



HOCK HENG STONE INDUSTRIES BHD.

[Registration No. 200801038692 (840040-H)]
(Incorporated in Malaysia)

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh ("11th") Annual General Meeting ("AGM") of the Company will be held at The Board Room, Ornaresort Berhad, Batu 16, Jalan Gagam, Ladang Gagam, Bemban, 77200 Melaka on Monday, 24 August 2020 at 10:30 a.m. for the following purposes:-

AGENDA

- To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and the Auditors thereon.
 - To approve the payment of Directors' fees amounting to RM444,280/- for the financial year ending 31 December 2020.
 - To approve the payment of Directors' benefits payable up to an amount of RM20,000/- from 25 August 2020 until the next AGM of the Company in year 2021.
 - To re-elect the following Directors who are retiring in accordance to Clause 118 of the Company's Constitution and being eligible, have offered themselves for re-election:
 - Mr. Low Kim Hock;
 - Mr. Yap Koon Roy; and
 - Mr. Low Yong Seng.
- As Special Business**
To consider and, if thought fit, with or without any modifications, to pass the following resolutions:-
- Ordinary Resolution**
Authority to Issue Shares Pursuant to the Companies Act 2016
"THAT, subject always to the Companies Act 2016 ("Act"), the Constitution of the Company and the approvals from the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time, at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit, provided always that the aggregate number of shares to be issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;
AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad ("Bursa Securities");
AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."
 - Ordinary Resolution**
Proposed Retention of Mr. Peter Yong Kuen Fook as an Independent Non-Executive Director
THAT approval be and is hereby given to Mr. Peter Yong Kuen Fook, who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years since 21 October 2009, to continue to act as an Independent Non-Executive Director of the Company.
 - Ordinary Resolution**
Proposed Retention of Mr. Chong Peng Khang as an Independent Non-Executive Director
THAT approval be and is hereby given to Mr. Chong Peng Khang, who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years since 21 October 2009, to continue to act as an Independent Non-Executive Director of the Company.
 - Ordinary Resolution**
Proposed Retention of Mr. Yap Koon Roy as an Independent Non-Executive Director
THAT subject to the passing of Resolution 4, approval be and is hereby given to Mr. Yap Koon Roy, who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years since 21 October 2009, to continue to act as an Independent Non-Executive Director of the Company.
 - Ordinary Resolution**
Proposed Renewal of Existing Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature
THAT subject to the provisions of the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given for the Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature for the Company and/or its subsidiaries to enter into and give effect to the category of the recurrent related party transactions of a revenue or trading nature from time to time with the Related Party as specified in Section 2.3 of the Circular/Statement to Shareholders dated 24 July 2020 provided that such transactions are:-
 - recurrent transactions of a revenue or trading nature;
 - necessary for the Company's day-to-day operations;
 - carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
 - not to the detriment of minority shareholders("Proposed Shareholders' Mandate").
THAT the authority for the Proposed Shareholders' Mandate shall continue to be in force until the earlier of:-
 - the conclusion of the next AGM of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;
 - the expiration of the period within which the next AGM is to be held pursuant to Section 340(2) of the Act but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; and/or
 - is revoked or varied by resolution passed by the shareholders in a general meeting before the next AGM;**AND THAT** the Directors of the Company be authorised to complete and do 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**
Proposed Renewal of Authority for Share Buy-Back
THAT, subject to the Act, the Constitution of the Company, Main Market Listing Requirements of Bursa Securities and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit, necessary and expedient in the interest of the Company ("Proposed Renewal of Authority for Share Buy-Back"), provided that:-
 - the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
 - the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase.**THAT** upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:-
 - cancel all the shares so purchased; and/or
 - retain the ordinary shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities and/or transfer under an employees' share scheme and/or transfer as purchase consideration; and/or
 - retain part thereof as treasury shares and cancel the remainder; and/or
 - in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.**THAT** such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:-
 - the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - the expiration of the period within which the next AGM of the Company after that date is required by law to be held; and/or
 - the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting; whichever occurs first.**AND THAT** the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Authority for Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.
 - Special Resolution**
Proposed Change of Name from "Hock Heng Stone Industries Bhd." to "DFCITY Group Berhad" ("Proposed Change of Name")
THAT the name of the Company be changed from "Hock Heng Stone Industries Bhd." to "DFCITY Group Berhad" effective from the date of issuance of the Notice of Registration of New Name by the Companies Commission of Malaysia of the Company.
AND THAT the Directors and/or the Secretaries of the Company be and are hereby authorised and empowered to carry out all the necessary steps and formalities in effecting the Proposed Change of Name.
 - To transact any other ordinary business of which due notice shall have been given.
- BY ORDER OF THE BOARD**
CHUA SIEW CHUAN (MAICSA 0777689) / SSM PC NO.: 201908002648
YAU JYE YEE (MAICSA 7059233) / SSM PC NO.: 20208000733
Company Secretaries
Melaka
Dated: 24 July 2020
- Notes:**
Proxy
- This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
 - In respect of deposited securities, only members whose names appear in the Record of Depositors on 14 August 2020 ("General Meeting Record of Depositors") shall be eligible to attend, participate, speak and vote at the Meeting.
 - A member entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote in his stead. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy, failing which the appointments shall be invalid.
 - A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the Meeting of the Company shall have the same rights as the member to speak at the Meeting.
 - The instrument appointing a proxy shall be in writing under the hand of the member/appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.
 - Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") 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 a shareholder is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
 - The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered Office of the Company at No. 60-1, Jalan Lagenda 5, Taman 1 Lagenda, 75400 Melaka not less than 48 hours before the time for holding the Meeting or at any adjournment thereof. All resolutions set out in the Notice of the Meeting are to be voted by poll.
- Explanatory Notes to Special Business:-**
- Resolution 1 and Resolution 2 – Payment of Directors' fees and benefits**
Section 230(1) of the Companies Act 2016 provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company shall be approved at a general meeting.
In this respect, the Board wishes to seek shareholders' approval at the Eleventh AGM on the two (2) separate resolutions as below:-
 - Resolution 1** on payment of Directors' fees amounting to RM444,280/- for the financial year ending 31 December 2020.
This resolution is to facilitate payment of Directors on the current year financial year basis. In the event the Directors' fees proposed is insufficient due to the enlarged Board size, approval will be sought at the next AGM for additional fees to meet the shortfall.
 - Resolution 2** on payment of Directors' benefits up to an amount of RM20,000/- in respect of the meeting allowance payable for attendance of Board and/or Board Committees meetings by the Non-Executive Directors of the Company with effect from 25 August 2020 until the next AGM of the Company in year 2021.
 - Resolution 7 – Authority to issue shares pursuant to Companies Act 2016**
The proposed Resolution 7 is intended to renew the authority granted to the Directors of the Company at the Tenth AGM of the Company held on 29 May 2019 ("Previous Mandate") to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company for the time being (hereinafter referred to as the "General Mandate").
As at to-date, the Previous Mandate has not been utilised by the Company and therefore no proceeds have been raised therefrom.
The purpose to seek the General Mandate is to enable the Directors to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting merely for such purpose. This authority unless revoked or varied by the Company in general meeting, will expire upon conclusion of the 11th Annual General Meeting. The General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investments project(s), working capital and/or acquisitions.
 - Resolution 8, Resolution 9 and Resolution 10 – Proposed Retention of Independent Non-Executive Directors**
Mr. Peter Yong Kuen Fook, Mr. Chong Peng Khang and Mr. Yap Koon Roy were all appointed as Independent Non-Executive Directors of the Company on 21 October 2009, and have served on the Board of Directors for a cumulative term of more than 9 years.
The Nomination Committee of the Company and the Board of Directors of the Company had assessed the independence of Mr. Peter Yong Kuen Fook, Mr. Chong Peng Khang and Mr. Yap Koon Roy, who have served as Independent Non-Executive Directors of the Company for a cumulative of more than nine (9) years, and with their consent, had recommended for them to continue act as Independent Non-Executive Directors of the Company based on the following justifications:-
 - they fulfilled the criteria of the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Securities and had expressed their willingness to continue in office as Independent Non-Executive Directors of the Company;
 - their vast experience would enable them to provide the Board with a diverse set of experience, expertise and independent judgement without the influence of the Management;
 - they have served the Company as Independent Directors for a cumulative term of more than nine (9) years during which they had acted in good faith and in the best interests of the Company, exercising their independent judgement during deliberations and decision making during the Company's meetings and were familiar with the Company's business operations; and
 - they have proven to be reliable Independent Directors with their professionalism aptitude and outlook of business perspective, devoted sufficient time and attention to their professional obligations for informed and balance decision making and had also exercised due care during their tenure in the best interests of the Company and the shareholders.
 - Resolution 11 – Proposed Renewal of Existing Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature**
The proposed Resolution 11 is intended to enable the Company and its affiliated companies ("the Group") to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations to facilitate transactions in the normal course of business of the Group with the specified classes of related parties, provided that they are carried out on arms' length basis and on normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.
Please refer to the Circular/Statement to Shareholders dated 24 July 2020 for further information.
 - Resolution 12 – Proposed Renewal of Authority for Share Buy-Back**
The proposed Resolution 12 is intended to allow the Company to purchase its own shares up to 10% of the total number of issued shares in the ordinary share capital of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Securities. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company.
Please refer to the Circular/Statement to Shareholders dated 24 July 2020 for further information.
 - Resolution 13 – Proposed Change of Name from "Hock Heng Stone Industries Bhd." to "DFCITY Group Berhad"**
The Group will focus more on property development sector in coming years and all future development projects of the Group will be marketed and branded under "DFCITY" brand.
The proposed resolution, if passed, will allow the change of name of the Company from "Hock Heng Stone Industries Bhd." to "DFCITY Group Berhad" effective from the date of issuance of the Notice of Registration of New Name by the Companies Commission of Malaysia to the Company.
Please refer to the Circular/Statement to Shareholders dated 24 July 2020 for further information.