shares to be issued upon exercise of the Warrants ("**Exercised Shares**") will, upon allotment and issuance (following full payment of the exercise price of the Warrants), rank equally in all respects with the existing HRC Shares, save and except that the Exercised Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions which may be declared, made or paid, the entitlement date of which precedes the date of allotment and issuance of the Exercised Shares;

THAT the Board be and is hereby authorised and empowered to enter into and execute on behalf of the Company, the Deed Poll with full powers to assent to any modifications, variations and/or amendments in any manner as may be in the best interest of the Company or as may be required or imposed by the relevant authorities with full power to implement, finalise and give full effect to the Deed Poll (including, without limitation, the affixing of the Company's common seal, where necessary);

AND THAT the Board be and is hereby empowered and authorised with full power to do all acts, deeds and things and to execute and deliver on behalf of the Company all such transactions, arrangements, documents and/or agreements as the Board may deem fit, necessary or expedient or appropriate in the best interest of the Company, in order to finalise, implement and/or give effect to the Proposed Rights Issue with Warrants with full power to assent to any terms, conditions, modifications, variations, arrangements and/or amendments as may be imposed or required by the relevant authorities or deemed fit, necessary, expedient and/or desirable in the best interest of the Company by the Board.

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8. CLOSING REMARKS BY CHAIRMAN

After the poll results were released and announced, Mr Peter invited the Chairman to deliver his closing remarks.

The Chairman thanked Mr Peter for chairing the EGM on his behalf. The Chairman expressed his sincere appreciation to the Management team for dedication and resilience throughout the year. On behalf the Board, the Chairperson extended his heartfelt thanks to the shareholders for the support and approval of this fundraising initiative. He reaffirmed the Company's commitment to using the funds raised responsibly to drive business growth and deliver greater value to the shareholders for their continued trust and support.

Following his closing remarks and words of appreciation, the Chairman declared the EGM closed. The meeting concluded at 12.19 p.m. with a vote of thanks to the Chairman.

Date:

READ AND CONFIRMED BY

CHAIRMAN

Questions raised by shareholders/proxies and answered by the Chairman/ CFO/ Principal Adviser

No.	Shareholder/ Proxy	Questions & Answers
1.	Mr Ho Yueh Weng	Question:
		If minority shareholders unanimously oppose the resolution, would it still be passed given that the majority shareholder holds more than 51% of HRC shares? In such a case, would the votes from minority shareholders be considered irrelevant to the outcome?
		Answer:
		The Principal Adviser clarified that the approval of minority shareholder was likely not relevant on this context. As the Proposed Rights Issue is bundled with warrants, the Company would require minimum of 100 warrant holders, each holding at least (1) board lot of warrants, for the warrants to be eligible for listing. She emphasized that the rights issue with warrants would not proceed unless this prerequisite is fulfilled.
2.	Mr Ho Yueh Weng	Question:
		Assuming that none of the minority shareholders exercise their rights, would the major shareholder refrain from subscribing up to 75% of the rights shares? Does this imply that the major shareholder intends to limit their subscription to just below the 75% threshold to maintain public spread requirement, or would they also consider not exercising the warrants?
		Answer:
		It was explained by the Principal Adviser that the major shareholder's support for the transaction was driven by their intention to support the Company in raising up to RM155 million to meet its working capital requirements. The primary objective is to ensure a sustainable supply of crude oil, as any disruption in supply could significantly impact the Company's operations.
3.	Mr Ho Yueh Weng	Question:
		Given the Company's current financial standing, how did the financial situation deteriorate to such extent and how can shareholders be expected to place their trust in the current management? Additionally, given that shareholders have not received dividends for the past few years, what assurance is there that the same issues would not recur? The shareholders are now being asked to contribute funds to purchase crude oil, where the crude oil is purchased at higher price, what safeguards are in place? Are there internal issues such as transfer pricing or influence from higher level executives that had contributed to the Company's decline?

Questions raised by shareholders/proxies and answered by the Chairman/ CFO/ Principal Adviser

		Answer: The Chairman responded that Company had already been operating at a loss for five consecutive years prior to the takeover and accreditation in 2016. The loss situation was not a result of the takeover but had been ongoing beforehand. Following the takeover in 2016, the Company's performance from 2016 to 2020 had been relatively strong for three consecutive years. Despite the positive performance, the major shareholder, MHIL, did not repatriate dividends to China. Since the acquisition, the Company have been adhering to all the stringent regulatory requirements in Malaysia. Among these requirements were the transition from Euro 4M to Euro 5M fuel standards and stricter sulphur content limits in gas oil. In response, HRC invested approximately USD 400 million to ensure full compliance with these regulations, demonstrating its commitment to environmental standards and operational integrity. Following post COVID pandemic and various efforts undertaken to optimise and enhance the organisation, HRC had experienced notable improvements. Despite some initial weaknesses in reliability, the Company had made significant progress. Operational demand had increased substantially, while cost levels had been effectively reduced. Financial performance had also shown gradual improvement. The major shareholder representative, who also serves as the Chairman of HRC, expressed full confidence in the future of the Company. He reaffirmed his belief in HRC's long-term potential and its ability to deliver sustainable value to shareholders. The Chairman also stated that respect should be maintained during such session and that it was not respectful to raise unfounded suspicions without basis. He emphasised the importance of conducting the session with mutual respect and professionalism.
4.	Mr Ho Yueh Weng	Question: There appears to be no clear evidence or indication of short or long term value in the Company's shares. Under normal circumstances, the Company does not incur losses from its regular operations unless there is mismanagement. If the Company's operations are running smoothly with competitive technology, then logically it should not be experiencing financial losses. Let's forget the past and focus on the future. With the new capital injection intended for fuel procurement, how does the management ensure a turnaround and continued profitability?

Questions raised by shareholders/proxies and answered by the Chairman/ CFO/ Principal Adviser

		Answer: The Chairman expressed appreciation and acknowledged the constructive suggestion to focus on the future rather than dwell on the past. He emphasised the importance of working together towards a common goal that benefits all shareholder whether majority or minority. The Chairman reiterated that as a major shareholder, any dividend declared would result in greater benefit to the majority shareholder compared to minority shareholders, thereby reinforcing the shared interest in the Company's success. During Shell's ownership, the volume and value of related party transactions were significantly higher, in contrast, after the takeover by MHIL, the value of such transactions had been relatively small, this reduction indicated improved transparency. The Chairman responded that, under the guidance of the Board of Directors, the Company has undertaken various improvement initiatives, including organisational restructuring and operational enhancements. These efforts have led to notable progress, such as improved viability, better control of oil loss, and reduced operating expenses. The achievements reflect the collective commitment of the Board of Directors and Management team, indicated that the Company is moving in a more positive direction.
5.	Mr Ho Yueh Weng	Question: What is the purpose of maintaining the Company's listing status in Malaysia? Answer: The Chairman explained that for oil and gas industry, maintaining the Company's public listing status is mandatory due to involvement of foreign investment.
6.	Mr Ho Yueh Weng	Question: Given that the TERP of the rights shares is around RM0.80 and exercise price of the proposed warrants is set at RM1.00, considering that warrants are generally not viewed as beneficial from a shareholder's perspective, how does the Board expect this pricing structure delivers meaningful value to the shareholders? Answer: The Principal Adviser explained the theoretical pricing mechanism for the proposed rights issue and warrant exercise. It was assumed that the five-day volume weighted average price (VWAP) of the company's shares was RM1.20. Based on this, if the Company intended to issue rights shares at RM0.80 on a one-for-one basis, the theoretical ex-rights price would be adjusted to RM1.00.

Questions raised by shareholders/proxies and answered by the Chairman/ CFO/ Principal Adviser

		It was clarified that, assuming market efficiency and that the rights issue occurred on the ex-date, the share price would reflect this adjustment. The Board had proposed to fix the warrant exercise price at RM1.00, which aligned with the theoretical ex-rights price, rather than setting it at a premium. She added that the five-year warrant tenure allows shareholders to benefit from potential share price appreciation. Furthermore, with positive prospects, the share price is expected to rise above RM1.00 over time. Therefore, the pricing was set to ensure fairness and potential value for the shareholders subscribing to the rights shares.
7.	Mr Ho Yueh Weng	Question: You mentioned that the proceeds from the rights issue will be allocated to working capital to purchase crude oil, how does the Company plan to mitigate the risk of financial losses, particularly the possibility of buying crude oil at a high price and selling it at a lower price, which has been a major issue in the past? Answer: The Chairman clarified that, as a publicly listed entity, HRC is obligated to make official announcement to Bursa Malaysia for any significant decisions. He encouraged the shareholders to actively monitor these announcements for the latest updates, which are also available on the Company's website. Ms Yeo Bee Hwan, the Chief Financial Officer of the Company provided an overview of the Company's financial performance and the rationale of the Proposed Rights Issue. It was noted that prior to the takeover from Shell, the Company's retained earnings were below RM1 billion. Following the acquisition at the end of 2016, the financial year 2017 marked the first full year of operations under "Hengyuan Refining Company Berhad". Between 2017 and 2021, HRC had invested over RM2.2 billion in fixed assets, primarily funded through internal resources. Approximately 80% of the capital investment was financed via internal funds without significantly increasing borrowings. She highlighted that retained earnings had grown to over RM2 billion during this period, reflecting strong operational performance. However, from 2022 to 2023, the Company experienced significant losses, largely attributed to the geopolitical impact of the Russia-Ukraine war, which disrupted global market conditions. It was also noted that during the COVID-19 pandemic, many players in the energy and oil and gas sectors reported substantial losses, yet HRC managed to remain profitable during that time.

Questions raised by shareholders/proxies and answered by the Chairman/ CFO/ Principal Adviser

		Regarding the Proposed Rights Issue, she explained that the Company was offering shares at a substantial discount. This was in recognition of the long-standing support from shareholders and aimed to reward them for their continued commitment. The capital raised through the rights issue was intended to strengthen the Company's balance sheet, improve liquidity, and address the mismatch between short-term and long-term borrowings. As of the reporting date, the Company's borrowings remained stable at approximately RM1.4 billion, while annual revenue had exceeded RM20 billion. In contrast, the share capital stood at RM300 million, indicating a turnover more than 50 times higher than the capital base. She expressed confidence that the capital injection would enhance the Company's financial position and improve its gearing ratio. Operational efficiency had also improved significantly over the past year, particularly in areas such as oil loss control and cost management for demurrage. She encouraged shareholders to participate in the rights issue exercise, which was positioned as a strategic move to support the Company's long-term growth and financial resilience.
8.	Mr Ho Yueh Weng	Question: What is the source of the Company's crude oil supply? Answer: It was stated by the Chairman that HRC adheres strictly to international regulations and did not source crude oil from sanctioned countries or companies. The Company prioritises operational suitability over geographic origin when securing crude supply. Mr Peter concluded the questions raised by Mr Ho by stating that despite the Company recorded losses in the last quarter, the Company was in fact, operationally profitable. He clarified that the minority shareholders were not being unfairly treated, as the majority shareholders had already committed on RM155 million in guarantees, demonstrating their confidence in the Company's future. It was emphasised that this was a collective effort, and all shareholders—majority and minority—were in the same position. Mr Peter stated that some shareholders might perceive the warrants to be having little value, however, if the share price increased above RM1.00, the warrants would gain value.

Questions raised by shareholders/proxies and answered by the Chairman/ CFO/ Principal Adviser

9.	Mr Chuah Kee Seang	Question:
		Could flexibility be considered in the final share allocation process to allow rounding to marketable lot sizes to facilitate smoother trading and shareholder management?
10.	Mr Toh Weng Ngai	Answer:
		The Management acknowledged and took note of the suggestion.
11.	Mr Ng Kok Kiong (William)	Question:
		Referring to page 25 of the meeting materials, the Company recorded a loss attributable to shareholders of RM157 million in 2022 and RM357 million in 2023. Could Management clarify the basis of the forecast for the six-month period ended June 2025, which also indicates a loss? What is driving this projection? While operational profits were mentioned, the bottom-line figures still reflect losses. Could management explain where the operational profits are coming from and how they reconcile with the reported net losses? The company is proposing a capital injection of RM300 million. What are the prospects that justify this request? How does management plan to restore shareholder value given the significant decline in share price from RM3.00 to below RM2.00? The company's crude oil procurement strategy appears to be a concern. How is the buying price from the group being managed in relation to the selling price of refined products? Could management provide assurance that improvements have been made in the company's hedging strategy?
		Answer:
		Mr Peter clarified that the profit mentioned was operational profits. With regards to hedging approach, the Chairman informed that one of the key agenda items for the upcoming Board meeting would be the establishment of a hedging committee within HRC, for the purpose of strengthening Company's approach in managing crude oil pricing and product output strategies.
		Question:
		Given that the company's inventory in the first half of the year reached nearly RM1 billion—more than double the same period last year—will the proposed RM300 million capital injection be sufficient to support the Company's operational and inventory requirements? Is maintaining such high inventory levels expected to benefit the company over the next six months? With the establishment of a Hedging Committee underway, which is a positive step, could management clarify whether

Questions raised by shareholders/proxies and answered by the Chairman/ CFO/ Principal Adviser

		the Company expects to recover within the current financial year, or if it will require one to two more years to stabilise sales performance and reduce operating and capital expenditure? Has the Company considered alternative capital strategies similar to its competitors, such as advancing funds to subsidiaries to support recovery efforts? Answer: The Chairman clarified that as a refinery, HRC is required to maintain a minimum intake of crude oil to ensure continuous operations. The inventory level would vary from time to time, and this fluctuation would be monitored closely by the engineering team. With regards to the Company's future outlook, the Chairman stated that neither he nor the Board wished to make empty promises to the shareholders. However, he reaffirmed Management team's commitment to progressive improvement, supported by collective efforts and compliance with regulatory requirements. The Chairman stated that HRC is a state-owned enterprise operating under the Shandong provincial government. While there were various funding options available, he emphasised that major shareholder has signed a letter of undertaking which reflects strong confidence in HRC's future.
12.	Mr Ho Yueh Weng	Question: With the conclusion of the long-term arrangement with Shell, has the Company initiated negotiations for new agreements to support the retail distribution of its refined products? Answer: The Chairman clarified that the long-term agreement with Shell remains in effect
13.	Mr Ho Yueh Weng	Question: Where are the company's refined products currently being sold? Answer: The CFO stated that most of the refined products are supplied to Shell as the principal customer. There are also new sales and supply contracts with PETRONAS, PETRON and FIVE.
14.	Mr Ho Yueh Weng	Question: What factors does the company consider when setting prices for its refined products?

**Questions raised by shareholders/proxies and answered by the Chairman/ CFO/
Principal Adviser**

		Answer:
		The Chairman replied that the pricing of refined products is determined using a transparent mechanism based on publicly available industry benchmarks.