



HEXTAR INDUSTRIES BERHAD

(FORMERLY KNOWN AS SCH GROUP BERHAD)

[Registration No. 2011101044580 (972700-P)]

(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Tenth Annual General Meeting ("10th AGM") of Hextar Industries Berhad (formerly known as SCH Group Berhad) ("HIB" or "the Company") will be conducted virtually through live streaming and online remote voting as below:

Day and Date : Monday, 14 February 2022
Time : 10.30 a.m.
Broadcast Venue : Tricor Business Centre Manuka 2 & 3 Meeting Room Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur
Meeting Platform : online meeting platform via TIH Online website at <https://tjih.online> or <https://tjih.com.my>

for the following purposes:

- To receive the Audited Financial Statements for the financial year ended 31 August 2021 together with the Reports of the Directors and Auditors thereon. **Please refer to Explanatory Note 1**
- To approve the Directors' fees amounting of up to RM200,000 for the period from 10th AGM until the conclusion of the 11th AGM of the Company. **Ordinary Resolution 1**
- To approve the payment of Directors' benefits of up to RM50,000 for the period from 10th AGM until the conclusion of the 11th AGM of the Company. **Ordinary Resolution 2**
- To re-elect the following Directors who are retiring pursuant to Clause 103(1) of the Company's Constitution and being eligible, have offered themselves for re-election:
 - Dato' Ong Choo Meng
 - Sim Yee Fuan

- To re-elect Dato Sri Chee Hong Leong who is retiring pursuant to Clause 110 of the Company's Constitution and being eligible, has offered himself for re-election. **Ordinary Resolution 3**
- To re-appoint Messrs. Ecovis Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

SPECIAL BUSINESSES:

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

7. Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

"THAT subject to passing of the Special Resolution 1 of the Notice of AGM dated 31 December 2021, and subject to the Companies Act, 2016 ("the Act"), the Constitution of the Company, the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Additional Temporary Relief Measures to Listed Corporations for Covid-19, issued by Bursa Securities on 16 April 2020, its subsequent letter dated 23 December 2021 on extension of implementation of the 20% General Mandate and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company, at any time to such persons 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 pursuant to this resolution does not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time ("20% General Mandate"); AND THAT the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued pursuant to the 20% General Mandate on Bursa Securities which would be utilised before 31 December 2022 and thereafter, the 10% general mandate will be reinstated; AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company."

8. PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT subject to the provisions of the Listing Requirements of Bursa Securities, approval be and is hereby given for the Company and its subsidiary companies, to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.3 of the Circular to Shareholders dated 31 December 2021 ("Proposed Mandate") which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until-
(a) the conclusion of the next AGM of the Company following the AGM at which such ordinary resolution for the Proposed Mandate was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;
(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;
whichever is the earlier;

AND THAT the estimated aggregate value of the transactions conducted pursuant to the Proposed Mandate during a financial year will be disclosed, in accordance with the Listing Requirements, in the Annual Report of the Company for the said financial year;
AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiary companies to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution."

9. PROPOSED CONTINUATION IN OFFICE OF SIM YEE FUAN AS INDEPENDENT NON-EXECUTIVE DIRECTOR ("INED")

"THAT approval be and is hereby given to Sim Yee Fuan who has served as an INED of the Company which will reach the nine (9) year term limit on 12 March 2022 to continue to act as an INED of the Company until the conclusion of the next AGM in accordance with the Malaysian Code on Corporate Governance."

10. PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

"THAT the proposed amendments to the Constitution of the Company be and are hereby approved and adopted; AND THAT the Board of Directors and Secretaries of the Company be and are hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the proposed amendments to the Constitution of the Company."

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

By order of the Board,

TAN TONG LANG (MAICSA 7045482 /SSM PC No. 201908002253)
LEE KOK PING (MIA 44986 /SSM PC No. 202008004407)

Company Secretaries

Shah Alam
31 December 2021

Notes

- In order to curb the spread of Coronavirus Disease 2019 ("COVID-19") and as part of the Company's precautionary measures, the 10th AGM of the Company will be conducted virtually through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur and online meeting platform via TIH Online website at <https://tjih.online> or <https://tjih.com.my> provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia ("Tricor"). Please follow the procedures provided in the Administrative Guide for the 10th AGM in order to register, participate and vote remotely via the Remote Participation and Voting Facilities ("RPV").
- A member/shareholder of the Company who are entitled to attend and vote at the 10th AGM is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may, but need not, be a member of the Company. Where a member/shareholder appoints more than one proxy to attend and vote at the 10th AGM, such appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
- Where a member of the Company is an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said securities account.

- Where a member of the Company is an exempt authorised nominee defined under the SICDA which is exempted from compliance with the provision of subsection 25A(1) of 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.

- The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this 10th AGM or adjourned general meeting at which the person named in the appointment proposes to vote.

i. In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar's office, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.;

ii. By electronic form

The proxy form can be electronically lodged via TIH Online at <https://tjih.online> (applicable to individual shareholders only). Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy from via TIH Online.

- For a corporate member who has appointed a representative, please deposit the ORIGINAL certificate of appointment at the Share Registrar's office, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:-
 - If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
 - If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - at least two (2) authorized officers, of whom one shall be a director; or
 - any director and/or authorized officers in accordance with the laws of the country under which the corporate member is incorporated.

- A Member who has appointed a proxy to participate in this 10th AGM must request his/her proxy to register himself/ herself for the RPV at Tricor's TIH Online website at <https://tjih.online>. Please follow the procedures in the Administrative Guide for this AGM.
- For purposes of determining a member who shall be entitled to participate at the 10th AGM, the Company shall be requesting a Record of Depositors as at 31 January 2022 and only members whose name appears on such Record of Depositors dated 31 January 2022 shall be entitled to participate and/or vote at the 10th AGM or appoint a proxy or proxies to participate and/or vote on his/her behalf.

EXPLANATORY NOTES

1. Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 August 2021

This item of the Agenda is for discussion purposes only, as Section 340(1)(a) of the Companies Act 2016 does not require the shareholders to formally approve the Audited Financial Statements. Therefore, this item will not be put forward for voting.

2. Ordinary Resolution 7 - Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 7, if passed, is a general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 20% of the total number of issued share of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company.

Bursa Securities has via their letter dated 23 December 2021 granted an extension to the temporary relief measures to listed corporations, amongst others, an increase in general mandate limit for new issues of securities to not more than 20% of the total number of issued shares of the Company for the time being ("20% General Mandate"). Pursuant to the 20% General Mandate, Bursa Securities has also mandated that the 20% General Mandate may be utilised by a listed corporation to issue new securities until 31 December 2022 and thereafter, the 10% general mandate will be reinstated.

Having considered the current economic climate arising from the global COVID-19 pandemic and future financial needs of the Group, the Board would like to procure approval for the 20% General Mandate, pursuant to Section 76(4) of the Companies Act, 2016 from its shareholders at the forthcoming 10th AGM of the Company.

The 20% General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions. The 20% General Mandate, unless revoked or varied by the Company in general meeting, will expire at the end of the 31 December 2022.

The Board of Directors of the Company, after due consideration, is of the opinion that in the face of unprecedented challenges to the Company brought by Covid-19 pandemic, this 20% General Mandate will enable the Company further flexibility to raise funds expeditiously other than incurring additional interest costs as compared to bank borrowings, thereby allowing the Company to preserve its cash flow and achieve a more optimal capital structure. Any funds raised from this 20% General Mandate is expected to be used as working capital to finance day-to-day operational expenses, on-going projects or future projects/investments to ensure the long-term sustainability of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its subsidiaries.

As at the date of this Notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the Ninth (9th) AGM held on 26 February 2021 and which will lapse at the conclusion of the Tenth (10th) AGM.

3. Ordinary Resolution 8 - Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Mandate")

The Ordinary Resolution 8, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries, subject to the transactions being carried out in the ordinary course of business of the Company and/or its subsidiaries and on normal commercial terms which are generally available to the public and not detrimental to the minority shareholders of the Company.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

For further information on this resolution, please refer to the Circular to Shareholders dated 31 December 2021 which is despatched together with the Annual Report 2021.

4. Ordinary Resolution 9 - Proposed continuation in office of Sim Yee Fuan as Independent Non-Executive Director ("INED")

The Board, through the Nomination Committee, had conducted annual performance evaluation and assessment on Sim Yee Fuan who is serving as an INED which will reach the nine-year term limit on 12 March 2022, and had recommended him to continue to act as INED of the Company based on the following justifications:

- He had fulfilled the criteria under the definition of Independent Director as stated in the Listing Requirements, and hence he would be able to bring the element of objectivity, independent judgement and balance to the Board;
- He is knowledgeable and have applied his vast experience and exercised due care during his tenure as INED of the Company. He has carried out his duties with reasonable skill and competence, bringing independent judgement and depth into the Board's decision making in the best interest of the Company, shareholders and stakeholders;
- He have been with the Company long and therefore understand the Company's business operations which enable him to participate actively and contribute during Board and Board Committee meetings; and
- He exhibited high commitment and devoted sufficient time and efforts to attend the meetings for informed and balanced decision making.

His profile is set out in the Profile of Directors on page 8 of the Company's 2021 Annual Report.

5. Special Resolution 1 - Proposed Amendments to the Constitution of the Company

The proposed Special Resolution 1, if passed, will enhance administrative efficiency.

Further information of the proposed Amendments to the Constitution of the Company is set out in the "Appendix A" accompanying the Notice of AGM dated 31 December 2021.

Appendix A

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

The Constitution of the Company is proposed to be amended in the following manner:-

Clause No.	Existing Clause	Proposed Amendment
21	Subject to the Listing Requirement, the Central Depositories Act and or the Rules, and notwithstanding the existence of a resolution pursuant to the Act, the Company shall not issue any shares or convertible Securities if the total number of those shares or convertible Securities, when aggregated with the total number of any such shares or convertible Securities issued during the preceding twelve (12) months, exceeds ten per cent (10%) of the total number of issued shares (excluding treasury shares) of the Company, except where the shares or convertible Securities are issued with the prior approval of the shareholders in general meeting of the precise terms and conditions of the issue. In working out the number of shares or convertible Securities that may be issued by the Company, if the Security is a convertible Security, each such Security is counted as the maximum number of shares into which it can be converted or exercised and in the event that shares are offered to the public for subscription, the amount payable on application on each share offered shall not be less than five (5) per centum of the offer price of the share.	Subject to the provisions of this Constitution and Listing Requirement, and notwithstanding the existence of a resolution pursuant to Section 75(1) and 76(1) of the Act, the Company shall ensure that it shall not issue any shares or convertible securities if the total number of shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds the allowed threshold by the prevailing rules and regulation, except where the shares or convertible securities are issued with the prior approval of the Members in general meeting of the precise terms and conditions of the issue.