



Hengyuan Refining Company Berhad

(No.: 3926-U)

NOTICE IS HEREBY GIVEN that the Sixtieth Annual General Meeting of Hengyuan Refining Company Berhad (the Company) will be held at Nexus Ballrooms 1 & 2, Level 3A, Connexion Conference & Event Centre, Bangsar South City, No 8, Jalan Kerinchi, 59200 Kuala Lumpur on Tuesday, 28 May 2019 at 10.00 am for the following purposes:

AGENDA

ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2018 and the Reports of the Directors and Auditors thereon.
[Please refer to Note (a)]
- To re-elect the following Directors retiring in accordance with Article 81(3) of the Constitution of the Company, and who being eligible, have offered themselves for re-election:
 - Mr Wang YouDe **(Ordinary Resolution 1)**
 - Mr Alan Hamzah Sendut **(Ordinary Resolution 2)**
- To re-elect Mr Surinderdeep Singh Mohindar Singh who is retiring in accordance with Article 81(9) of the Constitution of the Company, and who being eligible, has offered himself for re-election. **(Ordinary Resolution 3)**
- To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company until the conclusion of the next Annual General Meeting (AGM) and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 4)**

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:-

- To approve payment of Non-Executive Directors' fees and benefits of up to RM2,000,000 for the period from 1 June 2019 until 30 May 2020.
[Please refer to Note (b)] **(Ordinary Resolution 5)**
- AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **(Ordinary Resolution 6)**

"**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016 (the Act) and subject to approvals from Bursa Malaysia Securities Berhad (Bursa Securities) for the listing of and quotation for the additional shares so issued and other relevant authorities, where approval is necessary, authority be and is hereby given to the Directors to allot and issue shares in the Company at any time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares to be issued shall not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being **AND THAT** such authority shall continue to be in force until the conclusion of the next AGM of the Company."
[Please refer to Note (c)]

7. PROPOSED AUTHORITY FOR SHARE BUY-BACK

(Ordinary Resolution 7)

"**THAT** subject always to the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities (Listing Requirements) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- the aggregate number of issued shares in the Company (Shares) purchased (Purchased Shares) and / or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- the maximum amount of funds to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and / or the latest management accounts (where applicable) available at the time of the purchase,

(Proposed Share Buy-Back).

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- the conclusion of the next AGM of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- the expiration of the period within which the next AGM of the Company is required by law to be held; or
- revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, guidelines requirements and / or orders issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and / or orders of any relevant authorities for the time being in force:

- To cancel all or part of the Purchased Shares;
- To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- To resell all or part of the treasury shares;
- To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company;
- To transfer all or part of the treasury shares as purchase consideration;
- To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and / or
- To deal with the treasury shares in the manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and / or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient, including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties, to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and / or amendments (if any) as may be imposed by the relevant authorities.

[Please refer to Note (d)]

8. PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE **(Ordinary Resolution 8)**

"**THAT** subject to the 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 2.2.2 of the Circular to the Shareholders dated 26 April 2019 which are necessary for day-to-day operations 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:

- the conclusion of the next AGM of the Company at which this shareholders' mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
- the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- 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."

9. PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY **(Special Resolution 1)**

"**THAT** approval be and is hereby given to revoke the existing Constitution of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Part B of the Circular to the Shareholders dated 26 April 2019 be and is hereby adopted as the Constitution of the Company **AND THAT** the Directors of the Company be and are hereby authorised to assent to any modifications, variations and / or amendments as may be required by the relevant authorities and to do all such acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."
[Please refer to Note (e)]

10. To transact any other business of the Company of which due notice shall have been given.

BY ORDER OF THE BOARD

Lim Hooi Mooi (MAICSA No. 0799764)
Ong Wai Leng (MAICSA No. 7065544)
Company Secretaries
Dated 26 April 2019
Kuala Lumpur

NOTES:-

- Pursuant to Section 334 of the Act, a member of a company shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote at a meeting of members of the company. A member may appoint more than one proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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.
- Where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- The instrument appointing a proxy shall be in writing and signed by the appointor or by his attorney who is authorised in writing. In the case of a corporation, the instrument appointing a proxy or proxies must be made under seal or signed by an officer or an attorney duly authorised.
- The signature to the instrument appointing a proxy or proxies executed outside Malaysia must be attested by a solicitor, notary public, consul or magistrate.
- The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or notarised must be deposited at the Company's Share Registrar's Office situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting.
- Only an **originally signed** proxy form deposited at Tricor Investor & Issuing House Services Sdn Bhd, will entitle the proxy holder to attend and vote at the meeting. **Photocopies of signed proxy forms will not be accepted** for the purposes of the meeting. Additional proxy forms are available to Members upon request in writing to the Company.
- The Date of Record of Depositors for the purpose of determining members' entitlement to attend, vote and speak at the Meeting is 17 May 2019.

Explanatory Notes:

- Agenda No. 1**
This item is meant for discussion only. The provisions of Section 340(1)(a) of the Act require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its AGM. As such, this Agenda item is not a business which requires a resolution to be put to vote by shareholders.
- Ordinary Resolution No. 5**
The proposed resolution No. 5 is to facilitate payment of Non Executive Directors' fees and benefits for the period from 1 June 2019 to 30 May 2020.
In the event the Non-Executive Directors' fees and benefits proposed are insufficient (e.g. due to more meetings or an enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.
Directors' benefits include meeting allowances and other emoluments payable to Directors and in determining the estimated total, the Board had considered various factors including the number of scheduled meetings for the Board and Board Committees, and covers the period from 1 June 2019 to 30 May 2020
- Ordinary Resolution No. 6**
The proposed Resolution No. 6 is to provide flexibility to the Company to issue new securities without the need to convene a separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is to enable potential fund raising exercises, including but not limited to further placement of shares for the purposes of funding current and / or future investment projects, working capital, repayment of bank borrowings, acquisitions and / or for the issuance of shares as settlement of purchase consideration. Should the mandate be exercised, the Directors will utilise the proceeds raised for working capital or such other applications they may in their absolute discretion deem fit.
- Ordinary Resolution No. 7**
The proposed Resolution No. 7, if passed, will empower the Directors to purchase, on behalf of the Company, up to ten per centum (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.
For further information, please refer to the Share Buy-Back Statement dated 26 April 2019 accompanying the Company's Annual Report for the financial year ended 31 December 2018.
- Special Resolution No. 1**
The proposed Special Resolution No. 1, if passed, will bring the Company's Constitution in line with the enforcement of the Act and the amended Listing Requirements.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

- There is no person seeking election as director of the Company at this Annual General Meeting.
- Details of the general mandate to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note (c) of the Notice of this Annual General Meeting.)