

TEXCHEM RESOURCES BHD.
[197301002868 (16318-K)]
(Incorporated in Malaysia)
Registered Office: Level 18, Menara Boustead Penang
39, Jalan Sultan Ahmad Shah, 10050 Penang

Minutes of the Forty-Sixth Annual General Meeting (“46th AGM”) of the Company held on a fully virtual basis at the Broadcast Venue at Boardroom 2, Level 18, Menara Boustead Penang, 39 Jalan Sultan Ahmad Shah, 10050 Penang on Thursday, 25 June 2020 at 2.00 p.m. The entire 46th AGM was broadcast live without physical presence of shareholders or their representatives.

PRESENT : **Board of Directors**

(i) at the Broadcast Venue

Tan Sri Dato’ Seri (Dr.) Fumihiko Konishi
Mr Yap Kee Keong
Dr Yuma Konishi
Dato’ Seri Nazir Ariff Bin Mushir Ariff
Mr Jony Raw

(ii) via video conferencing

Mr Akihiko Hijioka
Dato’ Danny Goon Siew Cheang
Cik Zarizana @ Izana Binti Abdul Aziz

Shareholders, Corporate Representatives and Proxies

As per summary of Attendance List via remote participation and voting facilities (“RPV Facilities”) (Total representing 65,385,899 ordinary shares)

BY INVITATION : As per Attendance List (including attendance via RPV Facilities)

IN ATTENDANCE : Lee Puay Img }
Ooi Chye Khoon } Company Secretaries

CHAIRMAN : The Chairman, Tan Sri Dato’ Seri (Dr.) Fumihiko Konishi, presided at the Meeting.

CHAIRMAN'S ADDRESS

The Chairman extended a warm welcome to all present virtually at the 46th AGM and informed that the 46th AGM was conducted in a virtual manner in adherence to the guidelines issued by the Securities Commission Malaysia and the advice of the Ministry of Health with regards to the practice of preventive measures to stem the spread of the COVID-19 virus. Thereafter, the Chairman proceeded to introduce the members of the Board, the Company Secretary, the Group Finance Director, the President and Chief Operating Officer of Food Division, and the representatives from Messrs KPMG PLT, the Company's Auditors and the representative from Commercial Quest Sdn. Bhd., the appointed Scrutineer, who were present at the Broadcast Venue or in attendance via RPV Facilities respectively.

With the requisite quorum being present, the Chairman declared the 46th AGM duly constituted at 2.00 p.m. The Chairman noted that 28 days' notice has been given to the shareholders. Hence, the notice convening the 46th AGM was taken as read.

VIDEO PRESENTATION BY PRESIDENT AND GROUP CHIEF EXECUTIVE OFFICER

The Chairman invited the President and Group Chief Executive Officer, Mr Yap Kee Keong, to present the corporate video on Texchem Resources Bhd. Group of Companies to the shareholders.

POLL VOTING

The Chairman informed the Meeting that in compliance with the requirement of Bursa Malaysia Securities Bhd.'s Main Market Listing Requirements for poll voting, all resolutions which would be put to vote at the 46th AGM would be conducted by way of electronic poll voting via RPV Facilities and the Company had appointed SS E Solutions Sdn. Bhd. as the Poll Administrator to conduct the polling process and Commercial Quest Sdn. Bhd., the Scrutineer, to verify the poll results.

The Meeting continued with a display on the screen of a step-by-step guide together with a short audio clip on the online voting. The voting session commenced from the start of the Meeting at 2.00 p.m. and voting could be done throughout the Meeting until the closure of the voting session.

The results of the poll (a copy of which is annexed hereto as Appendix 1) were announced by the Chairman upon completion of the verification of the votes by the Scrutineer and details of the resolutions were set out herein.

The Chairman invited shareholders present virtually at the Meeting to submit their questions through the text box in the live stream player and the Management will respond to these questions immediately after all resolutions to be transacted at the 46th AGM are dealt with. Questions raised by the shareholders prior to and during the 46th AGM were answered by Mr Yap Kee Keong. The pertinent questions raised and answers given are set out in Appendix 2 attached herewith.

1. AUDITED FINANCIAL STATEMENTS

The Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon were received and duly noted at the 46th AGM.

2. RE-ELECTION OF DIRECTORS

- (i) Re-election of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi pursuant to Article 22.3 of the Company's Constitution

RESOLVED THAT Tan Sri Dato' Seri (Dr.) Fumihiko Konishi, who retired in accordance with Article 22.3 of the Company's Constitution, be re-elected as a Director of the Company.

- (ii) Re-election of Mr Yap Kee Keong pursuant to Article 22.3 of the Company's Constitution

RESOLVED THAT Mr Yap Kee Keong, who retired in accordance with Article 22.3 of the Company's Constitution, be re-elected as a Director of the Company.

- (iii) Re-election of Mr Jony Raw pursuant to Article 22.10 of the Company's Constitution

RESOLVED THAT Mr Jony Raw, who retired in accordance with Article 22.10 of the Company's Constitution, be re-elected as a Director of the Company.

The Chairman presented a citation of Mr Jony Raw to the Meeting.

- (iv) Re-election of Dr Yuma Konishi pursuant to Article 22.10 of the Company's Constitution

RESOLVED THAT Dr Yuma Konishi, who retired in accordance with Article 22.10 of the Company's Constitution, be re-elected as a Director of the Company.

Upon invitation by the Chairman, Dato' Seri Nazir Ariff Bin Mushir Ariff, an Independent Non-Executive Director of the Company, presented a citation of Dr Yuma Konishi to the Meeting.

3. DIRECTORS' FEES

RESOLVED THAT the Directors' fees of RM560,000 for the financial year ended 31 December 2019 be and is hereby approved for payment.

4. PAYMENT OF DIRECTORS' BENEFITS

RESOLVED THAT the Directors' benefits of RM35,000 to the four (4) members of the Audit Committee for the financial year ended 31 December 2019 be and is hereby approved for payment.

5. RE-APPOINTMENT OF AUDITORS

RESOLVED THAT Messrs KPMG PLT be re-appointed as the Auditors of the Company for the financial year ending 31 December 2020 and to hold office until the conclusion of the next Annual General Meeting and the Directors be and are hereby authorised to determine and fix the remuneration of the Auditors.

6. SPECIAL BUSINESS – ORDINARY RESOLUTIONS

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

- (i) RESOLVED 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.
- (ii) The Meeting was informed that Dato' Danny Goon Siew Cheang who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years has expressed his intention to resign as a Director of the Company at the conclusion of this 46th AGM.

On behalf of the Company, the Chairman extended the Board's appreciation to Dato' Danny Goon Siew Cheang for his contribution to the Company during his tenure as a Director of the Company.

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

RESOLVED 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 approvals of the relevant regulatory authorities, where such approval is necessary, the Directors be and are hereby authorized 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

RESOLVED 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 46th 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

RESOLVED 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 46th 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.

7. CONFIRMATION OF MINUTES

RESOLVED THAT the minutes of the Meeting be and was hereby confirmed instanter.

8. CLOSE OF MEETING

There being no further business, the Meeting was declared closed at 3.30p.m. with a vote of thanks to the Chair.

CONFIRMED AS A TRUE RECORD

- signed -

TAN SRI DATO' SERI (DR.)
FUMIHIKO KONISHI
Chairman

Date: 25 June 2020

Company Name : **TEXCHEM RESOURCES BHD**
 [REGISTRATION NO. 197301002868 (16318-K)]
 Type Of Meeting : **46TH ANNUAL GENERAL MEETING**
 Venue Of Meeting : **LEVEL 18, MENARA BOUSTEAD PENANG, 39, JALAN SULTAN AHMAD SHAH, 10500 PENANG**
 Date & Time of Meeting : **25-JUNE-2020 2:00 PM**

Votes Summary Report

Resolution (s)

Ordinary Resolution 1
 Re-election of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi who retires pursuant to Article 22.3 of the Company's Constitution.

	No. of shareholders	No. of shares	% of voted shares	Accepted/Rejected
For	52	65,385,549	99.9995	
Against	1	350	0.0005	
Valid Cast	53	65,385,899	100.0000	Accepted
Abstain	0	0		
Not Indicated	0	0		
Total Cast	53	65,385,899		

Ordinary Resolution 2
 Re-election of Mr Yap Kee Keong who retires pursuant to Article 22.3 of the Company's Constitution.

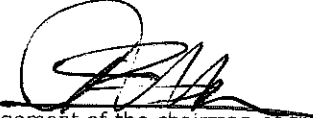
For	52	65,385,549	99.9995	
Against	1	350	0.0005	
Valid Cast	53	65,385,899	100.0000	Accepted
Abstain	0	0		
Not Indicated	0	0		
Total Cast	53	65,385,899		

Ordinary Resolution 3
 Re-election of Mr Jony Raw who retires pursuant to Article 22.10 of the Company's Constitution.

For	52	65,385,549	99.9995	
Against	1	350	0.0005	
Valid Cast	53	65,385,899	100.0000	Accepted
Abstain	0	0		
Not Indicated	0	0		
Total Cast	53	65,385,899		



Signature of Scrutineer

Acknowledgement of the chairman of the meeting

Company Name : **TEXCHEM RESOURCES BHD**
 [REGISTRATION NO. 197301002868 (16318-K)]
 Type Of Meeting : **46TH ANNUAL GENERAL MEETING**
 Venue Of Meeting : **LEVEL 18, MENARA BOUSTEAD PENANG, 39, JALAN SULTAN AHMAD SHAH, 10500 PENANG**
 Date & Time of Meeting : **25-JUNE-2020 2:00 PM**

Votes Summary Report

Resolution (s)

Ordinary Resolution 4

Re-election of Dr Yuma Konishi who retires pursuant to Article 22.10 of the Company's Constitution.

	No. of shareholders	No. of shares	% of voted shares	Accepted/Rejected
For	52	65,385,549	99.9995	
Against	1	350	0.0005	
Valid Cast	53	65,385,899	100.0000	Accepted
Abstain	0	0		
Not Indicated	0	0		
Total Cast	53	65,385,899		

Ordinary Resolution 5

Approval of Directors' fees.

For	48	64,835,249	99.9990	
Against	3	650	0.0010	
Valid Cast	51	64,835,899	100.0000	Accepted
Abstain	1	100,000		
Not Indicated	1	450,000		
Total Cast	53	65,385,899		

Ordinary Resolution 6

Approval of Directors' benefits.

For	48	64,835,249	99.9990	
Against	3	650	0.0010	
Valid Cast	51	64,835,899	100.0000	Accepted
Abstain	1	100,000		
Not Indicated	1	450,000		
Total Cast	53	65,385,899		

Signature of Scrutineers 


 Acknowledgement of the chairman of the meeting

Company Name : **TEXCHEM RESOURCES BHD**
 [REGISTRATION NO. 197301002868 (16318-K)]
 Type Of Meeting : **46TH ANNUAL GENERAL MEETING**
 Venue Of Meeting : **LEVEL 18, MENARA BOUSTEAD PENANG, 39, JALAN SULTAN AHMAD SHAH, 10500 PENANG**
 Date & Time of Meeting : **25-JUNE-2020 2:00 PM**


Votes Summary Report

Resolution (s)

Ordinary Resolution 7

Re-appointment of Auditors and authorisation of Directors to fix their remuneration.

	No. of shareholders	No. of shares	% of voted shares	Accepted/Rejected
For	51	64,935,549	99.9995	
Against	1	350	0.0005	
Valid Cast	52	64,935,899	100.0000	Accepted
Abstain	0	0		
Not Indicated	1	450,000		
Total Cast	53	65,385,899		


 Signature of Scrutineers




 Acknowledgement of the chairman of the meeting

Company Name : **TEXCHEM RESOURCES BHD**
 [REGISTRATION NO. 197301002868 (16318-K)]
 Type Of Meeting : **46TH ANNUAL GENERAL MEETING**
 Venue Of Meeting : **LEVEL 18, MENARA BOUSTEAD PENANG, 39, JALAN SULTAN AHMAD SHAH, 10500 PENANG**
 Date & Time of Meeting : **25-JUNE-2020 2:00 PM**

Votes Summary Report

Resolution (s)

Tier 1 - Large Holders


Ordinary Resolution 8
 Continuing as Independent Non-Executive Director - Dato'
 Seri Nazir Ariff Bin Mushir Ariff.

	No. of shareholders	No. of shares	% of voted shares	Accepted/Rejected
For	1	50,919,972	100.0000	
Against	0	0	0.0000	
Valid Cast	1	50,919,972	100.0000	
Abstain	0	0		
Not Indicated	0	0		
Total Cast	1	50,919,972		

Tier 2 - Other Holders

Ordinary Resolution 8
 Continuing as Independent Non-Executive Director - Dato'
 Seri Nazir Ariff Bin Mushir Ariff.

	No. of shareholders	No. of shares	% of voted shares	Accepted/Rejected
For	49	14,015,377	99.9961	Accepted
Against	2	550	0.0039	
Valid Cast	51	14,015,927	100.0000	
Abstain	0	0		
Not Indicated	1	450,000		
Total Cast	52	14,465,927		


 Signature of Scrutineer




 Acknowledgement of the chairman of the meeting

Company Name : **TEXCHEM RESOURCES BHD**
 [REGISTRATION NO. 197301002868 (16318-K)]
 Type Of Meeting : **46TH ANNUAL GENERAL MEETING**
 Venue Of Meeting : **LEVEL 18, MENARA BOUSTEAD PENANG, 39, JALAN SULTAN AHMAD SHAH, 10500 PENANG**
 Date & Time of Meeting : **25-JUNE-2020 2:00 PM**

Votes Summary Report

Resolution (s)

Ordinary Resolution 9

Power to Issue Shares pursuant to Section 75 and Section 76 of the Companies Act 2016.

	No. of shareholders	No. of shares	% of voted shares	Accepted/Rejected
For	51	65,385,349	99.9992	
Against	2	550	0.0008	
Valid Cast	53	65,385,899	100.0000	Accepted
Abstain	0	0		
Not Indicated	0	0		
Total Cast	53	65,385,899		

Ordinary Resolution 10


Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.

For	47	9,367,855	99.9941	
Against	2	550	0.0059	
Valid Cast	49	9,368,405	100.0000	Accepted
Abstain	4	56,017,494		
Not Indicated	0	0		
Total Cast	53	65,385,899		

Ordinary Resolution 11

Proposed Renewal of Existing Share Buy-Back Authority.

For	52	65,385,549	99.9995	
Against	1	350	0.0005	
Valid Cast	53	65,385,899	100.0000	Accepted
Abstain	0	0		
Not Indicated	0	0		
Total Cast	53	65,385,899		

Signature of Scrutineer 

Acknowledgement of the chairman of the meeting 

TEXCHEM RESOURCES BHD. [197301002868 (16318-K)]
MINUTES OF THE FORTY-SIXTH (“46TH”) ANNUAL GENERAL MEETING

Pertinent Questions and Answers during the 46th Annual General Meeting

Mr Yap Kee Keong, the President and Group Chief Executive Officer, addressed questions submitted by the shareholders prior to and during the Meeting with the pertinent questions and answers summarised below:

The following questions were posted by Mr Ong Leong Huat.

No.	Question	Answer
1.	Total sales at Sushi King declined by RM4M to RM281.4M from RM285.4M in FY2018 despite having 14 more new outlets. Profit contraction was steeper, down to RM6.57M from RM8.89M the previous year. Apart from weaker consumer spending and mushrooming of online delivery services, what other major factors were at play that dampened our performance?	<p>The major factors which caused profit contraction in 2019 were:</p> <ul style="list-style-type: none"> a) no Sales and Services Tax (“SST”) in 2018 which boosted sales from June to August 2018. Thereafter, sales declined after SST was implemented in September 2018. Customer spending reduced by 10% compared to 2018. b) Oversupply of malls created ghost malls with reduced occupancy. c) Increase in the ratio of Food and Beverage (“F&B”) tenants to replace non-F&B tenants as online shopping gained popularity. This has created more competition and diluted the mall crowd for F&B businesses. d) asset impairment/write off due to closure of outlets amounting to RM3.8 mil in 2019. We monitor and close underperforming outlets to maintain business viability.
2.	Has our maiden “grab and go” concept been effective in generating sales for Sushi King? How much sales was done through this new concept in FY19 and during the Movement Control Order (“MCO”) period? Given the pleasantly strong membership that signed up for this concept, what digital initiatives do we have in place OR plan to start to ride on this strong membership to increase our sales?	<p>Sushi King focused on takeaway sales as dine-in was not allowed during the MCO period. Takeaway sales contributed 27% of our total sales in May 2020 while in May 2019, takeaway sales only contributed 7%. Our Grab & Go concept is to increase takeaway sales as well as to boost our market presence. Our Grab & Go concept is available at Mid Valley, Queensbay Mall, Suria, AEON Bandaraya Melaka.</p> <p>Sushi King started segmental marketing using information such as ethnicity, state (location) and frequency of visitation for digital marketing purposes.</p>

No.	Question	Answer
		Sushi King carried out Members Exclusive promotions to value loyal customers which has generated encouraging response despite the Covid-19 impact.
3.	Sushi King's profit has been on the decline in recent years. How do you plan to arrest the profit decline and set it on the growth path again?	The plan to improve profitability is through the following: <ul style="list-style-type: none"> a) increase local sourcing and reduce reliance on importation b) increase sales through takeaway and delivery channels c) close unprofitable outlets d) right sizing of headcount
4.	The other food franchises or brands within our food portfolio have performed badly all these years. What was the loss incurred by these “Other Franchises” in FY19 and what are our plans to turnaround these franchises? What is the sales turnover and PBT for Hoshino Coffee in FY19?	Non profitable outlets, i.e 3 Doutor outlets, were closed after 3 years in operations after incurring operating loss and asset write off of RM2.6 mil. Hoshino coffee is a potential brand which we are still developing. The sales is not significant to the Group yet at this stage but the Company will endeavour to build up this brand.
5.	The Polymer Engineering division registered a 95% profit decline when sales declined only marginally (by 2.3%). How do you explain the sharp profit decline in FY19 when sales mix then was more favourable, comprising of more Medical Life Sciences (MLS) products which have higher profit margin products?	In H1 2019, there was drastic market demand drop in Hard Disk Drives (HDD) segment due to high Finished Goods (FG) inventory at customer side. Our semiconductor segment (wafer shipper) business declined as one of our major customer switched to a new design. Although our MLS sales increased 14%, this was not significant enough to cover the shortfall in Wafer Shipper (WS) Sales.
6.	In the Industrial Division, our entry into glove chemicals is timely. What was our plant capacity and utilisation rate in FY19? How much glove chemicals sales did we achieve in FY19? Do we plan to add more capacity this year?	Our utilization is approximately 7%. Sales is small as we are at the development stage and getting customers to qualify our products. Sales were below RM1.0 mil in 2019.

No.	Question	Answer
7.	Please elaborate on the key actions taken and major factors that led to the turnaround in the Food Division in FY19. To what extent has our venture into fish farming and the improved survival rate in our crablet hatchery farming contributed to the improvement in our FY19 performance?	In 2018, we repositioned our business especially customer and product focus, right-sized, restructured our operations and human resource as well as tightened our supply chain management. All these efforts helped us turnaround in 2019. Our fish farming has yielded some positive results but it is still a learning experience for us. We are still observing the progress of our crablet hatchery.
8.	Is the turnaround in the Food Division sustainable and what are our plans to catalyse the growth in our Food Division going forward?	We are upbeat on the turnaround in Food Division and are optimistic on the performance of this Division.
9.	<p>The Venture Business has been in the red all these years.</p> <p>(a) Out of the \$56.1M revenue recorded in FY19, how much came from Wilpack and what is its earnings during the said FY?</p> <p>(b) And as for Texchem Polymers, when can we expect full commercialisation and who are its major clients?</p> <p>(c) Will current low oil price renders our Texa products not viable?</p>	<p>(a) Wilpack sales grew 59% in 2019 and recorded a profit.</p> <p>(b) As for Texchem Polymers Sdn Bhd, we made good progress in our pre-commercialization trials with potential customers which started mid-2019. In 2020, as we continue towards commercialization, we faced delays due to various lockdown measures in the countries we are working with, so this has delayed our original schedule. As for major clients, we are unable to disclose based on the Non-Disclosure Agreements we have signed.</p> <p>(c) Yes, we recognise this commercial challenge and are working on this.</p>
10.	Please explain the rationale for disposing Texchem Corporation Sdn Bhd (“Texcorp”)’s block of shares in Texchem at such incredibly low price of 22.5 sen to a related party. To comply with the Companies Commission of Malaysia (“CCM”), may I suggest that Texcorp’s block of shares in the Company be given free or at a certain discounted price to all the shareholders in the Company on a pro-rated basis to reward them.	<p>Texcorp is required under the Companies Act 2016 to dispose of the Texchem Resources Bhd (“TRB”) shares before the deadline granted by the CCM. To comply with this requirement, Texcorp has sold a block of shares to the related party who is a willing buyer at the price of 22.5 sen which was the market price for TRB shares on 20 March 2020, the date of the transaction.</p> <p>The shares held by Texcorp are not treasury shares and therefore cannot be distributed to TRB shareholders.</p>

The following questions were posted by Mr Chan Keng Chung.

No.	Question	Answer
11.	What’s your targeted number of Sushi King restaurants by end of this year? More outlets don’t equate higher profitability. In last AGM, I asked that capex be minimised but more than RM30 million was spent in 2019. After paying off income tax and big capex, Texchem’s cash flow turned into negative, thereby pushing net debt level up and eliminating dividend to shareholders. Seriously, you need to consider selling off some businesses to improve the cash flow situation. Why you cannot pay even 1 sen of dividend? What’s your plan?	<p>In 2018 our CAPEX was RM46.0 million. In 2019, CAPEX was reduced to RM33.9 million and in 2020, we expect to reduce our CAPEX further.</p> <p>In 2019, our cashflow statement shows an increase in cash and cash equivalents of RM9.67 million.</p> <p>As for dividends, our ability to pay dividend is subject to our financial performance as well as operational requirements and in the current economic condition in view of the Covid-19 pandemic crisis, there is a need to conserve cash to strengthen our businesses.</p>
12.	Food additive distribution was stopped, and some restaurants closed. What other loss-making businesses have you discontinued? Venture business division has been reporting RM4-5 million losses every year. What have you done to reverse this very poor performance?	<p>The management constantly review the performances of our businesses for commercial viability.</p> <p>The loss in our Venture Division is due to Texchem Polymers Sdn Bhd and the progress of this business has already been addressed in an earlier question.</p>

The following questions were posted by Mr Leong Wai Hong.

No.	Question	Answer
13.	When will latex glove chemical products is expected to materialise? Nowadays, the demand for nitrile glove is growing, is the glove chemical applicable for this type of glove?	<p>Latex glove chemical is applicable to nitrile glove. While continue in testing the latex glove chemical with many glove producers, Texchem has also started to supply to key players in this industry and expects to achieve positive results in 2020.</p>
14.	What is your market share of Tex-Shield?	<p>The market for Tex-Shield has been increased for the last few months, especially since lockdown has started in many countries. Obviously in such a short time, it is difficult to establish a very clear market size. However, through our market intelligence and based on our export to 7 countries as reported in the earlier presentation, we have achieved being one of the main players in South East Asia. We will continue to increase our production volume.</p>

[End]