

LUXCHEM CORPORATION BERHAD
REGISTRATION NO. 199101014102 (224414-D)
(Incorporated in Malaysia)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD ON A FULLY VIRTUAL BASIS VIA REMOTE PARTICIPATION AND ELECTRONIC VOTING VIA ONLINE MEETING PLATFORM AT TIIH ONLINE WEBSITE AT [HTTPS://TIIH.ONLINE](https://TIIH.ONLINE) PROVIDED BY TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD. IN MALAYSIA ON WEDNESDAY, 11 AUGUST 2021 AT 9.00 A.M.

DIRECTORS PRESENT VIA REMOTE PARTICIPATION

Datuk Kwan Foh Kwai (“**Datuk Chairman**”)
Mr Tang Ying See
Madam Chen Moi Kew
Madam Chin Song Mooi
Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali
Mr Tan Teck Kiong

INVITEES PRESENT VIA ONLINE PARTICIPATION

Ms Tan Bee Hwee (Representative from Tricor Corporate Services Sdn. Bhd.)
Ms Lim You Jing (Representative from Tricor Corporate Services Sdn. Bhd.)
Mr Clarence Tan (Representative from Tricor Corporate Services Sdn. Bhd.)
Adrian Koh Yeow York (Representative from Messrs. Mah-Kamariyah & Philip Koh)
Yee Chew Yan (Representative from Messrs. Mah-Kamariyah & Philip Koh)
Ling Wenny (Representative from Messrs. Mah-Kamariyah & Philip Koh)
Ashleigh Heng Wei Yee (Representative from Messrs. Mah-Kamariyah & Philip Koh)
Ng Jing Er (Representative from Messrs. Mah-Kamariyah & Philip Koh)
Denis Lim (Representative from Mercury Securities Sdn. Bhd.)
Allen Law (Representative from Mercury Securities Sdn. Bhd.)
Tan Chee Ping (Representative from Mercury Securities Sdn. Bhd.)
Melissa Liew (Representative from Scrutineer Solutions Sdn. Bhd.)

IN ATTENDANCE

Ms Wong Wai Foong

The attendance of shareholders/corporate representatives/proxies via Remote Participation and Voting (“**RPV**”) is as per the Summary of Attendance List.

1. CHAIRMAN

Datuk Chairman welcomed all present and informed that for the well-being of the shareholders, stakeholders and employees, and as part of the safety measures against the COVID-19 pandemic, the Company had decided to convene the Extraordinary General Meeting (“**EGM**”) on a fully virtual basis via remote participation and electronic voting via online meeting platform at TIIH Online Website at <https://TIIH.online> provided by Tricor Investor & Issuing House Services Sdn. Bhd. Datuk Chairman then introduced the Board members and Company Secretary of the Company to the shareholders.

2. NOTICE OF MEETING

With the consent of the members present, the notice convening the meeting, circulated together with the Circular to Shareholders within the prescribed period, was taken as read.

3. QUORUM

Datuk Chairman advised the meeting that the Constitution of the Company required the presence of at least two members or proxies or corporate representatives to form a quorum. For a fully virtual general meeting, the quorum would be determined by the number of members who logged in at the commencement of the meeting.

Datuk Chairman confirmed that a quorum was present pursuant to Clause 56 of the Constitution of the Company and called the meeting to order.

Datuk Chairman informed the meeting that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of a general meeting must be voted by poll. The Company was also required to appoint at least one independent scrutineer to validate the votes cast at the meeting. To comply with the requirement, Datuk Chairman declared that the ordinary resolution in the Notice of EGM would be voted by poll, which would be conducted after the meeting had deliberated on the item on the Agenda.

Members were informed that they could opt to vote before the voting session began as the online RPV was accessible from the beginning of the meeting until such time to be announced later.

The poll administrator was Tricor Investor & Issuing House Services Sdn. Bhd. (“**TIH**”) and the independent scrutineer was Scrutineer Solutions Sdn. Bhd.

The short video presentation on the polling procedure was presented to the shareholders to facilitate the polling exercise.

4. PROPOSED ACQUISITION BY LUXCHEM CORPORATION BERHAD (“LUXCHEM”) OF 55% EQUITY INTEREST EACH IN LEXIS CHEMICAL SDN. BHD., LEXIS SPECIALTIES SDN. BHD. AND LEXIS CORPORATION SDN. BHD. FOR A TOTAL PURCHASE CONSIDERATION OF RM121,000,000 TO BE SATISFIED IN CASH AND ISSUANCE OF NEW ORDINARY SHARES IN LUXCHEM (“PROPOSED ACQUISITION”)

Datuk Chairman informed the meeting that the Ordinary Resolution was to approve the Proposed Acquisition by Luxchem Corporation Berhad of 55% equity interest each in Lexis Chemical Sdn Bhd, Lexis Specialties Sdn Bhd and Lexis Corporation Sdn Bhd for a total purchase consideration of RM121,000,000 to be satisfied in cash and issuance of new ordinary shares in Luxchem.

The meeting noted that none of the Directors, major shareholders, chief executive of the Company and/or persons connected with them has any direct or indirect interest in the Proposed Acquisition.

The following motion was put to the meeting for consideration.

“THAT subject to the approvals of all relevant parties and/or authorities being obtained (where required) for the Proposed Acquisition and the conditions precedent in the share sale agreement dated 19 May 2021 entered into between Chuah Kim Piew and Lee Juinn Yong (collectively, the “**Vendors**”) and Luxchem (“**SSA**”) being fulfilled and waived (as the case may be), approval be and is hereby given to the Company to acquire:-

- (i) 55% equity interest in Lexis Chemical Sdn Bhd;
- (ii) 55% equity interest in Lexis Specialties Sdn Bhd; and
- (iii) 55% equity interest in Lexis Corporation Sdn Bhd,

from the Vendors for a total purchase consideration of RM121.00 million (“**Purchase Consideration**”) to be satisfied partly via cash consideration of RM60.50 million and partly via the issuance of 72,891,566 new ordinary shares in the Company (“**Luxchem Shares**”) at an issue price of RM0.83 per Luxchem Share, upon such terms and conditions set out in the SSA;

THAT the Board of Directors of the Company (“**Board**”) be and is hereby authorised to issue an aggregate of 72,891,566 Luxchem Shares (“**Consideration Shares**”) to the Vendors for the satisfaction of part of the Purchase Consideration in relation to the Proposed Acquisition, in accordance with the terms and conditions of the SSA;

THAT the Consideration Shares shall, upon allotment and issuance, rank equally in all respects with each other and with the existing Luxchem Shares, save and except that the holders of such Consideration Shares shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to the shareholders of Luxchem, the entitlement date of which is prior to the date of allotment and issuance of the Consideration Shares;

THAT authority be and is hereby given to the Board to assent to any modifications to the SSA and to sign and execute any other ancillary agreements and documents in relation thereto, for and on behalf of the Company;

AND THAT in order to implement, complete and give full effect to the Proposed Acquisition, authority be and is hereby given to the Board to give full effect to the Proposed Acquisition, the SSA and all other agreements arising therefrom with full powers to do or procure to be done all acts, deeds and things (including all applications and submissions to the relevant regulatory authorities and bodies) and take all such decisions as they may in their absolute discretion deem fit, necessary, expedient and/or appropriate in the best interest of the Company and to take all such steps and to execute or enter into the SSA and all such agreements, arrangements, undertakings, indemnities, transfers, extensions, assignments, deeds, confirmations, declarations and/or guarantees, with any party or parties, to deliver or cause to be delivered all such documents and to do all such acts and matters as they may consider necessary to implement, finalise and give full effect to and complete the Proposed Acquisition under the terms and conditions of the SSA with full powers to negotiate, approve, agree and/or assent to any conditions, modifications, variations and/or amendments thereto as the Board may deem fit and/or as may be imposed by any relevant authorities, including to enter into any supplemental agreement(s) in connection with the Proposed Acquisition, and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient or in the best interest of the Company.”

Since the Q&A session and the polling in respect of the above proposed Ordinary Resolution on the Proposed Acquisition would be held at the end of the meeting, the meeting moved on to the next item on the Agenda.

5. ANY OTHER BUSINESS

Datuk Chairman informed the meeting that the Company had not received any notice to deal with any other business, for which due notice was required to be given pursuant to the CA 2016. Datuk Chairman proceeded to the Q&A session.

6. Q & A SESSION

Datuk Chairman invited Madam Chen Moi Kew, the Executive Director/Chief Financial Officer, to address the questions submitted before the meeting and questions raised by the shareholders during the meeting.

The summary of questions from the shareholders/proxies received during the EGM and the responses from Madam Chen Moi Kew and Mr Tang Ying See, the Managing Director/Chief Executive Officer, is attached hereto as "Appendix A".

7. POLLING & DECLARATION OF POLLING RESULTS

Having dealt with all the questions through the query box, the meeting proceeded to vote on the Ordinary Resolution by poll. Datuk Chairman adjourned the meeting at 9.32 a.m. for the votes to be counted and verified.

Upon completion of the counting of votes by the Poll Administrator and verification of the results by the Independent Scrutineer, Datuk Chairman resumed the meeting at 9.53 a.m. for the declaration of the results of the poll as follows:

Resolution(s)	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
Ordinary Resolution	450,642,205	99.9999	240	0.0001	450,642,445	100.0000

Based on the above poll results, Datuk Chairman declared Ordinary Resolution carried.

8. CLOSURE OF MEETING

Datuk Chairman thanked the shareholders/proxies present and closed the meeting at 9.54 a.m.

**CONFIRMED AS A CORRECT
RECORD**



CHAIRMAN
DATUK KWAN FOH KWAI

Dated: 6 September 2021

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**SUMMARY OF KEY MATTERS DISCUSSED AT THE EXTRAORDINARY GENERAL MEETING
OF THE COMPANY HELD ON WEDNESDAY, 11 AUGUST 2021 AT 9.00 A.M.**

1. I would like to request the Company to consider giving door gifts in the form of e-vouchers to shareholders/proxies who have taken the initiative to attend the Company's EGM virtually.

Will the Company be giving any e-vouchers or e-wallet to the shareholders/proxies attending this live streaming EGM and remote voting?

Reply: Madam Chen Moi Kew, the Executive Director/Chief Financial Officer

The Company does not give door gifts or any kind of e-vouchers to shareholders at this point of time. The Company believes that giving dividends regularly is the most appropriate way to show our appreciation to our shareholders.

2. When will Luxchem Group start to consolidate Lexis Chemical's results?

Reply: Madam Chen Moi Kew

Luxchem Corporation Berhad will consolidate Lexis Chemical's results after the completion of the acquisition, targeted in Q3'2021.

3. What are the audited financial results for FYE 2021 for Lexis Chemical Group?

Reply: Madam Chen Moi Kew

We do not have Lexis Chemical's audited financial results for FYE 2021 at this juncture. However, one of the Conditions Precedent of the Share Sale Agreement is the provision of the audited financial results for FYE 2021 by the vendors of Lexis before the cut-off date of the completion.

4. Private placement price for this plan is RM0.81, but the current share price doesn't seem to match this price. Will Luxchem make any adjustment before the completion of the business acquisition?

Reply: Madam Chen Moi Kew

The private placement price is fixed at RM0.83 instead of RM0.81. Luxchem will not adjust the price, because it has already been agreed with the vendors of Lexis Group of Companies.

5. What is Luxchem expecting from Lexis Specialties Sdn Bhd and Lexis Corporation Sdn Bhd?

Reply: Madam Chen Moi Kew

In general, Lexis has guaranteed profit of RM60 million for the next three financial years from 2021.

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6. i) Based on the past total earning of Lexis Chemical Sdn Bhd and Lexis Specialties Sdn Bhd in FY2020, which is about RM10.5 million a year, will the profit of RM20 million per year be sustainable after the profit guarantee year, i.e. March 2020 to February 2023, as it is about 90% growth in the Profit After Tax compared with the previous year?
- ii) When will the income from both companies be included in Luxchem's topline? Is it upon obtaining shareholders' approval during the EGM held on 11 August 2021?

Reply: Madam Chen Moi Kew

Vendors of Lexis Group has given a Profit Guarantee of RM60 million. The financials of Lexis Group of Companies will be consolidated into Luxchem Group only after post-completion, which is expected to be end of Q3'2021.

7. May I know the rationale for this proposed acquisition? What are the synergies of the acquisition and merger?

Reply: Tang Ying See, the Managing Director/Chief Executive Officer

Lexis Chemical Sdn Bhd specialises in manufacturing industrial chemical products, such as former cleaning agents, powder-free coagulants and polymer coatings for the glove industry. Luxchem has almost the full range of products in the glove industry, except for industrial chemical products. Hence, the acquisition of Lexis Group of Companies will enhance Luxchem's product range, by providing more chemicals required by the glove industry. Acquiring Lexis Chemical Sdn Bhd will therefore enhance the profitability of Luxchem Group in the long term.

8. This is a good company and I am giving my full support to the resolution. Thank you very much to the Board and staff of Luxchem. Keep up the performance.

Reply: Tang Ying See and Chen Moi Kew

Thank you for the compliment. We will try our best to perform better.

9. Has Lexis chemical started to contribute the topline/bottom line in Q2'2021?

Reply: Chen Moi Kew

Luxchem has not completed the business acquisition, hence Lexis Group of Companies is not part of Luxchem Group at the moment. The acquisition is expected to be completed towards the end of Q3'2021.