



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixth 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 Berhad, Lot 414, MK 6, Jalan Paya Kemian Sempayi, 14200 Sungai Jawi, Seberang Perai Selatan, Pulau Pinang on Tuesday, 13 June 2017 at 11.30 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 2016 together with the Reports of the Directors and Auditors thereon.
- To approve the payment of Directors' fees for the financial year ended 31 December 2016.
- To approve the payment of Directors' remuneration (excluding Directors' fees) of not exceeding RM10,000 from 1 January 2017 until the next Annual General Meeting of the Company.
- To re-elect the following Directors retiring pursuant to Article 81 of the Company's Constitution and who, being eligible, offer themselves for re-election:-
 - Ms. Teh Chai Luang
 - Mr. Khor Teik Boon
 - Dato' Juzilman Bin Basir
- To re-elect Mr. Cheah Swi Chun who retires pursuant to Article 88 of the Company's Constitution and who, being eligible, offer himself for re-election.
- To re-appoint Messrs. BDO as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3

Ordinary Resolution 4

Ordinary Resolution 5

Ordinary Resolution 6

Ordinary Resolution 7

AS SPECIAL BUSINESS

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

7. AUTHORITY UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 FOR THE DIRECTORS TO ISSUE SHARES

"THAT, subject always to the Companies Act, 2016 ("the Act"), the Constitution of the Company and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby authorised, pursuant to Sections 75 and 76 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 total number of issued shares 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 8

8. PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED 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 28 April 2017, 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 meeting, the authority is renewed;
 - the expiration of the period within which the next AGM after that date it is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) 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 Shareholders' Mandate."

Ordinary Resolution 9

- To transact any other business of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016.

By Order of the Board

Ooi Yoong Yoong (MAICSA 7020753)

Secretary
Penang
28 April 2017

Notes:-

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. A proxy need not be an advocate, an approved company auditor or a person approved by the Registrar. There is no restriction as to the qualification of the proxy.
- 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 6 June 2017 shall be entitled to attend this Annual General Meeting or appoint proxies to attend, speak and/or vote on his/her behalf.

Ordinary Business

- Ordinary Resolution 2 – Proposed payment of Directors' remuneration (excluding Directors' fees) of not exceeding RM10,000 from 1 January 2017 until the next AGM of the Company.**

The Directors' remuneration (excluding Directors' fees) comprises allowances and other benefits.

The total estimated amount of Directors' benefits payable is calculated based on the number of scheduled Board's and Board Committees' meetings for the current financial year ending 31 December 2017 until the next Annual General Meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

Special Business

- Ordinary Resolution 8 - Authority under Sections 75 and 76 of the Companies Act, 2016 for the Directors to issue shares**

The proposed Ordinary Resolution 8, if passed, will give authority to the Board of Directors to issue and allot ordinary shares in 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.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting which will lapse at the conclusion of the Sixth Annual General Meeting.

This renewed general mandate 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.

- Ordinary Resolution 9 - Proposed New and Renewal of Shareholders' Mandate For Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed 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 by law or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

Please refer to the Circular to Shareholders dated 28 April 2017 for further information.