



Hengyuan Refining Company Berhad

[Formerly Known as Shell Refining Company (Federation of Malaya) Berhad]

(Company No.: 3926-U) (Incorporated In Malaysia)

NOTICE IS HEREBY GIVEN that the Fifty-Eighth Annual General Meeting of Hengyuan Refining Company Berhad (formerly known as Shell Refining Company (Federation of Malaya) Berhad) ("the Company") will be held at Ballroom 1 & 2, Connexion@Nexus, Bangsar South City, No. 7, Jalan Kerinchi, 59200 Kuala Lumpur on Wednesday, 24 May 2017 at 2.30 p.m. for the following purposes:

AGENDA

ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2016 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(9) of the Constitution of the Company, and who being eligible, have offered themselves for re-election:-
 - Mr Wang, YouDe (Ordinary Resolution 1)
 - Mr Wang, ZongQuan (Ordinary Resolution 2)
 - Mr Sun, JianYun (Ordinary Resolution 3)
 - Mr Martinus Joseph Marinus Aloysius Stals (Ordinary Resolution 4)
- To re-elect Dato' Seri Talaat bin Haji Husain who is retiring in accordance with Article 81(3) of the Constitution of the Company, and who being eligible, has offered himself for re-election. (Ordinary Resolution 5)
Please refer to Explanatory Note (d)
- To re-appoint Messrs. PricewaterhouseCoopers 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 6)

SPECIAL BUSINESS

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

- To approve payment of non-executive Directors' fees and benefits of up to RM1,400,000 for the period from 1 January 2017 to 30 June 2018. (Ordinary Resolution 7)
- Retention of Independent Director in accordance with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012** (Ordinary Resolution 8)

"THAT Dato' Seri Talaat bin Haji Husain, an Independent Non-Executive Director who has served in the Company for more than nine (9) years be hereby retained as an Independent Non-Executive Director and to hold office until the next Annual General Meeting."

- PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** (Ordinary Resolution 9)

"THAT subject to Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for the Company to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.2 of the Circular to the Shareholders dated 28 April 2017 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 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 Annual General Meeting (AGM) of the Company at which this shareholders' mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
- the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (the Act) (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- revoked or varied by resolution passed by the shareholders in 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."

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

BY ORDER OF THE BOARD

Lim Hooi Mooi (MAICSA No. 0799764)
Ong Wai Leng (MAICSA No. 7065544)
Company Secretaries

Dated this 28th day of April, 2017
Kuala Lumpur

NOTES:-

- Pursuant to Article 72 of the Constitution of the Company, a Member of the Company or an authorised nominee who is entitled to attend and vote at the meeting may appoint **ONLY ONE** (1) proxy to attend, vote and speak instead of the Member at the Meeting.
- 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.
- A proxy need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy.
- The instrument appointing a proxy shall be in writing and signed by the appointor or by his attorney who is authorised in writing. In the case of a corporation, the instrument appointing a proxy or proxies must be made under seal or signed by an officer or an attorney duly authorised.
- The signature to the instrument appointing a proxy or proxies executed outside Malaysia must be attested by a solicitor, notary public, consul or magistrate.
- The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or notarised must be deposited at the Company's Share Registrar's Office situated at Unit 32.01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting.
- Only an **original** proxy form deposited at Tricor Investor & Issuing House Services Sdn Bhd, will entitle the proxy holder to attend and vote at the Meeting. **Photocopies of proxy form will not be accepted** for the purposes of the Meeting. Additional original proxy forms are available to Members upon request in writing to the Company.
- The Date of Record of Depositors for the purpose of determining Members' entitlement to attend, vote and speak at the Meeting is 17 May 2017.
- Ordinary Resolution No. 5
This item is to re-elect Dato' Seri Talaat bin Haji Husain retiring by rotation pursuant to 81(3) of the Constitution of the Company and shall be eligible for re-election.
- Mr David Lau Nai Pek who retires pursuant to 81(3) of the Constitution of the Company, has indicated to the Company that he would not seek re-election at the Fifty-Eighth Annual General Meeting of the Company. Therefore, Mr David Lau Nai Pek shall cease to be a Director of the Company at the conclusion of the Fifty-Eighth Annual General Meeting.
- Ordinary Resolution No. 6
This item is to re-appoint Auditors of the Company pursuant to Section 271(1) of the Companies Act 2016 and Article 127 of the Constitution of the Company.
- Ordinary Resolution No. 7
This resolution is to facilitate payment of non-executive Directors' fees and benefits on current financial year basis until the conclusion of the Company's next Annual General Meeting in 2018. 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 Annual General Meeting for additional fees to meet the shortfall.

Directors' benefits include meeting allowances payable to Directors and in determining the estimated total the Board had considered the expected number of scheduled meetings for the Board and Board Committees, and covers the period from 1 January 2017 to 30 June 2018 (the due date for which the next AGM should be held).
- Ordinary Resolution No. 8
This item is tabled pursuant to Recommendation 3.3 of the Malaysian Code of Corporate Governance 2012.

Dato' Seri Talaat bin Haji Husain is an Independent Non-Executive Director of the Company, has served the Company for a cumulative term of more than 9 years. The Nominating Committee and Board of Directors had assessed his independence and has recommended that he be retained as Independent Non-Executive Director of the Company based on the following justifications:-
 - Dato' Seri Talaat satisfies the definition of an independent director as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and would be able to exercise independent judgement and act in the best interest of the Company;
 - Dato' Seri Talaat's expertise and vast experience in various industries provides the Board with the diversity that enhances the skills and experience profile of the Board;
 - Through Dato' Seri Talaat's qualification and his accumulative knowledge of the Company's business and operations, he has made and continues to make valuable contributions through his role as Chairman of the Nominating Committee and his roles on the Remuneration and Audit Committees.
 - Dato' Seri Talaat has exercised care as an Independent Director of the Company and carried out his professional and fiduciaries duties in the interest of Company and its shareholders at all times.

Explanatory Notes:

- Agenda No. 1
This item is meant for discussion only. The provisions of Section 340(1)(a) of the Companies Act 2016 require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. As such, this Agenda item is not a business which requires a resolution to be put to vote by shareholders.
- Ordinary Resolutions No. 1 to 4
This item is to re-elect Directors retiring pursuant to Article 81(9) of the Constitution of the Company, which require a Director appointed by the Board to fill any casual vacancy during the year to retain his office only until the next following Annual General Meeting, but shall be eligible for re-election.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

There is no person seeking election as Director of the Company at this Annual General Meeting.