

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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HENGYUAN REFINING COMPANY BERHAD

(Company No: 3926-U)
(Incorporated in Malaysia)

Part A

• CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Part B

• STATEMENT IN RELATION TO THE PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY

Part C

• STATEMENT IN RELATION TO THE PROPOSED SHARE BUY-BACK AUTHORITY FOR HENGYUAN REFINING COMPANY BERHAD TO PURCHASE ITS OWN SHARES

The Notice of the Sixtieth Annual General Meeting (“AGM”) of HENGYUAN REFINING COMPANY BERHAD and the Form of Proxy is sent to you together with this Circular. The AGM 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 a.m.

If you are unable to attend and vote at the AGM in person, you are requested to complete, sign and return the **original** Form of Proxy enclosed in accordance with the instructions contained therein as soon as possible and in any event so as to arrive at the office of the Company’s Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, 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 later than 48 hours before the time fixed for convening the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy : Sunday, 26 May 2019 at 10.00 a.m.
Date and time of the Annual General Meeting : Tuesday, 28 May 2019 at 10.00 a.m.

This Circular is dated 26 April 2019

DEFINITIONS

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

Act	- The Companies Act 2016, including all amendments thereto and any re-enactment thereof.
AGM or Meeting	- Annual General Meeting of the Company.
Board Audit Committee	- The Audit Committee of the Company.
Board of Directors or Board	- Board of Directors of the Company.
Bursa Securities	- Bursa Malaysia Securities Berhad (Company No: 635998-W).
Constitution	The constitution of the Company, as amended from time to time.
Director(s)	- Shall have the meaning given in section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon: (i) a director of the Company, its subsidiary or holding company; or (ii) a chief executive of the Company, its subsidiary or holding company.
EPS	- Earnings per share.
Existing Shareholders' Mandate	- The shareholders' mandate for the Company to enter into recurrent related party transactions with the Related Parties of a revenue or trading nature for which approval from the shareholders was previously obtained during the Fifty-Ninth AGM and the extraordinary general meeting of the Company held on 24 May 2018 and such authority shall expire at the conclusion of the Sixtieth AGM.
HISB	- Hengyuan International Sdn. Bhd. (Company No.: 1294149-A), a company incorporated under the laws of Malaysia. HISB is a wholly-owned subsidiary of HYHL.
HRC or the Company	- Hengyuan Refining Company Berhad (Company No: 3926-U), a company incorporated under the laws of Malaysia.
HRC Shares	- Ordinary share(s) of the Company.
HYHL	Heng Yuan Holdings Limited (Company No.: 1801608), a company incorporated under the laws of Hong Kong. HYHL is a wholly-owned subsidiary of SHPCL.
Listing Requirements	- The Main Market Listing Requirements of Bursa Securities including all amendments thereto.
LPD	- 28 March 2019 being the latest practicable date prior to the printing of this Circular.

Major Shareholder(s)	<ul style="list-style-type: none"> - A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is: <ul style="list-style-type: none"> (a) equal to or more than 10% of the total number of voting shares in the Company; or (b) equal to or more than 5% of the total number of voting shares in the Company where such person is the largest shareholder of the Company. <p>This includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon a Major Shareholder of the Company.</p> <p>For the purposes of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act.</p>
Management	<ul style="list-style-type: none"> - The management team of the Company.
MHIL	<p>Malaysia Hengyuan International Limited (Company No: LL12508), a company incorporated under the laws of the Federal Territory of Labuan, Malaysia. MHIL is a wholly-owned subsidiary of HYHL and a Major Shareholder with an equity stake of 51.02% in HRC.</p>
Notice	<ul style="list-style-type: none"> - The Notice convening the AGM of the Company which is sent together with this Circular.
Proposed Adoption	<ul style="list-style-type: none"> - Proposed adoption of the new Constitution of HRC as attached in Appendix II, Part B of this Circular.
Proposed New Shareholders’ Mandate	<ul style="list-style-type: none"> - Proposed new shareholders’ mandate for additional RRPT which may or will be entered into, as set out in Section 2.2.2 (b), Part A of this Circular.
Proposed Share Buy-Back	<ul style="list-style-type: none"> - The proposed share buy-back by the Company of up to ten percent (10%) of its issued shares.
Proposed Share Buy-Back Authority	<ul style="list-style-type: none"> - The proposed share buy-back authority for the Company to purchase up to ten percent (10%) of its issued shares.
Recurrent Transactions or Recurrent Related Party Transactions or RRPT	<ul style="list-style-type: none"> - Related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for the Company’s day-to-day operations and are in the ordinary course of business of the Company.
Related Party(ies)	<ul style="list-style-type: none"> - A Director, Major Shareholder or person(s) connected with such Director or Major Shareholder of the Company.
RM and Sen	<ul style="list-style-type: none"> - Ringgit Malaysia and Sen respectively.
SHPCL	<ul style="list-style-type: none"> - Shandong Hengyuan Petrochemical Company Limited (Company Reg No: 913700001676531851), a company incorporated under the laws of the People’s Republic of China.
SHPCL and its Subsidiaries	<ul style="list-style-type: none"> - SHPCL and its subsidiary companies, including SHPCL, HYHL, MHIL and HISB.
Substantial Shareholder(s)	<ul style="list-style-type: none"> - As defined in the Act and shall mean a person who has an interest in one or more voting shares in the Company and the number or the aggregate number of such shares is not less than 5% of the total number of all the voting shares included in the Company.

2018 Annual Report - Annual Report of the Company for the financial year ended 31 December 2018.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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PART A

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED NEW
SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

HENGYUAN REFINING COMPANY BERHAD

(Company Number: 3926-U)

(Incorporated in Malaysia)

Registered Office:-

UNIT 30-01, LEVEL 30, TOWER A
VERTICAL BUSINESS SUITE
AVENUE 3, BANGSAR SOUTH
NO. 8, JALAN KERINCHI
59200 KUALA LUMPUR

26 April 2019

Board of Directors:-

Mr. Wang YouDe

(Chairman, Non-Independent Non-Executive Director)

Mr. Wang ZongQuan

(Deputy Chairman, Non-Independent Non-Executive Director)

Mr. Alan Hamzah Sendut

(Independent Non-Executive Director)

Puan Fauziah Hisham

(Independent Non-Executive Director)

Mr. Liang Kok Siang

(Independent Non-Executive Director)

Mr. Surinderdeep Singh Mohindar Singh

(Independent Non-Executive Director)

To: The Shareholders of Hengyuan Refining Company Berhad

Dear Sir/Madam,

PROPOSED NEW SHAREHOLDER'S MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

At the Fifty-Ninth AGM and the Extraordinary General Meeting of the Company held on 24 May 2018, the Company obtained a mandate from its shareholders to enter into RRPT with the Related Parties. The Existing Shareholders' Mandate will expire at the conclusion of the forthcoming Sixtieth AGM scheduled to be held on 28 May 2019.

The Company had on 10 April 2019 announced its intention to seek shareholders' approval for the Proposed New Shareholder's Mandate for RRPT with the Related Parties as set out in Section 2.2.2(b) of this Circular.

The purpose of this Circular is to:-

- (a) provide you with details of the Proposed New Shareholders' Mandate to be entered into by the Company and its Related Parties as set out in the Notice together with our Board's recommendation; and
- (b) seek your approval for the ordinary resolution in relation to the Proposed New Shareholders' Mandate to be tabled at the forthcoming AGM.

The Notice and the Form of Proxy have been sent to you together with this Circular.

2. PROPOSED NEW SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

Under Paragraph 10.09(2) of the Listing Requirements, a listed company may seek shareholders' mandate in respect of related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations subject to, *inter alia*, the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the prescribed threshold as follows:-
 - (a) the consideration, value of the assets, capital outlay or costs of the recurrent transaction is equal to or exceeds RM1 million; or
 - (b) the percentage ratio of such recurrent transaction is equal to or exceeds one percent (1%),
whichever is the higher;
- (iii) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or interested person connected with such Director or Major Shareholder; and where it involves the interest of an interested person connected with a Director or Major Shareholder, such Director or Major Shareholder, must comply with the requirements set out in paragraph 10.08(7) of Chapter 10 of the Listing Requirements; and
- (iv) the listed company immediately announces to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the listed company, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

The Proposed New Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed New Shareholders' Mandate shall only continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the AGM at which the Proposed New Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but shall 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.

Business of the Company and Details of the Recurrent Related Party Transactions

The principal activity of the Company is the refining and manufacturing of petroleum products. The Company has no subsidiary company.

In view of the time-sensitive, confidential and frequent nature of such RRPT, your Board is seeking shareholders' approval for the Proposed New Shareholders' Mandate.

The details of RRPT concluded during the last financial year ended 31 December 2018 are disclosed in the 2018 Annual Report that is sent together with this Circular. Please refer to “Disclosure of Recurrent Related Party Transactions” in the 2018 Annual Report for further information.

The transactions with the classes of Related Parties are set out in section 2.2.2 below and such transactions are entered into on terms which are not more favourable to the Related Parties than those generally available to the public and which will not be to the detriment of the Company’s minority shareholders. The RRPT will also be subjected to the review procedures set out in section 2.4 below.

2.2 CLASS AND NATURE OF RRPT

2.2.1 *Classes of Related Parties*

The general transactions entered into by the Company with SHPCL and its Subsidiaries, which includes SHPCL, HYHL, MHIL and HISB, relates to the provision of or the obtaining of products and services to or from the Related Parties which are necessary for its day to day operations.

No.	Related Party	Principal Activities	Relationship
1.	Shandong Hengyuan Petrochemical Company Limited (“ SHPCL ”)	Manufacturing of petrochemicals and the development, production, process and marketing of petroleum products.	SHPCL has an indirect interest in the Company through its wholly-owned subsidiary, Heng Yuan Holdings Limited (“ HYHL ”), and HYHL’s wholly-owned subsidiary, MHIL.
2.	Heng Yuan Holdings Limited (“ HYHL ”)	Investment holding company.	HYHL has an indirect interest in the Company through its wholly-owned subsidiary, MHIL.
3.	Malaysia Hengyuan International Limited (“ MHIL ”)	Investment holding company, provision of central management, business support / administrative services and technical and Research & Development (“ R&D ”) advisory / consultancy services, oil trading and related activities.	MHIL is a Major Shareholder of the Company.
4.	Hengyuan International Sdn. Bhd (“ HISB ”).	Provision of central management, business support / administrative services and technical and R&D advisory / consultancy services, provision of oil products price risk management services, oil and petroleum products trading and related activities.	HISB is a company related to HRC by virtue of it being a wholly-owned subsidiary of HYHL. HISB and MHIL (a Major Shareholder of the Company) are both wholly-owned subsidiaries of HYHL.

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2.2.2 Nature of RRPT

(a) Existing Shareholders' Mandate

The nature and value of the Recurrent Transactions between the Company and the following Related Parties with whom the RRPT are carried out with under the Existing Shareholders' Mandate, which was obtained at the last AGM and Extraordinary General Meeting held on 24 May 2018, are as follows:

Related Party		Nature of Transaction	Estimated value under the Existing Shareholders' Mandate (RM)	Actual value from 24/05/2018 (the date of last AGM) to LPD (RM)
1.	Shandong Hengyuan Petrochemical Company Limited	Sale of petroleum products by HRC	3,300,000,000	0
		Purchase of petroleum products by HRC	3,300,000,000	0
2.	Malaysia Hengyuan International Limited	Provision of central management, business support and administrative services to HRC	10,000,000	9,114,089
		Provision of technical advisory and consultancy services and research and development advisory services to HRC	24,200,000	11,182,439
		Sale of petroleum products by HRC	3,300,000,000	52,953,178
		Purchase of crude oil by HRC		
		Purchase of Petroleum Products by HRC	3,300,000,000	29,033,322
		Provision of oil and oil products price risk management services to HRC		
TOTAL			13,234,200,000	102,283,028

(b) Proposed New Shareholders' Mandate

For corporate restructuring and optimisation purposes, the Company wishes to obtain its shareholders' approval for RRPT described in the Existing Shareholders' Mandate to be entered into collectively with SHPCL and its Subsidiaries, which include SHPCL, HYHL, MHIL and HISB. The RRPT anticipated to be entered into by HRC with SHPCL and its Subsidiaries are set out below:

Related Party	Nature of Transaction	Estimated value ⁽ⁱ⁾ from 28/05/2019 (the date of this AGM) to the date of the Sixty- First AGM (RM)
SHPCL and its Subsidiaries, which include SHPCL, HYHL, MHIL and HISB.	Sale of petroleum products and crude oil by HRC ⁽ⁱⁱ⁾	6,300,000,000
	Purchase of petroleum products and crude oil by HRC ⁽ⁱⁱ⁾	5,040,000,000
	Provision of central management, business support, administrative services and oil and oil products risk management services to HRC	11,000,000
	Provision of technical advisory and consultancy services and research and development advisory services to HRC	25,600,000
TOTAL		11,376,600,000

Notes:

- (i) The estimated values of the RRPT are based on information available at the point of estimation based on the Company's business forecast for 2019-2020. Due to the nature of the RRPT and factors that may not be within the Company's control, the actual value of RRPT may vary from the estimated values disclosed above.
- (ii) Hydrocarbon sales and purchases are conducted on an arms-length basis where pricing for each transaction is determined competitively in the market. The transaction amount includes ancillary charges for freight services, which are typically included in the invoice.
- (iii) Consultancy services are provided based on unit rates, benchmarked against market and conducted under service level agreements wherever possible.

2.2.3 Amount Due and Owing to the Company by Related Parties

As at 31 December 2018, there is no amount due and outstanding by Related Parties under the RRPT which exceeded the credit term.

2.3 RATIONALE AND BENEFITS OF TRANSACTING WITH THE RELATED PARTIES

The RRPT entered, or to be entered into by the Company are all in the ordinary course of business of the Company. They are recurring transactions of a revenue or trading nature that are likely to occur with some degree of frequency and arise at any time, as well as from time to time. As part of an international group of companies where similar businesses are conducted, transactions in respect of goods and / or services are likely to occur to take advantage of quality assured products and services, lower operating costs and improved efficiency such as through economies of scale, better utilisation of resources and standardisation of processes and technology.

The benefits of these RRPT to the Company can be categorised generally as follows:

(i) Trading Transactions for Crude Oil and Petroleum Products

The principal activity of the Company is refining and manufacturing petroleum products. The Related Parties under this category are involved in activities of a complementary nature, which consist primarily of the trading, supply and distribution of crude oil and petroleum products on a large scale. It is therefore in the interests of the Company to transact with these Related Parties in order to enjoy synergistic benefits.

(ii) Operating Services

The RRPT under this category comprise transactions which, if not with a Related Party, would not have been entered into by the Company due to industry sensitivities regarding confidentiality and trade secrets. These industry constraints prevent the Company from contracting with parties other than Related Parties in respect of the activities covered by this category of RRPT. Hence, this category of RRPT represents business opportunities that the Company is in a position to profit from specifically by reason of it transacting with a Related Party.

These RRPT may be constrained by the time-sensitive nature and confidentiality of such transactions and it will be impractical to seek shareholders' approval on a case-by-case basis before entering into such RRPT. As such, in accordance with the Listing Requirements, the Board of Directors is seeking approval from shareholders for the Proposed New Shareholders' Mandate to allow and facilitate the Company in entering the RRPT described above on terms which are not more favourable to the Related Parties than those generally available to the public and which are not to the detriment of the Company's minority shareholders.

The obtaining of the Proposed New Shareholders' Mandate on an annual basis would eliminate the need to announce and / or convene separate general meetings from time to time to seek shareholders' approval as and when potential RRPT arise, thereby reducing substantially the expenses and administrative time in convening such meetings without compromising the Company's business objectives, and would enable the Company and the Related Parties to carry out recurrent routine transactions necessary for day-to-day operations in a timely manner, and allow resources to be channelled towards attaining other corporate objectives.

2.4 REVIEW METHODS OR PROCEDURES FOR RECURRENT RELATED PARTY TRANSACTIONS

To ensure that such RRPT are undertaken on terms which are not more favourable to the Related Parties than those generally available to the public and which are not to the detriment of the Company's minority shareholders, Management will ensure that the RRPT with the Related Parties will only be entered into after taking into account the following procedures:-

- Ongoing awareness sessions with employees, stakeholders, and Related Parties to notify that all RRPT entered are subject to the Listing Requirements. All heads of departments in the Company are advised to report on all transactions with Related Parties.
- A register is maintained to record all transactions with Related Parties which are entered into pursuant to the Proposed New Shareholders' Mandate.
- All transactions with Related Parties are to be negotiated and benchmarked with non-Related Party pricing and subsequently presented, reviewed and approved by a sub-committee (Contracts Board) set up by the Management.

- The Company's local and regional tender panels and / or the Board tender committee ("Tender Panels") would then review the appropriate benchmarking (against at least 2 other contemporaneous transactions with non-Related Parties for similar products / services and / or quantities) during the commercial evaluation of the proposals for all contracts with Related Parties to determine whether the price and terms offered to / by the Related Parties are fair and reasonable and comparable to those offered to / by other unrelated third parties for the same or substantially similar type of produces / services and / or quantities. In the event that such comparison cannot be obtained from non-Related Parties, the Tender Panels would review the market information available, sourcing strategy applied and expected unquantifiable benefits to determine whether an arms-length approach has been used to select the Related Party vendor to ensure that the Recurrent Related Party Transaction is not detrimental to the Company.
- The threshold for the approval of Recurrent Related Party Transaction is set out in the Company's detailed business and corporate Manual of Authorities as approved by the Board. RRPT above RM1,000,000 requires the approval of the Tender Panels. Any non-mandated RRPT that equals or exceeds 1% of the Company's net assets will be reviewed and approved by the Board.
- The annual internal audit plan shall incorporate a review of the records of all RRPT to ensure that relevant approvals have been obtained and that the review procedures in respect of such transactions are adhered to. Any divergence will be reported to the Board Audit Committee.
- The Board and Board Audit Committee shall review the internal audit reports and any other reports required from time to time to ascertain that the guidelines and procedures established to monitor RRPT have been complied with.
- The method and procedures to determine transaction prices, terms and conditions are based on the prevailing market rates / agreed commercially competitive pricing calculation and where appropriate, preferential rates and discounts (the same as are accorded to non- Related Parties in large transactions) relative to industry norm.

Further, where any Director has an interest (direct or indirect) in any RRPT, such Director (or his / her alternate, where applicable) shall abstain from voting on the matter. Where any member of the Board Audit Committee is interested in any transaction, that member shall abstain from voting on any matter relating to any decisions to be taken by the Board Audit Committee with respect to such transactions.

The Company will provide a breakdown of the aggregate value of the RRPT made during the financial year, amongst others, based on the following information:-

- (a) the type of RRPT made; and
- (b) the names of the Related Parties involved in each type of RRPT made and their relationship with the Company.

2.5 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors, Major Shareholders and / or persons connected with them have any interest, direct or indirect, in the Proposed New Shareholders' Mandate pertaining to the Recurrent Related Party Transactions, save and except for the following:-

- (i) MHIL, a Major Shareholder holding 51.02% equity interest in the Company, is deemed interested in the Proposed New Shareholders' Mandate.
- (ii) HYHL, who has an indirect interest in the Company via its wholly-owned subsidiary, MHIL, is deemed interested in the Proposed New Shareholders' Mandate.
- (iii) SHPCL, who has an indirect interest in the Company via its wholly-owned subsidiary, HYHL, and HYHL's wholly owned subsidiary, MHIL, is deemed interested in the Proposed New Shareholders' Mandate.
- (iv) Mr. Wang YouDe and Mr. Wang ZongQuan are the nominee directors of MHIL. As such, they are deemed interested in the Proposed New Shareholders' Mandate in respect of RRPT to be entered into with MHIL,

who is the Major Shareholder of HRC, and SHPCL, who has an indirect interest in MHIL and the Company.

- (v) Mr. Wang YouDe and Mr. Wang ZongQuan are also directors of HISB. As such, they are deemed interested in the Proposed New Shareholders' Mandate in respect of RRPT to be entered into with HISB, who is company related to HRC.

The interested Directors will abstain from voting on the ordinary resolution approving the Proposed New Shareholders' Mandate at the forthcoming AGM. These Directors have also undertaken that they will ensure that persons connected with them will abstain from voting on the ordinary resolution approving the Proposed New Shareholders' Mandate at the forthcoming AGM.

Save as disclosed below, as at 28 March 2019, none of the interested Directors, interested Major Shareholders and / or persons connected to them have any direct or indirect shareholdings in the Company:-

<u>Interested Major Shareholders</u>	<u>Direct Interest</u>	<u>%</u>	<u>Indirect Interest</u>	<u>%</u>
MHIL	153,069,002	51.02	-	-
Heng Yuan Holdings Limited	-	-	153,069,002	51.02
SHPCL	-	-	153,069,002	51.02

The interested Major Shareholders will abstain from voting in respect of their direct and indirect interests in the Company on the ordinary resolution to approve the Proposed New Shareholders' Mandate at the forthcoming AGM. The interested Major Shareholders have also undertaken that they shall ensure that persons connected with them shall abstain from voting on the said ordinary resolution approving the Proposed New Shareholders' Mandate at the forthcoming AGM.

Mr. Wang YouDe and Mr. Wang ZongQuan, as interested Directors, have abstained and shall continue to abstain from deliberations of and voting at the Board in respect of all RRPT in which they are deemed interested.

2.6 STATEMENT BY THE BOARD AUDIT COMMITTEE

The Board Audit Committee, who is responsible to determine whether the procedures for reviewing transactions that involve Related Parties are sufficient to ensure compliance with the relevant requirements, has seen and reviewed the procedures mentioned in Section 2.4 above and is of the view that the said procedures are sufficient to ensure that the RRPT are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the Company's minority shareholders. Further, the Board Audit Committee is of the view that adequate procedures and processes are in place to monitor, track and identify RRPT in a timely and orderly manner, and is satisfied with the frequency of review of these procedures and processes. The procedures and processes are reviewed on an ad-hoc basis based on recommendations from the internal audit department or the Management of the Company.

2.7 CONDITIONS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

The Proposed New Shareholders' Mandate is subject to the approval of the shareholders of the Company at the forthcoming AGM to be convened.

3. DIRECTORS' RECOMMENDATION

Your Board of Directors excluding Mr. Wang YouDe and Mr. Wang ZongQuan, being the interested directors, having considered the rationale and benefits of the Proposed New Shareholders' Mandate, is of the opinion that the Proposed New Shareholders' Mandate is in the best interest of the Company and its shareholders.

Accordingly, your Board of Directors excluding Mr. Wang YouDe and Mr. Wang ZongQuan, being the interested directors, recommend that shareholders vote in favour of the resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming AGM.

4. AGM

The ordinary resolution to vote on the Proposed New Shareholders' Mandate is set out in the Notice of the Sixtieth AGM of the Company. The AGM 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 a.m. for the purposes of considering and if thought fit, passing the ordinary resolution to give effect to the Proposed New Shareholders' Mandate.

If you are unable to attend and vote at the AGM in person, you are requested to complete, sign and return the **original** Form of Proxy enclosed in accordance with the instructions contained therein as soon as possible and in any event so as to arrive at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, 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 later than 48 hours before the time fixed for convening the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

5. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I of this Circular for further information.

Yours faithfully
For and on behalf of the Board of Directors
HENGYUAN REFINING COMPANY BERHAD

ALAN HAMZAH SENDUT
Board Audit Committee Chair
Independent Non-Executive Director

APPENDIX I
FURTHER INFORMATION

1. Directors' Responsibility Statement

This Circular has been reviewed and approved by the Board of Directors of the Company who collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that after having made 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 herein misleading.

2. Material Contracts

There are no material contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the Company during the two (2) years immediately preceding the date of this Circular.

3. Material Litigation

The Company is not engaged in any material litigation, claims or arbitration either as a plaintiff or defendant, and the Board of Directors are not aware of any proceedings, pending or threatened, against the Company or of any fact likely to give rise to any proceedings which might materially or adversely affect the position or business of the Company.

4. Documents Available for Inspection

Copies of the following documents are available for inspection during normal business hours at the Registered Office of the Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur from the date of this Circular up to and including the date of the AGM:-

- (i) the Constitution of the Company; and
- (ii) the audited financial statements of the Company for the past two (2) financial years ended 31 December 2017 and 31 December 2018.

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PART B

**STATEMENT IN RELATION TO THE PROPOSED ADOPTION OF THE
NEW CONSTITUTION OF THE COMPANY**

STATEMENT IN RELATION TO THE PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY

1. INTRODUCTION

The purpose of this Statement is to:

- (a) provide you with details in relation to the Proposed Adoption and set out the Board's recommendation for the proposal; and
- (b) seek your approval for the ordinary resolution in relation to the Proposed Adoption to be tabled at the forthcoming AGM.

The Notice and Form of Proxy have been sent to you together with this Statement.

2. DETAILS OF THE PROPOSED ADOPTION

The Company is seeking your approval for HRC to revoke its existing Memorandum and Articles of Association in its entirety and to replace it with the proposed new Constitution attached in Appendix II of this Statement.

3. RATIONALE FOR THE PROPOSED ADOPTION

The Proposed Adoption is required to ensure the Company's compliance with the provisions of the Listing Requirements and the Act, which were revised in the years 2016 and 2017.

Due to the number of amendments that are required to be made to the existing Memorandum and Articles of Association of HRC to be consistent with the revised provisions of the Listing Requirements and the Act, the Board proposes that a new Constitution be adopted.

4. FINANCIAL EFFECTS OF THE PROPOSED ADOPTION

The Proposed Adoption will not have any effect on the share capital, net assets per share, gearing, earnings per share and Substantial Shareholders' and Directors' shareholding of the Company.

5. APPROVAL REQUIRED

The Proposed Adoption is subject to your approval at the forthcoming AGM to be convened.

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED

None of the Directors, Major Shareholders or persons connected to them have any interests, direct or indirect, in the Proposed Adoption.

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7. DIRECTORS' RECOMMENDATION

Your Board of Directors, having considered the rationale of the Proposed Adoption, is of the opinion that the exercise is in the best interest of the Company and its shareholders.

Accordingly, your Board of Directors recommend that shareholders vote in favour of the resolution pertaining to the Proposed Adoption to be tabled at the forthcoming AGM.

8. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I of this Statement for further information.

This Statement is dated 26 April 2019.

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APPENDIX I
FURTHER INFORMATION

1. Directors' Responsibility Statement

This Statement has been reviewed and approved by the Board of Directors of the Company who collectively and individually accept full responsibility for the accuracy of the information given in this Statement and confirm that after having made 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 herein misleading.

2. Material Contracts

There are no material contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the Company during the two (2) years immediately preceding the date of this Statement.

3. Material Litigation

The Company is not engaged in any material litigation, claims or arbitration either as a plaintiff or defendant, and the Board of Directors are not aware of any proceedings, pending or threatened, against the Company or of any fact likely to give rise to any proceedings which might materially or adversely affect the position or business of the Company.

4. Documents Available for Inspection

Copies of the following documents are available for inspection during normal business hours at the Registered Office of the Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur from the date of this Circular up to and including the date of the AGM:-

- (i) the Memorandum and Articles of Association of the Company; and
- (ii) the audited financial statements of the Company for the past two (2) financial years ended 31 December 2017 and 31 December 2018.

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APPENDIX II
PROPOSED NEW CONSTITUTION OF THE COMPANY

Company No.: 3926-U

THE COMPANIES ACT, 2016

PUBLIC COMPANY LIMITED BY SHARES

CONSTITUTION
OF
HENGYUAN REFINING COMPANY BERHAD

INTRODUCTION

1. The name of the Company is **HENGYUAN REFINING COMPANY BERHAD**.
2. The registered office of the Company is situated in Malaysia.
3. The objects for which the Company is established are:
 - (a) To carry on in all their respective branches all or any of the businesses of acquiring, processing, refining, storing, transporting, supplying, selling, trading and dealing in and distributing petroleum and other oils (whether mineral, animal or vegetable) and chemicals and any product of all or any of them.
 - (b) To purchase, lease, charter or otherwise acquire own and turn to account any property (whether real or personal and whether immovable or movable) or any interest therein, including in particular any lands, buildings, installations, plant, mills, factories, laboratories, refineries, tanks, pipelines and any apparatus, machinery, equipment, appliances, implements and furnishings appertaining or requisite thereto, and any carriers, vessels, ships, aircraft, rail or motor vehicles, wagons, and trucks which may seem to the Company necessary or suitable or convenient for any business of the Company or any part thereof on such terms and conditions as the Company shall deem expedient.
 - (c) To purchase or acquire and undertake all or any part of the business, property and liabilities of any company or person carrying on any business which the Company is authorised to carry on or possessing property suitable for the purposes of the Company.
 - (d) To carry on other business, whether manufacturing or otherwise, which may seem to the Company capable of being conveniently carried on in connection with any of the objects of the Company or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.

Without derogating from the generality of this Clause, the Company shall have the full capacity to carry on or undertake any business or activity that is in the best interest of the Company with full rights, powers and privileges for such purpose in accordance with Section 21 of the Act, subject always to the requirements of any Applicable Laws.

And it is hereby declared that the word "Company" in this Clause shall be deemed to include any partnership or other body of persons whether incorporated or not incorporated and whether domiciled in Malaysia or elsewhere and the intention is that the objects specified in each paragraph shall except when otherwise expressed in such paragraph be in nowise limited or restricted by reference to or inference from the terms of any other paragraph or by the application of any rule of construction, ejusdem generis or otherwise or the name of the Company.

4. The liability of the Members is limited to any amount unpaid on shares held by the Members.
5. The Company shall have the power to increase or reduce its capital, to consolidate or sub-divide the shares into shares of larger or smaller amounts, and to divide the shares forming the capital (original, increased or reduced) of the Company into several classes and to attach thereto respectively, preferential, deferred or special rights, privileges or conditions as may be determined by, or in accordance with the regulations for the time being of the Company and to issue additional capital with any such rights, privileges or conditions as aforesaid, and any preference share may be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.

PRELIMINARY

1. In this Constitution, if not inconsistent with the subject or context:-

<u>WORDS</u>	<u>MEANINGS</u>
(a) "Act"	means the Companies Act, 2016 and any statutory modification, amendment or re-enactment thereof for the time being in force concerning companies and affecting the Company.
(b) "Alternate Director"	means any person who has been appointed and for the time being holds office as an alternate director of the Company in accordance with the provisions of this Constitution.
(c) "Applicable Laws"	means all laws, bye-laws, regulations, rules, orders, official directions, directives and requirements of the relevant regulatory and / or authorities that affect the Company, including but not limited to the Act, the Depositories Act, the Rules, the Listing Requirements, as may be amended, modified or varied from time to time.
(d) "Audit Committee"	means the audit committee appointed in accordance with the regulations or requirements prescribed by the Exchange from time to time.
(e) "Authorised Nominee"	means a person who is authorised to act as nominee as specified under the Rules.
(f) "Beneficial Owner"	means in relation to Deposited Securities, the ultimate owner of the Deposited Securities who is the person who is entitled to all rights, benefit, powers and privileges and is subject to all liabilities, duties and obligations in respect of, or arising from, the Deposited Securities and does not include a nominee of any description.
(g) "Board" or "Directors"	means the Board of Directors of the Company.
(h) "Books Closing Date"	means the specified time and date set by the Company for the

			purpose of determining entitlements to dividends, interest, new securities or other distributions or rights of holders of securities.
(i)	“Chairman”	means	a person elected to be Chariman of a meeting of Members, or a Board meeting, or a Board committee meeting, in accordance with this Constitution, as the context requires.
(j)	"Clear Days"	means	days excluding the day of service and the day of the meeting.
(k)	"Company"	means	Hengyuan Refining Company Berhad (Company No. 3926-U).
(l)	“Constitution”	means	this Constitution as originally framed as from time to time altered by Special Resolution.
(m)	"Deposited Security"	means	a Security standing to the credit of a Securities Account and includes Securities in a Securities Account that is in suspense.
(n)	"Depositor"	means	a holder of a securities account established by the Depository.
(o)	"Depositories Act"	means	the Securities Industry (Central Depositories) Act 1991, including any statutory modification, amendment or re-enactment thereof for the time being in force and includes any regulations made thereunder.
(p)	"Depository"	means	Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W), including any further change to its name and its successors-in-title and permitted assigns.
(q)	"Exchange"	means	Bursa Malaysia Securities Berhad (Company No. 635998-W), including any further change to its name and its successors-in-title and permitted assigns.
(r)	“Exempt Authorized Nominee”	means	an authorised nominee defined under the Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Depositories Act.
(s)	"Independent Director"	means	an independent director as defined in the Listing Requirements.
(t)	“Jumbo Certificate”	means	in relation to Deposited Securities, means a certificate comprising not less than fifty thousand units of securities of the Company or such denominations as may be directed by the Depository which is registered in the name of the Depository or its nominee company, as nominee for Depositors.
(u)	"Listing Requirements"	means	the Main Market Listing Requirements of the Exchange, including any amendment to the Main Market Listing Requirements that may be made from time to time.
(v)	"Market Days"	means	any day on which the stock market of the Exchange is open for trading in securities.

- (w) "Major Shareholder" means a person who has an interest or interests in one (1) or more voting shares in the Company and the number or aggregate number of those shares, is:-
- a) 10% or more of the total number of voting shares in the Company; or
 - b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.
- For the purposes of this definition, "interest in shares" shall have the meaning given in Section 8 of the Act.
- (x) "Member" means any person for the time being registered as the holder of the shares in the share capital of the Company in the Register (except Bursa Malaysia Depository Sdn. Bhd. in its capacity as bare trustee) and any Depositor and who has a credit balance of shares in the Company in his / her Securities Account who shall be treated as if he / she were a member pursuant to Section 35 of the Depositories Act.
- (y) "Month" means calendar month.
- (z) "Office" means the registered office of the Company.
- (aa) "Ordinary Resolution" means a resolution which has been passed by a simple majority of more than half of such Members who are entitled to vote and do vote in person, or where proxies are allowed, by proxy.
- (bb) "Paid-up" means paid-up or credited as paid-up.
- (cc) "Record of Depositors" means a record provided by the Depository to the Company under Chapter 24.0 of the Rules.
- (dd) "Register" means the Register of Members kept pursuant to the Act.
- (ee) "Registrar" means the share registrar.
- (ff) "Rules" means the Rules of Depository, including any amendments that may be made from time to time.
- (gg) "Shares" means shares in the share capital of the Company and includes stocks except where a distinction between stocks and shares is expressed or implied.
- (hh) "Seal" means the common seal of the Company.
- (ii) "Secretary" means any person appointed by the Board to perform any of the duties of the Secretary of the Company, and includes a joint, deputy, temporary or assistant Secretary.
- (jj) "Securities" shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 or any modification, amendment or re-enactment thereof for the time being in force.

- (kk) "Securities Account" means an account established by the Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor.
- (ll) "Special Resolution" means a resolution of which a notice of not less than twenty-one (21) days has been given and which has been passed by a majority of not less than seventy-five per centum (75%) of such Members who are entitled to vote and do vote in person, or where proxies are allowed, by proxy.
- (mm) "Year" means a calendar year from 1st January to 31st December inclusive.
- (nn) Words importing the singular number only shall include the plural number and vice versa.
- (oo) Words importing the masculine gender shall include the feminine gender.
- (pp) Words importing persons shall include corporations.
- (qq) Expressions referring to writing shall be construed as including references to printing, lithography, photography, electronic storage or transmission and other modes of representing or reproducing words in a visible form and / or methods of recording information or fixing information in a form capable of being preserved.

Save as aforesaid, words or expressions contained in this Constitution shall, where the context so admits, be interpreted in accordance with the provisions of the Interpretation Act 1967, the Depositories Act, the Listing Requirements, the Rules and the Act.

SHARES

2. Allotment of shares

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share (whether forming part of the original capital or not) in the Company may be issued with or have attached thereto such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by Ordinary Resolution determine.

3. Offer of securities

Subject to any direction to the contrary that may be given by the Company in a general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on receipt of an intimation from the person to whom the offer is made that he / she declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the of the Directors, be conveniently offered under this Article.

4. Issuance and allotment of securities

- (a) Subject to the provisions of the Act, the Listing Requirements and this Constitution, the Directors may issue shares in the Company on such terms and conditions and at such time and consideration and with such preferred, deferred, or other special rights, restrictions or exclusions, whether in regard to dividend, voting, return of capital, or otherwise as the Directors may determine PROVIDED HOWEVER that:
- (i) shares in the Company shall not be issued to transfer a controlling interest in the Company without the prior approval of shareholders in a general meeting; and
 - (ii) in the case of shares other than ordinary shares, no special rights shall be attached until the same has been expressed in this Constitution.
- (b) Subject to Article 4(c), the Directors shall not exercise any power to:
- (i) allot shares in the Company;
 - (ii) grant rights to subscribe for shares in the Company;
 - (iii) convert any securities into shares in the Company; or
 - (iv) allot shares under an agreement or option or offer,
- unless prior approval by way of Ordinary Resolution has been obtained.
- (c) Subject to the provisions of the Act, the Listing Requirements and this Constitution, the requirement in Article 4(b) shall not apply to:
- (i) an allotment of shares or grant of rights pursuant to an offer made to Members of the Company in proportion to the Members' shareholdings;
 - (ii) an allotment of shares or grant of rights pursuant to a bonus issue of shares to Members of the Company in proportion to the Members' shareholdings;
 - (iii) an allotment of shares to a promoter of the Company that the promoter has agreed to take; or
 - (iv) shares which are to be issued as consideration or part consideration for the acquisition of shares or assets by the Company and the Members of the Company have been notified of the intention to issue the shares at least fourteen (14) days before the issue of the shares.
- (d) For the purposes of Article 4(c)(iv) above, Members of the Company are deemed to have been notified of the Company's intention to issue shares if:
- (i) a copy of the statement explaining the purpose of the intended issue of shares has been sent to every Member at his / her last known address according to the Record of Depositors; and
 - (ii) the copy of the statement has been advertised in one (1) widely circulated newspaper in Malaysia in the national language and one (1) widely circulated newspaper in Malaysia in the English language.
- (e) Notwithstanding the above, a Director shall not participate in an issue of shares of the Company unless the shareholders in a general meeting have approved of the specific allotment to be made to such Director.

- (f) The notice of the general meeting to approve of the aforesaid specific allotment shall include the following:
 - (i) the number of Securities to be so allotted;
 - (ii) the purpose of the allotment;
 - (iii) the precise terms and conditions of the allotment; and
 - (iv) the identity and relationship of the connected persons with the Director or Major Shareholder, where applicable.

5. Rights of preference shareholders

Subject to the Act, any preference shares may with the sanction of an Ordinary Resolution be issued on the terms that they are, or at the option of the Company are or will be liable, to be redeemed but the total value of the issued preference shares shall not exceed the total value of the issued ordinary shares at any time and the Company shall not issue preference shares ranking in priority to the preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders must be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up. Preference shareholders shall have the same rights as ordinary shareholders with regards to receiving notices, reports and audited financial statements, and attending general meetings of the Company and shall also have the right to vote at any meeting convened only in each of the following circumstances:

- (a) when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months;
- (b) on a proposal to reduce the Company's share capital;
- (c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
- (d) on a proposal that affects rights attached to the preference shares;
- (e) on a proposal to wind up the Company; and
- (f) during the winding up of the Company.

6. Repayment of preference capital

Notwithstanding Article 8 hereof, the repayment of preference share capital other than redeemable preference shares, or any alteration of preference shareholders' rights shall only be made pursuant to a Special Resolution of the preference shareholders concerned, provided always that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing, if obtained from the holders of seventy-five per centum (75%) of the preference capital concerned within two (2) months of the meeting, shall be as valid and effectual as a Special Resolution carried at the meeting.

7. Modification of class rights

Without prejudice to any other restrictions on the modification of class rights, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of seventy-five per centum (75%) of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate general meeting of the holders of that class of shares. To every such separate general meeting the provisions of

the Act and this Constitution relating to general meetings shall apply, but so that the necessary quorum shall be two (2) persons of the class at least holding, or representing by proxy, one-third (1/3) of the share capital paid up or credited as paid on the issued shares of the class, and that any holder of a share of the class present in person or by proxy may demand a poll. To every Special Resolution, the provisions of Section 292 of the Act shall apply.

8. Rights conferred upon shareholders not deemed to be varied

For the purposes of this Article 8:

- (a) any amendment of a provision contained in the Constitution for the variation of the rights attached to a class of shares or the rights of a class of Members, or the insertion of any such provision into the Constitution, is itself to be treated as a variation of those rights;
- (b) references to the variation of rights attached to a class of shares or the rights of a class of Members include an abrogation of those rights; and
- (c) the issue by the Company of any preference shares ranking equally with existing preference shares issued by the Company shall be deemed to be a variation of the rights attached to those existing preference shares unless the issue of preference shares was authorised by the terms of issue of the existing preference shares or by this Constitution in force at the time the existing preference shares were issued.

9. Commission and Brokerage

The Company may pay a commission to any person in consideration of his / her subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company, provided that the rate per cent or the amount of procuring or agreeing to procure subscriptions, whether absolute or conditional, of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act, that such commission shall not exceed ten (10) per cent of the price at which such shares are issued, or an amount equivalent to such percentage, and that the requirements of Section 80 of the Act shall be observed. Subject to the provisions of Section 78 of the Act, such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of securities pay such brokerage as may be lawful.

10. Trusts not to be recognised

Except as required and authorised by law, no person shall be recognised by the Company as holding any Security upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Security or (except only as by the Rules or this Constitution or by law otherwise provided) any other interest or right in respect of any Security except an absolute right to the entirety thereof in the registered holder.

11. Allotment and despatch of certificate for an issue

Subject to the Act, the Depositories Act and the Rules, the Company shall:

- (a) within eight (8) Market Days (or such other period as may be prescribed or allowed under the Listing Requirements or by the Exchange) after the final applications' closing date for a rights issue or for a public issue; and
- (b) within eight (8) Market Days (or such other period prescribed or allowed by the Exchange) of:
 - (i) the date of receipt of a notice of the exercise of an option together with the requisite

payment under a share issuance scheme;

- (ii) the date of receipt of a subscription form together with the requisite payment for the conversion or exercise of the convertible security, or
- (iii) the Books Closing Date for a bonus issue,

allot and issue securities, despatch notices of allotment to allottees or the employees (in the case of share issuance scheme) or the holder of the convertible security (in the case of conversion) or successful applicants, as the case may be, and make an application for the quotation of such securities.

12. Issuance of Jumbo Certificate

The Company, if required by the Depository, shall issue a Jumbo Certificate in the name of the Depository or its nominee company, as nominee for Depositors, for the Deposited Securities issued by the Company from time to time.

13. Issue of New Securities

The Company must ensure that all new issues of securities for which listing is sought are made by way of crediting the Securities Accounts of the allottees with such securities save and except where it is specifically exempted from compliance with Section 38 of the Depositories Act, in which event it shall so similarly be exempted from compliance with the Listing Requirements. For this purpose, the Company must notify the Depository of the names of the allottees and all such particulars required by the Depository, to enable the Depository to make the appropriate entries in the Securities Accounts of such allottees.

14. Crediting of securities accounts

The Company must not cause or authorise its Registrar to cause the Securities Accounts of the allottees to be credited with the additional securities until after the Company has filed with the Exchange an application for listing of such additional securities and has been notified by the Exchange that they have been authorised for listing.

15. Information of shareholding

The Company may, by notice in writing, require any member of the Company, within such reasonable time as is specified in the notice:

- (a) to inform the Company whether he / she holds any voting shares in the Company as Beneficial Owner, Authorised Nominee or as trustee; and
- (b) if he / she holds them as trustee or Authorised Nominee, to indicate so far as he / she can, the persons for whom he / she holds them by name and by other particulars sufficient to enable those persons and the nature of their interests to be identified.

16. Share buyback

- (a) Subject to the Act, the Depositories Act, the Rules and this Constitution, the Company may, with the sanction of an Ordinary Resolution of the Members in a general meeting, purchase its own shares.

- (b) The Company shall not purchase its own shares unless:
 - (i) the Company is solvent at the date of the purchase and will not become insolvent by incurring the debts involved in the obligation to pay for the shares so purchased;
 - (ii) the purchase is made through the Exchange on which the shares of the Company are quoted and in accordance with the relevant rules of the Exchange; and
 - (iii) the purchase is made in good faith and in the interests of the Company.
- (c) Notwithstanding Article 16(b)(ii) above, the Company may purchase its own shares otherwise than through the Exchange if the purchase is:
 - (i) permitted under the relevant rules of the Exchange; and
 - (ii) made in accordance with such requirements as may be determined by the Exchange.

LIEN

17. Company to have a paramount lien

Subject to the Act, the Depositories Act and the Rules, the Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares (other than fully paid shares) standing registered in the name of a single person for all moneys presently payable by him / her or his / her estate to the Company; but the Board may at any time declare any share to be wholly or in part exempt from this Article. The Company's lien on shares and dividends from time to time declared in respect of such shares shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay and has paid in respect of the shares of the Member or deceased Member.

18. Enforcing lien by sale

Subject to the Act, the Depositories Act and the Rules, the Company may sell in such manner as the Board thinks fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen (14) days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable and notice of intention to sell in default, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his / her death or bankruptcy.

19. Evidence

To give effect to any sale, the Board may authorise a person to transfer, subject to the Act, the Depositories Act and the Rules, the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and the Directors shall not be bound to see to the application of the purchase money.

20. Application of proceeds

The proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue (if any) shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid

to the person entitled to the shares at the date of the sale, or his / her executors, administrators or assignees or as he / she directs.

CALLS ON SHARES

21. Directors may make calls

The Board may from time to time make such calls upon the Members in respect of any moneys unpaid on their shares and not by the conditions of allotment thereof made payable at fixed times:

Provided that (except as otherwise fixed by terms of issue or this Constitution) no call shall exceed one-fourth (1/4) of the issued price of the share or be payable at less than thirty (30) days from the date fixed for payment of the last preceding call, and each Member shall (subject to receiving at least fourteen (14) days' notice specifying the date, time and place of payment) pay to the Company, at the date or time and place so specified, the amount called on his / her shares.

A call may be revoked or postponed as the Board may determine.

22. Call

A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed, and may be required to be paid by instalments.

23. Unpaid calls

If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding five (5) per cent per annum, as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.

24. Automatic calls

Any sum which, by the terms of issue of a share, becomes payable on allotment or at any fixed date shall be deemed to be a call duly made and payable on the date on which by the terms of issue the shares becomes payable and in case of non-payment, all the relevant provisions of the Act and this Constitution as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

25. Payment of calls

The Board may, on the issue of Shares, differentiate between the holders as to the amount of calls to be paid and the times of payments.

26. Advance on calls

The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him / her and upon all or any part of the moneys so advanced, may (until the same would, but for such advance, become payable) pay interest at such rate not exceeding (unless the Company in a general meeting shall otherwise direct) five (5) per cent per annum, as may be agreed upon between the Board and the Member paying such sum in advance. Any capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits.

TRANSFER OF SECURITIES

27. Instrument of transfer

Subject to this Constitution, the Depositories Act and the Rules (with respect to transfer of Deposited Security) every instrument of transfer shall be in writing and in the form approved in the Rules and shall be presented to the Depository with such evidence (if any) as the Depository may require to prove the title of the intending transferor and that the intended transferee is a qualified person.

28. Transferor's right

Subject to the provisions of the Depositories Act and the Rules, the instrument of transfer of any securities lodged with the Depository shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the security until the name of the transferee is entered in the Register and / or the Record of Depositors in respect thereof.

29. Refusal to register transfers

The Depository may refuse to register any transfer of Deposited Security that does not comply with the Depositories Act and the Rules.

30. Closing of registers

The registration of transfers may be closed at such times and for such periods as the Directors may from time to time determine, provided always that it shall not be closed for more than thirty (30) days in any calendar year. The Company shall give the Exchange prior written notice and publication in a daily newspaper circulating in Malaysia of the period of the intended closure and the purposes thereof, which notice shall be at least twelve (12) Market Days or such number of days as may be prescribed by the Exchange. In relation to the closure, the Company shall give written notice to the Depository in accordance with the Depositories Act and the Rules to prepare the appropriate Record of Depositors.

31. Transfer of securities

The transfer of any listed securities or class of listed securities of the Company which have been deposited with the Depository shall be by way of book entry by the Depository in accordance with the Rules, and notwithstanding Sections 105, 106 or 110 of the Act but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such listed securities.

TRANSMISSION OF SECURITIES

32. Transmission

In the case of the death of a Member, the persons recognised by the Company as having any title to his / her securities shall be:

- (a) Where the deceased was a sole holder, the legal personal representatives; and
- (b) Where the deceased was a joint holder, the survivor,

but nothing in this Article shall release the estate of the deceased joint holder from any liability in respect of any share or debenture which had been jointly held by him / her with other persons. Any

person becoming entitled to a security in consequence of the death or bankruptcy of a Member may, subject to the Rules and Article 27 hereof, transfer the security to himself / herself or to some person nominated by him / her as the transferee.

33. Death or bankruptcy of Member

Any person becoming entitled to a security in consequence of the death or bankruptcy of a Member, may, upon such evidence being produced as may from time to time properly be required by the Rules and subject as hereinafter provided, elect either to be registered himself / herself as holder of the security or to have some person nominated by him / her registered as the transferee thereof, but the Depository shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the security by that Member before his / her death or bankruptcy. Provided always that where the security is a Deposited Security, subject to the Rules, a transfer or withdrawal of the security may be carried out by the person becoming so entitled.

34. Election of person entitled to be registered himself / herself

If the person so becoming entitled elects to be registered himself / herself, he / she shall deliver or send to the Company a notice in writing signed by him / her stating that he / she so elects, provided that where the share is a Deposited Security and the person becoming entitled elects to have the security transferred to him / her, the aforesaid notice must be served by him / her on the Depository. If he / she elects to have another person registered, he / she shall testify his / her election by executing to that person a transfer of the security. All the limitations, restrictions and provisions of this Constitution, the Rules, the Act and the Listing Requirements relating to the rights to transfer and the registration of transfer of securities shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by that Member. Subject to the provisions of this Constitution, the Rules, the Act and the Listing Requirements, the Company shall register the person as holder of the security within sixty (60) days from receiving the notification.

35. Person becoming entitled to receive same dividends

The registration of a transmission of securities under this Constitution shall entitle the registered holder to the same dividends and other advantages and to the same rights to which he / she would be entitled if he / she were the registered holder of the security, except that he / she shall not, before being registered as a Member in respect of the security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company or to voting or otherwise:

Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself / herself or to transfer the security, and, if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the security until the requirements of the notice have been complied with.

36. Transmission of securities

Where:

- (a) the securities of the Company are listed on another stock exchange; and
- (b) the Company is exempted from compliance with Section 14 of the Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such securities,

the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange to the register of holders maintained by the Registrar of the

Company in Malaysia, and vice versa, provided that there shall be no change in the ownership of such securities.

FORFEITURE OF SHARES

37. Notice to pay calls

If a Member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him / her requiring payment or so much of the call or instalment as is unpaid, together with any interest which may have accrued.

38. Form of notice

The notice shall name a further day (not earlier than the expiration of fourteen (14) days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

39. Shares forfeiture

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, and subject to the Act, the Depositories Act and the Rules, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

40. Notice of forfeiture

When any share has been forfeited in accordance with this Constitution, notice of the forfeiture shall forthwith be given to the Depository, the holder of the share or to the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof, shall forthwith be made in the Register opposite to the share; but the provisions of this Article are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

41. Directors may allow forfeited share to be redeemed

Notwithstanding any such forfeiture as aforesaid the Directors may, at any time before the forfeited share has been otherwise disposed of, annul the forfeiture upon the payment of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit.

42. Forfeited shares may be sold or reallocated

A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Board thinks fit. If any share is forfeited and sold, any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the person whose shares have been forfeited, or his / her executors, administrators or assignees or as he / she directs. Subject to the Depositories Act and the Rules, a forfeited share may be re-allotted or re-issued, either to the person who was before forfeiture the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before re-allotment or re-issue the forfeiture may be cancelled on such terms as the Directors think fit.

43. Arrears to be paid notwithstanding forfeiture

A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him / her to the Company in respect of the shares, together with interest or compensation at the rate of eight per centum (8%) from the date of forfeiture on the money for the time being unpaid if the Directors think fit to enforce payment of the interest or compensation and his / her liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

44. Evidence of forfeiture and validity of sale

A statutory declaration by a Director or the Secretary of the Company that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration (if any) given for the share on any sale or disposition of the share and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of, and such person shall thereupon be registered as the shareholder, and shall not have his / her title to the share be affected by irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

45. Provision shall apply to non-payment of any sum

The provisions of this Constitution as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed date, as if the shares had been payable by virtue of a call duly made and notified.

CONVERSION OF SHARES INTO STOCK

46.

(a) Conversion of shares into stock and reconversion

The Company may by Ordinary Resolution at a general meeting convert any paid-up shares into stock and reconvert any stock into paid-up shares of any denomination.

(b) Shareholders of stock may transfer their interests

The holders of stock may transfer the shares or any part of the shares in the same manner as the transfer of shares from which the stock arose may, before the conversion, have been transferred or be transferred in the closest manner as the circumstances allow; but the Directors may from time to time fix the minimum amount of stock transferable, and may restrict or forbid the transfer of fractions of that minimum. Any reference to "shares" shall include "stock".

(c) Participation in dividends and profits

The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages with regards to dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up)

shall be conferred by any such part of stock as would not, if existing in shares, have conferred that privilege or advantage.

(d) Provision applicable to paid-up shares apply to stock

Such of the regulations of the Company as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

ALTERATION OF CAPITAL

47. Power to increase capital

The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

48. Company may alter its capital

Subject to the Listing Requirements, the Company may alter its share capital in any one or more of the following ways by passing an Ordinary Resolution to: –

- (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or
- (b) subdivide its shares or any of its shares, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

49. Power of the Board to allot, grant options

Subject to the provisions of this Constitution and to any direction given by the Company in a general meeting, any unissued or new shares of the Company shall be at the disposal of the Board, which may allot, grant options over or otherwise dispose them to such persons, at such times and for such consideration as upon such terms and conditions as the Board may determine, but so that no shares shall be issued at a discount except in accordance with Act.

50. Capital raised by the creation of new shares

The new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

51. Reduction of Share Capital

The Company may by Special Resolution reduce its share capital in accordance with and subject to the provisions of the Act and all other Applicable Laws.

GENERAL MEETINGS

52. General Meeting

An annual general meeting of the Company shall be held once in every calendar year within six (6) months of the Company's financial year end and not more than fifteen (15) months after the holding of the last preceding annual general meeting and at such place as the Board shall determine, in addition to any other meetings held during that period, to transact the following business:

- (a) the laying of audited financial statements and the reports of the Directors and auditors;
- (b) the election of Directors in place of those retiring;
- (c) the appointment and the fixing of the fees and benefits of Directors;
- (d) the appointment of auditors of the Company and the fixing of the auditor's remuneration; and
- (e) any resolution or other business of which notice is given in accordance with the Act or this Constitution.

Every notice of an annual general meeting shall specify the meeting as such and every meeting convened for passing a Special Resolution shall state the intention to propose such resolution as a Special Resolution.

53. Extraordinary General Meeting

All general meetings other than annual general meetings shall be called extraordinary general meetings.

54. Convening of Extraordinary General Meeting

- (a) A meeting of Members may be convened by:
 - (i) the Board; or
 - (ii) any Member holding at least ten per centum (10%) of the issued share capital of the Company.
- (b) The Directors shall call a meeting of Members once they receive a requisition to do so from Members representing at least ten per centum (10%) of the paid-up capital of the Company carrying the right of voting at meetings of Members of the Company, excluding any paid-up capital held as treasury shares.
- (c) The requisition referred to in Article 54(b) above:
 - (i) shall be in hard copy or electronic form;
 - (ii) shall state the general nature of the business to be dealt with at the meeting;
 - (iii) may include the text of a resolution that may properly be moved and is intended to be moved at the meeting; and
 - (iv) shall be signed or authenticated by the person making the requisition.
- (d) For the purposes of Article 54(b) above, the right of voting shall be determined as at 5.00 p.m. on the date the requisition is deposited with the Company.
- (e) The Directors shall:
 - (i) call for the meeting within fourteen (14) days from the date of the requisition under Article 54(b) above; and
 - (ii) hold the meeting on a date which is not more than twenty-eight (28) days after the date of the notice to convene the meeting.

- (f) If the requests received by the Company identify a resolution intended to be moved at the meeting, the notice shall include the text of the resolution.
- (g) If the resolution is to be proposed as a Special Resolution, the Directors shall be considered as not having duly called for the meeting if the notice of the resolution is not given in accordance with Section 292 of the Act.
- (h) If the Directors are required to call a meeting of Members under Article 54(b) above and do not do so in accordance with Article 54(e), the Members who requisitioned the meeting or any number of Members representing more than one half (1/2) of the total voting rights of all of the Members who requisitioned, may call for a meeting of Members. The meeting shall be convened by the Members on a date not more than three (3) months after the date on which the Directors received a requisition under Article 54(b) to call for a meeting of Members.
- (i) Any reasonable expenses incurred by the Members requisitioning the meeting by reason of the failure of the Directors to call a meeting shall be reimbursed by the Company.
- (j) The Company may convene a meeting of Members at more than one venue using any technology or method that enables the Members of the Company to participate and to exercise the Members' right to speak and vote at the meeting. The main venue of the meeting shall be in Malaysia and the Chairman shall be present at the main venue.

NOTICE OF GENERAL MEETINGS

55. Notice of Meeting

- (a) Subject to the provisions of the Act relating to special resolutions and special notice and the Listing Requirements, a meeting called for the passing of a Special Resolution or where it is an annual general meeting shall be called by at least twenty-one (21) days' notice in writing and any other meeting of the Company shall be called by at least fourteen (14) days' notice in writing, (exclusive of the day on which the notice is served or deemed to be served but inclusive of the day for which the notice is given) specifying the place, date, time and the general nature of the business of every general meeting and shall:
 - (i) be given in the manner hereinafter mentioned to every Member, Director and auditor of the Company and to such persons as are under the provisions of this Constitution and the Act entitled to receive notices of general meetings from the Company;
 - (ii) be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper published in Malaysia; and
 - (iii) be served on the Exchange and other stock exchange (if any) upon which the shares of the Company are for the time being listed at the same time as the Members are notified.
- (b) Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special businesses.
- (c) The Company shall request the Depository in accordance with the Rules at least three (3) Market Days prior to and not including the date of the notice of the general meeting to issue the Record of Depositors to whom notices of general meetings shall be given by the Company.
- (d) The Company shall also request the Depository in accordance with the Rules, to prepare the Record of Depositors as at a date not less than three (3) Market Days before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors"). The General Meeting Record of Depositors shall be the final record of all Depositors who shall be deemed to be the

registered holders of ordinary shares of the Company eligible to be present and vote at such meeting. A Depositor shall not be regarded as a Member entitled to attend any general meeting and to speak and vote thereat unless his / her name appears in the General Meeting Record of Depositors.

- (e) Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable) and notwithstanding any provision in the Act, a Depositor shall not be regarded as a Member entitled to attend any general meeting and to speak and vote thereat unless his / her name appears in the General Meeting Record of Depositors.
- (f) Where special notice is required of a resolution under the Act, the resolution shall not be effective unless notice of intention to move such resolution is given to the Company at least twenty-eight (28) days before the meeting at which it is to be moved. Where practicable, the Company shall give its Members notice of any such resolution in the same manner and at the same time as it gives notice of the meeting. Where it is not practicable to do so, the Company shall give notice of the resolution to the Members at least fourteen (14) days before the meeting:
 - (i) by advertising it in one widely circulated newspaper in Malaysia in the national language and one widely circulated newspaper in Malaysia in the English language; and
 - (ii) personally or by post to the address as appearing in the Record of Depositors; or
 - (iii) in electronic form to the electronic address provided by the Member to the Company for such purpose as appearing in the Record of Depositors or by publishing on the Company's website or via short messaging service or any other electronic platform(s). If the notice of meeting is published on the Company's website, a notification shall be given in accordance with Article 55(j).
- (g) For the purposes of this Article, the reference to a 'Member' includes any person who is entitled to a share in consequence of the death or bankruptcy of a Member who, but for his / her death or bankruptcy, would be entitled to receive notice of the meeting and the Company has been notified of the person's entitlement in writing.
- (h) The notice of meeting of Members:
 - (i) shall be given to Members either in hard copy, in electronic form or partly in hard copy and partly in electronic form;
 - (ii) shall state prominently:
 - (A) that a Member shall be entitled to appoint one or more persons as his / her proxy to exercise all or any of the Member's rights to attend, participate, speak and vote at a meeting of Members of the Company;
 - (B) that a Member who appoints more than one proxy in relation to a meeting must specify the proportion of the Member's shareholding to be represented by each proxy; and
 - (C) the place and time at which the instrument of proxy is to be deposited, and
 - (iii) may include the text of any proposed resolution and other information as the Directors deem fit.

- (i) A notice given:
 - (i) in hard copy shall be sent to Members either personally or by post to the address as appearing in the Record of Depositors; or
 - (ii) in electronic form shall be transmitted to the electronic address provided by the Member to the Company for such purpose as appearing in the Record of Depositors or by publishing on the Company's website or via short messaging service or any other electronic platform(s).
- (j) Where notice of a meeting of Members is given by the Company via publication on the Company's website or any other electronic platform(s), the Company must notify a Member of the publication of the notice on the website and such notification shall be in writing and be given in hard copy or electronic form stating:
 - (i) that it concerns a meeting of Members;
 - (ii) the place, date and time of the meeting; and
 - (iii) whether the meeting is an annual general meeting.

The notice shall be made available on the website from the date that notice is given under this Article until the conclusion of the meeting.
- (k) In the case of joint-holders of a share, the notice, whether in hard copy or by electronic form, must be given to the joint-holder whose name appears first in the Record of Depositors.
- (l) Where a meeting of Members is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given in the same manner as in the case of the original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjourned meeting or the business to be transacted at such meeting.

56. Accidental omission to give notice

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

57. Special business

All business that is transacted at an extraordinary general meeting and also all business that is transacted at an annual general meeting, with the exception of the businesses set out in Article 52(a)-(d) of this Constitution, shall be deemed special.

58. Quorum

No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, two (2) Members present in person shall be a quorum. For the purpose of this Article, "Member" includes a person attending as a proxy or attorney or as corporate representative.

For the purposes of constituting a quorum, one (1) or more representatives appointed by a corporation shall be counted as one (1) Member or one (1) or more proxies appointed by a person shall be counted as one (1) Member.

59. When quorum not present

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week (or if that day be a public holiday, then to the next business day following that public holiday) at the same time and place or to such other date, time and place as the Board may determine but if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Members present in person or by proxy, not being less than two (2), shall be a quorum.

60. Chairman of general meeting

The Chairman (if any) of the Board shall preside as Chairman at every general meeting of the Company or, if there is no such Chairman, or if he / she shall not be present within fifteen (15) minutes after the time appointed for the holding of the meeting or is unwilling to act, the Directors present shall choose one (1) of their number to be Chairman of the meeting.

61. Director unwilling to act as Chairman

If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen (15) minutes after the time appointed for holding the meeting, the Members present shall choose one of their number to be Chairman of the meeting.

62. Power to adjourn general meeting

The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

63. How questions are decided at a meeting

Subject to the Listing Requirements, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless before or on the declaration of the result of the show of hands, a poll is demanded:

- (a) by the Chairman;
- (b) by not less than three (3) Members present in person or by proxy or by attorney or a corporate representative;
- (c) by any Member or Members present in person or by proxy or by attorney or a corporate representative and representing not less than ten per centum (10%) of the total voting rights of all the Members having the right to vote at the meeting; or
- (d) by a Member or Members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid-up equal to not less than ten per centum (10%) of the total sum paid-up on all the shares conferring that right.

Unless a poll be so demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously or carried or not carried by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company,

shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

64. Poll taken as Chairman directs

Except as provided in Article 66, if a poll is duly demanded or if mandated under the Listing Requirements, it shall be taken in such manner as the Chairman directs (by way of electronic voting or otherwise), and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

65. Chairman shall not have casting vote

In the case of an equality of votes whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall not have a second or casting vote and the resolution shall be declared to have been lost.

66. Poll to be taken

A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such times as the Chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of a poll. The demand for a poll may be withdrawn at any time. A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made. The Chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers to validate the votes cast by poll at any general meeting of the Company and may in addition to the powers of adjourning meetings contained in Article 62 adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll.

VOTES OF MEMBERS

67. Right to vote

Subject to the Listing Requirements, Article 80(d) of this Constitution and any rights or restrictions for the time being attached to any class or classes of shares, at meetings of Members or of classes of Members, each Member entitled to vote may vote in person or by proxy or by attorney or by corporate representative and on a show of hands every person present who is a Member or a proxy or an attorney or a corporate representative of a Member shall have one (1) vote, and on a poll every Member present in person or by proxy or by attorney or by corporate representative shall have one (1) vote for each share of which he / she is the holder. A proxy shall be entitled to vote on a show of hands on any question at any general meeting. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.

68. Members of unsound mind

A Member of unsound mind, or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, whether on a show of hands or on a poll, by his / her committee or by such other person as properly as the management of his / her estate, and any such committee or other person may vote by proxy or attorney provided that such evidence as the Directors may require of the authority of the person claiming the right to vote shall be deposited at the Office not less than forty-eight (48) hours before the time appointed for holding the meeting or the adjourned meeting.

69. No Member to vote whilst calls unpaid

No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him / her in respect of shares in the Company have been paid.

70. Votes to be taken as Chairman shall direct

No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

71. Votes given on a poll

On a poll, votes may be given either personally or by proxy or by attorney or in the case where a Member is a corporation, by a corporate representative.

72. Number of proxy

- (a) Where a Member of the Company is an Authorised Nominee, he / she may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account to attend and vote at a meeting of the Company in that Member's place.
- (b) Where a Member of the Company is an Exempt Authorized 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 Authorized Nominee may appoint in respect of each omnibus account he / she holds PROVIDED THAT each Beneficial Owner of ordinary shares, or where the ordinary shares are held on behalf of joint Beneficial Owners, such joint Beneficial Owners, shall only be entitled to instruct the Exempt Authorised Nominee to appoint not more than two (2) proxies to attend and vote at a general meeting of the Company instead of the Beneficial Owner or joint Beneficial Owners.
- (c) Subject to Articles 72(a) and (b), a Member entitled to attend, vote and speak at the meeting is entitled to appoint up to two (2) proxies to attend, vote and speak instead of the Member at the meeting.
- (d) Where a Member entitled to vote on a resolution has appointed more than one (1) proxy, the proxies shall only be entitled to vote on poll and the appointment shall not be valid unless he / she specifies the proportions of his / her holdings to be represented by each proxy.

73. Shares of different monetary denominations

Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such a manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.

PROXIES

74. Proxy to be in writing

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his / her attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. The Directors may but shall not be bound to require evidence of the authority of any such attorney or officer. A proxy may but need not be a Member. There shall be no restriction as to the qualification of the proxy.

75. Instrument appointing proxy to be deposited

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office (or at such other place as is specified for that purpose in the notice convening the meeting) not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

76. Form of proxy

The instrument appointing a proxy shall be such form as the Board may from time to time prescribe or approve.

77. Instrument of proxy deemed to confer authority

The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

78. Validity of vote given under proxy

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, or the transfer of the share in respect of which the instrument of proxy is given, provided that no intimation in writing of such death, insanity, revocation, or transfer as aforesaid shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the instrument of proxy is used. A Member shall not be precluded from attending, voting and speaking in person at any general meeting after lodging the instrument of proxy but such Member's attendance shall automatically revoke his / her proxy's authority to attend, vote and speak at the general meeting.

POWER OF ATTORNEY

79. Power of Attorney

Every power, right or privilege herein given in this Constitution to any Member of the Company to convene, attend, vote and in any way take part in any meeting of the Company, may be exercised in the event of such Member being out of Malaysia by any attorney, whether a Member of the Company or not, duly appointed by such Member for the purpose, by a power of attorney produced at the Office during business hours not less than forty-eight (48) hours before the same is acted on. Any vote given or things done by such attorney shall be valid notwithstanding the previous death of the Member giving such power of attorney or revocation of such power of attorney by other means provided no intimation in writing of such death or revocations shall have been received at the Office before such vote is given or thing done.

CORPORATIONS ACTING BY CORPORATE REPRESENTATIVES AT MEETINGS

80. Corporate Representative

- (a) Any corporation (whether a company within the meaning of the Act or not) which is a Member of the Company may, by resolution of its board of directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorised shall be entitled to exercise the

same powers on behalf of the corporation which he / she represents as that corporation could exercise if it were an individual Member of the Company. A corporation which is a Member of the Company will be deemed to be present in person by its representatives duly authorised under this Article.

- (b) If the corporation authorises more than one (1) person as its representative, every one of the representatives is entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if every one of the representatives was an individual Member of the Company.
- (c) A Member shall be entitled to appoint up to two (2) corporate representatives.
- (d) If the corporation authorises more than one (1) person and more than one (1) of the representatives purport to exercise such powers as stated in this Article:
 - (i) if the representatives purport to exercise the power in the same way, the power is treated as exercised in that way; or
 - (ii) if the representatives do not purport to exercise the power in the same way, the power is treated as not exercised.
- (e) The authority given by a corporation to a representative may be for a particular general meeting or for all meetings of the Company. In the case of the latter, the person authorised shall be entitled to exercise his / her powers on behalf of the corporation until his / her authority is revoked by the corporation. A certificate of authorisation by the corporation shall be prima facie evidence of the appointment or revocation of the appointment, as the case may be.

DIRECTORS

81. Directors

- (a) All the Directors of the Company shall be natural persons who are at least eighteen (18) years of age. The Directors shall not be less than two (2) and not more than twelve (12) in number but, subject to the Listing Requirements, in the event of any vacancy occurring and reducing the number of Directors below the aforesaid minimum the continuing Director or Directors may act in accordance with Article 97 of this Constitution.
- (b) The Directors shall have power from time to time and at any time to appoint additional Directors, provided that the total number of Directors shall not exceed the prescribed maximum in accordance with Article 81(a) above. A Director so appointed shall hold office only until the next annual general meeting and shall be eligible for re-election at that meeting but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.
- (c) An election of Directors shall take place each year. Subject to the provisions of this Constitution, all the Directors shall retire from office at the conclusion of the first annual general meeting and one-third (1/3) of the Directors for the time being, or, if their number is not a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of every subsequent annual general meeting provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election.
- (d) The Directors to retire shall be the Directors who have been longest in office since their election. As between Directors who became Directors on the same day, the Directors to retire shall, in the absence of agreement among themselves, be determined by lot. A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he / she retires.

- (e) Subject to any resolution reducing the number of Directors and subject to Article 81(f) of this Constitution, the Company shall, at the meeting at which any Director retires in the manner aforesaid, fill up the vacated office by electing a person thereto and may fill up any other vacancies.
- (f) No person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting, unless, a Member intending to propose him / her for election has, at least eleven (11) Clear Days before the meeting, left at the Office a notice in writing duly signed by the nominee, giving his / her consent to the nomination and signifying his / her candidature for the office, or the intention of such Member to propose him / her for election, provided that in the case of a person recommended by the Directors for election, nine (9) Clear Days' notice only shall be necessary, and notice of each and every candidature for election to the Board of Directors shall be served on the registered holders of shares at least seven (7) days prior to the meeting at which the election is to take place.
- (g) If at any meeting at which an election of Directors ought to take place, the place of any retiring Director is not filled up, such retiring Director shall, if willing to act, be deemed to have been re-elected, unless at such meeting the Company expressly resolved not to fill the vacated office or a resolution for the re-election of such retiring Director shall have been put to the meeting and not carried.
- (h) Any casual vacancy occurring in the Board of Directors may be filled up by the Directors. Any person so chosen shall retain his / her office only until the next following annual general meeting of the Company, but he / she shall be eligible for re-election at that meeting.
- (i) A motion for the appointment of two (2) or more persons as Directors by a single resolution shall not be made at any general meeting unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it and any resolution moved in contravention of this provision shall be void.

82. Directors' remuneration

- (a) The fees and benefits of the Directors shall be subject to annual shareholder approval at a general meeting and once determined, shall remain in effect until amended, modified or varied by the Company at a general meeting.
- (b) Fees payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- (c) Salaries payable to Directors who do hold an executive office in the Company may not include a commission on or percentage of turnover.
- (d) Any fee paid to an Alternate Director shall be such amount as shall be agreed between himself / herself and the Director nominating him / her and shall be paid out of the remuneration of the latter.
- (e) The Directors may also be paid all travelling, hotel, and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.
- (f) Subject to the provisions of this Article, any Director who is appointed to any executive office including the office of Chairman or who serves on any committee or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary percentage of profits or

otherwise as the Directors may determine but not a commission on or percentage of turnover. Any such extra remuneration payable to a non-executive Director shall not include a commission on or a percentage of profits or turnover.

83. Shareholding qualification

The shareholding qualification for Directors may be fixed by the Company in a general meeting, and unless and until so fixed no qualification shall be required.

84. Director may hold other office

A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and subject to the Act no such Director shall be accountable to the Company for any remuneration or other benefits received by him / her as a director or officer of, or from his / her interest in, such other company unless the Company otherwise directs.

85. Removal of Directors

Subject to the provisions of this Constitution and the Act, the Company may by Ordinary Resolution, of which special notice is given, remove any Director before the expiration of his / her period of office and may, if thought fit, by Ordinary Resolution appoint another person in his / her stead, but the person so appointed shall be subject to retirement at the same time as if he / she had become a Director on the day on which the Director in whose place he / she is appointed was last elected or appointed a Director.

BORROWING POWERS

86. Directors' borrowing powers

The Directors may exercise all the powers of the Company to borrow or raise money for the purpose of the Company's or any of its related corporations' businesses on such terms as they think fit and may secure the repayment of the same by mortgage or charge upon the whole or any part of the Company's undertaking and property (both present and future) including its uncalled or unissued capital and may issue bonds, debentures and other securities whether charged upon the whole or part of the assets of the Company or otherwise but the Directors shall not borrow any money or mortgage or charge any of the Company's or any of its subsidiary companies' undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

87. Keeping of proper register of charges

The Board shall cause a proper register of charges to be kept in accordance with Section 362 of the Act and shall duly comply with the requirements of Section 352 of the Act with regards to the registration of charges therein specified and otherwise.

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POWERS AND DUTIES OF DIRECTORS

88. General powers of the Company vested in Directors

The management of the business of the Company shall be vested in the Board which, in addition to the powers and authorities by this Constitution or otherwise expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by the Act expressly directed or required to be exercised or done by the Company in a general meeting, but subject nevertheless to the provisions of the Act and this Constitution and to any regulations, being not inconsistent with the aforesaid provisions, from time to time made by the Company in general meeting:

Provided that no regulations so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

89. Powers of Directors

- (a) A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall, as soon as practicable after the relevant facts have come to the Director's knowledge, declare the nature of his / her interest at a meeting of the Board in accordance with provisions of the Act and the Listing Requirements.
- (b) Subject to the provisions under Section 222(2) of the Act, a Director who has an interest in the manner set out in Section 221 of the Act in a contract or proposed contract with the Company:
 - (i) shall be counted only to make the quorum at the meeting of the Board;
 - (ii) shall not participate in any discussion while the contract or proposed contract is being considered at the meeting; and
 - (iii) shall not vote on the contract or proposed contract, and if so votes, his / her vote shall not be counted.
- (c) The Directors may from time to time by power of attorney appoint any corporation, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities, and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities, and discretions vested in him / her.
- (d) Every Director shall give notice to the Company of such events and matters relating to himself / herself as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Act and the Listing Requirements.
- (e) Subject always to the provisions of the Act, a Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his / her office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine and no Director or intending Director shall be disqualified by his / her office from contracting with the Company either with regard to his / her tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or

arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

- (f) A Director, notwithstanding his / her interest, may be counted in the quorum present at any meeting whereat he / she or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment arranged, and he / she may vote on any such appointment or arrangement other than his / her own appointment of the arrangement of the terms thereof.
- (g) Any Director may act by himself / herself or his / her firm in a professional capacity for the Company, and he / she or his / her firm shall be entitled to remuneration for professional services as if he / she were not a Director, provided that nothing herein contained shall authorise a Director or his / her firm to act as auditor to the Company.

90. Execution of negotiable instruments

All cheques, promissory notes, drafts, bills of exchange, and other negotiable and transferable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such other manner as the Board shall from time to time by resolution determine.

91. Minutes to be made

The Board shall cause minutes to be made in books provided for the purpose:

- (a) of all appointments of the officers by the Board to be engaged in the management of the Company's affairs;
- (b) of the names of the Directors present at each meeting of the Board and of any committee of the Board;
- (c) of all resolutions and proceedings at all meetings of the Company and of the Board and of any such committee as aforesaid;

and every Director present at any meeting of the Board or of a committee of the Board shall sign his / her name in a book to be kept for the purpose. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

92. Power to maintain pension fund

Subject to the Act, the Board on behalf of the Company may pay a gratuity or pension or allowance on retirement to any person who is or has been employed by or in the service of the Company, or to any person who is or has been a Director or other officer of and holds or who has held salaried office or place of profit with the Company, or to his / her widow / widower or dependants of any such person and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

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DISQUALIFICATION OF DIRECTORS

93. Office of Directors vacated in certain cases

The office of Director shall be vacated if the Director:

- (a) ceases to be a Director by virtue of the Act or the provisions of this Constitution;
- (b) has retired in accordance with this Act or this Constitution but is not re-elected;
- (c) becomes bankrupt or makes any arrangement or composition with his / her creditors generally;
- (d) becomes disqualified from being a Director by reason of any order made under Section 198 or 199 of the Act;
- (e) is found lunatic or becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
- (f) dies;
- (g) resigns his / her office by notice in writing to the Company;
- (h) is removed from office by resolution of the Company in a general meeting of which special notice has been given, or in accordance with the Act or this Constitution; or
- (i) is absent from more than 50% of the total Board of Directors' meetings held during a financial year unless an exemption or waiver is obtained from the Exchange.

PROCEEDINGS OF THE BOARD

94. Meetings

The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A Director may, and the Secretary upon the request of a Director shall, at any time convene a meeting of the Board. A notice of a meeting of the Board shall be sent to every Director who is in Malaysia, and the notice shall include the date, day, time and place of the meeting and the matters to be discussed. Such notices may be given via telephone, internet based communications or by any other electronic means. Any irregularity in the notice of meeting is waived if all Directors entitled to receive notice of the meeting attend the meeting without objection to the irregularity.

95. Teleconferencing, videoconferencing, etc

Where notice of any meeting of the Directors has been given to the Directors in accordance with Article 94 above, the contemporaneous linking together by means of audio, or audio and visual, including telephone or such other electronic communication media by which all Directors participating and constituting a quorum can simultaneously hear each other throughout the meeting, shall be deemed to constitute a meeting of the Directors wherever in the world they are, PROVIDED THAT:

- (a) the quorum of Directors is met;

- (b) at the commencement of the meeting each Director acknowledged the presence thereof to all the other Directors taking part and such participation shall be deemed to be present in person;
- (c) each of the Directors taking part is able to be heard and hear each of them subject as hereinafter mentioned throughout the meeting;
- (d) the Directors present at the commencement of the meeting do not leave the meeting by disconnecting the telephone, but the meeting shall be deemed to have been conducted validly notwithstanding that the telephone or electronic communication media is accidentally disconnected during the meeting and provided that no discussions or decisions should be made in respect of matters by the Directors during the disconnection and that if the telephone or electronic communication media cannot be re-connected at all, the meeting shall then be adjourned;
- (e) a Director who intends to leave the meeting shall inform the Chairman prior to disconnecting his / her telecommunications device and a Director will be conclusively presumed to have been present and to have formed part of the quorum throughout the meeting unless he / she has informed the Chairman of his / her departure;
- (f) all information and documents are made equally available to all participants prior to or at / during the meeting; and
- (g) minutes of the proceedings shall be sufficient evidence thereof and of the observance of all necessary formalities if certified by both the Chairman and the Secretary.

96. Quorum

The quorum necessary for the transaction of the business of the Board shall be fixed by the Board and, unless so fixed, shall be a majority of the Directors whether attending in person or by their Alternate Directors.

97. Number reduced below quorum

The remaining Directors may continue to act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by or pursuant to this Constitution, the remaining Directors or Director may except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number or to summon a general meeting of the Company, but for no other purpose.

98. Chairman

The Board may elect a Chairman of its meetings and determine the period for which he / she is to hold office; but if no such Chairman is elected, or if at any meeting the Chairman is not present within fifteen (15) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.

99. Voting

- (a) Subject to Article 89(b) of this Constitution, every Director has one vote.
- (b) Subject to Article 89(b) of this Constitution, questions arising at any meeting shall be decided by a majority of votes. In the event of an equality of votes, the Chairman shall have a casting vote.
- (c) Where two (2) Directors form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue, shall not have a casting vote.

- (d) A resolution of the Board is passed if it is agreed to by all Directors present without dissent or if a majority of the votes cast on the resolution are in favour of it.
- (e) A Director present at the meeting of the Board is presumed to have agreed to, and to have voted in favour of, a resolution of the Board unless he / she expressly dissents from or votes against the resolution at the meeting. The minutes of meeting shall record such dissenting views or votes accordingly.
- (f) Where a resolution is passed at an adjourned meeting of the Board, the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

100. Committees

The Board may delegate any of their powers to committees consisting of such member or members of its body as it thinks fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board and the requirements of the Exchange, where applicable.

101. Proceedings of Committees

The meetings and proceedings of any committee shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under this Constitution or by the requirements of the Exchange, where applicable.

102. Resolutions in writing signed by Directors effective

Subject to Article 89(b) of this Constitution, a resolution in writing signed by all Directors for the time being (or by their respective alternates appointed under Article 108 with authority to sign such resolution) or by all members of a committee for the time being shall be as valid and effectual as if it had been passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in like form each signed by one (1) or more of the Directors or members of the committee concerned and may be first approved via e-mail or other electronic communication media, followed by the documents with original signature to be returned to the Secretary.

103. Validity of acts where appointment defective

All acts done by any meeting of the Board or of a committee of the Board or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or member of such committee or person acting as aforesaid, or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed and was not disqualified or had continued in office.

104. Special remuneration

The Board may award special remuneration out of the funds of the Company to any Director going or residing abroad in the interests of the Company or undertaking any work additional to that usually required of Directors of a company similar to the Company.

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MANAGING DIRECTORS

105. Appointment of managing director

The Board may from time to time appoint any one or more of its body to the office of managing director for such period which shall not exceed three (3) years, and on such terms as it thinks fit and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment. The appointment of the managing director shall be automatically determined if he / she ceases from any cause to be a Director.

106. Remuneration of managing director

A managing director shall, subject to the Act and the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, commission or participation in profits or partly in one way and partly in another) as the Board may determine provided that it may not include a commission on or percentage of turnover.

107. Powers of managing director

The Board may entrust to and confer upon a managing director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it may think fit, and either collaterally with or to the exclusion of its own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers. The managing director, or a person holding an equivalent position, shall be subject to the control of the Board.

ALTERNATE DIRECTORS

108. Appointment of Alternate Directors

- (a) Subject to Article 108(b) below, any Director may at any time appoint any other person to be an Alternate Director of the Company in his / her place and may at any time remove from office any Alternate Director so appointed by him / her, provided that:
- (i) such person is not a Director of the Company;
 - (ii) such person does not act as an alternate for more than one Director of the Company;
 - (iii) the appointment is approved by a majority of the other members of the Board; and
 - (iv) any fee paid by the Company to the Alternate Director shall be deducted from that Director's remuneration.
- (b) Nothing in this Article shall enable the Chairman or a Managing Director to delegate to an Alternate Director any of the special powers or authorities vested in the Chairman or such Managing Director, as the case may be, by this Constitution or by the Board.
- (c) The Alternate Director shall (except as regards power to appoint an Alternate Director and remuneration) be entitled to perform in the place of his / her appointor such of the functions of his / her appointor as a Director of the Company as his / her appointor shall by the instrument of appointment prescribe and be subject in all respects to the terms and conditions existing with reference to the other Directors.

- (d) An Alternate Director appointed for the purpose of attending and voting at meetings of the Board shall be entitled to receive notices of all such meetings and to attend and be counted in the quorum and vote at any such meeting at which his / her appointor is not present.
- (e) An Alternate Director shall have a vote in respect of his / her appointor in whose place he / she is entitled to vote and may exercise such vote at a meeting.
- (f) Subject to the provisions of the Listing Requirements, an Alternate Director shall not be appointed as a member of the Audit Committee of the Company.

109. Effect of instrument appointing and removing Alternate Director

- (a) All appointments and removals of Alternate Directors shall be effected by instrument in writing under the hand of the Director making or revoking such appointment and shall take effect upon such instrument being left at the Office. An Alternate Director shall automatically cease to be an Alternate Director if his / her appointor ceases for any reason to be a Director, provided that where a Director who is required to retire by rotation under this Constitution so retires and is reappointed or deemed to have been reappointed, any appointment of an Alternate Director made by him / her which was in force immediately prior to his / her retirement shall continue after his / her reappointment.
- (b) An Alternate Director shall also cease to be an Alternate Director on the happening of any event which if he / she were a Director would render him / her legally disqualified from acting as a Director or if his / her appointor or the majority of the other Directors revokes his / her appointment by delivering a written notice to such effect to the Office.
- (c) An Alternate Director shall not be taken into account in determining the minimum or maximum number of Directors required under this Constitution or the Act.

SECRETARY

110. Secretary

Subject to the Act, the Secretary shall be appointed by the Board for such term and such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board. The office of the Secretary shall be vacated if the Secretary resigns by notice in writing to the Board, left at the Office and copies sent to all the Directors for the time being. Where a Secretary gives notice of resignation to the Board, the Secretary shall cease to act as Secretary on the expiry of thirty (30) days from the date of such notice or within such other stipulated time as provided in the terms of engagement.

111. Prohibition to act in dual capacity

A person is prohibited to act in a dual capacity as both a Director and a Secretary in a situation that requires or authorises anything to be done by a Director and a Secretary.

THE SEAL

112. Custody and affixing of Seal

- (a) The Board shall provide for the safe custody of the Seal. The Seal shall be used pursuant to a resolution of the Board or a committee of the Board authorised to use the Seal, and every instrument to which the Seal shall be affixed shall be signed by a Director and also by the Secretary or by a second Director or by some other person appointed by the Board for the

purpose.

- (b) The Board may by resolution determine either generally or in any particular case that the signatures of any Director, the Secretary or such other persons appointed as aforesaid may be affixed or reproduced by facsimile, autographic or other mechanical means provided that the use of such is restricted to a certificate, instrument of transfer or other documents of title in respect of any share, stock, debenture or marketable security created or issued by the Company to be given under the Seal.
- (c) The Company may exercise the powers of Section 62 of the Act, and such powers are accordingly hereby vested in the Board.
- (d) The Company may also have a share seal pursuant to and in accordance with Section 63 of the Act.

DIVIDENDS AND RESERVES

113. Declaration of dividend

The Company may from time to time declare dividends in a general meeting, but no such dividend shall exceed the amount recommended by the Board.

114. Interim dividend

The Board may from time to time pay to the Members such interim dividends as appear to the Board to be justified by the profits of the Company.

115. Dividend Reinvestment Scheme

Subject to the approval being obtained from the Members of the Company and the Listing Requirements, the Company may issue shares pursuant to a dividend reinvestment scheme to all its Members who are entitled to the dividend in accordance with the provisions of the Act and any rules, regulations and guidelines issued by the Exchange and any other relevant authorities in respect thereof.

116. Dividend paid out of profits and only if Company is solvent

- (a) No dividend shall be paid otherwise than out of profits of the Company provided that the Company is solvent and subject always to the provisions of the Act.
- (b) Before a distribution is made by the Company to any shareholder, such distribution must be authorised by the Board. The Directors may authorise a distribution at such time and in such amount as they consider appropriate, if they are satisfied that the Company will be solvent immediately after the distribution is made. The Company is regarded as solvent if the Company is able to pay its debts as and when the debts become due within twelve (12) months immediately after distribution is made.
- (c) If after a distribution is authorised and before it is made, the Directors cease to be satisfied on reasonable grounds that the Company will be solvent immediately after the distribution is made, the Directors shall take all necessary steps to prevent the distribution from being made.

117. Payment of dividends

- (a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board,

be applicable for any purpose to which the profits of the Company may be properly applied, and pending any such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profit which it may think prudent not to divide.

- (b) The Directors may fix the time that a distribution is payable and the method of payment.
- (c) A distribution can be paid in cash, by the issue of shares or other securities, by the grant of options and by the transfer of assets to a shareholder.

118. Dividend paid equally

Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share be issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

119. Debts may be deducted

The Board may deduct from any dividend payable to any Member all sums of money (if any) presently payable by him / her to the Company on account of calls or otherwise in relation to the shares of the Company.

120. Dividend in specie

Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and, in particular, of paid-up shares, debentures or debenture stocks of any other company, or in any one or more such ways, and the Board shall give effect to such resolution and where any difficulty arises in regard to such distribution the Board may settle the same as it thinks expedient, and, in particular, may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments shall be made to any Member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Board.

121. Payment by post and discharge

Any dividend, interest or other moneys payable in cash in respect of Securities may be paid by cheque or warrant sent through the post directed to the registered address of the Member or paid via direct credit, bank transfer or such other mode of electronics means (subject to the provision of the Act, the Depositories Act, the Rules, the Listing Requirements and / or regulatory authorities) to the bank account of the holders provided by the Member entitled thereto and whose names appear in the Register or Record of Depositors respectively. Every such cheque or warrant or such other electronic transfer or remittance shall be made payable to the order of the person to whom it is sent. Payment via cheque or warrant or electronic transfer or remittance if purporting to be endorsed shall be a good discharge to the Company in respect of the dividend or money represented thereby. Every such cheque or warrant or electronic transfer or remittance shall be sent at the risk of the person entitled to the dividend or money represented thereby. The Company reserves the rights to deduct from the dividends any costs (where applicable) incurred for the crediting of the dividends into Member's specified account.

122. No interest on unpaid dividend

No dividend shall bear interest against the Company.

123. Unclaimed dividends

All dividends unclaimed for one (1) year after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed or paid by the Company in accordance with the Unclaimed Moneys Act 1965.

124. Additional dividend provisions

- (a) Subject to the Act, the Depositories Act and the Rules, a transfer shall not pass the right to any dividend declared thereon before registration of the transfer.
- (b) Notwithstanding anything contained in this Constitution, a Depositor's entitlement to dividends, rights issues, bonus issues or any other rights or options in the Company by virtue of any Deposited Securities standing to the credit of his / her Securities Account shall be subject to the Act, the Depositories Act and the Rules.

ACCOUNTS

125. Accounts to be kept

The Board shall cause to be kept the accounting and other records to sufficiently explain the transactions and financial position of the Company and to give a true and fair profit and loss accounts and balance sheets and any documents required to be attached thereto to be prepared, and cause the accounting and other records to be kept in a manner as to enable the accounting and other records to be conveniently and properly audited.

126. Place of keeping accounts

Subject to the provisions of the Act, the accounting and other records shall be kept at the Office, or at such other place or places as the Board thinks fit, and shall always be open to inspection by the Directors.

127. Accounts open to inspection

The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting and other records of the Company shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any accounting or other records or document of the Company except as conferred by statute or authorised by the Board or by the Company in a general meeting.

128. Audited financial statements and reports to be laid before the Company

The Board shall in accordance with the Act, cause to be prepared and to be laid before the Company in an annual general meeting the audited financial statements and the reports of the Directors and auditors. The interval between the close of a financial year of the Company and the issue of the annual audited financial statements and the Directors' and auditors' reports shall not exceed four (4) months.

129. Circulation of copies of the audited financial statements and reports of Directors and auditors

A copy of each of the audited financial statements and the reports of the Directors' and auditors, in printed form or any other electronic or digital means (including but not limited to Compact Disc Read-Only Memory (CD-ROM), Digital Versatile Disc Read-Only Memory (DVD-ROM), electronic mail or publication on the website of the Company or any other electronic platform(s) of the Company) or in any other format whatsoever (whether available now or in the future) permitted by the Listing Requirements through which images, data, information or other materials may be viewed, which is to be laid before the Company at an annual general meeting shall, at least twenty-one (21) days before the meeting, be delivered or sent by post to every Member and debenture holder of the Company and to the Company's auditors and to every person who is entitled to receive notices from the Company under the provisions of the Act and this Constitution. The requisite number of copies of each of these documents shall at the same time be forwarded to the Exchange or other stock exchange, if any, upon which the Company's shares are listed, if required by the Listing Requirements or rules of such other stock exchange, provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Office.

CAPITALISATION OF PROFITS

130. Power to capitalise

The Company may, in a general meeting and upon the recommendation of the Board, resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution, and, accordingly that such sum be set free for distribution amongst the Members who would have been entitled thereto if distributed by way of dividend (and in the same proportions) on condition that the same be not paid in cash, but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively, or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such Members in the proportion aforesaid, or partly in the one way and partly in the other, and the Board shall give effect to such resolution.

131. Effect of resolution to capitalise

Whenever such a resolution as aforesaid shall have been passed, the Board shall make all appropriations and applications of the sums resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures (if any) and, generally, shall do all acts and things required to give effect thereto, with full power to the Board to make such provisions or by payment in cash or otherwise as it thinks fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the sums resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.

AUDIT

132. Appointment of Auditors

Auditors shall be appointed and their duties regulated in accordance with the Act and the Listing Requirements. The auditors' report to the Members made pursuant to the statutory provisions as to audit shall be open to inspection by any Member in accordance with Section 266 of the Act.

NOTICES

133. How notices and / or documents are to be served to members

Any notice and / or documents, including the audited financial statements, reports of directors and auditors, shareholders' circular, forms, statements, annual reports, or any other information that are required to be given to Members pursuant to the Act, the Rules, the Listing Requirements and this Constitution may be given to any Member:

- (a) in hard copy or printed form or any other electronic storage means (including but not limited to CD-ROM and DVD-ROM), personally or by sending it by post to him / her in a prepaid letter addressed to him / her at his / her registered address in Malaysia as appearing in the Register or the Record of Depositors or if he / she has no registered address within Malaysia to the address, if any, supplied by him / her to the Company for the giving of notices to him / her; or
- (b) in electronic form, by transmitting to the electronic address provided by the Member to the Company for such purposes, by publishing on the Company's website or via short messaging service or any other electronic platform(s), subject to the Company's compliance with the requirements for notification of the publication or availability of the notice and / or document in electronic form under the Act, the Rules, the Listing Requirements and this Constitution.

134. Notice and / or document to persons entitled by transmission

A notice and / or document may be given by the Company to the persons entitled to a security in consequence of the death or bankruptcy of a Member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address (if any) supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

135. How notices and / or documents are deemed served

- (a) Where a notice and / or document is sent by post, service of the notice and / or document shall be deemed to be effected by properly addressing, prepaying, and posting (but in the case of an address outside Malaysia by air mail only) a letter containing the notice and / or document, and to have been effected (unless actually received earlier) on the day the letter containing the same is posted.
- (b) Where the notice and / or document is served or delivered via electronic means:
 - (i) if via electronic mail (e-mail), short message service (sms), or any other other electronic platform(s), on delivery or transmission, provided that the Company has record of the notice and / or documents being sent via such channels and no written notification of delivery failure is received by the Company; or

(ii) in case of publication on the Company's official website, the notice and / or document shall be deemed served or delivered to Members at the time of publication,

provided that the requirements for notification of the publication or availability of the notice and / or document in electronic form under the Act, the Rules, the Listing Requirements and this Constitution have been complied with.

(c) In the event that service of a notice and / or document via electronic means is unsuccessful, the Company shall, within three (3) Market Days make alternative arrangements for service of the notice and / or document in hard copy in accordance with Article 135(a) above.

(d) Any notice and / or document required by a court of law or otherwise required or allowed to be given by the Company to the Members or any of them and not expressly provided for by this Constitution, or which cannot for any reason be served in the manner referred to in this Article 135, shall be sufficiently given if given by advertisement, and shall be deemed to be duly advertised once advertised in a widely circulated newspaper in Malaysia in the national language and in a widely circulated newspaper in Malaysia in the English language.

136. Persons bound by notice and / or document

Every person who, by operation of law, transfer, transmission or other means whatsoever, becomes entitled to any securities, shall be bound by every notice and / or document which has been duly served to the person from whom he /she derives the title of such securities, prior to his / her name and address being entered in the Register or Record of Depositors as the registered holder of such securities.

137. Persons entitled to notice

Notice of every general meeting shall be given in any manner hereinbefore authorised to:

- (a) every Member;
- (b) every Director;
- (c) every person entitled to a share in correspondence of the death or bankruptcy of a Member who, but for his / her death or bankruptcy, would be entitled to receive notice of the meeting;
- (d) the auditor for the time being of the Company; and
- (e) the Exchange.

Save as otherwise provided in this Constitution, the Act or the Listing Requirements, no other person shall be entitled to receive notices of general meetings.

WINDING UP

138. Distribution of assets in specie

The Company may only be wound up voluntarily if the Company so resolves by Special Resolution. If the Company should be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Members in specie or kind, the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may, for such purpose, set such value as / she deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or

different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

139. Entitled to participation

If the Company shall be wound up, the Members of each class of shareholders shall be entitled to participate equally in direct proportion to the value of their shares, provided that if the share capital of the Company is divided into different classes the rights of each class in a liquidation shall be in accordance with the terms of the issue of the shares of that class.

140. Liquidators' remuneration subject to notification by Member

On the voluntary liquidation of the Company, no commission or fee shall be paid to the liquidator unless it shall have been approved by Members in a general meeting. The amount of such payment shall be notified to all Members at least seven (7) days prior to the meeting at which the commission or fee is to be considered.

INDEMNITY

141. For the purpose of this Constitution, in relation to indemnity:

“officer” includes:

- (a) any Director, manager, secretary or employee of the Company;
- (b) a former officer;
- (c) a receiver or receiver and manager of any part of the undertaking of the Company appointed under a power contained in any instrument; and any liquidator of the Company appointed in a voluntary winding up, but does not include –
 - (i) any receiver who is not also a manager;
 - (ii) any receiver and manager appointed by the court; or
 - (iii) any liquidator appointed by the court or by the creditors of the Company;

“effect insurance” includes pay, whether directly or indirectly, the costs of the insurance; and

“indemnify” includes to relieve or excuse from liability, whether before or after the liability arises, and “indemnity” has a corresponding meaning.

142. Indemnity

Subject to Applicable Laws and in particular the Act, the Company may indemnify an Officer for any liability incurred or sustained by him / her in execution of his / her duties of his / her office or otherwise in relation thereto, and the Company may effect insurance for such persons against such liability.

143. Effect of Applicable Laws on this Constitution

- (a) Notwithstanding anything contained in this Constitution, if Applicable Laws prohibit an act being done, the act shall not be done.
- (b) Nothing contained in this Constitution prevents an act being done that Applicable Laws require to be done.
- (c) If Applicable Laws require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (d) If Applicable Laws require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision.
- (e) If Applicable Laws require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision.
- (f) If any provision of this Constitution is or becomes inconsistent with Applicable Laws, this Constitution is deemed not to contain that provision to the extent of the inconsistency.

144. Compliance with Applicable Laws

The Company shall comply with the provisions of all Applicable Laws, notwithstanding any provisions in this Constitution to the contrary.

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PART C

**STATEMENT IN RELATION TO THE PROPOSED SHARE BUY-BACK
AUTHORITY FOR HENGYUAN REFINING COMPANY BERHAD TO
PURCHASE ITS OWN SHARES**

STATEMENT IN RELATION TO THE PROPOSED SHARE BUY-BACK AUTHORITY FOR HENGYUAN REFINING COMPANY BERHAD TO PURCHASE ITS OWN SHARES

1. INTRODUCTION

The purpose of this Statement is to:

- (c) provide you with details in relation to the Proposed Share Buy-Back Authority and set out the Board's recommendation for the proposal; and
- (d) seek your approval for the ordinary resolution in relation to the Proposed Share Buy-Back Authority to be tabled at the forthcoming AGM.

The Notice and Form of Proxy have been sent to you together with this Statement.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

2.1. The Company is seeking your approval for the authority for HRC to purchase its own shares of up to 10% of the total number of shares issued at any time period stated in Section 2.2 below. Such Statement is subject to compliance with Section 127 of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of purchase.

2.2. The Proposed Share Buy-Back Authority, if approved, shall be effective upon the passing of the ordinary resolution of the Proposed Share Buy-Back Authority at the forthcoming AGM and shall continue to be in force until:

- (a) 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;
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) 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, orders, guidelines and requirements issued by any relevant authorities.

2.3. Under Section 127 of the Act, the Board may deal with any of the HRC Shares purchased by the Company in the following manner:

- (a) cancel all or part of the Purchased Shares;
- (b) retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- (c) distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- (d) resell all or part of the treasury shares;
- (e) transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- (f) transfer all or part of the treasury shares as purchase consideration;

- (g) sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
- (h) 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.

The Board of HRC intends to retain the HRC Shares purchased as treasury shares.

- 2.4. As at the LPD of 28 March 2019, the total number of shares issued by the Company is 300,000,000. As such, the total number of shares that can be purchased by HRC after obtaining your approval for the Proposed Share Buy-Back Authority is 30,000,000.
- 2.5. The public shareholding spread of the Company as at the LPD is 48.98%. For illustrative purposes, should HRC purchase all 30,000,000 of its shares after obtaining your approval for the Proposed Share Buy-Back Authority, the level of public shareholding spread will be approximately 43.31%.
- 2.6. The Proposed Share Buy-Back Authority will allow the Company to purchase HRC Shares at any time within the time period stated in Section 2.2 above, using HRC's internally generated funds and / or external borrowings.

The actual number of HRC Shares purchased will depend on availability of funds and relevant cost factors.

- 2.7. The maximum amount of funds to be utilised for the purchase of HRC Shares shall not exceed the retained earnings of the Company as at 31 December 2018 of RM1,665,040,000.

In the event that external borrowings are used for the purchase of HRC Shares by the Company, the Board will ensure that there are sufficient funds to repay the external borrowings and that the repayment will not have any material effect on the cash flow of the Company.

- 2.8. The Company has not made any purchase of its own shares prior to this Statement and does not currently hold any treasury shares.

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK AUTHORITY AND ITS POTENTIAL ADVANTAGES AND DISADVANTAGES

- 3.1 The Proposed Share Buy-Back Authority will allow the Company to retain the HRC Shares purchased as treasury shares to be used for employment share schemes and performance share plans planned by the Company. This will form a part of the Company's employee value proposition and be an integral part of the Company's employee remuneration and benefits. The proposed exercise will also contribute to the long-term talent management and employee retention strategy of the Company.
- 3.2 The Company may be able to stabilise the price of HRC Shares in the open market, thereby supporting its fundamental values.
- 3.3 In the case where the Directors resolve to retain the HRC Shares as treasury shares and are not subsequently resold, the Company can potentially enhance its EPS and enhance the value of the shareholders' investment in HRC.
- 3.4 If the HRC Shares bought back are kept as treasury shares, it will allow the Directors an option to sell the HRC Shares so purchased at a higher price and realise a potential capital gain for the Company without affecting the total issued and paid-up capital of the Company. Alternatively, the shares so purchased can be distributed as share dividends to shareholders.

- 3.5 If implemented, the Proposed Share Buy-Back may result in a lower amount of cash reserves available for distribution in the form of cash dividends to shareholders. However, the financial resources of the Company may increase upon the resale of HRC Shares held as treasury shares at prices higher than the purchased price.
- 3.6 The Proposed Share Buy-Back, if exercised, will reduce the financial resources of the Company and may result in the Company foregoing other alternative investment opportunities which may emerge in the future, or at the least, deprive the Company of interest income that can be derived from the funds utilised for the Proposed Share Buy-Back.
- 3.7 The Board does not expect the Proposed Share Buy-Back to cause any potential material disadvantages to the Company and its shareholders as it will only be undertaken after exercising due consideration of the financial resources of HRC and its resultant impact.

4. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

4.1 Share Capital

As the purpose of the Proposed Share Buy-Back is to retain the HRC Shares as treasury shares, the share buy-back will not affect the total issued and paid-up share capital of the Company. However, treasury shares do not include the right to attend to vote at meetings, or the right to receive dividends or other distributions, whether cash or otherwise, of the company's assets.

Further, treasury shares shall not be taken into account in calculating the number of percentage of shares or of a class of shares in HRC for any purpose, including in application of any law or requirements of the constitution of the Company or the Listing Requirements for substantial shareholders, takeovers, notices, the requisitioning of meetings, quorum for a meeting and the result of a vote on a resolution at a meeting.

4.2 Net Assets Per Share

The effect of the Proposed Share Buy-Back on the net assets per share is dependent on the purchase price(s) of HRC Shares. If the purchase price is less than the audited net assets per share at the time of the purchase, the net assets per share will increase. Conversely, if the purchase price exceeds the audited net assets per share at the time of purchase, the net assets per share will decrease.

4.3 Working Capital

The implementation of the Proposed Share Buy-Back will reduce the Company's working capital, the quantum of which would depend on the number of HRC Shares purchased, the purchase price of HRC Shares and any associated costs incurred in the purchase.

If the purchased shares kept as treasury shares are resold on Bursa Securities, the working capital of the Company would increase if the Company realises a gain from the resale. The quantum of the increase in the working capital will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

4.4 Earnings Per Share

The effect of the Proposed Share Buy-Back on the EPS of the Company will depend on the purchase price(s) of HRC Shares and the actual number of HRC Shares bought back. The reduced issued and paid-up capital subsequent to the Proposed Share Buy-Back will generally have a positive impact, all else being equal, on the Company's EPS.

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5. SUBSTANTIAL SHAREHOLDERS' AND DIRECTORS' SHAREHOLDING

5.1 Substantial Shareholders

Assuming that the Proposed Share Buy-Back is carried out in full, the effect of the exercise on the shareholdings of the Substantial Shareholders of HRC is as follows:

<u>Substantial Shareholder</u>	<u>As at LPD</u>				<u>After Proposed Share Buy-Back Authority</u>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Malaysia Hengyuan International Limited	153,069,002	51.02	-	-	153,069,002	56.69	-	-

5.2 Directors' Shareholding

None of the Directors of HRC hold any shares of the Company as at the LPD. As such, the Proposed Share Buy-Back will not have any effect on the Directors' shareholding of HRC.

6. IMPLICATION OF THE CODE

As Malaysia Hengyuan International Limited holds 51.02% of the voting rights of HRC as at the LPD, the Proposed Share Buy-Back will not trigger any implication of the Malaysian Code on Take-Over and Mergers 2016.

7. APPROVAL REQUIRED

The Proposed Share Buy-Back Authority is subject to your approval at the forthcoming AGM to be convened.

8. HISTORICAL SHARE PRICE

The highest and lowest prices at which HRC shares were traded for the preceding twelve (12) months from March 2018 to February 2019 are:

Month	High (RM)	Low (RM)
March 2018	13.10	7.45
April 2018	9.60	6.02
May 2018	9.45	6.11
June 2018	7.30	6.21
July 2018	7.22	5.84
August 2018	7.74	6.76
September 2018	7.15	6.28
October 2018	7.06	5.75
November 2018	6.20	4.55
December 2018	5.19	4.52
January 2019	5.22	4.51
February 2019	6.10	4.80

The last transacted price for HRC Shares on the LPD is RM5.81.

(Source: Bursa Malaysia Information Sdn Bhd and Bloomberg L.P)

9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED

Save for the proportionate increase in the shareholding and / or voting rights of the shareholders of HRC as a result of the implementation of the Proposed Share Buy-Back, none of the Directors, Major Shareholders or persons connected to them have any interests, direct or indirect, in the Proposed Share Buy-Back Authority.

10. DIRECTORS' RECOMMENDATION

Your Board of Directors, having considered the rationale and benefits of the Proposed Share Buy-Back Authority, is of the opinion that the exercise is in the best interest of the Company and its shareholders.

Accordingly, your Board of Directors recommend that shareholders vote in favour of the resolution pertaining to the Proposed Share Buy-Back Authority to be tabled at the forthcoming AGM.

11. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I of this Statement for further information.

This Statement is dated 26 April 2019.

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APPENDIX I
FURTHER INFORMATION

1. Directors' Responsibility Statement

This Statement has been reviewed and approved by the Board of Directors of the Company who collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that after having made 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 herein misleading.

2. Material Contracts

There are no material contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the Company during the two (2) years immediately preceding the date of this Statement.

3. Material Litigation

The Company is not engaged in any material litigation, claims or arbitration either as a plaintiff or defendant, and the Board of Directors are not aware of any proceedings, pending or threatened, against the Company or of any fact likely to give rise to any proceedings which might materially or adversely affect the position or business of the Company.

4. Documents Available for Inspection

Copies of the following documents are available for inspection during normal business hours at the Registered Office of the Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur from the date of this Circular up to and including the date of the AGM:-

- (iii) the Constitution of the Company; and
- (iv) the audited financial statements of the Company for the past two (2) financial years ended 31 December 2017 and 31 December 2018.

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