



HOCK HENG STONE INDUSTRIES BHD.
(Company No. 840040-H)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventh Annual General Meeting (AGM) of the Company will be held at the Ballroom of Omoresort Berhad, Batu 16, Jalan Gapam, Ladang Gapam, Bemban, 77200 Jasin, Melaka on Monday, 30 May 2016 at 10.30 a.m. for the following purposes:-

AGENDA

- To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and the Auditors thereon. **(Please refer to Explanatory Note I)**
- To approve the payment of Directors' fees for the financial year ended 31 December 2015. **(Resolution 1)**
- To re-elect the following Directors who are retiring pursuant to Article 96 of the Company's Articles of Association and being eligible, have offered themselves for re-election:- **(Resolution 2)**
(Resolution 3)
 - Peter Yong Kuen Fook
 - Yap Koon Roy
- To re-appoint Messrs. BDO as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. **(Resolution 4)**
- AS SPECIAL BUSINESS**
To consider and, if thought fit, to pass the following resolutions with or without modifications:-

Special Resolution I

- Proposed Amendments to the Articles of Association

(Resolution 5)

That the following proposed amendments to the Articles of Association of the Company be hereby approved:-

Article No.	Existing Provision	Amended Provision
146	<u>Profit and loss account and balance sheet</u> The Directors shall cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheet and reports as are required under the Act PROVIDED always that the interval between the close of a financial year of the Company and the issue of the annual audited accounts, the directors' and auditors' reports to the Exchange shall not exceed four (4) Months or such period as may be prescribed by the Listing Requirements.	<u>Profit and loss account and balance sheet</u> The Directors shall cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheet and reports as are required under the Act. PROVIDED always that the interval between the close of a financial year of the Company and the issue of the annual audited accounts, the directors' and auditors' reports to the Exchange shall not exceed four (4) months or such period as may be prescribed by the Listing Requirements.
147	<u>Report in CD-ROM or DVD ROM format</u> Subject to the compliance with the Listing Requirements and any other relevant laws and regulations, if any, the Company may issue its annual report in compact disc read-only memory ("CD-ROM") or digital video disc read-only memory ("DVD-ROM") format or in a format that may be developed in future for the playback of images.	<u>Report in CD-ROM or DVD-ROM electronic format</u> Subject to the compliance with the Listing Requirements and any other relevant laws and regulations, if any, the Company may issue its annual report in electronic format and if a member requires a printed form of the annual report, the Company shall send such document to the member within four (4) Market Days from the date of receipt of the member's verbal or written request, compact disc read-only memory (CD-ROM) or digital video disc read-only memory (DVD-ROM) format or in a format that may be developed in future for the playback of images.

And that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed Amendment with full powers to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities.

Ordinary Resolution I

- Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965

(Resolution 6)

That subject to Section 132D of the Companies Act, 1965 and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such person(s) and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being and 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.

And 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 II

- Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

(Resolution 7)

That pursuant to paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies (the Group) be and are hereby authorized to enter into and give effect to recurrent related party transactions of a revenue or trading nature as set out in Section 2.3(a) of the Circular to Shareholders dated 29 April 2016, which are necessary for the Group's day-to-day operations in the ordinary course of business, on terms not more favorable than those generally available to the public and 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, at which time it will lapse, unless authority is renewed by a resolution passed at the next AGM;
- the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (the Act) (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- revoked or varied by resolution passed by the shareholders of the Company in a general meeting, before the next AGM;

whichever is the earlier.

And that the Directors of the Company be authorised to act for and on behalf of the Company, to take all such steps and execute all necessary documents as they may consider expedient or deem fit in the best interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

- To transact any other ordinary business of which due notice has been given in accordance with the Companies Act 1965.

By Order of the Board

Chua Siew Chuan (MAICSA 0777689)

Sean Ne Teo (LS 0008058)

Company Secretaries

Melaka

29 April 2016

Explanatory Notes to Special Business:-

(i) This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 (the Act) does not require a formal approval for the Audited Financial Statements from the shareholders. Hence, this Agenda item is not put forward for voting.

(ii) **Proposed Amendments to the Articles of Association of the Company ("Proposed Amendment")**

The Proposed Amendment is to streamline the Company's Articles of Association to be aligned with the recent amendments made to Bursa Securities Main Market Listing Requirements, as well as to enhance administrative efficiency.

(iii) **Authority to Issue Shares pursuant to Section 132D of the Act**

The Company wishes to seek a new mandate on the authority to issue shares pursuant to Section 132D of the Act at the Seventh AGM of the Company (hereinafter referred to as the "General Mandate").

The Company had been granted a general mandate by its shareholders at the Sixth AGM of the Company held on 29 May 2015 (hereinafter referred to as the "Previous Mandate"). The Previous Mandate granted by the shareholders had not been utilised and hence no proceed was raised therefrom.

The purpose to seek the General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general mandate as it would be both time-consuming and costly to organise a general meeting. This authority unless revoked or varied by the Company in a general meeting, will expire at the next AGM.

The proceeds raised from the General Mandate will provide flexibility for any possible fund raising activities, including but not limited to further placing of shares for purpose of funding future investment project(s), working capital and/or acquisition(s).

(iv) **Proposed Renewal of the Existing Shareholders' Mandate**

The proposed adoption of the Ordinary Resolution II is to renew the shareholders' mandate granted by the shareholders of the Company at the Sixth AGM held on 29 May 2015. This proposal will enable the Group to enter into the recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favorable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Further information on the proposed Ordinary Resolution II is set out in the Circular to Shareholders dated 29 April 2016.

Notes:

- In respect of deposited security, only members whose names appear in the Record of Depositors on 23 May 2016 ("General Meeting Record of Depositors") shall be eligible to attend, speak and vote at the Meeting.
- A member entitled to attend and vote at the Meeting is entitled to appoint more than one proxy to attend and vote in his stead. A proxy may but does not need to be a member of the Company and the provisions of Section 149 (1)(b) of the Companies Act, 1965 need not be complied with. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualifications of the proxy.
- In the case of a corporate member, the instrument appointing a proxy must be 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 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.
- The instrument appointing a proxy must 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.