

NOTICE OF ANNUAL GENERAL MEETING



TEXCHEM RESOURCES BHD.

COMPANY NO. 16318-K

NOTICE IS HEREBY GIVEN THAT the Forty-Fifth Annual General Meeting (“45th AGM”) of the Company will be held at Pinang Ballroom, Level 3, Jen Hotel, Magazine Road, 10300 Penang on Tuesday, 23 April 2019 at 11.00 a.m. for transacting the following businesses:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon.*

2. To re-elect the Director, Dato’ Danny Goon Siew Cheang who retires by rotation in accordance with Article 123 of the Company’s Articles of Association and who being eligible offers himself for re-election.

Ordinary Resolution 1

Mr Wong Kin Chai who also retires by rotation in accordance with Article 123 of the Company’s Articles of Association, has expressed his intention not to seek re-election. Hence, he will retain office until the close of the 45th AGM.

3. To re-elect the Director, Mr Akihiko Hijioka who retires in accordance with Article 128 of the Company’s Articles of Association and who being eligible offers himself for re-election.

Ordinary Resolution 2

4. To approve the Directors’ fees of RM940,000 for the financial year ended 31 December 2018 (2017: RM1,040,000).

Ordinary Resolution 3

5. To approve the payment of Directors’ benefits of RM30,000 to the three (3) members of the Audit Committee for the financial year ended 31 December 2018 (2017: RM30,000).

Ordinary Resolution 4

6. To re-appoint Messrs KPMG PLT as Auditors for the ensuing year and to authorise the Directors to fix their remuneration.

Ordinary Resolution 5

7. SPECIAL BUSINESS

To consider and if deemed fit to pass the following Resolutions:

(A) Continuing in office as Independent Non-Executive Directors

(i) **“THAT** authority be and is hereby given to Dato’ Seri Nazir Ariff Bin Mushrif Ariff who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company.”

Ordinary Resolution 6

(ii) **“THAT** subject to the passing of Ordinary Resolution 1, authority be and is hereby given to Dato’ Danny Goon Siew Cheang who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company.”

Ordinary Resolution 7

(B) Power to Issue Shares pursuant to Section 75 and Section 76 of the Companies Act 2016

Ordinary Resolution 8

“THAT subject always to the Companies Act 2016 (“Act”), Articles of Association of the Company and approvals of the relevant regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered, pursuant to Section 75 and Section 76 of the Act, to allot and issue shares in the Company from time to time at such price, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority as abovementioned shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

(C) Proposed Renewal of Shareholders’ Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature

Ordinary Resolution 9

“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 recurrent related party transactions of a revenue or trading nature with related parties as set out in Part A [section 2.4(B)] of the Circular to the Shareholders of the Company dated 25 March 2019 (“Proposed Mandate”) which transactions are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiaries on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company AND THAT such approval shall only continue to be in force until:

(i) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the 45th AGM, at which time it will lapse unless such authority is renewed by a resolution passed at the next AGM of the Company;

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“Act”), (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company, whether solely or jointly, be and are hereby authorised to complete and do all such acts and things including executing such relevant documents as they may consider expedient or necessary to give effect to the Proposed Mandate.”

(D) Proposed Renewal of Existing Share Buy-Back Authority

Ordinary Resolution 10

“THAT subject to the Companies Act 2016 (“Act”), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Company’s Articles of Association and other applicable laws, rules, regulations and guidelines of the relevant authorities, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares in the Company’s total number of issued shares through the Bursa Securities at any time and upon such terms and conditions and for such purposes as the Directors may in their discretion deem fit subject to the following:

(a) the aggregate number of shares which may be purchased and/or held by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being (“Texchem Shares”);

(b) the maximum funds to be allocated by the Company for the purpose of purchasing the Texchem Shares shall not exceed the total retained profits of the Company;

(c) the authority conferred by this Resolution will be effective immediately upon the passing of this Resolution and will continue in force until:

(i) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the 45th AGM in which the resolution is passed at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM is required by law to be held; or

(iii) revoked or varied by ordinary resolution of the shareholders of the Company in general meeting,

whichever is the earlier, but so as not to prejudice the completion of purchase(s) by the Company made before the aforesaid expiry date and in any event, in accordance with the Main Market Listing Requirements of the Bursa Securities or any other relevant authorities;

(d) upon completion of the purchase(s) of the Texchem Shares by the Company, the Directors of the Company be and are hereby authorised to deal with the Texchem Shares in the following manner:

(i) to cancel the Texchem Shares so purchased; or

(ii) to retain the Texchem Shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities and/or for cancellation subsequently; or

(iii) to retain part of the Texchem Shares so purchased as treasury shares and cancel the remainder; or

(iv) in such other manner as the Bursa Securities and such other relevant authorities may allow from time to time.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary including to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities or as may be deemed necessary by the Directors and to do all such acts and things as the Directors may deem fit and expedient in the interests of the Company.”

(E) Proposed Adoption of A New Constitution of the Company to replace the existing Memorandum and Articles of Association

Special Resolution 1

“THAT approval be and is hereby given to revoke the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Part C of the Circular to Shareholders dated 25 March 2019 be and is hereby adopted as the Constitution of the Company (“Proposed Adoption”).

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed Adoption with full powers to assent to any condition, modifications, variation and/or amendments as may be required by the relevant authorities to give effect to the Proposed Adoption.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this 45th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Article 73 of the Company’s Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 16 April 2019. Only a depositor whose name appears on the Record of Depositors as at 16 April 2019 shall be entitled to attend the said meeting or appoint proxies to attend, speak and/or vote on his/her behalf.

BY ORDER OF THE BOARD

LEE PUAY IMG @ ENG PUAY IMG (LS 0009427)
OOI CHYE KHOON (MIA 19593)
Company Secretaries

Penang
Date: 25 March 2019

NOTES:

* This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require approval of the shareholders and hence, is not put forward for voting.

1. A Member of the Company entitled to attend and vote at the meeting may appoint up to two (2) proxies to attend and vote instead of him/her. If a Member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

2. Where a member of the Company is an exempt authorised nominee 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.

3. To be effective:-

(a) the instrument appointing a proxy; and

(b) the authority (if any) under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors of the Company,

must be deposited at the Registered Office of the Company at Level 18, Menara Boustead Penang, 39 Jalan Sultan Ahmad Shah, 10050 Penang, Malaysia at least forty-eight (48) hours before the time for holding the meeting.

4. If the Proxy Form is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he/she thinks fit.

5. Where the person appointing the proxy is a corporation, the form must be either under seal or under the hand of a duly authorised officer or attorney of the corporation.

EXPLANATORY NOTES:

(i) Ordinary Resolutions 3 and 4

Section 230(1) of the Companies Act 2016 provides that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders’ approval will be sought at this AGM on the Directors’ fees for the financial year ended 31 December 2018 and Directors’ benefits for the three (3) members of the Audit Committee, all of whom are Independent Non-Executive Directors, for the financial year ended 31 December 2018.

The Directors’ benefits is RM10,000 per annum for each member of the Audit Committee.

(ii) Ordinary Resolutions 6 and 7

Pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance, the Board has vide its Nomination Committee conducted an assessment and reviewed the independence of those directors who have served as Independent Non-Executive Directors for a cumulative term of more than twelve years. The Board is satisfied with the results and recommended that the resolutions be put up for shareholders’ approval through a two-tier voting process for both Dato’ Seri Nazir Ariff Bin Mushrif Ariff and Dato’ Danny Goon Siew Cheang to remain as Independent Non-Executive Directors based on the following justifications:

The Board is of the view that Dato’ Seri Nazir Ariff’s expertise, broad international experience and vast experience in various industries provide the Board with a diverse set of experience and expertise which enhances the skills and experience profile of the Board. The Board is confident that his length of service on the Board does not in any way interfere with his duties as an Independent Non-Executive Director of the Company.

The Board believes that with Dato’ Danny Goon’s qualifications, expertise and extensive experience as a Chartered Accountant and his accumulative knowledge of the Group’s business and operations, he has made and continues to make valuable contributions through his role as Chairman of the Audit Committee and his roles on the Remuneration and Nomination Committees. The Board is confident that Dato’ Danny Goon is able to carry out his duties and responsibilities independently and objectively notwithstanding his tenure on the Board.

(iii) Ordinary Resolution 8

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM of the Company held on 24 April 2018 and the said mandate will lapse at the conclusion of this 45th AGM.

This Ordinary Resolution, if passed, will give the Directors of the Company from the date of this 45th AGM, the authority to allot and issue ordinary shares in the Company up to an aggregate of not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being pursuant to Section 75 and Section 76 of the Act (“Renewed Mandate”). This Renewed Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The Renewed Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placement of shares, for the purpose of funding future investment project(s), working capital and/or acquisitions without any delay and without incurring additional expenses in convening a general meeting to approve the issuance of such shares.

(iv) Ordinary Resolution 9

This Ordinary Resolution, if passed, will empower the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature which are necessary for the Company and/or its subsidiaries’ day-to-day operations provided that such transactions are being carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those available to the public and are not to the detriment of the minority shareholders of the Company.

This authority, unless revoked or varied at a general meeting of the Company, will expire at the conclusion of the next AGM of the Company.

The details of this proposed Ordinary Resolution are set out in Part A [section 2.4(B)] of the Circular to the Shareholders of the Company dated 25 March 2019 which is despatched together with the Company’s 2018 Annual Report.

(v) Ordinary Resolution 10

This Ordinary Resolution, if passed, will enable the Company to purchase its own shares up to 10% of the total number of issued shares of the Company (inclusive of shares that have been purchased and/or retained as treasury shares). This authority will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next AGM of the Company.

The details of this proposed Ordinary Resolution are set out in Part B of the Circular to the Shareholders of the Company dated 25 March 2019 which is despatched together with the Company’s 2018 Annual Report.

(vi) Special Resolution 1

The proposed Special Resolution, if passed, will streamline the Company’s Constitution with the provisions of the Companies Act 2016, amendments made to the Main Market Listing Requirements of Bursa Securities and to enhance administrative efficiency. The Board proposed that the existing Memorandum and Articles of Association be revoked in its entirety and the proposed new Constitution of the Company as set out in Part C of the Circular be adopted as the new Constitution of the Company.

The Proposed Adoption shall take effect once it has been passed by a majority of not less than 75% of such members who are entitled to attend and vote and do vote in person or by proxy at the 45th AGM.