

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Forty-Sixth Annual General Meeting (“46<sup>th</sup> AGM”) of the Company will be held on a fully virtual basis at the Broadcast Venue at Boardroom, Level 18, Menara Boustead Penang, 39 Jalan Sultan Ahmad Shah, 10050 Penang on Thursday, 25 June 2020 at 2.00 p.m. for transacting the following businesses:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon.\*
2. To re-elect the following Directors who retire in accordance with Article 22.3 of the Company’s Constitution and who being eligible offer themselves for re-election:
  - (i) Tan Sri Dato’ Seri (Dr.) Fumihiko Konishi; and **Ordinary Resolution 1**
  - (ii) Mr Yap Kee Keong. **Ordinary Resolution 2**
3. To re-elect the following Directors who retire in accordance with Article 22.10 of the Company’s Constitution and who being eligible offer themselves for re-election:
  - (i) Mr Jony Raw; and **Ordinary Resolution 3**
  - (ii) Dr Yuma Konishi. **Ordinary Resolution 4**
4. To approve the Directors’ Fees of RM560,000 for the financial year ended 31 December 2019 (2018: 940,000). **Ordinary Resolution 5**
5. To approve the payment of Directors’ benefits of RM35,000 to the four (4) members of the Audit Committee for the financial year ended 31 December 2019 (2018: RM30,000). **Ordinary Resolution 6**
6. To re-appoint Messrs KPMG PLT as Auditors of the Company for the financial year ending 31 December 2020 and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**

**7. SPECIAL BUSINESS**

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

**(A) Continuing in office as Independent Non-Executive Director Ordinary Resolution 8**

“THAT authority be and is hereby given to Dato’ Seri Nazir Ariff Bin Mushir 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.”

**(B) Power to Issue Shares pursuant to Section 75 and Section 76 of the Companies Act 2016 Ordinary Resolution 9**

“THAT subject always to the Companies Act 2016 (“Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant regulatory authorities, where such approval is necessary, the Directors be and are hereby authorised and 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 Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature Ordinary Resolution 10**

“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(A)] of the Circular to the Shareholders of the Company dated 27 May 2020 (“Proposed Mandate”) which transactions are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and/or 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 46<sup>th</sup> 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 11**

“THAT subject to the Companies Act 2016 (“Act”), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Company’s Constitution 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 46<sup>th</sup> 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 interest of the Company.”

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a member who shall be entitled to attend this 46<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Article 19.9 of the Company’s Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 19 June 2020. Only a depositor whose name appears on the Record of Depositors as at 19 June 2020 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  
 Licence No.: LS 0009427  
 SSM PC No.: 202008001167  
 OOI CHYE KHOON  
 MIA No.: 19593  
 SSM PC No.: 202008002637  
 Company Secretaries

Penang  
 Date: 27 May 2020

**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. As part of the initiatives and the safety measures to curb the spread of Coronavirus Disease 2019 (“COVID-19”), and having regard to the well-being and the safety of our shareholders, the 46<sup>th</sup> AGM will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting Facilities (“RPV Facilities”) which are available on Securities Services e-Portal (“SSeP”) at <https://www.sshsb.net.my/login.aspx>. For further details and guidelines on RPV Facilities, please refer to the Administrative Guide of the 46<sup>th</sup> AGM.
2. The broadcast venue is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 which stipulates that the Chairman of the meeting shall be present at the main venue of the 46<sup>th</sup> AGM and in accordance with Article 19.4 of the Company’s Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that enables the members of the Company to participate and to exercise the members’ right to speak and vote at the general meeting. As guided by the Securities Commission’s Guidance and FAQs on the Conduct of General Meetings for Listed Issuers that was issued on 18 April 2020 and subsequently revised on 14 May 2020, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all shareholders and proxies shall communicate with the main venue of the Annual General Meeting via real time submission of typed texts through a text box within SSeP during the live streaming of the Annual General Meeting as primary mode of communication. In the event of technical glitch in this primary mode of communication, shareholders and proxies may email their questions to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my) during the Annual General Meeting. Relevant questions and/or remarks submitted by the shareholders and/or proxies will be broadcasted and responded by the Chairman/Board/relevant adviser.
3. Every Member including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”) and Exempt Authorised Nominees which hold ordinary shares in the Company for multiple beneficial owners in one securities account (“Omnibus Account”), is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him at the Annual General Meeting and that such proxy need not be a Member.
4. Where a Member entitled to vote on a resolution has appointed more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing or if the Member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing. The instrument appointing a proxy authorises the proxy(ies) to demand or join in demanding a poll.
6. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered Office of the Company at Level 18, Menara Boustead Penang, 39 Jalan Sultan Ahmad Shah, 10050 Penang, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or adjournment thereof. The proxy appointment may also be lodged electronically via SSeP at <https://www.sshsb.net.my>.  
  
Should you wish to participate at the 46<sup>th</sup> AGM remotely, please register electronically via SSeP at <https://www.sshsb.net.my> by the registration cut-off date and time. Please refer to the Administrative Guide of the 46<sup>th</sup> AGM on the Conduct of a Fully Virtual General Meeting for further details which is available for download at <https://texchemgroup.com>.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 46<sup>th</sup> AGM of the Company shall be put to vote by way of poll.

**EXPLANATORY NOTES:**

**(i) Ordinary Resolutions 5 and 6**  
 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 2019 and Directors’ benefits for the four (4) members of the Audit Committee, all of whom are Independent Non-Executive Directors, for the financial year ended 31 December 2019.

The Directors’ benefits is RM10,000 per annum for each member of the Audit Committee who served a full year and pro-rated to RM5,000 per annum for less than one (1) year of service.

**(ii) Ordinary Resolution 8**  
 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 Director for a cumulative term of more than twelve years. The Board is satisfied with the results and recommended that the resolution be put up for shareholders’ approval through a two-tier voting process for Dato’ Seri Nazir Ariff Bin Mushir Ariff to remain as Independent Non-Executive Director 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.

Dato’ Danny Goon Siew Cheang, having served as an Independent Non-Executive Director of the Company for more than twelve (12) years, has expressed his intention to resign as a Director at the conclusion of this 46<sup>th</sup> AGM.

**(iii) Ordinary Resolution 9**  
 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 23 April 2019 and the said mandate will lapse at the conclusion of this 46<sup>th</sup> AGM.

This Ordinary Resolution, if passed, will give the Directors of the Company from the date of this 46<sup>th</sup> 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 10**  
 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(A)] of the Circular to the Shareholders of the Company dated 27 May 2020.

**(v) Ordinary Resolution 11**  
 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 27 May 2020.