



# NYLEX (MALAYSIA) BERHAD

(Company No: 9378-T)  
(Incorporated in Malaysia)

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 48th Annual General Meeting of the Company will be held at Selangor 1 Ballroom, Dorsett Grand Subang, Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 18 October 2018 at 9.30 a.m. to transact the following businesses:

### AGENDA

#### AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 May 2018 together with the Reports of the Directors and the Auditors thereon. (Please refer to Explanatory Note 1)  
[Ordinary Resolution 1]
- To approve the payment of a final single-tier dividend of 2.0 sen for the financial year ended 31 May 2018.
- To re-elect the following Directors, who retire pursuant to Article 109 of the Company's Constitution: [Ordinary Resolution 2]  
[Ordinary Resolution 3]
  - Khamis bin Awal;
  - Dato' Tengku Mahamad bin Tengku Mahamut.
- To re-elect Datuk Anuar bin Ahmad, who retires pursuant to Article 93 of the Company's Constitution. [Ordinary Resolution 4]
- To approve the payment of the Directors' fees for the financial year ended 31 May 2018. [Ordinary Resolution 5]
- To approve the payment of Directors' benefits (excluding Directors' fees) of up to RM60,000 from the date of the forthcoming Annual General Meeting until the next Annual General Meeting of the Company. [Ordinary Resolution 6]
- To re-appoint Messrs BDO as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. [Ordinary Resolution 7]

#### AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions with or without modifications:

- PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("Proposed Renewal Of RRPT Mandate")** [Ordinary Resolution 8]

"THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.4 of the Circular to Shareholders dated 26 September 2018, provided that such transactions are necessary for day-to-day operations and carried out in the ordinary course of business and at arms-length basis on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interest of the minority shareholders of the Company.

THAT the authority conferred by such Mandate shall continue to be in force until:

- the conclusion of the next Annual General Meeting of the Company, 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 Annual General Meeting is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- revoked or varied by a resolution passed by the shareholders in general meeting, whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to this Ordinary Resolution."

- PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY** [Ordinary Resolution 9]

"THAT subject always to the Companies Act 2016 ("Act"), the Constitution of the Company, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, approval be and is hereby given for the Company to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors of the Company may deem fit and expedient in the interest of the Company ("Share Buy-Back Mandate") provided that:

- the aggregate number of ordinary shares in the Company which may be purchased and/or held by the Company at any point of time pursuant to the Share Buy-Back Mandate shall not exceed ten per centum (10%) of the total number of issued shares of the Company as at the point of purchase;
- the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase; and
- the Directors of the Company may decide either to retain the shares so purchased as treasury shares or cancel the shares so purchased or retain part of the shares so purchased and cancel the remainder or resell the treasury shares on Bursa Securities or distribute the treasury shares as dividends or transfer the treasury shares under an employees' share scheme or as purchase consideration or otherwise use the treasury shares for such other purpose in the manner as prescribed by the applicable laws, guidelines, rules and regulations.

THAT the authority conferred by this resolution will be effective upon passing of this resolution and will continue to be in force until:

- the conclusion of the next Annual General Meeting of the Company, at which time it shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- the expiration of the period within which the next Annual General Meeting of the Company after that date is required by law to be held; or
- revoked or varied by ordinary resolution passed by the shareholders in general meeting; whichever occurs first.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps to implement, finalise and to give full effect to the Share Buy-back Mandate with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities or as they deem fit and expedient at their discretion in the best interest of the Company in accordance with the Act, regulations and guidelines."

- AUTHORITY TO ISSUE AND ALLOT SHARES** [Ordinary Resolution 10]

"THAT subject always to the Companies Act 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, where such approval is required, the Directors be and are hereby empowered pursuant to Section 75 of the Act to issue and allot shares in the Company from time to time and upon such terms and conditions, to such persons and for such purposes as the Directors may deem fit PROVIDED THAT the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company pursuant to Section 76 of the Act, AND THAT the Directors are further authorised to do all such things as they deem fit and expedient in the best interest of the Company to give effect to the issuance of new shares under this resolution including making such applications to Bursa Securities for the listing of and quotation for the additional shares so issued on Bursa Securities pursuant to this resolution."

- CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR** [Ordinary Resolution 11]

"THAT authority be and is hereby given to Edmond Cheah Swee Leng, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 12 years, to continue to serve as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance."

- PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY ("Proposed Adoption of New Constitution")** [Special Resolution 1]

"THAT the existing Company's Constitution be deleted in its entirety and that the new Constitution as set out in the Circular to Shareholders dated 26 September 2018 be and is hereby adopted as the new Constitution of the Company.

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things as necessary and/or expedient in order to give full effect to the Proposed Adoption of New Constitution with full power to assent to any conditions, modifications, and/or amendments as may be required by any relevant authorities to give effect to the Proposed Adoption of New Constitution."

#### 13. OTHER ORDINARY BUSINESS

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

#### NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the shareholders' approval at the 48th Annual General Meeting of the Company, the final single-tier dividend of 2.0 sen per ordinary share for the financial year ended 31 May 2018 if approved, will be paid on 6 December 2018 to shareholders whose names appear in the Record of Depositors on 22 November 2018.

A depositor shall qualify for entitlement only in respect of:

- shares transferred into the Depositor's Securities Account before 4.00 p.m. on 22 November 2018 in respect of transfers; and
- shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board,

**CHOO SE ENG (MIA 5876)**

**STEPHEN GEH SIM WHYIE (MICPA 1810)**

Company Secretaries

Petaling Jaya

26 September 2018

#### NOTES

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 11 October 2018 (General Meeting Records of Depositors) shall be eligible to attend, speak and vote or appoint proxy to attend, speak and vote on his/her behalf at the Meeting.
- A member entitled to attend and vote at the Meeting is entitled to appoint up to two (2) proxies to attend and vote for him/her. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his/her holding to be represented by each proxy.
- Where a member 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.
- In the case of a corporate shareholder, the instrument appointing a proxy shall be under its Common Seal or its attorney.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Unit C508, Block C, Kelana Square, Jalan S57/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting.

#### EXPLANATORY NOTES

- Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 May 2018**  
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 shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

#### 2. Ordinary Resolution 5 – Directors' fees

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of the listed company and its subsidiaries shall be approved at a general meeting. In this respect, shareholders' approval shall be sought at the 48th Annual General Meeting on the Directors' fees payable by the Company of RM460,000 and by the Group of RM700,000 for the financial year ended 31 May 2018.

In 2016, an independent Board remuneration review was conducted by an external consultant to ascertain the competitiveness and risk alignment of the existing remuneration structure. Based on the Remuneration & Nomination Committee's recommendation, the Board agreed that the Directors' fees of the Non-Executive Directors ("NED") of the Company and of the Group remain unchanged for the financial year ended 31 May 2018 as the current fee structure remains relevant and competitive.

#### 3. Ordinary Resolution 6 – Directors' benefits

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of the listed company and its subsidiaries shall be approved at a general meeting. In this respect, shareholders' approval shall be sought at the 48th Annual General Meeting on the Directors' benefits (excluding Directors' fee) of up to RM60,000 payable for the period from the date of the forthcoming Annual General Meeting until the next Annual General Meeting of the Company.

The Directors' benefits comprise mainly the meeting attendance allowance of RM416 per meeting and other benefits (allowance and other benefits) payable to the NEDs.

In determining the estimated total amount of benefits (excluding Directors' fees) for the NEDs, the Board considered various factors including the number of scheduled meetings for the Board, Board Committees as well as the number of Directors involved.

#### 4. Ordinary Resolution 8 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of RRPT Mandate")

This proposed resolution, if passed, will allow the Group to enter into recurrent related party transactions of a revenue or trading nature with its related parties in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad without the necessity to convene separate general meetings to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business

opportunities available to the Group. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company and is subject to renewal on an annual basis.

Further details relating to this proposed resolution are set out in the Company's Circular to Shareholders dated 26 September 2018, which is circulated together with the Company's 2018 Annual Report.

#### 5. Ordinary Resolution 9 – Proposed Renewal of Share Buy-Back Authority

This proposed resolution, if passed, will empower the Company to purchase its own shares up to 10% of the total number of issued shares of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

Further details relating to this proposed resolution are set out in the Share Buy-Back Statement dated 26 September 2018, which is circulated together with the Company's 2018 Annual Report.

#### 6. Ordinary Resolution 10 – Authority to Issue and Allot Shares

This proposed resolution, if passed, will authorise the Directors to issue and allot up to a maximum of 10% of the total number of issued shares (excluding treasury shares) in the Company for the time being for such purposes as the Directors deem fit and in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

This is the renewal of the mandate obtained from the shareholders of the Company at the last Annual General Meeting ("Previous Mandate"). The Previous Mandate was not utilised and accordingly no proceeds were raised. This general mandate will give flexibility to the Company for any possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration or such other application as the Directors may deem fit and in the best interest of the Company.

#### 7. Ordinary Resolution 11 – Continuing in Office as Independent Non-Executive Director

The proposed Ordinary Resolution 11, if passed, will enable Edmond Cheah Swee Leng to continue serving as the Independent Non-Executive Director of the Company as recommended under Malaysian Code on Corporate Governance ("MCCG").

Pursuant to the MCCG, the Board through the Remuneration & Nomination Committee has carried out necessary assessments on Edmond Cheah Swee Leng and had recommended him to continue to act as the Independent Non-Executive Director of the Company on the grounds that:

- he has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and his ability to bring an element of objectivity to the Board;
- he has been with the Company for more than twelve (12) years and therefore understand the Company's business operations which enable him to participate actively and contribute during the deliberations or discussions at the meetings;
- he is knowledgeable and has vast experience that could be shared with the Board; and
- he has exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company. It should be noted that his long tenure notwithstanding, the remuneration for Edmond Cheah Swee Leng does not vary significantly from the other Independent Non-Executive Directors.

The Board has decided not to adopt the two-tier voting process for the approval to retain Edmond Cheah Swee Leng as Independent Director of the Company. The Board has received legal opinion that the two-tier voting process may not be compatible with the Company's Constitution read together with the Companies Act 2016. As such, the Board has chosen not to adopt the two-tier voting process as a precautionary measure.

#### 8. Special Resolution 1 – Proposed Adoption of New Constitution

The proposed Special Resolution 1, if passed, will align the Constitution of the Company with the Companies Act 2016 which came into force on 31 January 2017, the updated provision of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the prevailing laws, guidelines or requirements of the relevant authorities, to render greater clarity and consistency throughout as well as to enhance administrative efficiency.

Further details relating to this proposed resolution are set out in the Company's Circular to Shareholders dated 26 September 2018, which was circulated together with the Company's 2018 Annual Report.