

**NYLEX (MALAYSIA) BERHAD (9378-T)**  
(Incorporated in Malaysia)

MINUTES OF THE 49<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY HELD AT SELANGOR BALLROOM 1, DORSETT GRAND SUBANG, SS12/1, 47500 SUBANG JAYA, SELANGOR DARUL EHSAN, ON THURSDAY, 17 OCTOBER 2019 AT 9.30 A.M.

---

PRESENT : **Directors**  
YM Dato' Tengku Mahamad Bin Tengku Mahamut – Chairman  
Dato' Siew Ka Wei (Group Managing Director)  
Mr. Edmond Cheah Swee Leng  
En. Khamis Bin Awal  
Datuk Anuar Bin Ahmad

**Shareholders**  
As per attendance list

By invitation : Ms. Michelle Chen (Chief Financial Officer)  
Mr. Robin Ling Seng Chiong (Deputy Chief Executive Officer)

IN ATTENDANCE : Mr. Stephen Geh Sim Whye (Company Secretary)  
Mr. Choo Se Eng (Company Secretary)

**1. CHAIRMAN**

YM Dato' Tengku Mahamad Bin Tengku Mahamut presided as Chairman of the Meeting.

**2. QUORUM**

The Chairman welcomed all attendees to the Meeting. The Meeting was called to order at 9.30 a.m. upon the Secretary confirming the presence of a quorum.

**3. NOTICE**

The Notice convening the meeting, having been circulated and advertised in The New Straits Times on 25 September 2019, was taken as read.

The Chairman informed the Meeting that pursuant to Paragraph 8.29(A)(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of Annual General Meeting shall be decided by poll. The polling process shall be conducted upon completion of the deliberation of all items to be transacted at the Meeting.

**4. QUESTIONS FROM MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”)**

The Chairman informed the Meeting that the Board received a letter from MSWG dated 8 October 2019 and MSWG has requested the Company to present the questions raised in the letter at this Meeting. The Chairman then invited the Company's Deputy Chief Executive Officer, Mr Robin Ling, to present the Company's responses to the questions raised by the MSWG.

After the presentation, the Chairman informed the Meeting that the letter from MSWG and the Company's responses will be made available on the Company's website.

**5. AUDITED FINANCIAL STATEMENTS AND REPORTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2019**

The Audited Financial Statements for the financial year ended 31 May 2019 together with the Reports of the Directors and Auditors thereon, having been circulated to all the shareholders of the Company within the statutory period, were tabled to the Meeting for discussion.

The Chairman informed that this Agenda item was 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.

The Chairman opened to the floor for questions that the shareholders may have.

After fielding questions (attached herein as Appendix I) brought up by a few of the shareholders, the Chairman declared that the Audited Financial Statements and Reports of the Company for the financial year ended 31 May 2019 have in accordance with the Companies Act 2016 been properly laid and received.

**6. ORDINARY RESOLUTION 1  
PAYMENT OF FINAL SINGLE-TIER DIVIDEND OF 1.0 SEN PER SHARE FOR  
THE FINANCIAL YEAR ENDED 31 MAY 2019**

---

The Meeting proceeded with the next item on the Agenda, which was the payment of a final single-tier dividend of 1.0 sen per share for the financial year ended 31 May 2019.

There being no question raised, the Chairman informed that the poll for Ordinary Resolution 1 would be taken at the end of the Meeting.

**7. ORDINARY RESOLUTION 2  
RE-ELECTION OF DATO' SIEW KA WEI AS DIRECTOR UNDER CLAUSE 125 OF  
THE COMPANY'S CONSTITUTION**

---

The next item on the Agenda was to consider Ordinary Resolution 2 for the re-election of Dato' Siew Ka Wei as director under Clause 125 of the Company's Constitution.

There being no question raised, the Chairman moved the motion to re-elect Dato' Siew Ka Wei as director of the Company to be set aside for voting by poll at the end of the Meeting.

**8. ORDINARY RESOLUTION 3  
RE-ELECTION OF MR EDMOND CHEAH SWEE LENG AS DIRECTOR UNDER  
CLAUSE 125 OF THE COMPANY'S CONSTITUTION**

---

As there were no questions raised on this matter, the Chairman moved the motion to re-elect Mr Edmond Cheah Swee Leng as director of the Company to be set aside for voting by poll at the end of the Meeting.

**9. ORDINARY RESOLUTION 4  
PAYMENT OF DIRECTORS' FEES OF RM380,329 FOR THE FINANCIAL YEAR  
ENDED 31 MAY 2019**

---

There being no question raised, the Chairman moved the motion to approve the directors' fees of RM380,329 for the financial year ended 31 May 2019 to be set aside for voting by poll at the end of the Meeting.

**10. ORDINARY RESOLUTION 5  
PAYMENT OF DIRECTORS' BENEFITS (EXCLUDING DIRECTORS' FEES) OF UP  
TO RM60,000 FROM 17 OCTOBER 2019 TO THE DATE OF THE NEXT ANNUAL  
GENERAL MEETING OF THE COMPANY**

---

As there were no questions raised on this matter, the Chairman moved the motion to approve the payment of directors' benefits of up to RM60,000 from 17 October 2019 to the date of the next Annual General Meeting of the Company to be set aside for voting by poll upon completion of the remaining business of the Meeting.

**11. ORDINARY RESOLUTION 6  
RE-APPOINTMENT OF MESSRS BDO PLT AS AUDITORS**

---

The next agenda of the Meeting was to consider the re-appointment of Messrs BDO PLT as auditors of the Company for the next financial year.

It was noted that Messrs BDO PLT had indicated their willingness to continue in office.

There being no question raised, the Chairman informed that the poll for the proposed resolution to re-appoint Messrs BDO PLT as Auditors of the Company for the financial year ending 31 May 2020 at a remuneration to be fixed by the Directors would be taken at the end of the Meeting.

**12. ORDINARY RESOLUTION 7  
PROPOSED NEW AND PROPOSED RENEWAL OF SHAREHOLDERS'  
MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A  
REVENUE OR TRADING NATURE (“PROPOSED NEW AND PROPOSED  
RENEWAL OF RRPT MANDATE”)**

---

The Chairman informed the shareholders that the details pertaining to the Proposed New and Proposed Renewal of RRPT Mandate had been circulated to the shareholders via the Company’s Circular to Shareholders dated 25 September 2019.

There being no question raised, the Chairman informed that the poll for Ordinary Resolution 7 would be taken upon completion of the remaining business of the Meeting.

**13. ORDINARY RESOLUTION 8  
PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK MANDATE  
 (“PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE)**

---

The Meeting proceeded to consider the Proposed Renewal of Share Buy-Back Mandate. The Chairman informed that the detailed information pertaining to the Proposed Renewal of Share Buy-Back Mandate had been circulated to the shareholders via the Statement to Shareholders dated 25 September 2019.

There being no question raised, the Chairman informed that the poll for Ordinary Resolution 8 would be taken at the end of the Meeting.

**14. ORDINARY RESOLUTION 9  
PROPOSED AUTHORITY TO ISSUE AND ALLOT SHARES**

---

The Meeting proceeded to consider the motion on the proposed authority to issue and allot shares under Section 75 of the Companies Act 2016.

There being no question raised, the Chairman informed that the poll for Ordinary Resolution 9 would be taken at the end of the Meeting.

**15. ORDINARY RESOLUTION 10  
CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – MR  
EDMOND CHEAH SWEE LENG**

---

As there were no questions raised on this matter, the Chairman moved the motion to approve Mr Edmond Cheah Swee Leng, who has served as an Independent Non-Executive Director for a cumulative term of more than 12 years, to continue serving as an Independent Non-Executive Director of the Company to be set aside for voting by poll at the end of the Meeting.

The Chairman stated that the Company is not adopting the 2-tier voting process recommended by the Malaysian Code on Corporate Governance.

**16. OTHER ORDINARY BUSINESS**

The Chairman informed the Meeting that the Company did not receive any notice from the Shareholders for other business given in accordance with the Constitution of the Company and the Companies Act 2016 to be transacted at this Meeting.

**17. VOTING BY POLL**

Having taken the Meeting through all the items on the Agenda, the Chairman declared commencement of the poll voting exercise.

The representative from the Poll Administrator, Tricor Investor & Issuing House Services Sdn. Bhd., was invited to explain the procedures for the conduct of the poll at the Meeting.

The Chairman adjourned the Meeting for 20 minutes to enable the conduct of the poll by electronic voting on all 10 resolutions.

The results of the polls were then verified by the independent scrutineer, Asia Securities Sdn. Berhad.

**18. RESULTS OF VOTING BY POLL**

At 10.40 a.m., the Chairman reconvened the Meeting for the announcement of poll results. He presented the results of the poll (attached herein as Appendix II) to the Meeting and declared that all Resolutions were carried, as follows: -

**a) ORDINARY RESOLUTION 1**

**- PAYMENT OF A FINAL SINGLE TIER DIVIDEND OF 1.0 SEN PER SHARE FOR THE FINANCIAL YEAR ENDED 31 MAY 2019**

---

By a poll of 92,492,879 votes for the Resolution and 172 vote against the Resolution, it was RESOLVED:-

“THAT the payment of a final single-tier dividend of 1.0 sen per share for the financial year ended 31 May 2019 be and is hereby approved.”

**b) ORDINARY RESOLUTION 2**

**- RE-ELECTION OF DATO' SIEW KA WEI AS DIRECTOR UNDER CLAUSE 125 OF THE COMPANY'S CONSTITUTION**

---

By a poll of 92,489,617 votes for the Resolution and 3,434 votes against the Resolution, it was RESOLVED:-

“THAT Dato' Siew Ka Wei who retired pursuant to Clause 125 of the Company's Constitution be and is hereby re-elected as Director of the Company.”

**c) ORDINARY RESOLUTION 3**

**- RE-ELECTION OF MR EDMOND CHEAH SWEE LENG AS DIRECTOR UNDER CLAUSE 125 OF THE COMPANY'S CONSTITUTION**

---

By a poll of 92,489,911 votes for the Resolution and 3,140 votes against the Resolution, it was RESOLVED:-

“THAT Mr Edmond Cheah Swee Leng who retired pursuant to Clause 125 of the Company's Constitution be and is hereby re-elected as Director of the Company.”

d) **ORDINARY RESOLUTION 4**  
**- PAYMENT OF DIRECTORS' FEE OF RM380,329 FOR THE FINANCIAL YEAR ENDED 31 MAY 2019**

---

By a poll of 92,479,537 votes for the Resolution and 3,031 votes against the Resolution, it was RESOLVED:-

“THAT the payment of Directors' fees of RM380,329 for the financial year ended 31 May 2019 be and is hereby approved.”

e) **ORDINARY RESOLUTION 5**  
**- PAYMENT OF DIRECTORS' BENEFITS (EXCLUDING DIRECTORS' FEES) OF UP TO RM60,000 FROM 17 OCTOBER 2019 TO THE DATE OF THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY**

---

By a poll of 92,464,537 votes for the Resolution and 18,031 votes against the Resolution, it was RESOLVED:-

“THAT the payment of Directors' benefits (Excluding Directors' fees) of up to RM60,000 from 17 October 2019 until the date of the next Annual General Meeting of the Company be and is hereby approved.”

f) **ORDINARY RESOLUTION 6**  
**- RE-APPOINTMENT OF MESSRS BDO PLT AS AUDITORS**

---

By a poll of 92,482,396 votes for the Resolution and 172 votes against the Resolution, it was RESOLVED:-

“THAT Messrs BDO PLT be and are hereby re-appointed as Auditors of the Company for the financial year ending 31 May 2020 at a remuneration to be fixed by the Directors.”

g) **ORDINARY RESOLUTION 7**  
**- PROPOSED NEW AND PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED NEW AND PROPOSED RENEWAL OF RRPT MANDATE”)**

---

By a poll of 1,122,313 votes for the Resolution and 3,031 votes against the Resolution, it was RESOLVED:-

“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 25 September 2019, 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 favorable 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:

- (a) 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;

- (b) 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
- (c) 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 empowered and authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to this Ordinary Resolution”.

**h) ORDINARY RESOLUTION 8**  
**- PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK MANDATE**

---

By a poll of 92,479,537 votes for the Resolution and 3,031 votes against the Resolution, it was RESOLVED:-

“THAT subject always to the Companies Act 2016 (“Act”), the Constitution of the Company, the Main Market Listing Requirements (“Listing Requirement”) 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 provided that:

- (a) the aggregate number of ordinary shares in the Company purchased (“Purchased Shares”) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as at the point of purchase(s); and
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total 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.

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

- (a) 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;
- (b) 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
- (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting;

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws,

rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- i. To cancel all or part of the Purchased Shares;
- ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- iv. To resell all or part of the treasury shares;
- v. To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- vi. To transfer all or part of the treasury shares as purchase consideration;
- vii. To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
- viii. To deal with the treasury shares in the manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

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 Proposed Renewal of 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 the Directors deem fit and expedient at their discretion in the best interest of the Company in accordance with the Act, regulations and guidelines.”

i) **ORDINARY RESOLUTION 9**  
**- AUTHORITY TO ISSUE AND ALLOT SHARES**

---

By a poll of 92,479,537 votes for the Resolution and 3,031 votes against the Resolution, it was RESOLVED:-

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to 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 to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions, to such persons and for such purposes as the Directors may in their absolute discretion deem fit PROVIDED THAT the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury 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, AND THAT the Directors be 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.”

j) **ORDINARY RESOLUTION 10**  
**- CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE  
DIRECTOR – MR EDMOND CHEAH SWEE LENG**

---

By a poll of 92,479,428 votes for the Resolution and 3,140 votes against the Resolution, it was RESOLVED:-

“THAT subject to the passing of Ordinary Resolution 3 above, authority be and is hereby given to Edmond Cheah Swee Leng, who has served as an Independent Director of the Company for a cumulative term of more than 12 years, to continue to serve as an Independent Director of the Company until the conclusion of the next Annual General Meeting. in accordance with the Malaysian Code on Corporate Governance.”

19. **CLOSURE**

There being no other business, the meeting was closed at 10.45 a.m. with a vote of thanks to the Chair.

CONFIRMED AS A CORRECT RECORD

---

CHAIRMAN

Dated: 11 November 2019



**NYLEX (MALAYSIA) BERHAD (9378-T)**  
(Incorporated in Malaysia)

**Summary of Discussions at the 49<sup>th</sup> Annual General Meeting (“AGM”) Held on 17<sup>th</sup> October 2019 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 2019**

The questions and answers are arranged in chronological order.

**1. Question: Encik Rien Hashim – Shareholder**

- a) There was a drop in cash and bank balances between 2019 and 2018. What was the reason? Do you require fund raising activity to raise cash?
- b) Why the Company continue with share buy-back activities when it affects the Group's cash flow?

**Answer: Ms Michelle Chen – Chief Financial Officer (“CFO”)**

- a) The Group's current financial position is healthy and there is no requirement for fund raising activity. Page 65 of the Annual Report shows a snapshot of the cash and bank balances as at 31 May 2019 and 31 May 2018. The cash and bank balances as at 31 May 2019 of approximately RM68 million for the Group is adequate for funding the business activities of the Group.
- b) The share buy-back is expected to stabilise the supply and demand of the Company shares, which in turn may have a positive impact on the prices of the Company shares.

**2. Question: Mr Muniandy Karishnan - Shareholder**

- a) It was noted that other expenses and finance cost had gone up compared to the previous year and would like to know in what way is the Board of Directors trying to improve profitability of the Group operations?
- b) He questioned the need for share buy-back which in his opinion should only be carried out when the Company's share price was volatile. He noted that the volume of shares traded daily was small.

**Answer: Dato' Siew Ka Wei – Group Managing Director (“Group MD”)**

- a) Due to the trade war between the US and China, the business climate in our sector is very challenging and many companies in this industry are facing weak demand and suffering losses. We are trying our best in these difficult times to improve our profitability by looking at other regional markets.
- b) In respect of your question on share buy-back, the net assets per share of the Company as at 31 May 2019 was RM1.83 and the share buy-back is to defend the current market price (stood at RM0.64 per share as at 31 May 2019). The net assets per share is substantially higher than the market price per share.

**3. Question: Mr Muniandy Karishnan -Shareholder**

- a) At what price level would the Company conduct share buy-back?
- b) The Trade Receivables of the Group dropped compared to previous year. What is the impairment for Trade Receivables?

**Answer: Dato' Siew Ka Wei – Group MD**

- a) The Company follows the market prices for Company share.
- b) Trade Receivables stood at RM180 million as at 31 May 2019 after impairment of RM4.5 million, compared with RM246 million as at 31 May 2018 after impairment of RM5.7 million.

**4. Question: Encik Rien Hashim – Shareholder**

How is the manufacturing operation of the Group doing in terms of production capacity?

**Answer: Mr Robin Ling Seng Chiong – Deputy Chief Executive Officer (“Deputy CEO”)**

The Group's manufacturing operations involving ethanol, adhesives and sealants, and also the Polymer's casting line in Indonesia plant are working at average of about 80% capacity.

**5. Question: Mr Kee Teik Weng – Shareholder**

Why was there a RM40 million increase in Group Inventory as at 31 May 2019?

**Answer: Mr Robin Ling Seng Chiong – Deputy CEO**

The higher inventory level was mainly attributed to higher volume and also higher average prices of the inventory from companies in industrial chemical distribution segment.

**6. Question: Encik Rien Hashim – Shareholder**

- a) Why is the Group showing no profit despite manufacturing subsidiaries working at nearly full capacity?
- b) Why is the tax liability disproportionate to the profit before tax?
- c) Can the Group take advantage of the trade war between US and China?

**Answer: Dato' Siew Ka Wei – Group MD**

- a) Our manufacturing subsidiaries are generating profit. The Group's results were affected by the industrial chemical distribution segment which reported losses this financial year.
- b) The effective tax rate of the Group is higher than the statutory tax rate mainly due to the losses recorded in certain subsidiaries in the current financial year were not allowed for any tax benefit in the Group and also certain expenses which are not deductible for tax purposes.
- c) The trade war is not to our advantage as the volatility of crude oil prices and weaker demand has affected our products margin.

**7. Question: Mr Muniandy Karishnan – Shareholder**

Is the Budget 2020 friendly towards the Company?

**Answer: Ms Michelle Chen – CFO**

The Budget 2020 has no material impact on the Group's business.

**8. Question: Mr Quah Ban Aik of Minority Shareholders Watch Group (“MSWG”)**

Mr Quah requested that the Notice of AGM be sent to shareholders at least 28 days before the date of AGM instead of 21 days as some shareholders received the Notice late.

**Answer : Dato' Siew Ka Wei – Group MD**

The Board takes note of MSWG's views and concerns.

**9. Comments from Mr Quah Ban Aik of MSWG**

Mr Quah commented the Board for conducting the proceedings of the AGM in a very open manner where shareholders are not restricted in any way to ask questions. He also commented the Board and management for the patience in providing answers to the questions from the shareholders.

Prepared by  
**STEPHEN GEH SIM WHYE**  
Joint Company Secretary