

Nylex (Malaysia) Berhad (9378-T)

Summary of Key Matters Discussed at the 48th Annual General Meeting Held on 18th October, 2018 at 9.30 a.m. at the Selangor 1 Ballroom, Dorsett Grand Subang, Jalan SS12/1, 47500 Subang Jaya, Selangor.

AGENDA 1:

AUDITED FINANCIAL STATEMENTS AND REPORTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2018

1. **Question: Mr Wan Eng Wah (Shareholder)**

- a) Mr Wan Eng Wah, a shareholder questioned whether the forex loss for the financial year ended 31 May 2018 of RM3 million was realized or unrealized.
- b) Mr Wan further enquired whether the road barriers placed along some of the highways are related to Nylex's geosynthetic products and whether Nylex is one of the major suppliers of this product.

Answer:

- a) The CFO, Ms Michelle Chen, replied that the forex loss was a combination of realized and unrealized. She mentioned that the foreign exchange differences arose because US\$ was trading at RM4.30 as at 31 May 2017 compared to RM3.98 as at 31 May 2018.
- b) Ms Chen further replied that the road barriers placed along some of the highways are the rotomoulded plastic products and Nylex is one of the major suppliers in this market, whereas the geosynthetics drainage products such as prefabricated vertical drains and horizontal drainage are used in civil engineering projects which Nylex supplied to several highways and reclamation projects, amongst others, West Coast Expressway and Seri Tanjung Pinang 2.

2. **Question : Mr Lim Jit Hai (Shareholder)**

Mr Lim Jit Hai, a shareholder stated that due to poor equity market conditions and drop in capitalization of some counters, it might be a good idea for Nylex to look into the possibility of issuing warrants/rights issue to raise capital to grow the Company.

Answer:

Ms Chen replied that the Company is currently comfortable with its cashflow position and with adequate support from its bankers, but will consider Mr Lim's suggestion if the need arises in future.

3. **Question: Mr Ho Shui Fah (Shareholder)**

Mr Ho Shui Fah, a shareholder referred the Board to page 113 of the Annual Report (Note 32(c): Liquidity Risk) which stated that Nylex Group's Financial Liabilities made up of Trade and Other Payables and Loans and Borrowings (due on demand or due within one year) ("Financial Liabilities") were RM370.403 million.

He further referred the Board to page 62 of the Annual Report (Consolidated Statement of Financial Position) which showed that the Cash Balances and Short Term Deposits from the Consolidated Statement of Financial Position for the financial year ended 31 May 2018 were stated at RM108.518 million.

NYLEX (MALAYSIA) BERHAD

Summary of Key Matters Discussed at the 48th Annual General Meeting Held on 18th October, 2018 at 9.30 a.m. at the Selangor 1 Ballroom, Dorsett Grand Subang, Jalan SS12/1, 47500 Subang Jaya, Selangor.

Mr Ho enquired how Nylex Group would settle its Financial Liabilities of RM370.403 million in the next 12 months in view that its Cash Balances and Short Term Deposits were only RM108.518 million.

Mr Ho expressed concern on the Group's ability to meet its liabilities as and when they fall due.

Answer:

Ms Chen replied that the short term financial liabilities of RM370.403 million will be settled from the Group's current assets (which include, amongst others, Inventories, Trade Receivables, Short Term Deposits and Bank Balances) which was amounting to RM504.817 million as at 31 May 2018.

Dato' Siew referred Mr Ho to page 62 of the Annual Report and the Group's Statement of Financial Position as at 31 May 2018, where the Group is at a net current assets position and stated that there is no issue on the settlement of the current financial liabilities.

Dato' Siew stated that the Group's current assets are sufficient to settle its current liabilities within the next 12 months.

Prepared by
STEPHEN GEH SIM WHYE
Joint Company Secretary