



HALEX HOLDINGS BERHAD
(Company No: 206220-U)
(Incorporated in Malaysia)

NOTICE OF THE 27TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 27th Annual General Meeting of the Company will be held at Hextar Holdings Sdn Bhd Boardroom, Lot 5, Jalan Perigi Nenas 7/3, Fasa 1A, Pulau Indah Industrial Park, 42920 Pelabuhan Klang, Selangor Darul Ehsan on Monday, 21 May 2018 at 10.00 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon.
[Refer to Explanatory Note (1)]
2. To re-elect the following Directors who retire in accordance with Article 93 of the Company's Constitution:

(a) Y.D.H. Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir	(Ordinary Resolution 1)
(b) Dato' Ong Sui Ho	(Ordinary Resolution 2)
(c) Dato' Ong Choo Meng	(Ordinary Resolution 3)
(d) Lee Chooi Keng	(Ordinary Resolution 4)
(e) Yeoh Chin Hoe	(Ordinary Resolution 5)
(f) Liew Jee Min @ Chong Jee Min	(Ordinary Resolution 6)
3. To approve the following payments to Directors:

(a) Directors' fees of RM242,047 in respect of the financial year ended 31 December 2017.	(Ordinary Resolution 7)
(b) Directors' fees of up to RM350,000 in respect of the financial year ending 31 December 2018.	(Ordinary Resolution 8)
(c) Directors' benefits of up to RM100,000 for the period from 1 January 2018 until 30 June 2019.	(Ordinary Resolution 9)
4. To re-appoint Messrs Crowe Horwath as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. (Ordinary Resolution 10)

SPECIAL BUSINESS

- To consider and if thought fit, to pass the following resolutions:
5. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 "THAT** pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to approvals from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and other relevant authorities, where approval is necessary, authority be and is hereby given to the Directors to allot and issue shares in the Company at any time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares to be issued shall not exceed 10% of the total number of issued shares of the Company for the time being AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."
[Refer to Explanatory Note (3)] (Ordinary Resolution 11)
 6. **PROPOSED RENEWAL OF AUTHORITY OF SHARE BUY-BACK "THAT** subject to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approval of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorized to purchase such number of ordinary shares in the Company as may be determined by the Board from time to time on Bursa Malaysia Securities Berhad upon such terms and conditions as the Board may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Malaysia Securities Berhad as at the time of purchase(s) and an amount not exceeding the retained profits of the Company based on the latest audited accounts of the Company as at 31 December 2017, at the time of purchase(s).
THAT such authority shall commence upon the passing of this resolution and shall remain in force until the conclusion of the next Annual General Meeting of the Company unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting.
THAT authority be and is hereby given to the Directors of the Company to decide in their discretion to retain the ordinary shares in the Company so purchased by the Company as treasury shares and/or cancel them and/or resell the treasury shares or distribute them as share dividend and/or subsequently cancel them.
AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary (including executing all such documents as may be required) and to enter into any agreements and arrangements with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the interest of the Company."
[Refer to Explanatory Note (4)] (Ordinary Resolution 12)
 7. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE "THAT** subject to Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for the Company to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.3.1 of the Circular to the Shareholders dated 20 April 2018 which are necessary for day-to-day operations and are carried out in the ordinary course of business on terms which are not more favourable to the related parties than those generally available to the public and are undertaken on arms' length basis and not to the detriment of minority shareholders; **AND THAT** the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in full force until:
 - (a) the conclusion of the next Annual General Meeting (AGM) of the Company at which this shareholders' mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
 - (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (the Act) (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (c) revoked or varied by resolution passed by the shareholders in general meeting;
 whichever is the earlier;
AND THAT the Board of Directors be and is hereby authorised to complete and do all such acts and things as it may consider expedient or necessary (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this mandate."
[Refer to Explanatory Note (5)] (Ordinary Resolution 13)
 8. **PROPOSED ADOPTION OF NEW COMPANY'S CONSTITUTION "THAT** approval be and is hereby given to revoke the existing Constitution of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in the "Annexure A" accompanying the Company's Annual Report for the financial year ended 31 December 2017 be and is hereby adopted as the Constitution of the Company **AND THAT** the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all such acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."
[Refer to Explanatory Note (6)] (Special Resolution 1)
 9. To transact any other business of the Company of which due notice shall have been given.

By Order of the Board
LIM HOOI MOOI (MAICSA No. 0799764)
ONG WAI LENG (MAICSA No. 7065544)
Company Secretaries
20 April 2018
Kuala Lumpur

Notes:-

- i) Pursuant to Section 334 of the Companies Act 2016, a member of a Company shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote a meeting of members of the Company. A member may appoint more than one proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.
- ii) A proxy need not be a member of the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- iii) Where a Member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint 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.
- iv) For a member of the Company who is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- v) Where a member or the authorized nominee appoints more than two (2) proxies, or where an exempt authorized nominee appoints more than one (1) proxy in respect of each omnibus account to attend and vote at the same meeting, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
- vi) The instrument appointing a proxy shall be in writing signed by the appointor or by his attorney who is authorised in writing. In the case of a corporation, the instrument appointing a proxy or proxies must be made either under its common seal or signed by an officer or an attorney duly authorised.
- vii) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.
- viii) For the purpose of determining a member who shall be entitled to attend and vote at the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at 14 May 2018 and only a depositor whose name appears on the Record of Depositors shall be entitled to attend the meeting or appoint proxies to attend and vote in his stead.

Explanatory Notes to the Agenda:-

Item 1 of the Agenda

1. This item is meant for discussion only. The provisions of Section 340(1)(a) of the Companies Act 2016 require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. As such, this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

Item 3 of the Agenda – Ordinary Resolution 9

Payment of Directors' benefits

2. This resolution is to facilitate payment of Directors' benefits for the period from 1 January 2018 to 30 June 2019 (the due date for which the next AGM should be held). In the event the Directors' benefits proposed are insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall. Directors' benefits include meeting allowances and other emoluments payable to Directors and in determining the estimated total the Board had considered various factors including the number of scheduled meetings for the Board and Board Committees, and covers the period from 1 January 2018 to 30 June 2019 (the due date for which the next AGM should be held).

Item 5 of the Agenda – Ordinary Resolution 11

Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

3. The proposed Resolution No. 11 is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration. Should the mandate be exercised, the Directors will utilize the proceeds raised for working capital or such other applications they may in their absolute discretion deem fit.

Item 6 of the Agenda – Ordinary Resolution 12

Proposed Renewal of Authority of Share Buy-Back

4. The proposed Resolution No. 12, if passed, will empower the Directors of the Company to purchase up to 10% of the total number of issued shares of the Company by utilizing the funds allocated which shall not exceed the retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.
For further information, please refer to the Share Buy-Back Statement dated 20 April 2018 accompanying the Company's Annual Report for the financial year ended 31 December 2017.

Item 7 of the Agenda – Ordinary Resolution 13

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

5. The proposed Resolution No. 13 in respect of the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature is intended to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the specific ed classes of related parties, provided that they are carried out on an arms' length basis and on the Group's 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.

Item 8 of the Agenda – Special Resolution 1

Proposed Adoption of New Company's Constitution

6. The proposed Special Resolution, if passed, will bring the Company's Constitution in line with the enforcement of Companies Act 2016 and the amended Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad