



Hengyuan Refining Company Berhad

Registration No. 196001000259 (3926-U)

NOTICE IS HEREBY GIVEN that the Sixty-Third Annual General Meeting (63rd AGM) of Hengyuan Refining Company Berhad (the Company) will be held entirely through live streaming from the broadcast venue at **Spectrum Room, Level 3A, Connexion Conference & Event Centre (CCEC), Nexus Bangsar South City, No 7, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Broadcast Venue)** on **Wednesday, 25 May 2022** at **10.00 a.m.** to transact the following businesses:

AGENDA

ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2021 and the Reports of the Directors and Auditors thereon.
[Please refer to Note (a)]
- To re-elect the following Directors retiring in accordance with Article 81(c) of the Constitution of the Company, and who being eligible, have offered themselves for re-election:
 - Mr Wang, YouDe **(Ordinary Resolution 1)**
 - Mr Alan Hamzah Sendut **(Ordinary Resolution 2)***[Please refer to Note (b)]*
- To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 3)**
- To approve payment of Non-Executive Directors' fees and benefits of up to RM2,300,000.00 for the period from 1 June 2022 until 31 May 2023. **(Ordinary Resolution 4)**
[Please refer to Note (c)]

SPECIAL BUSINESS

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

- PROPOSED RENEWAL OF AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **(Ordinary Resolution 5)**

"**THAT** subject to Sections 75 and 76 of the Companies Act, 2016 (the Act), Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (New Shares) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued and allotted, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10 per cent of the total number of issued shares (excluding treasury shares) of the Company for the time being (Proposed 10 per cent General Mandate) **AND THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting (AGM) of the Company or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier, unless such approval is revoked or varied by the Company at a general meeting."
[Please refer to Note (d)]
- PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK** **(Ordinary Resolution 6)**

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

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

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

 - the conclusion of the next AGM of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;

- the expiration of the period within which the next AGM after that date is required by law to be held; or
 - revoked or varied by ordinary resolution passed by the shareholders in 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.
- AND THAT** the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and / or orders of any relevant authorities for the time being in force:
- To cancel all or part of the Purchased Shares;
 - To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
 - To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
 - To resell all or part of the treasury shares;
 - To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and / or its subsidiaries;
 - To transfer all or part of the treasury shares as purchase consideration;
 - To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and / or
 - To deal with the treasury shares in the manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and / or orders of any relevant authorities for the time being in force.

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

[Please refer to Note (e)]

- PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **(Ordinary Resolution 7)**

"**THAT** subject to the Listing Requirements, approval be and is hereby given for the Company to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.2.2 of the Circular to the Shareholders dated 26 April 2022 which are necessary for day-to-day operations and are carried out in the ordinary course of business on terms which are not more favourable to the related parties than those generally available to the public and are undertaken on an arms' length basis and not to the detriment of minority shareholders;
AND THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in full force until:

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

whichever is the earlier;
AND THAT the Board of Directors be and is hereby authorised to complete and do all such acts and things as it may consider expedient or necessary (including executing such documents as may be required) to give effect to the transactions contemplated and / or authorised by this mandate."
[Please refer to Note (f)]
- To transact any other business of the Company of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

Lim Hooi Mooi (SSM PC No 201908000134 / MAICSA No 0799764)
Ong Wai Leng (SSM PC No 202008003219 / MAICSA No 7065544)
Company Secretaries

Dated this 26 April 2022
Kuala Lumpur

NOTES:

- In view of the COVID-19 outbreak and as part of the safety measures, the 63rd Annual General Meeting (AGM) will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting (RPV) facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's (Tricor's) TIH Online website at <https://tjih.online>.
- The Broadcast Venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting. **NO SHAREHOLDERS / PROXY(IES) WILL BE ALLOWED TO BE PHYSICALLY PRESENT AT THE BROADCAST VENUE.**
- Shareholders may exercise their right to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, participate) remotely at the 63rd AGM via the Remote Participation and Voting facilities (RPV) provided by Tricor via its **TIH Online website at <https://tjih.online>.**

Please refer to the "Procedures for RPV" in the Administrative Guide for the Company's 63rd AGM and take note of Notes (4) to (16) below in order to register, participate and vote remotely via the RPV facilities. The Company may be required to change the arrangements of the AGM at short notice due to constant evolving COVID-19 situation in Malaysia. Kindly check Bursa Malaysia Securities Berhad's website and the Company's website at www.hrc.com.my for the latest updates on the status of the AGM.
- For the purpose of determining a member who shall be entitled to attend, vote and speak at the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a **Record of Depositors as at 18 May 2022** and only a depositor whose name appears on the Record of Depositors shall be entitled to attend, vote and speak at the Meeting or appoint proxy(ies) to attend, vote and speak in his stead.
- A member who is entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his / her place. A proxy may but need not be a member of the Company.
- A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via RPV. A member may appoint more than one proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- Where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- The instrument appointing a proxy shall be in writing and signed by the appointor or by his attorney who is authorised in writing. In the case of a corporation, the instrument appointing a proxy or proxies must be made under seal or signed by an officer or an attorney duly authorised.
- The signature to the instrument appointing a proxy or proxies executed outside Malaysia must be attested by a solicitor, notary public, consul or magistrate.
- A member who wishes to participate and vote at this AGM via RPV or a member who has appointed a proxy or attorney or authorised representative to participate and vote at this AGM via RPV **must sign up or request that his / her proxy sign up as a RPV user at the TIH Online website at <https://tjih.online>.**

Members or proxies who have registered as a RPV user **must register to attend and participate at the AGM via RPV (AGM Registration). AGM Registration is open from Tuesday, 26 April 2022 up to Wednesday, 25 May 2022.** Please follow the steps contained in the "Procedures for RPV" section of the Administrative Guide for the Company's 63rd AGM
- The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time set for holding the AGM at which the person named in the appointment proposes to vote:
 - In Hard Copy Form**

The proxy form must be deposited by post or by hand at the office of the share registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - By Electronic Form**

The proxy form can be electronically lodged via Tricor's TIH Online website at <https://tjih.online>. Kindly refer to the Administrative Guide on the procedure for electronic lodgement of proxy form via TIH Online.

The last date and time for lodging the proxy form is **Monday, 23 May 2022 at 10.00 a.m.** We recommend that the appointment of proxy be done as early as possible so that the appointed proxy has sufficient time to complete the AGM Registration.
- Original copies of the appointments of corporate representative or power of attorney can be submitted either by hard copy or electronically in accordance with the instructions for lodgment in Note 13 above.

- A copy of the power of attorney may be accepted provided that it is certified notarially and / or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- The certificate of appointment should be executed in the following manner:
 - If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
 - If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - at least two (2) authorised officers, of whom one shall be a director; or
 - any director and / or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Explanatory Notes:

- Agenda No 1**

This item is meant for discussion only. The provisions of Section 340(1)(a) of the Act require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its AGM. As such, this Agenda item is not a business which requires a resolution to be put to vote by shareholders.
- Ordinary Resolutions No 1 and No 2**

Article 81(c) of the Constitution of the Company provides that one-third (1/3) or the number nearest to one-third (1/3) of the Directors for the time being, shall retire from office at the conclusion of every annual general meeting, provided always that all Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election. As the Board currently consists of six (6) directors, two (2) shall retire in accordance with Article 81(c) at the upcoming AGM.

For the purposes of determining the eligibility of the Director to stand for re-election at the 63rd AGM, the Board through the Board Nominating and Remuneration Committee (BNRC) had considered the following:

 - The tenure of the Director and the Company's Directors' Rotation List;
 - The Director's performance, based on results of the Board Effectiveness Assessment for the year 2021 (BEA 2021) which were conducted using peer and self reviews;
 - The Director's expertise, skills, knowledge and core competencies; and
 - The Director's level of contribution to the Board, taking into account the key business strategies.

On 28 March 2022, the BNRC endorsed and recommended to the Board the re-elections of Mr Wang, YouDe and Mr Alan Hamzah Sendut as Directors of the Company.

The BNRC supports the re-election of Mr Wang, YouDe as a Director of the Company for the following reasons:

 - He has the relevant mix of experience, skills, knowledge, expertise and core competency that is beneficial to the Company, including industry specific knowledge in oil and gas and its business strategy, project management and engineering, as well as commercial economics and scheduling;
 - He shares personal knowledge and insights and provides useful recommendations to assist the Board in making decisions, probes the Management to ensure that varying opportunities and risks are considered, and the quality of information and assumptions are tested; and
 - He devotes adequate time and attention to the discharge of duties and responsibilities as a director, participates actively in board activities and works constructively with his peers.

The BNRC supports the re-election of Mr Alan Hamzah Sendut as a Director of the Company for the following reasons:

 - He has the relevant mix of experience, skills, knowledge, expertise and core competency that is beneficial to the Company, including accounting and finance, internal controls, risk management, audit, regulatory compliance and human resource and development;
 - He has good understanding of the roles, duties and obligations of a director, adds value to board meetings and takes initiative to request for more information; and
 - He provides logical, honest opinions on issues presented without being afraid of expressing disagreement. He is also pro-active in discussing any concerns, exhibits openness and transparency.

Based on the recommendations of the BNRC and the considerations set out the above, the Board approved and supported the re-elections and re-appointments of Mr Wang, YouDe and Mr Alan Hamzah Sendut as Directors of the Company on 1 April 2022.

Mr Wang, YouDe and Mr Alan Hamzah Sendut had abstained from the deliberation and decision of their eligibilities to stand for re-election at the relevant BNRC and Board meetings.
- Ordinary Resolution No 4**

This resolution is to facilitate payment of Non-Executive Directors' fees and benefits for the period from 1 June 2022 to 31 May 2023.

In the event the Non-Executive Directors' fees and benefits proposed are insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

Directors' benefits include meeting allowances and other emoluments payable to Directors and in determining the estimated total, the Board had considered various factors including the number of scheduled meetings for the Board and Board Committees and covers the period from 1 June 2022 to 31 May 2023.

d. **Ordinary Resolution No 5**

The proposed Resolution No 5, if passed, will empower the Directors of the Company to issue and allot ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10 per cent of the total number of issued shares (excluding treasury shares) of the Company.

This proposed Resolution is a renewal of the previous year's mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

The purpose of this general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for the purposes of funding current and / or future investment projects, working capital, repayment of bank borrowings, acquisitions and / or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this notice, the Company did not implement its proposal for new allotment of shares under the general mandate pursuant to Sections 75 and 76 of the Act 2016 which was approved by the shareholders at the 62nd AGM held on 25 May 2021 and will lapse at the conclusion of the 63rd AGM to be held on 25 May 2022. As at the date of this notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

e. **Ordinary Resolution No 6**

The proposed Resolution No 6, if passed, will empower the Directors to purchase, on behalf of the Company, up to 10 per cent of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

For further information, please refer to the Share Buy-Back Statement dated 26 April 2022 accompanying the Company's Annual Report for the financial year ended 31 December 2021.

f. **Ordinary Resolution No 7**

The proposed Ordinary Resolution 7 is to seek renewal of the Shareholders' Mandate and approval for the new Shareholders' Mandate to allow the Company and / or its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature and to enable the Company to comply with Paragraph 10.09, Part E of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The mandate will take effect from the date of the passing of the ordinary resolution until the next AGM of the Company unless it is revoked or varied at a general meeting. For further information, please refer to the Circular to Shareholders dated 26 April 2022 accompanying the Company's Annual Report for the financial year ended 31 December 2021.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. The profile of the Directors who are standing for re-election as per Agenda 2 of the Notice of the 63rd AGM are as follows:

PROFILE OF WANG, YOUDE

Wang, YouDe

Non-Independent Non-Executive Director

Nationality / Age / Gender

Chinese / 59 / Male

Date of Appointment

22 December 2016

Length of Service

5 years, 5 months, 3 days (As of 25 May 2022)

Date of Last Re-election

28 May 2019

Academic Qualification

Master's Degree in Business Management from Nankai University, Tianjin, China

Experience

- Chairman of the Board and General Manager, Shandong Hengyuan Petrochemical Company Limited (2001-present)
- Executive President of the China Chamber of Commerce for the Petroleum Industry (2017-2019)
- Vice President in the China Chamber of Commerce for the Petroleum Industry (2007-2017)
- Deputy Mayor, Linyi County (2001-2013)
- Representative of the 12th National People's Congress of the People's Republic of China (2013-2018)

Directorship of other Listed Issuers / Public Companies

None

Membership of Board Committees in HRC

- Chair of Board Tender Committee
- Member of Board Nominating and Remuneration Committee
- Member of Board Projects Review Committee
- Member of Board Whistleblowing Committee

Wang, YouDe has no family relationship with any other Director and / or major shareholder of the Company. He has no conflict on interests with the Company and has not been charged with any offence within the past 10 years.

Wang, YouDe does not hold any shares in the Company.

PROFILE OF ALAN HAMZAH SENDUT

Alan Hamzah Sendut

Independent Non-Executive Director

Nationality / Age / Gender

Malaysia / 62 / Male

Date of Appointment

25 May 2017

Length of Service

5 years (As of 25 May 2022)

Date of Last Re-election

28 May 2019

Academic Qualification

- Bachelor of Science Hons (Accountancy and Computer Science), University of Wales, Aberystwyth, United Kingdom
- Chartered Accountant, Institute of Chartered Accountants England and Wales (ICAEW)

Professional Memberships

- Chartered Audit Committee Director, Institute of Internal Auditors Malaysia
- Member of the Malaysian Institute of Accountants
- Fellow of the Institute of Corporate Directors Malaysia
- Qualified Risk Director, Institute of Enterprise Risk Practitioners

Experience

- 35 years of finance and business experience across multiple industries
- 25 years in C-Suite / Senior Manager roles in companies involved in motor and heavy equipment distribution, manufacturing, plantation, corporate strategy, corporate finance, and mergers and acquisitions, including as:
 - Group Finance Director, Tractors Malaysia Holdings Berhad (1996-2001)
 - Group Finance Director, Consolidated Plantations Berhad (2002-2004)
 - Executive Vice President, Group Corporate Finance, Strategy and Business Development, Sime Darby Berhad (2010-2014)
 - Managing Director, Energy and Utilities (Non-China) Division, Sime Darby Berhad (2015-2016)
- Served with PriceWaterhouse, London, United Kingdom (1982-1986)

Directorship in other Listed Issuers / Public Companies

- Hong Leong Islamic Bank Berhad
- Khyra Legacy Berhad
- Tradewinds Plantations Berhad

Membership of Board Committees in HRC

- Chair of Board Audit Committee
- Member of Board Risk Management Committee
- Member of Board Tender Committee
- Member of Board Whistleblowing Committee

Alan Hamzah Sendut has no family relationship with any other Director and / or major shareholder of the Company. He has no conflict on interests with the Company and has not been charged with any offence within the past 10 years.

Alan Hamzah Sendut does not hold any shares in the Company.

2. Details of the general mandate to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note (d) of the Notice of AGM.