



# NYLEX (MALAYSIA) BERHAD

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

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 47th 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, 19 October 2017 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 2017 together with the Reports of the Directors and the Auditors thereon. (Please refer to Explanatory Note 1)
- To approve the payment of a final single-tier dividend of 2.0 sen for the financial year ended 31 May 2017. [Ordinary Resolution 1]
- To re-elect the following Directors, who retire pursuant to Article 109 of the Constitution of the Company: [Ordinary Resolution 2]
  - Tan Sri Ir (Dr) Mohamed Al Amin Abdul Majid; [Ordinary Resolution 3]
  - Dato' (Dr) Siew Ka Wei. [Ordinary Resolution 4]
- To re-elect Puan Sri Datuk Rohani Parkash binti Abdullah, who retires pursuant to Article 93 of the Company's Constitution. [Ordinary Resolution 5]
- To approve the payment of the Directors' fees of RM439,041 for the financial year ended 31 May 2017. [Ordinary Resolution 6]
- To approve the payment of Directors' benefits (excluding Directors' fees) of up to RM60,000 from 1 February 2017 until the next annual general meeting of the Company. [Ordinary Resolution 7]
- 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 Ordinary Resolutions with or without modifications:

- PROPOSED NEW AND PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED 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 2017, 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.

AND 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 provisions of 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 to 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 in their absolute discretion 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 ordinary 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 shares on Bursa Securities or distribute the shares as dividends or transfer the shares under an employees' share scheme or as purchase consideration or otherwise use the shares for such other purpose as the Minister by order prescribe.

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, 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; or
  - 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 and the approvals of the relevant governmental/ regulatory authorities, 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 and upon such terms and conditions as the Directors may 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 Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad pursuant to this resolution."

#### 11. CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS

- "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 9 years, to continue to serve as an Independent Non-Executive Director of the Company." [Ordinary Resolution 11]
- "THAT authority be and is hereby given to Lim Hock Chye, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to serve as an Independent Non-Executive Director of the Company." [Ordinary Resolution 12]

#### 12. 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 47th 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 2017 if approved, will be paid on 6 December 2017 to shareholders whose names appear in the Record of Depositors on 22 November 2017.

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 2017 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,

**SOO SHIOW FANG (MAICSA 7044946)**  
**STEPHEN GEH SIM WHYIE (MICPA 1810)**  
Secretaries

Petaling Jaya  
26 September 2017

#### NOTES

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 11 October 2017 (General Meeting Records of Depositories) shall be eligible to attend, speak and vote or appoint proxy to attend, speak and vote on his 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. 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 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 SS7/26, 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

##### 1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 May 2017

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

The Directors' fees for the Non-Executive Directors ("NED") had not been increased for the financial year ended ("FY") 2017 as compared with the Directors' fees for the FY 2016, following an independent Board remuneration review conducted by an external consultant in 2016. The Board decided that the Directors' fees for FY 2017 be maintained as FY 2016 given the recent review by the external consultant. The Board approved the Remuneration & Nomination Committee's recommendation for the Directors' fees to remain unchanged in respect of FY 2017 as the same is still 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, the Board agreed that shareholders' approval shall be sought at the 47th Annual General Meeting on the Directors' benefits (excluding Directors' fee) payable for the period from 1 February 2017 until the next annual general meeting.

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 New and Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed 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 party in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. 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 Company's Circular to Shareholders dated 26 September 2017, which is circulated together with the Company's 2017 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 2017, which is circulated together with the Company's 2017 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 Resolutions 11 and 12 – Continuing in Office as Independent Non-Executive Directors

The proposed Ordinary Resolutions 11 and 12, if passed, will enable Edmond Cheah Swee Leng and Lim Hock Chye to continue serving as the Independent Non-Executive Directors of the Company as recommended under Malaysian Code on Corporate Governance.

The Remuneration & Nomination Committee and the Board had assessed the independence of Edmond Cheah Swee Leng and Lim Hock Chye, who had served as the Independent Non-Executive Directors of the Company for a cumulative term of more than 9 years, and recommended them to continue to act as the Independent Non-Executive Directors of the Company on the ground that:

- they fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and their ability to bring an element of objectivity to the Board.
- have vast experience that could be shared with the Board; and
- they have exercise due care during their tenure as Independent Non-Executive Directors of the Company and carried out their professional duties in the interest of the Company.