

**ANCOM NYLEX BERHAD**  
**(Formerly known as ANCOM BERHAD)**  
**196901000122 (8440-M)**  
**(Incorporated in Malaysia)**

**MINUTES OF THE 53<sup>RD</sup> ANNUAL GENERAL MEETING (“AGM”) OF ANCOM NYLEX BERHAD (“ANB” OR “THE COMPANY”) CONDUCTED ENTIRELY THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT NO. 2A, JALAN 13/2, SEKSYEN 13, 46200 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA ON THURSDAY, 27 OCTOBER 2022 AT 2.30 P.M.**

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Present at	:	Dato’ Siew Ka Wei – Executive Chairman
Broadcast Venue	:	Tan Sri Dato’ Sri Mohamad Fuzi Bin Harun – Independent Non-Executive Director
	:	Lee Cheun Wei – Managing Director/Group Chief Executive Officer (“Group CEO”)
	:	Lim Chang Meng – Chief Financial Officer (“CFO”)
	:	Wong Wai Foong – Company Secretary
Present via video conferencing	:	Tan Sri Dato’ Seri Abdull Hamid Bin Embong – Independent Non-Executive Director
	:	Chan Thye Seng – Non-Independent Non-Executive Director
	:	Datuk Dr. Abd Hapiz Bin Abdullah – Independent Non-Executive Director
	:	Maliki Kamal Bin Mohd Yasin – Independent Non-Executive Director
	:	Christina Foo – Independent Non-Executive Director
	:	Lum Chiew Mun
	:	Samson Chin Jing Hao
	:	Samuel Low Kok Sian
	}	Representatives from BDO PLT, the External Auditors

The shareholders/corporate representatives/proxies who attended the 53<sup>rd</sup> AGM remotely via the remote participation and voting (“RPV”) facilities are as stated in the Summary of Attendance List.

**1. PRELIMINARY**

The Chairman, Dato’ Siew Ka Wei, welcomed all shareholders, proxies and invitees present at the meeting.

He then introduced the Board members, Group CEO, CFO, Company Secretary and the representatives from BDO PLT (the External Auditors) to the attendees.

**2. NOTICE**

The notice of the 53<sup>rd</sup> AGM dated 28 September 2022 (“the Notice”), having been circulated to all the shareholders within the prescribed period, was taken as read.

**3. QUORUM**

The Chairman informed that the quorum for a virtual general meeting is determined by the number of shareholders and proxies who log in at the commencement of the meeting.

There being a quorum, the Chairman called the meeting to order.

**4. POLLING PROCEDURES AND ADMINISTRATIVE MATTERS**

The Chairman informed that pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of general meeting must be voted by poll. The Company is also required to appoint at least one (1) independent scrutineer to validate the votes cast at the general meeting.

The Chairman further informed that the Company had appointed Tricor Investor & Issuing House Services Sdn. Bhd. (the Company's Share Registrar) as Poll Administrator to facilitate the poll voting process, and Asia Securities Sdn. Berhad as Independent Scrutineer to verify the poll results.

The guide on the remote voting procedure and the manner to pose questions at the meeting through the RPV application were presented to the shareholders and proxies.

**5. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Audited Financial Statements for the financial year ended 31 May 2022, together with the Reports of the Directors and Auditors thereon ("AFS FY2022"), were tabled to the meeting for discussion.

The Chairman informed that the AFS FY2022 were meant for discussion only as the Companies Act 2016 does not require a formal approval of shareholders. Hence, it was not put forward for voting.

The Chairman further informed that the Board would address the questions raised by the shareholders or proxies during the Question-and-Answer ("Q&A") Session, which would be carried out after all items on the agenda were dealt with.

Accordingly, the Chairman declared that the AFS FY2022 were duly received by the shareholders.

Thereafter, the Chairman went through each of the motions set out in the Notice.

The Chairman informed that the Company had not received any notice from shareholders for other business to be transacted at this meeting in accordance with the Constitution of the Company and the Companies Act 2016.

**6. Q&A SESSION**

The meeting continued with the Q&A session. The Chairman informed that the Company had received some questions from the Minority Shareholders Watch Group ("MSWG") via their letter dated 17 October 2022. The Group CEO presented the Company's responses to the questions raised by MSWG for the interest of shareholders. The summary of the presentation, which forms part of the minutes, is annexed herein as **Appendix A**.

The Chairman, the Group CEO and the CFO then proceeded to address the questions posed by the shareholders or proxies, as follows:-

- (Q1) Is the segmental revenue for Agricultural Chemicals Division of RM332 million reported in the financial year 2021 (“FY2021”) contributed by the four (4) existing active ingredients only?**

ANB’s response:

The segmental revenue for the Agricultural Chemicals Division in FY2021 was primarily derived from the sales of products comprising the four (4) existing active ingredients, namely Monosodium Methyl Arsonate (“MSMA”), Diuron, Monex, and Timber Preservatives. The combined sales contributed approximately 70% of the total segmental revenue. The remaining 30% was contributed by the formulation and trading of Herbicides and Insecticides products.

- (Q2) Agricultural Chemicals Division recorded a total segmental revenue of RM462.8 million in FY2022. How much is the revenue contributed by the two (2) newly launched active ingredients?**

ANB’s response:

The two (2) new active ingredients, i.e., Bromacil and Ester (also known as AI5 and AI6 respectively), were launched in FY2022. Hence, the segmental revenue on the sales of these new active ingredients for FY2022 was minimal. Management expects to record higher export sales in the next financial year.

The export markets for Bromacil are the United States, Mexico, Thailand and Indonesia, whereas Ester’s target markets are Australia and the United States.

- (Q3) Following the completion of the new plant and the launch of new active ingredients as well as the expansion of the existing facility by about 25% to increase MSMA-based production, what will be the potential revenue gain?**

ANB’s response:

The Group estimates an overall revenue gain of approximately RM100 million, premised on the following:-

- The new production plant aims to produce an annual capacity of 500 metric tonnes (“MT”) for Bromacil and between 1,500 MT and 2,000 MT for Ester. The production, if fully sold, will contribute an estimated revenue of approximately RM60 to RM70 million per year.
- The increase in MSMA-based production, if fully sold out, is expected to contribute RM30 million to the Group’s revenue.

- (Q4) Can you share more on further segmental losses under others operating segments?**

ANB’s response:

Segmental losses recorded in others operating segments were primarily due to the recognition of impairment losses relating to: (i) property, plant and equipment of the loss-making subsidiaries; (ii) goodwill on consolidation due to adverse adjustment made to the forecasted operating cash flows; (iii) trade and other receivables.

The Group will continue to focus on its profitable chemical-related business and to consolidate the industrial chemical and agrichemical businesses. As for others business segments, the Group will continue to divest its non-core or loss-making businesses.

- (Q5) **The Company has recently undergone some business restructuring. How does the Board envisage the Company's progress so far and its position or ranking in terms of market share and profitability compared to viz-a-viz the local and international competitors?**

ANB's response:

In terms of market share in the agrichemical market, Ancom Crop Care Sdn. Bhd., a subsidiary of ANB, is the only Herbicides active ingredient producer in the region. Other players are merely formulators. There is no comparison due to the difference in business models, i.e. the Group's focus is on upstream manufacturing of the active ingredients whereas the other players focus on downstream of formulation.

In the past three years, the Company has gained strength and increased its profitability. We are hopeful that with the introduction of new active ingredients and the refocusing on chemical-related business, the Group will continue its momentum of profitability, going forward.

- (Q6) **What is the business outlook in the next 3 years?**

ANB's response:

The Group will continue to focus on the agrichemical and industrial chemical-related business in view of the increasing demand in crop protection products in the plantation sector as agriculture players seek to maximise their crop production and yield in response to the higher demand for food supplies.

- (Q7) **Request for e-voucher/door gift to participating shareholders as token of appreciation.**

ANB's response:

In light of the pandemic, the Group has taken cognisance of the importance of the attendees' health and safety. The Board, together with Management of the Company, have thus decided to give away organic and eco-friendly products produced by the Group, i.e. mosquito repellent and health supplements for digestion and joints, to all attendees of the meeting.

## **7. POLL VOTING SESSION**

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

Thereafter, the meeting was adjourned at 3.04 p.m. for the tabulation of the poll results.

## **8. ANNOUNCEMENT OF POLL RESULTS**

The meeting resumed at 3.24 p.m. after obtaining the validated poll results from the Independent Scrutineer. The results of the poll were presented to the meeting and the Chairman declared that all resolutions set out in the Notice were carried, as follows:-

### **Ordinary Resolution 1**

#### **Re-election of Director – Dato' Siew Ka Wei**

By a vote of 411,845,108 shares (representing 99.9994%) voted FOR and 2,584 shares (representing 0.0006%) voted AGAINST the Resolution, it was **RESOLVED**:-

THAT Dato' Siew Ka Wei, who retired pursuant to Clause 125 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

**Ordinary Resolution 2**

**Re-election of Director – Datuk Dr. Abd Hapiz Bin Abdullah**

By a vote of 411,840,956 shares (representing 99.9991%) voted FOR and 3,736 shares (representing 0.0009%) voted AGAINST the Resolution, it was **RESOLVED**:-

THAT Datuk Dr. Abd Hapiz Bin Abdullah, who retired pursuant to Clause 125 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

**Ordinary Resolution 3**

**Re-election of Director – Maliki Kamal Bin Mohd Yasin**

By a vote of 411,842,108 shares (representing 99.9994%) voted FOR and 2,275 shares (representing 0.0006%) voted AGAINST the Resolution, it was **RESOLVED**:-

THAT Maliki Kamal Bin Mohd Yasin, who retired pursuant to Clause 130 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

**Ordinary Resolution 4**

**Re-election of Director – Lee Cheun Wei**

By a vote of 411,845,108 shares (representing 99.9994%) voted FOR and 2,275 shares (representing 0.0006%) voted AGAINST the Resolution, it was **RESOLVED**:-

THAT Lee Cheun Wei, who retired pursuant to Clause 130 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

**Ordinary Resolution 5**

**Re-election of Director – Tan Sri Dato' Sri Mohamad Fuzi Bin Harun**

By a vote of 411,783,977 shares (representing 99.9944%) voted FOR and 23,095 shares (representing 0.0056%) voted AGAINST the Resolution, it was **RESOLVED**:-

THAT Tan Sri Dato' Sri Mohamad Fuzi Bin Harun, who retired pursuant to Clause 130 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

**Ordinary Resolution 6**

**Re-election of Director – Christina Foo**

By a vote of 411,803,027 shares (representing 99.9991%) voted FOR and 3,736 shares (representing 0.0009%) voted AGAINST the Resolution, it was **RESOLVED**:-

THAT Christina Foo, who retired pursuant to Clause 130 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

**Ordinary Resolution 7**

**Payment of Non-Executive Directors' Fees**

By a vote of 411,768,881 shares (representing 99.9899%) voted FOR and 41,483 shares (representing 0.0101%) voted AGAINST the Resolution, it was **RESOLVED**:-

THAT the payment of Non-Executive Directors' fees by the Company and by the Group for the financial year ended 31 May 2022 amounting to RM611,425 and RM901,425 respectively be and is hereby approved.

**Ordinary Resolution 8**  
**Payment of Directors' Benefits**

By a vote of 411,639,106 shares (representing 99.9584%) voted FOR and 171,258 shares (representing 0.0416%) voted AGAINST the Resolution, it was **RESOLVED:-**

THAT the payment of Directors' benefits (excluding Non-Executive Directors' fees) for the Non-Executive Directors of up to RM120,000 from the date of the AGM until the next annual general meeting of the Company be and is hereby approved.

**Ordinary Resolution 9**  
**Re-appointment of Auditors**

By a vote of 411,806,543 shares (representing 99.9991%) voted FOR and 3,838 shares (representing 0.0009%) voted AGAINST the Resolution, it was **RESOLVED:-**

THAT BDO PLT be hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company AND THAT the Directors be authorised to fix their remuneration.

**Ordinary Resolution 10**  
**Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions ("RRPTS") of a Revenue or Trading Nature**

By a vote of 260,574,405 shares (representing 99.9951%) voted FOR and 12,766 shares (representing 0.0049%) voted AGAINST the Resolution, it was **RESOLVED:-**

THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), approval be and is hereby given to the Company and/or its subsidiaries to enter into the RRPTs of a revenue or trading nature with the related parties as specified in Section 2.2 of the Circular to Shareholders dated 28 September 2022, provided that such transactions are necessary for the Group's day-to-day operations and carried out in the ordinary course of business at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interest of the minority shareholders of the Company.

THAT the authority conferred by this mandate shall continue to be in force until:

- (i) the conclusion of the next annual general meeting of the Company, at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed;
- (ii) the expiration of the period within which the next annual general meeting is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (i) revoked or varied by a resolution passed by the Company's shareholders in a general meeting,

whichever is the earlier,

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Directors may consider expedient or necessary or in the best interest of the Company to give effect to this resolution.

### **Ordinary Resolution 11**

#### **Proposed Renewal of Authority for Share Buy-Back Mandate**

By a vote of 339,108,742 shares (representing 82.3474%) voted FOR and 72,693,659 shares (representing 17.6526%) voted AGAINST the Resolution, it was **RESOLVED**:-

THAT subject always to the Companies Act 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, approval be and is hereby given for the Company to purchase such amount of ordinary 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 best interest of the Company ("Share Buy-Back Mandate") provided that:

- (i) the aggregate number of ordinary shares in the Company purchased and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten percent (10%) of the total number of issued shares of the Company at any point in time;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total 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; and
- (iii) the Directors of the Company may decide either to retain the ordinary shares so purchased as treasury shares or cancel the ordinary shares so purchased or retain part of the ordinary shares so purchased and cancel the remainder or resell the treasury shares on Bursa Securities or distribute the treasury shares as dividends or transfer the treasury shares under an employees' share scheme or as purchase consideration or otherwise use the treasury shares for such other purpose in the manner as prescribed by the applicable laws, guidelines, rules and regulations.

THAT the authority conferred by this resolution will be effective upon the passing of this resolution and will continue to be in force until:

- (i) the conclusion of the next annual general meeting of the Company, at which time it shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next annual general meeting of the Company after that date is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the Company's shareholders in 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 all other applicable laws, guidelines, rules and regulations issued by any relevant authorities.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps to implement, finalise and give full effect to the Share Buy-Back Mandate with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities or as the Directors deem fit and expedient at their discretion in the best interest of the Company.

**Ordinary Resolution 12**  
**Proposed Authority to Issue and Allot Shares**

By a vote of 405,677,401 shares (representing 98.5108%) voted FOR and 6,132,671 shares (representing 1.4892%) voted AGAINST the Resolution, it was **RESOLVED**:-

THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“Act”) and subject to the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental/ regulatory authorities, where such approval is required, the Directors be and are hereby empowered to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions, to such persons and for such purposes as the Directors may in their absolute discretion deem fit PROVIDED THAT the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company, AND THAT the Directors be authorised to do all such things as they deem fit and expedient in the best interest of the Company to give effect to the issuance of new shares under this resolution including making such applications to Bursa Securities for the listing of and quotation for the additional shares so issued on Bursa Securities pursuant to this resolution.

**9. CLOSURE OF MEETING**

There being no further business, the meeting concluded at 3.25 p.m. with a vote of thanks to the Chair.

CONFIRMED AS A CORRECT RECORD

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CHAIRMAN

Dated: 15 November 2022