

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

Summary of Key Matters Discussed at the 47th Annual General Meeting of the Company Held at Selangor 1 Ballroom, Dorsett Grand Subang, Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan On Thursday, 19 October 2017 at 9.30 a.m. (“47th AGM”)

Tan Sri Ir (Dr) Mohamed Al Amin Abdul Majid presided as Chairman of the meeting. The meeting was called to order at 9.30 a.m. after confirmation by the Secretary of the requisite quorum being present.

The Chairman informed the shareholders that the polling process for all the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the 47th AGM. The shareholders also received the Audited Financial Statements of the Company and of the Group, along with the Reports of Directors and Auditors for the financial year ended 31 May 2017.

Questions were raised during the 47th AGM, which were duly responded by the Company. The salient questions are as follows:

AGENDA 1:

AUDITED FINANCIAL STATEMENTS AND REPORTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2017

1. Mr Wan Eng Wah (“Mr Wan”), a shareholder noted that the Nylex Group acquired a 6,800 deadweight tonnage (dwt) shipping vessel and enquired on its name.

He also noted that the shipping vessel was undergoing inspection tests and the overhead costs were under recovered due to under utilisation of the vessel in the financial year ended 2017. He then enquired when the inspection tests would be completed and estimated time for the vessel to be operational in order to mitigate losses.

Mr Wan further enquired on the opportunity to lease out the vessel for 3rd party cargo and questioned whether there was enough intra group business to support the utilisation of the vessel.

The Group Managing Director, Dato’ (Dr) Siew Ka Wei (“Dato’ Siew”) replied that the name of the shipping vessel is *Nylex 1*. The approvals and inspection test for operation had been secured as to-date, thus, the vessel is now operational. The vessel is used to carry bulk liquid for 3rd party cargo as well as intra-group cargo.

2. a) Mr Ho Shui Fah (“Mr Ho”), a shareholder referred the Board to page 109 of the Annual Report (Note 33(c): Liquidity Risk) which stated that Nylex Group Financial Liabilities made up of trade and other payables and loans and borrowing (due on demand or due within one year) (“Financial Liabilities”) was RM383.659 million.

He further referred the Board to page 64 of the Annual Report (Consolidated Statement of Cashflows) which showed that the cash and cash equivalents from the Consolidated Statement of Cash Flows for the financial year ended 31 May 2017 was RM109.049 million.

He enquired on how Nylex Group would settle its Financial Liabilities of RM383.659 million in the next 12 months in view that its cash and cash equivalent was only RM109.049 million.

- b) Mr Ho then referred the Board to Note 17 to the Financial Statements (page 90 of the Annual Report) on Inventories, which stated that the Inventories of Finished Goods at cost was RM24.235 million and their net realisable value (“NRV”) was RM65.822 million.

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He enquired on the justification for not fast in selling the finished goods as the price was much higher than cost.

Dato' Siew referred Mr Ho to the Group's Balance Sheet as at 31 May 2017, where the Group is at net current assets position and there is no issue on the settlement of the current financial liabilities. The net current assets of the Group stood at RM123.690 million as at 31 May 2017.

The Chief Financial Officer, Ms Michelle Chen informed that the NRV stated in the financial statements was disclosed in compliance with the requirements of the International Financial Reporting Standards, where the inventories are valued at the lower of cost and NRV. Ms Chen further informed that the Finished Goods at cost of RM24.235 million are different from the finished goods that were stated at NRV of RM65.822 million. Total Finished Goods held as at 31 May 2017 was RM90.057 million.

3. a) Mr Ng Aik Pheng, a shareholder enquired on the sales price of the 4 shipping vessels previously sold by Nylex Group several years ago and enquired on the profit made from that transaction.

Dato' Siew informed that the previous vessels were belong to Ancom Berhad Group instead of Nylex Group, and it were sold around 15 years ago.

- b) Mr Ng enquired on when Nylex Group expects the shipping vessel to be fully utilised.

Dato' Siew replied that the Company expects to see some improvements in utilisation of the shipping vessel in the current year.

After all the questions were duly answered and clarified, the Chairman then initiated the poll voting process. All the ordinary resolutions that were tabled at the 47th AGM were duly passed by the shareholders through poll voting, the result, which was announced by the Chairman, was as follows:

	Vote For		Vote Against		Total Votes	
	No. of Units	%	No. of Units	%	No. of Units	%
Ordinary Resolution 1 Payment of Final Single Tier Dividend of 2.0 sen per share For The Financial Year Ended 31 May 2017	91,288,411	99.999	821	0.001	91,289,232	100.000
Ordinary Resolution 2 Re-Election of Tan Sri Ir (Dr) Mohamed Al Amin Abdul Majid as Director Under Article 109 of the Company's Constitution	91,282,411	99.993	6,821	0.007	91,289,232	100.000
Ordinary Resolution 3 Re-Election of Dato' (Dr) Siew Ka Wei as Director Under Article 109 of the Company's Constitution	91,282,960	99.993	6,272	0.007	91,289,232	100.000

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	Vote For		Vote Against		Total Votes	
	No. of Units	%	No. of Units	%	No. of Units	%
Ordinary Resolution 4 Re-Election of Puan Sri Datuk Rohani Parkash Binti Abdullah as Director Under Article 93 of the Company's Constitution	91,144,960	99.993	6,272	0.007	91,151,232	100.000
Ordinary Resolution 5 Payment of Directors' Fee of RM439,041 for the Financial Year Ended 31 May 2017	91,281,442	99.991	7,790	0.009	91,289,232	100.000
Ordinary Resolution 6 Payment of Directors' Benefits (Excluding Directors' Fees) of up to RM60,000 from 1 February 2017 to the date of the next Annual General Meeting of the Company	91,143,991	99.992	7,241	0.008	91,151,232	100.000
Ordinary Resolution 7 Re-Appointment of Messrs BDO as Auditors	91,282,960	99.993	6,272	0.007	91,289,232	100.000
Ordinary Resolution 8 Proposed New and Proposed Renewal of the Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed RRPT Mandate")	493,273	77.371	144,272	22.629	637,545	100.000
Ordinary Resolution 9 Proposed Renewal of Share Buy Back Authority	91,282,411	99.993	6,821	0.007	91,289,232	100.000
Ordinary Resolution 10 Authority to Issue and Allot Shares	91,282,411	99.993	6,821	0.007	91,289,232	100.000
Ordinary Resolution 11 Continuing in Office as Independent Director – Mr Edmond Cheah Swee Leng	91,282,960	99.993	6,272	0.007	91,289,232	100.000
Ordinary Resolution 12 Continuing in Office as Independent Director - Mr Lim Hock Chye	91,144,960	99.993	6,272	0.007	91,151,232	100.000

There being no further business, the 47th AGM was concluded at 10.45 a.m. with a vote of thanks to the Chair.