

ANCOM BERHAD
[Registration No.: 196901000122 (8440-M)]
(Incorporated in Malaysia)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING ("EGM") OF ANCOM BERHAD ("ANCOM" OR "COMPANY") CONDUCTED ENTIRELY THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT NO. 2A, JALAN 13/2, SEKSYEN 13, 46200 PETALING JAYA, SELANGOR DARUL EHSAN ("BROADCAST VENUE") ON WEDNESDAY, 12 AUGUST 2020 AT 10.00 A.M.

Present at	: Dato' Siew Ka Wei – Chairman
Broadcast Venue	: Lee Cheun Wei – Group Chief Executive Officer (" Group CEO ")
	: Lim Chang Meng – Chief Financial Officer (" CFO ")
	: Stanley Lee – Representative from RHB Investment Bank Berhad, the Principal Adviser
	: Choo Se Eng – Company Secretary
Present via video conferencing	: Tan Sri Dato' Dr Lin See Yan – Independent Non-Executive Director
	: Tan Sri Dato' Seri Abdull Hamid Bin Embong – Independent Non-Executive Director
	: Datuk Dr Abd Hapiz Bin Abdullah – Independent Non-Executive Director
	: Chan Thye Seng – Non-Independent Non-Executive Director
	: Edmond Cheah Swee Leng – Independent Non-Executive Director
	: Lim Hock Chye – Independent Non-Executive Director

The attendance of members/corporate representatives/proxies who participated remotely via remote participation and voting ("**RPV**") facilities is as per the Summary of Attendance List.

1. PRELIMINARY

The Chairman, Dato' Siew Ka Wei, welcomed all members, proxies and invitees to the Meeting.

He then introduced the Board members, Group CEO, CFO, Company Secretary and the representative from RHB Investment Bank Berhad, the Principal Adviser to the attendees.

2. NOTICE

The Notice of the EGM dated 23 July 2020 ("**Notice**"), having been circulated to all shareholders of the Company within the prescribed period, was taken as read with the consent of the shareholders and proxies present.

3. QUORUM

The Chairman informed that for a fully virtual general meeting, the quorum shall be determined by the number of members who logged-in at the start of the meeting.

There being a quorum, the Chairman called the Meeting to order at 10.00 a.m.

4. POLLING AND ADMINISTRATIVE MATTERS

The Chairman informed the Meeting that pursuant to Paragraph 8.29(A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice must be voted by poll, which would be conducted after the deliberation of the agenda item on the Notice.

The Chairman further informed that the Company has appointed Tricor Investor and Issuing House Services Sdn. Bhd. to facilitate poll voting process and Asia Securities Sdn. Berhad as Independent Scrutineer to verify the poll results.

The guide on remote voting procedures and the manner to raise questions at the Meeting through RPV application were presented to shareholders and proxies.

5. PROPOSED ISSUANCE OF UP TO 66,233,553 FREE WARRANTS IN ANCOM ("WARRANTS B") ON THE BASIS OF ONE (1) WARRANT B FOR EVERY FOUR (4) EXISTING ORDINARY SHARES IN ANCOM ("ANCOM SHARES") HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED FREE WARRANTS ISSUE")

5.1 The Chairman informed that the purpose of the EGM was to seek shareholders' approval on the proposed issuance of up to 66,233,553 free warrants in Ancom ("**Warrants B**") to the shareholders of the Company on the basis of one (1) Warrant B for every four (4) existing Ordinary Shares held on the entitlement date to be determined by the Board at a later date.

5.2 The Chairman briefed that the Proposed Free Warrants Issue was intended to reward the shareholders for their continuous support by enabling them to own Warrants B without incurring any cost and at the same time, to strengthen the capital base of the Company as well as to enable the Group to raise additional funds to fund its working capital requirements, as and when Warrants B are exercised, without incurring additional interest expense as compared to bank borrowings.

5.3 The questions posed by the shareholders and proxies during the EGM, as detailed below have been addressed by the Chairman succinctly: -

Q1) Mr Joseph Lam Wai, a proxy, enquired on corporate plans to address the loss-making business segment such as Media, Education and Logistics.

A1) Prior to Covid-19 pandemic, the Group had undertaken several restructuring exercises across the Group as part of the cost reduction initiatives. In respect of the loss-making segments, Management has been closely monitoring the performance of those segments including setting a timeline to address it apart from constantly looking for potential business opportunities.

The Group will consider to divest such business segment that are not generating long-term value to the Group. The Group had disposed substantially its equity interest in Media business while at the same time streamlining the Group's strength in Agrichemical business.

Whereas for Logistics Division, the losses incurred in the last quarter ended 31 May 2020 were attributable to lower revenue from charter hire of chemical tankers. The trucking business has been undergoing a fleet rationalisation programme. Management expects an improvement in financial performance after the rationalisation exercise.

Q2) Mr Teh Kian Lang, a shareholder, enquired on (i) any dividend policy; (ii) what are the main raw materials; and (iii) how to manage raw materials disruption.

A2) Management endeavours to reward shareholders by means of dividend payout whenever the Board considers appropriate. The Company had in year 2018 rewarded shareholders with bonus shares. To reward shareholders for their

continuous support, the Board is rewarding the existing shareholders with free warrants.

In order to manage the pricing and supply stability of raw materials for agrichemicals, the Group is desirous to work with foreign partners to set up a supply chain in Malaysia. Management is considering to construct a new factory/ plant in Port Klang being part of the efforts to narrow down the disruption risk of raw material supply. This will also strengthen the Group's capability in agrichemicals market.

The Group is the main player in industrial chemical. However, the Industrial Chemicals Division suffered a loss in the financial year ended 31 May 2020 mainly due to lower sales and lower process of the products. Market demand for finished goods reduced substantially during the lockdown periods.

Q3) Mr Ho Yueh Weng, a shareholder, enquired the exercise price and expiry date of the free Warrants B and how the proceeds be utilised to enhance the business performance.

A3) The indicative exercise price of Warrants B was assumed to be at RM0.71 based on the 5-day volume weighted average market price of Ancom shares, as disclosed in the Circular to Shareholders dated 23 July 2020 ("**Circular**"). The tenure of Warrants B will be 5 years commencing from the date of issuance of Warrants B.

In the event that Warrants B are fully exercised, the Company is expected to raise gross proceeds of approximately RM44.03 million. Such proceeds would be utilised for future working capital requirements and for construction of a new agricultural chemical plant, as disclosed in the Circular.

Q4) Mr Teh Kian Lang, a shareholder enquired whether the Company will switch back to physical general meeting moving forward.

A4) As part of the Company's safety measures to curb the spread of the Covid-19 pandemic, the EGM was convened as a fully virtual meeting. The Company will continue to conduct general meeting virtually until such time it is safe to do so as the safety of the shareholders is the Company's main concern.

Q5) Request for voucher for those participating the EGM remotely

A5) The Board will consider to reward those participating in the forthcoming Annual General Meeting of the Company with vouchers.

After dealing with all questions raised, the Chairman invited the shareholders and proxies to cast their vote remotely.

Upon the closure of the voting session, the Meeting was adjourned at 10.20 a.m. to facilitate the counting of votes by the Poll Administrators and verification of poll results by the Independent Scrutineers.

6. ANNOUNCEMENT ON POLL RESULTS

The Meeting resumed at 10.35 a.m. after obtaining the poll results from the Scrutineers. The result of the poll was presented to the meeting and the Chairman declared that the resolution set out in the notice was duly passed by the shareholders of the Company, as follows:-

ORDINARY RESOLUTION

PROPOSED ISSUANCE OF UP TO 66,233,553 FREE WARRANTS IN ANCOM ("WARRANTS B") ON THE BASIS OF ONE (1) WARRANT B FOR EVERY FOUR (4) EXISTING ORDINARY SHARES IN ANCOM ("ANCOM SHARES") HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED FREE WARRANTS ISSUE")

By a vote of 55,395,134 shares (representing 99.99%) voted for and 4,854 shares (representing 0.01) voted against the resolution, it was **RESOLVED: -**

THAT subject to the approvals of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Board of Directors of the Company ("**Board**") to issue and allot up to 66,233,553 Warrants B (with an exercise price to be determined at a later date) to the shareholders of the Company who are registered as a member and whose names appear in the Record of Depositors of the Company as at 5.00 p.m. on a date to be determined by the Board and announced by the Company at a later date, on the basis of one (1) Warrant B for every four (4) existing Ancom Shares held, in accordance with the provisions of the deed poll constituting the Warrants B to be executed by the Company ("**Deed Poll B**");

THAT the Board be and is hereby authorised to enter into and execute the Deed Poll B with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company, and with full powers for the Board to implement, finalise and give full effect to the Deed Poll B;

THAT the Board be and is hereby authorised to issue and allot such appropriate number of Warrants B in accordance with the provisions of the Deed Poll B and where required, to adjust the exercise price and/or the number of the Warrants B to be issued (including, without limitation, any additional Warrants B as may be required or permitted to be issued) in consequence of the adjustments pursuant to the provisions of the Deed Poll B;

THAT the Board be and is hereby authorised to issue and allot such appropriate number of new Ancom Shares pursuant to the exercise of the Warrants B by the Warrants B holders in accordance with the provisions of the Deed Poll B;

THAT fractional entitlements arising from the Proposed Free Warrants Issue, if any, shall be disregarded and dealt with in such manner as the Board in its absolute discretion deems fit, expedient and in the best interest of the Company;

THAT the new Ancom Shares to be issued and allotted arising from the exercise of the Warrants B shall, upon issuance and allotment, rank equally in all respects with the then existing Ancom Shares, save and except that they will not be entitled to any dividend, right, allotment and/or any other distribution that may be declared, made or paid prior to the date of allotment of such new Ancom Shares to be issued arising from the exercise of the Warrants B;

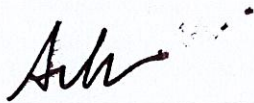
THAT the Board be and is hereby authorised to utilise the proceeds to be raised from the exercise of the Warrants B for such purposes and in such manner as set out in Section 2.5 of the Circular to shareholders of the Company dated 23 July 2020, and the Board be authorised with full powers to vary the manner and/or purpose of the utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject to the approval of the relevant authorities (where required) and in the best interest of the Company;

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements (including without limitations, the affixation of the Company's Common Seal) as may be necessary or expedient in order to implement, finalise, give effect and complete the Proposed Free Warrants Issue with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company.

7. CLOSURE OF MEETING

The Meeting closed at 10.40 a.m. with a vote of thanks to the Chair.

CONFIRMED AS A CORRECT RECORD



CHAIRMAN

Dated: 2 September 2020