

THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused this Statement prior to its issuance as it is an exempt document pursuant to Paragraph 2.1(d) of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

LUXCHEM

LUXCHEM CORPORATION BERHAD

**Registration No. 199101014102 (224414-D)
(Incorporated in Malaysia)**

STATEMENT TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED RENEWAL OF SHARE BUY-BACK OF UP TO TEN PERCENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF LUXCHEM CORPORATION BERHAD ("PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE")

The resolution in respect of the above proposal will be tabled as a Special Business at the Twenty-Eighth Annual General Meeting ("28th AGM") of Luxchem Corporation Berhad ("Luxchem" or "Company") to be held at Nexus 1 & 2, Level 3A, Connexion Conference & Event Centre @ Nexus, No. 7, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur on Thursday, 30 July 2020 at 10.00 a.m. or any adjournment thereof. The notice of the 28th AGM of Luxchem together with the Proxy Form is enclosed together with the Annual Report 2019 of Luxchem for the financial year ended 31 December 2019.

You are entitled to attend and vote at the 28th AGM of the Company or to appoint a proxy or proxies to attend and vote on your behalf. The Proxy Form must be lodged at the Company's Share Registrar's office at Tricor Investor & Issuing House Services Sdn Bhd [Registration No. 197101000970 (11324-H)], Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not later than forty-eight (48) hours before the time of the meeting, should you be unable to attend the meeting. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Proxy Form: 28 July 2020, Tuesday, 10.00 a.m.

Date and time of the 28th AGM: 30 July 2020, Thursday, 10.00 a.m.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Statement:-

Act	:	Companies Act 2016, as amended from time to time and any re-enactment thereof (including the corresponding previous written law)
AGM	:	Annual General Meeting
Annual Report 2019	:	Annual Report of Luxchem for the financial year ended 31 December 2019
Board	:	Board of Directors of Luxchem
Bursa Securities	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
Code	:	Malaysian Code on Take-Overs and Mergers 2016, including any amendments that may be made from time to time
CMSA	:	Capital Markets and Services Act, 2007, including any amendments that may be made from time to time
Directors	:	Has the meaning given in Section 2(1) of the CMSA
EPS	:	Earnings per share
Luxchem or the Company	:	Luxchem Corporation Berhad [Registration No. 199101014102 (224414-D)]
Luxchem Group or Group	:	Luxchem Corporation Berhad [Registration No. 199101014102 (224414-D)] and its subsidiaries collectively
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities and any amendments that may be made from time to time
LPD	:	29 June 2020, being the latest practicable date prior to the printing of this Statement
Market Day	:	A day on which the stock market of Bursa Securities is open for trading in securities
NA	:	Net assets
Person Connected	:	Shall have the same meaning given in Paragraph 1.01 of the Listing Requirements
Proposed Share Buy-Back	:	Proposed renewal of purchase of up to ten per centum (10%) of Luxchem's total number of issued shares
Proposed Renewal of Share Buy-Back Mandate or Proposal	:	Proposed renewal of shareholders' mandate for the authority to the Company to purchase its own shares up to ten per centum (10%) of its total number of issued shares
Purchased Shares	:	Luxchem Shares to be purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back Mandate
RM and sen	:	Ringgit Malaysia and sen, respectively
SC	:	Securities Commission Malaysia
Luxchem Shares or Shares	:	Ordinary share(s) in Luxchem

Substantial Shareholder(s) : A person who has an interest in one or more voting shares in the Company and the number or the aggregate number of such shares is not less than five per centum (5%) of the total number of all the voting shares in the Company as defined in Section 136(1)(a) of the Act.

All references to “you” in this statement are referred to Luxchem’s shareholders.

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Statement shall be a reference to Malaysian time, unless otherwise specified.

Any discrepancy in the tables between the amounts listed and the totals in this Statement are due to rounding.

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CONTENTS

SHARE BUY-BACK STATEMENT IN RELATION TO PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

PAGE

1.0	INTRODUCTION	1
2.0	INFORMATION ON THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE	
2.1	Details of the Proposed Share Buy-Back	2
2.2	Maximum Number or Percentage of Shares to be Acquired	2
2.3	Maximum Amount of Funds to be Allocated and the Source of Funds	2
2.4	Treatment of Shares Purchased	3
2.5	Rationale for the Proposed Share Buy-Back	3
2.6	Potential Advantages and Disadvantages of the Proposed Share Buy-Back	4
2.7	Financial Effects to the Proposed Share Buy-Back	4
2.8	Public Shareholding Spread	9
2.9	Implication of the Code	9
2.10	Interests of Directors, Major Shareholders and Persons Connected to them	9
2.11	Purchase of Luxchem Shares, Resale or Transfer and/or Cancellation of Treasury Shares made in the preceding twelve (12) months	9
2.12	Market Price of the Company's Shares	9
3.0	APPROVAL REQUIRED	9
4.0	DIRECTORS' STATEMENT AND RECOMMENDATION	10
5.0	28 th AGM	10
6.0	FURTHER INFORMATION	10
APPENDICES		
I	FURTHER INFORMATION	11
II	ORDINARY RESOLUTION TO BE TABLED AT THE 28 th AGM OF LUXCHEM IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE	12

LUXCHEM

LUXCHEM CORPORATION BERHAD

Registration No. 199101014102 (224414-D)
(Incorporated in Malaysia)

Registered Office:

Unit 30-01, Level 30, Tower A Vertical
Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

1 July 2020

Board of Directors:

Datuk Kwan Foh Kwai (Independent Non-Executive Chairman)
Tang Ying See (Managing Director/Chief Executive Officer)
Chin Song Mooi (Executive Director)
Chen Moi Kew (Executive Director/Chief Financial Officer)
Tan Teck Kiong (Independent Non-Executive Director)
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali (Independent Non-Executive Director)

To: The Shareholders of Luxchem

Dear Sir/ Madam,

PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

1.0 INTRODUCTION

On 16 March 2020, the Board announced that the Company proposes to seek shareholders' approval on the Proposed Renewal of Share Buy-Back Mandate at the forthcoming 28th AGM.

The purpose of this Statement is to provide you with information on the Proposal and to seek your approval for the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Mandate to be tabled as a Special Business at the forthcoming 28th AGM of the Company, to be held on 30 July 2020. The Notice of the 28th AGM containing the above ordinary resolution under Special Business, together with the Proxy Form is available at the Company's website at <http://www.luxchem.com.my/luxchem-28-agm.html>

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSAL.

2.0 INFORMATION ON THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

2.1 Details of the Proposed Share Buy-Back

The Company proposes to seek the approval from its shareholders of the Company at the forthcoming 28th AGM for the Proposed Renewal of Share Buy-Back Mandate.

The approval from the shareholders would be effective immediately upon the passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back Mandate at the forthcoming 28th AGM and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution is passed, at which time it will lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting;

whichever occurs first.

2.2 Maximum Number or Percentage of Shares to be Acquired

The maximum aggregate number of Luxchem Shares which may be purchased by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company in compliance with Paragraph 12.09 of the Listing Requirements.

As at the LPD, the maximum number of Luxchem Shares that can be purchased and/or held by the Company will be as follows:-

	<u>No. of Shares</u>
Total number of issued shares of Luxchem	895,808,553
10% of the total number of issued shares	89,580,855
Maximum number of shares which may be purchased in respect of the Proposed Share Buy-Back	<u>89,580,855</u>

The actual number of ordinary shares in Luxchem to be purchased by the Company pursuant to the Proposed Share Buy-Back, the total amount of funds involved for each purchase and the timing of the purchase(s) will depend on, among others, the market conditions and sentiments of the stock market, the availability of financial resources and the retained profits of the Company at the time of the purchase(s).

2.3 Maximum Amount of Funds to be Allocated and the Source of Funds

The funding for the Proposed Share Buy-Back will be from internally generated funds or external borrowings or a combination of both and the maximum fund to be allocated for such transactions shall not exceed the aggregate balance standing in the retained profits of the Company.

The retained profits of the Company based on the latest audited financial statements as at 31 December 2019 was RM133,409,658.00.

In the event the Company purchases and holds its own Shares using external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and the repayment is not expected to have a material effect on the cash flow of the Company.

2.4 Treatment of Shares Purchased

In accordance with Section 127(4) of the Act, the Directors may, at their discretion, deal with Luxchem Shares in the following manner:-

- (a) To cancel the Shares so purchased; or
- (b) To retain the Shares so purchased in treasury which is referred to as “treasury shares”; or
- (c) To retain part of the Shares so purchased as treasury shares and cancel the remainder.

Based on Section 127(7) of the Act, where such Shares are held as treasury shares, the Directors may at their discretion:-

- (a) distribute the Shares as dividends to the shareholders, such dividends to be known as “shares dividends”;
- (b) resell the Shares or any of the Shares in accordance with the Listing Requirements;
- (c) transfer the Shares or any of the Shares for the purposes of or under an employees’ share scheme;
- (d) transfer the Shares or any of the Shares as purchase consideration;
- (e) cancel the Shares or any of the Shares; or
- (f) sell, transfer or otherwise use the Shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe.

While the Purchased Shares are held as treasury shares, the treasury shares shall not be taken into account in calculating the number or percentage of shares, or of a class of shares in the Company for any purposes including, without limiting the generality of the provision of Section 127 of the Act, the provision of any law or the requirements of the Company’s Constitution or the Listing Requirements on substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting. An immediate announcement will be made to Bursa Securities in respect of the intention of the Board on the treatments of the Purchased Shares, i.e. notification of purchase, resale or transfer or cancellation of the Purchased Shares as per the Listing Requirements.

As at the date of this Statement, the Board has yet to make any decision with regards to the treatment of the Shares so purchased in the future.

Where the Directors resolve to cancel the Shares so purchased or cancel any treasury shares, the number of the Company’s issued shares shall be diminished by the Shares so cancelled. It is pertinent to note that the cancellation of Shares made pursuant to Section 127(15) of the Act shall not be deemed to be a reduction of share capital.

2.5 Rationale for the Proposed Share Buy-Back

The Proposed Share Buy-Back will enable the Company to utilise its surplus financial resources to purchase its own Shares from Bursa Securities. It may also assist in stabilising the supply and demand as well as the market price of its Shares traded on Bursa Securities.

The Purchased Shares, whether to be held as treasury shares or subsequently cancelled, will effectively reduce the number of Shares carrying voting and participation rights. Therefore, the shareholders of the Company may enjoy an increase in the value of their investment in Luxchem due to improvement in the consolidated EPS, as a result of the decreased share capital base used for the computation of the Company’s EPS.

The Purchased Shares can be held as treasury shares and resold at the stock market of Bursa Securities at a higher price with the intention of realising capital gain without affecting the total number of issued shares of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

2.6 Potential Advantages and Disadvantages of the Proposed Share Buy-Back

The potential advantages of the Proposed Share Buy-Back to the Company and its shareholders are as follows:-

- (i) the Proposed Share Buy-Back, if implemented, will allow the Company to utilise its financial resources where there are no immediate use, to purchase the Luxchem Shares. If the Luxchem Shares purchased are held as treasury shares or cancelled immediately, this may strengthen the consolidated EPS of the Group;
- (ii) the Proposed Share Buy-Back may also stabilise the supply and demand of Luxchem Shares traded on Bursa Securities and reduce the volatility of Luxchem Share price. The stability of Luxchem Share price is important to maintain investors' confidence in order to facilitate future fund raising exercises of the Company via the equity market;
- (iii) the Proposed Share Buy-Back will provide the Company opportunities for potential capital gains if the purchased Luxchem Shares which are retained as treasury shares are resold at prices higher than the purchase prices and such proceeds may be subsequently used for investment opportunities arising in the future, working capital and/or to be distributed as dividends to shareholders; and
- (iv) in the event the treasury shares are distributed as share dividends, it will serve to reward the shareholders of Luxchem.

The potential disadvantages of the Proposed Share Buy-Back to the Company and its shareholders are as follows:-

- (i) the Proposed Share Buy-Back, if implemented, will reduce the amount of financial resources available for distribution to the shareholders of the Company;
- (ii) if the Company decides to utilise bank borrowings to finance the Proposed Share Buy-Back, the Company's cash flow may be affected to the extent of the interest costs associated with such borrowings;
- (iii) the funds allocated for the Proposed Share Buy-Back could be used for other better investment opportunities which may emerge in the future; and
- (iv) as the Proposed Share Buy-Back can only be made wholly out of the Company's retained profits, it may result in the reduction of distributable reserves available for distribution to the shareholders.

The Proposed Share Buy-Back, however, is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be implemented only after in-depth consideration of the financial resources of Luxchem which need to be balanced against investment opportunities and other proposals that can enhance value to its shareholders. The Board is mindful of the interests of the Company and its shareholders with respect to the above exercise.

2.7 Financial Effects to the Proposed Share Buy-Back

The financial effects of the Proposed Share Buy-Back on the share capital, earnings, working capital, NA, dividends and shareholdings of Directors and Substantial Shareholders of the Company or Group are set out below:-

2.7.1 Share Capital

The effect of the Proposed Share Buy-Back on the issued share capital of the Company will depend on whether the Purchased Shares are cancelled or retained as treasury shares. The Proposed Share Buy-Back will result in a reduction of the issued share capital of the Company if the Purchased Shares are cancelled.

In the event the Proposed Share Buy-Back is carried out in full and all the Purchased Shares are cancelled, the present issued share capital of the Company will be reduced by the number of Shares so cancelled as follows:-

	As at LPD	After the Proposed Share Buy-Back No. of Shares
Existing share capital as at LPD	895,808,553	895,808,553
Less: Maximum number of Shares that may be purchased pursuant to the Proposed Share Buy-Back	-	(89,580,855)
Resultant ordinary issued share capital	<u>895,808,553</u>	<u>806,227,698</u>

If the Purchased Shares are retained as treasury shares, the Proposed Share Buy-Back will not have any effect on the issued share capital of Luxchem. Nevertheless, certain rights attached to the Purchased Shares are suspended while they are held as treasury shares.

2.7.2 Earnings

The effects of the Proposed Share Buy-Back on the EPS of Luxchem Group is dependent on the number and the purchase prices of the Purchased Shares, the effective cost of funding and/or the interest income foregone in connection with the funding of such Purchased Shares.

If the Purchased Shares are retained as treasury shares or cancelled subsequently, the number of shares applied in the computation of the EPS will be reduced and this may improve the consolidated EPS of the Group.

2.7.3 Net Assets

The effect of the Proposed Share Buy-Back on NA of Luxchem Group is dependent on the number of Purchased Shares, the purchase price of Luxchem Shares, the effective cost of funding and the treatment of the shares purchased.

The Proposed Share Buy-Back will reduce the NA per Share if the purchase price is higher than the NA per Share at the time of purchase. On the contrary, the NA per Share will increase if the purchase price is lower than the NA per Share at the time of purchase.

2.7.4 Working Capital

The Proposed Share Buy-Back, as and when implemented, will result in an outflow of cash and thereby reduce the working capital and cash flow of Luxchem Group. The quantum of reduction in working capital is dependent on the purchase price and number of Luxchem Shares purchased.

However, for Luxchem Shares so purchased and kept as treasury shares, upon its resale at a higher selling price than the initial purchase price, the working capital and the cash flow of Luxchem Group will increase. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the treasury shares and the number of treasury shares resold.

2.7.5 Dividends

The Proposed Share Buy-Back is not expected to have any impact on the dividend payment as the Board will take into consideration the Company's profit, cash flow and the capital commitments before proposing any dividend payment.

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2.7.6 Directors' and Substantial Shareholders' Shareholdings and Person Connected with Them

Based on the Register of Directors' Shareholding and Register of Substantial Shareholders of Luxchem as at LPD and assuming that the Proposed Share Buy-Back is implemented up to the maximum of 10% of the total number of issued shares of the Company and that the Purchased Shares are from the shareholders other than the Directors and Substantial Shareholders of Luxchem, the effect of the Proposed Share Buy-Back on the shareholdings of the Directors and Substantial Shareholders of Luxchem are set out below:-

	Number of Shares held as at LPD				After Proposed Share Buy-Back			
	Direct	% [@]	Indirect	% [@]	Direct	% [#]	Indirect	% [#]
Directors								
Datuk Kwan Foh Kwai	2,426,600	0.27	2,200,000 ⁽¹⁾	0.25	2,426,600	0.30	2,200,000 ⁽¹⁾	0.27
Tang Ying See	7,800,000	0.87	438,326,500 ⁽²⁾	48.93	7,800,000	0.97	438,326,500 ⁽²⁾	54.37
Chin Song Mooi	6,791,700	0.76	439,334,800 ⁽³⁾	49.04	6,791,700	0.84	439,334,800 ⁽³⁾	54.49
Chen Moi Kew	4,590,000	0.51	-	-	4,590,000	0.57	-	-
Tan Teck Kiong	-	-	-	-	-	-	-	-
Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali	-	-	-	-	-	-	-	-
Substantial Shareholders								
Tang Ying See	7,800,000	0.87	423,111,700 ⁽⁴⁾	47.23	7,800,000	0.97	423,111,700 ⁽⁴⁾	52.48
Chin Song Mooi	6,791,700	0.76	424,120,000 ⁽⁵⁾	47.34	6,791,700	0.84	424,120,000 ⁽⁵⁾	52.61
Chemplex Resources Sdn. Bhd.	416,320,000	46.47	-	-	416,320,000	51.64	-	-
Chow Cheng Moey	68,932,200	7.69	600,000 ⁽⁶⁾	0.07	68,932,200	8.55	600,000 ⁽⁶⁾	0.07
Person Connected to Directors/ Substantial Shareholders								
Lim Kuang Sia	600,000 ⁽⁶⁾	0.07	-	-	600,000 ⁽⁶⁾	0.07	-	-
Tang Chii Shyan	15,214,800 ⁽⁷⁾	1.70	-	-	15,214,800 ⁽⁷⁾	1.89	-	-
Datin Lee Hung Kuen	2,200,000 ⁽⁸⁾	0.25	-	-	2,200,000 ⁽⁸⁾	0.27	-	-

Notes:-

@ Calculated based on total number of issued shares of 895,808,553 Shares.

Calculated based on total number of issued shares of 806,227,698 Shares.

- (1) Deemed interested by virtue of the shareholdings held by his spouse, Datin Lee Hung Kuen pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016.
- (2) Deemed interested by virtue of the shareholdings held by his spouse, Chin Song Mooi and substantial shareholdings in Chemplex Resources Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and his son, Tang Chii Shyan pursuant to Section 59(11)(c) of the Companies Act 2016.
- (3) Deemed interested by virtue of the shareholdings held by her spouse, Tang Ying See and substantial shareholdings in Chemplex Resources Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and her son, Tang Chii Shyan pursuant to Section 59(11)(c) of the Companies Act 2016.
- (4) Deemed interested by virtue of the shareholdings held by his spouse, Chin Song Mooi and substantial shareholdings in Chemplex Resources Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.
- (5) Deemed interested by virtue of the shareholdings held by her spouse, Tang Ying See and substantial shareholdings in Chemplex Resources Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.
- (6) Lim Kuang Sia is the spouse of Chow Cheng Moey.
- (7) Tang Chii Shyan is the son of Tang Ying See and Chin Song Mooi.
- (8) Datin Lee Hung Kuen is the spouse of Datuk Kwan Foh Kwai.

2.8 Public Shareholding Spread

As at 29 June 2020, the public shareholding spread of the Company was approximately 40.60%. Assuming that the Company purchases up to the maximum number of Shares as allowed under the Proposed Renewal of Share Buy-Back Mandate, the public shareholding spread is expected to reduce to 34.00%.

The Company shall not buy-back any shares if it results in the Company being in breach of the minimum public shareholdings spread requirement of the Listing Requirements of Bursa Securities.

2.9 Implication of the Code

The Proposed Share Buy-Back will not trigger the Mandatory General Offer required under the Code. The existing Directors, Substantial Shareholders and persons connected to them will not incur an obligation to undertake a Mandatory General Offer under the Code for the balance of the shares, which he/she does not already own as a result of the Proposed Share Buy-Back, since their current shareholdings already exceeded 50% of the total number of issued shares of the Company.

2.10 Interests of Directors, Major Shareholders and Persons Connected to them

None of the Directors and/or Major Shareholders and/or persons connected to them, has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Mandate.

2.11 Purchase of Luxchem Shares, Resale or Transfer and/or Cancellation of Treasury Shares in the preceding Twelve (12) months

The Company has not purchased any of its shares, resale, transfer and/or cancellation of treasury shares of the Company in the previous twelve (12) months preceding the date of this Statement. As at the date of this Statement, the Company does not hold any treasury shares.

2.12 Market Price of the Company's Shares

The following table sets out the monthly highest and lowest prices of Luxchem Shares traded on Bursa Securities for the preceding twelve (12) months from June 2019 up to May 2020:-

	<u>Highest (RM)</u>	<u>Lowest (RM)</u>
2019:		
June	0.545	0.495
July	0.530	0.505
August	0.525	0.490
September	0.500	0.475
October	0.520	0.470
November	0.500	0.475
December	0.485	0.475
2020:		
January	0.600	0.470
February	0.580	0.470
March	0.575	0.320
April	0.740	0.425
May	0.865	0.615

(Source: Kuala Lumpur Stock Exchange)

The last transacted market price of Luxchem Shares on 29 June 2020 (being the LPD) before printing this Statement was RM0.665.

3.0 APPROVAL REQUIRED

The Proposed Renewal of Share Buy-Back Mandate is subject to the approval of the shareholders of Luxchem at the forthcoming 28th AGM.

4.0 DIRECTORS' STATEMENT AND RECOMMENDATION

The Directors, having considered all aspects of the Proposed Renewal of Share Buy-Back Mandate, are of the opinion that the Proposed Renewal of Share Buy-Back Mandate is in the best interest of the Company. Accordingly, the Directors recommend that the shareholders vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Mandate to be tabled at the Company's forthcoming 28th AGM.

5.0 28th AGM

The ordinary resolution to approve the Proposed Renewal of Share Buy-Back Mandate is set as Special Business in the Notice of 28th AGM, which is sent to you together with this Statement. The 28th AGM will be held at Nexus 1 & 2, Level 3A, Connexion Conference & Event Centre @ Nexus, No. 7, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur on Thursday, 30 July 2020 at 10.00 a.m.

If you are unable to attend and vote in person at the 28th AGM, you should complete and return the Proxy Form enclosed in the Annual Report 2019 in accordance with the instructions therein as soon as possible and in any event, so as to arrive at Tricor Investor & Issuing House Services Sdn Bhd [Registration No. 197101000970 (11324-H)], Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not later than forty-eight (48) hours before the time set for holding the 28th AGM or any adjournment thereof. The completion and return of the Proxy Form will not, however, preclude you from attending and voting in person at the 28th AGM should you subsequently wish to do.

6.0 FURTHER INFORMATION

Shareholders are advised to refer to the Appendix I in this Statement for further information.

Yours faithfully
For and on behalf of the Board of Directors
LUXCHEM CORPORATION BERHAD

DATUK KWAN FOH KWAI
Independent Non-Executive Chairman

APPENDIX I

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

The Directors of Luxchem have seen and approved the contents of this Statement and they collectively and individually accept full responsibility for the accuracy of the information given in this Statement and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Statement misleading.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by members of the Company at the registered office of the Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur during normal business hours from Mondays to Fridays (excluding Public Holidays) from the date of this Statement up to and including the date of the forthcoming 28th AGM:

- (a) Constitution of Luxchem; and
- (b) Audited financial statements of Luxchem for the past two (2) financial years ended 31 December 2018 and 31 December 2019.

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APPENDIX II

ORDINARY RESOLUTION TO BE TABLED AT THE 28TH AGM OF LUXCHEM IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

Ordinary Resolution 9 Proposed Renewal of Share Buy-Back Mandate

THAT subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued 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 may deem fit and expedient in the interest of the Company provided that:

- i. the aggregate number of issued shares in the Company (“Shares”) purchased (“Purchased Shares”) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- ii. 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,

(“Proposed Share Buy-Back”).

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- a. the conclusion of the next Annual General Meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- b. the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
- c. revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- i. To cancel all or part of the Purchased Shares;
- ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;

- iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- iv. To resell all or part of the treasury shares;
- v. To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- vi. To transfer all or part of the treasury shares as purchase consideration;
- vii. To sell, transfer or otherwise use the shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe; and/or
- viii. To deal with the treasury shares in the manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities.”