



MINORITY SHAREHOLDERS WATCH GROUP
Shareholder Activism and Protection of Minority Interest

18 October 2023

BY EMAIL/FAX/HAND

The Board of Directors
NYLEX (MALAYSIA) BERHAD
Unit C508, Block C, Kelana Square
Jalan SS7/26, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Attention: **Mr Choo Se Eng**
Mr Stephen Geh Sim Whye
Company Secretaries

Dear Directors,

Re: 53rd Annual General Meeting (“AGM”) of Nylex (Malaysia) Berhad (“Nylex” or the “Company”) to be held on Friday, 27 October 2023

In the interest of minority shareholders and all other stakeholders of the Company, we would like to raise the following questions: -

Operational & Financial Matters

1. On 21 March 2022, the Company had entered into a Heads of Agreement (“HOA”) with Sinar Bina Infra Sdn Bhd, LBS Bina Group Berhad, BTS Group Holdings Public Company Limited and ANB (collectively referred as the “Parties”). On 22 March 2023, the Parties agreed to extend the long stop date of the HOA by another three (3) months to 21 June 2023. On 21 June 2023, the Parties have further agreed to extend the long stop date of the HOA to 31 January 2024.

As at the date of the Annual Report, the terms of the definitive agreements to effect the proposals stipulated in the HOA have not been finalised.

- (a) In view of the multiple extensions of the long stop date, does the Company foresee further extension?
- (b) What are the contingencies plans if the HOA does not materialise as planned?

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

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2. In the reply to MSWG's dated 27 October 2022, the Company mentioned that the update of the feasibility of the project is expected to be submitted to Johor State Government by end of November 2022.
 - (a) What is the outcome of the feasibility study?
 - (b) Is there a revised timeline for submission of the feasibility study to Johor State Government? If yes, by when?

Corporate Governance Matters

1. Practice 5.2 of the Malaysian Code on Corporate Governance 2021 stipulates that at least half of the board comprises independent directors.

As at 31 May 2023, only 2 out of 6 of the Company's directors were Independent Directors and this is not in line with Practice 5.2. Does the Company intend to apply Practice 5.2, and if yes, by when?

Please present the questions raised herein, and the related answers, to the shareholders present at the forthcoming AGM. At the same time, we await a written reply as soon as possible for our records.

Thank you.

Yours sincerely



Devanesan Evanson
Chief Executive Officer
DE/RF/YLK/NYLEX/AGM2023

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erhad

Email/Original by hand

Dear Sirs,

Re: **53rd ANNUAL GENERAL MEETING OF NYLEX (MALAYSIA) BERHAD (“NYLEX”)**

We refer to your letter dated 18 October 2023.

On behalf of the Board of Directors (“Board”) of Nylex, we would like to provide the following information in response to the issues raised in your said letter: -

Operational & Financial Matters

1(a) The long stop date of the HOA might be further extended to provide more time for the Company and the other HOA Parties to finalise the details of the LRT Project as well as the terms of the Proposals as contemplated under the HOA. Such decision will be made by the Board after taking into consideration the status and development of the LRT Project.

1(b) With the contacts, experience and capability of the Board members, the Board should be in a position to source and identify new business(es) and/or asset(s) to be acquired if the HOA does not materialise as plan

In addition, the Board may also engage provide additional insights to assist the of suitable acquisitions.

2 The feasibility study has been prese consideration and decision. As at the subject to continuous assessment to ; Johor State Government.

Corporate Governance Matters

1. As at 31 May 2023, the Board comprises one (1) Independent Non-Executive Chairman, one (1) Group Managing Director, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

The composition of the Board complies with the Listing Requirements which requires at least one-third of the Board comprising independent non-executive directors. It also complies with Practice 5.2 of the MCCG to have at least 50% representation of independent non-executive directors on the Board.

Subsequent to the financial year, two (2) long serving Independent Non-Executive Directors were re-designated as Non-Independent Non-Executive Directors to comply with the Listing Requirements.

The Board did not make other changes to the composition to the Board due principally to the fact that the Company has maintained minimum operations following the disposal of its entire assets and business undertakings to its holding company in January 2022. The Board is now identifying new business opportunities which may result in a change in shareholders and subsequently, change in the Board composition. Changing the Board composition may not be timely under these circumstances.

We value your comments and trust that the above has clarified the issues raised.

Thank you.

Yours faithfully
On behalf of the Board of Directors of
NYLEX (MALAYSIA) BERHAD

Dato' Siew Ka Wei
Group Managing Director