

**興發****HENG HUAT RESOURCES GROUP BERHAD** (969678-D)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting of Heng Huat Resources Group Berhad ("Heng Huat" or the "Company") will be held at Majestic Hall, 1st Floor, Bukit Jawi Golf Resort, Lot 414, MK 6, Jalan Paya Kemian Sempayi, 14200 Sungai Jawi, Seberang Perai Selatan, Pulau Pinang on Wednesday, 15 June 2016 at 11.00 a.m. for the transaction of the following business:

AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon.
- To approve the payment of Directors' fees for the financial year ended 31 December 2015.
- To re-elect the following Directors retiring pursuant to Article 81 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:
 - Ms. Khor Mooi Kim
 - Mr. Ng Boon Kang
 - Mr. Lo Liang Kheng
- To re-appoint Messrs. BDO 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 1**Ordinary Resolution 2****Ordinary Resolution 3****Ordinary Resolution 4****Ordinary Resolution 5**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without modification, as Ordinary Resolutions:

5. AUTHORITY UNDER SECTION 132D OF THE COMPANIES ACT, 1965 FOR THE DIRECTORS TO ISSUE SHARES

"THAT, subject always to the Companies Act, 1965 ("the Act"), the Articles of Association of the Company and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 132D of the Act, to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held or revoked/ varied by resolution passed by the shareholders in general meeting whichever is the earlier and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deemed fit, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being and that the Directors are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares to be issued."

Ordinary Resolution 6

6. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")

"THAT subject to the provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related party as set out in Section 2.3 of the Circular to Shareholders dated 29 April 2016, provided that such transactions are necessary for the day-to-day operations; and undertaken in the ordinary course of business, on arm's length basis, on normal commercial terms which are not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT such approval shall continue to be in force until:

- the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed;
- the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but will not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- revoked or varied by a resolution passed by the shareholders in a general meeting;

whichever is the earlier;

AND THAT the Board be and is hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate."

Ordinary Resolution 7

- To transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

By Order of the Board

OOI YOONG YOONG (MAICSA 7020753)

Secretary
Penang
29 April 2016

Note:

Appointment of Proxy

- A member of the Company entitled to attend and vote is entitled to appoint any person as his proxy to attend and vote in his stead. There is no restriction as to the qualification of the proxy. Section 149(1)(b) & (c) of the Act shall not apply to the Company.
- This instrument duly completed must be deposited at the registered office of the Company at 39 Salween Road, 10050 Penang or such other place as is specified for that purpose not less than forty eight (48) hours before the time for holding the meeting.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its Seal or the hand of its attorney.
- A Member shall not, subject to Paragraph (5) below, be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
- Where a Member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, 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.

General Meeting Record of Depositors

- Only a depositor whose name appears on the Record of Depositors of the Company as at 8 June 2016 shall be entitled to attend this Annual General Meeting or appoint proxies to attend, speak and/or vote on his/her behalf.

Special Business

7. Ordinary Resolution 6 - Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares

The proposed Ordinary Resolution 6, if passed, will give authority to the Board of Directors to issue and allot ordinary shares from the unissued capital of the Company at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

This is a new mandate and it will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

8. Ordinary Resolution 7 - Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature ("Proposed Renewal Of Shareholders' Mandate")

The proposed resolution, if passed, will allow the Group to enter into recurrent related party transactions of a revenue or trading nature pursuant to the provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

This authority shall continue in force until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting is required by law to be held (but will not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965) or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

Please refer to the Circular to Shareholders dated 29 April 2016 for further information.