

**ANCOM BERHAD**  
**Registration No. 196901000122 (8440-M)**  
**(Incorporated in Malaysia)**

**MINUTES OF THE EXTRAORDINARY GENERAL MEETING (“EGM”) OF ANCOM BERHAD (“ANCOM” 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 TUESDAY, 26 OCTOBER 2021 AT 3.30 P.M.**

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Present at : Datuk Dr Abd Hapiz Bin Abdullah – Director (Chairman of the meeting)  
Broadcast Venue : Dato’ Siew Ka Wei – Executive Chairman  
: Lee Cheun Wei – Group Chief Executive Officer (“Group CEO”)  
: Lim Chang Meng – Chief Financial Officer (“CFO”)  
: Choo Se Eng – Company Secretary

Present via video conferencing : Tan Sri Dato’ Dr Lin See Yan – Director  
: Tan Sri Dato’ Seri Abdull Hamid Bin Embong – Director  
: Edmond Cheah Swee Leng – Director  
: Lim Hock Chye – Director  
: Chan Thye Seng – Director  
: Young Yeng Hou – Representative from Maybank Investment Bank Berhad, the Principal Advisers of the corporate proposal  
: Yap Chin Fatt – Representative from KAF Investment Bank Berhad, the Independent Advisers of the corporate proposal  
: Pang Zhi Hao - Representative from BDO PLT, the Reporting Accountants of the corporate proposal

The attendance of shareholders/corporate representatives/proxies who attended the EGM remotely via the remote participation and voting (“RPV”) facilities was as per the Summary of Attendance List.

**1. PRELIMINARY**

The presiding Chairman, Datuk Dr Abd Hapiz Bin Abdullah, welcomed all shareholders, proxies and invitees who participated in the meeting.

He then introduced the Board members, Group CEO, CFO, Company Secretary and the representatives of the Principal Advisers, the Independent Advisers and the Reporting Accountants of the corporate proposals.

**2. NOTICE**

The notice of the EGM dated 4 October 2021 (“the Notice”), having been circulated to all the shareholders within the prescribed period, was taken as read.

**3. QUORUM**

The Chairman informed that for a virtual general meeting, the quorum would be determined by the number of shareholders and proxies who logged 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 must be voted by poll. The Company was 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. ("Tricor") as Poll Administrator to facilitate the poll voting process. The Company has also appointed Asia Securities Sdn. Berhad as Independent Scrutineer to verify the poll results.

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

#### **5. PROPOSED ACQUISITION OF THE ENTIRE BUSINESS AND UNDERTAKING OF NYLEX (MALAYSIA) BERHAD AND PROPOSED CHANGE OF NAME OF THE COMPANY**

The Chairman informed that the purpose of the EGM was to seek the shareholders' approval on the following resolutions:-

- (i) Ordinary Resolution – Proposed acquisition of the entire business and undertaking, including all the assets and liabilities of Nylex (Malaysia) Berhad ("Nylex") for a purchase consideration of RM179,287,212 ("Proposed Acquisition"); and
- (ii) Special Resolution – Proposed change of name of the Company from "Ancom Berhad" to "Ancom Nylex Berhad" ("Proposed Change of Name").

The full details of the above proposals were set out in the Circular to Shareholders dated 4 October 2021.

The Chairman briefed that the Proposed Acquisition would enable the Company to obtain full control of all Nylex's assets and businesses in the industrial chemicals, polymer and chemical logistics divisions, thereby allowing the Company to consolidate the entire financial performance associated with Nylex's business, which had contributed substantially to the Group historically. This is also in line with the Company's intention to establish a fully integrated chemical group.

The Chairman further briefed that the Proposed Change of Name was to better reflect the Company's corporate identity following the completion of the Proposed Acquisition as well as to enable the Company to leverage the brand name of "Nylex" for future profiling and branding as a fully integrated chemical group. This proposal was conditional upon the Proposed Acquisition.

At the invitation of the Chairman, Mr Yap Chin Fatt (the representative from KAF, the Independent Adviser for the Proposed Acquisition) gave a brief presentation on their independent advice in relation to the Proposed Acquisition, details of which were set out in the slide presentation.

#### **6. QUESTION-AND-ANSWER ("Q&A") SESSION**

The meeting continued with the Q&A session. All questions raised by the shareholders and proxies were addressed by the Group CEO and the CFO as follows:-

- (1) **What will be the benefit for Ancom shareholders after the proposed merger?**  
*[Question posed by Lee Suan Bee]*

Ancom's response:

The Proposed Acquisition will enable the Company to obtain full control of all Nylex's assets and businesses in the industrial chemicals, polymer and chemical logistics divisions (collectively known as "Nylex Business"), thereby allowing the Company to consolidate the entire financial performance associated with the Nylex Business, which has contributed substantially to the Group historically.

The consolidation will allow Ancom to streamline the operating function of the enlarged Group through economies of scale, which will eventually lead to greater efficiencies and corporate cost savings and form a stronger combined balance sheet, going forward. All these synergistic benefits may promote greater revenue growth and profitability to Ancom's enlarged Group and will eventually benefit Ancom's shareholders in the long run.

- (2) **Will Ancom gear up after the corporate exercise?**  
*[Question posed by Teh Kian Lang]*

Ancom's response:

The purchase consideration for the Proposed Acquisition of the Nylex Business will be satisfied via the cash consideration of RM50,000,000 and the issuance of 31,129,508 new Ancom shares at RM1.50 per share. As the entire cash consideration of RM50,000,000 will be funded through bank borrowing, the Group's gearing ratio is expected to increase by 6% to 0.89 times from the current gearing level of 0.83 times after the completion of the Proposed Acquisition.

- (3) **Will there be right sizing on completion of the corporate exercise? There could be duplication of functions. Are there any strategies to unlock more value post the corporate exercise?**  
*[Question posed by Teh Kian Lang]*

Ancom's response:

As part of the Group's strategy, the Group will continue to expand its capabilities in the Agricultural Chemicals Division and Industrial Chemicals Divisions so as to capitalise on opportunities amid the increasing demand on industrial chemical-related products. The Group has not considered any plan for downsizing resources.

In line with the recovery of the global economy, the Group continues to strive for opportunities to accelerate future business growth and expansions. Likewise, the Nylex Business is recovering, amid the restored demand for industrial chemical-related products and the expected higher commodity prices. On the Logistics Division, the Group is looking at building a new space with additional 10,000-cubic metre storage tank at Westport terminal to provide intra-group logistics support and offer bulk cargo services to customers. As for the Agricultural Chemicals Division, the Group intends to add more active ingredients to cater to the increasing market demand. These initiatives are expected to increase the Group's profitability, which in turn will create sustainable value to shareholders in the long run.

**7. POLL VOTING SESSION**

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

Upon the closing of the voting session, the meeting was adjourned at 4.00 p.m. to facilitate the counting of votes by the Poll Administrator and verification of the poll results by the Independent Scrutineer.

**8. ANNOUNCEMENT OF POLL RESULTS**

The meeting resumed at 4.20 p.m. after obtaining the poll results from the Independent Scrutineer. The poll result was presented to the meeting. The Chairman declared that all resolutions set out in the Notice were duly passed by the shareholders and proxies of the Company, as follows:-

**ORDINARY RESOLUTION**

**PROPOSED ACQUISITION OF THE ENTIRE BUSINESS AND UNDERTAKING INCLUDING ALL THE ASSETS AND LIABILITIES OF NYLEX (MALAYSIA) BERHAD FOR A CONSIDERATION OF RM179,287,212**

By a vote of 85,969,740 shares (representing 99.9968%) voted for and 2,789 shares (representing 0.0032%) voted against the Resolution, it was RESOLVED:-

THAT subject to the approval of all the relevant authorities or parties being obtained and the conditions precedent in the sale of business agreement dated 29 July 2021 ("SBA") entered into by the Company and its wholly-owned subsidiary, Nylex Holdings Sdn. Bhd. ("Nylex Holdings"), with Nylex (Malaysia) Berhad ("Nylex") being fulfilled and waived (as the case may be), approval be and is hereby given for the Company to acquire all the business and undertaking of Nylex, whether or not relating to the business of Nylex, including all the assets and liabilities of Nylex as at the completion date of the SBA ("Nylex Business"), for a purchase consideration of RM179,287,212 ("Purchase Consideration") ("Proposed Acquisition").

THAT approval be and is hereby given to the Company to nominate Nylex Holdings as the recipient of the Nylex Business.

THAT RM15,000,000 out of the Purchase Consideration shall be paid to and retained by Nylex in cash and RM164,287,212 out of the Purchase Consideration ("Distribution Amount") shall be distributed to the entitled shareholders of Nylex pursuant to the Proposed Distribution (as defined below).

THAT as the Company is the holding company of Nylex and Nylex is not permitted to hold shares in its holding company pursuant to Section 22 of the Companies Act 2016, which prohibits a corporation from being a member of its holding company, upon completion of the Proposed Acquisition, Nylex shall, subject to obtaining all requisite approvals, implement a distribution exercise comprising of:

- (a) a capital reduction exercise in accordance with Section 116 of the Companies Act 2016 involving a reduction of part of the share capital of Nylex, which shall require confirmation by the High Court of Malaya; and
- (b) a capital repayment exercise involving distribution of the Distribution Amount to be received by Nylex upon completion of the Proposed Acquisition to all the shareholders of Nylex whose names appear on the Record of Depositors of Nylex

on an entitlement date to be determined by the Board of Directors of Nylex (“Nylex Board”) and announced later (“Entitlement Date”).

(the “Proposed Distribution”).

THAT in view that Ancom and its wholly-owned subsidiary, Rhodemark Development Sdn. Bhd. (“Rhodemark”) (collectively, the “Interested Shareholders”), collectively hold 90,133,977 ordinary shares in Nylex, representing approximately 50.27% of the total number of ordinary shares in Nylex (“Nylex Shares”) (excluding treasury shares) in issue, the Purchase Consideration will be satisfied by Ancom in the following manner:

- (a) RM15,000,000 in cash, which is to be retained by Nylex (“Retained Cash”); and
- (b) The Distribution Amount shall be payable to Nylex and thereafter distributed by Nylex to its entitled shareholders pursuant to the Proposed Distribution, out of which subject to the Interested Shareholders holding, in aggregate, 90,133,977 Nylex Shares representing approximately 50.27% of the total number of Nylex Shares (excluding treasury shares) in issue on the Entitlement Date:
  - (A) RM81,694,262 which is proposed to be distributed to all the entitled shareholders of Nylex (except for the Interested Shareholders) whose name appear on the Record of Depositors of Nylex on the Entitlement Date (“Nylex MI”) (“MI Distribution Amount”) shall be payable by Ancom in the following manner:
    - (1) RM35,000,000 shall be paid by Ancom to Nylex in cash into Nylex’s designated account on the completion date of the SBA and thereafter to be distributed by Nylex to the Nylex MI on the payment date to be announced by Nylex Board; and
    - (2) RM46,694,262 shall be distributed via the issuance of 31,129,508 new ordinary shares in Ancom (“Ancom Shares”) (“Consideration Shares”) at an issue price of RM1.50 per Ancom Share (“Issue Price”), which shall, on the payment date to be announced by the Nylex Board, be issued directly by Ancom to the Nylex MI pursuant to the Proposed Distribution; and
  - (B) RM82,592,950 shall be distributed to the Interested Shareholders and, to the extent that any such portion is distributable to Rhodemark, Rhodemark shall (and Ancom shall procure Rhodemark to) instruct Nylex to pay Rhodemark’s entitlement under the Proposed Distribution to Ancom, following which Ancom shall apply the entire amount receivable by Ancom from Nylex in respect of the Proposed Distribution equivalent to approximately 50.27% of the Distribution Amount by way of set-off against an equivalent amount payable by Ancom to Nylex as part of the Purchase Consideration (“Set-off Arrangement”).

THAT pursuant to the above, the net amount payable by the Company for the Proposed Acquisition following the Set-off Arrangement will be RM96,694,262, comprising the Retained Cash and the MI Distribution Amount.

THAT pursuant to the terms of the SBA, approval be and is hereby given for the Company to allot and issue the Consideration Shares to the Nylex MI.

THAT the Consideration Shares shall, upon allotment and issuance, rank equally in all respects with each other and with the then existing Ancom Shares, save and except that the Consideration Shares shall not be entitled to any dividend, right, allotment and/or other distribution that may be declared, made or paid to the shareholders of the Company for which the entitlement date is prior to the date of allotment and issuance of the Consideration Shares.

AND THAT the Board of Directors of Ancom ("Board") be and is hereby authorised and empowered to give full effect to the Proposed Acquisition and the SBA with full power to deal with all matters incidental, ancillary to and/or relating thereto, to take all such steps and to execute and deliver and/or cause to be executed and delivered the SBA and all such other agreements, deeds, arrangements, undertakings, indemnities, transfers, extensions, assignments, confirmations, declarations and/or guarantees to or with any party or parties, and to do all such acts, things and matters as it may deem fit, necessary and/or expedient in the best interests of Ancom and/ or appropriate in order to implement, finalise and give full effect to the Proposed Acquisition under the terms and conditions of the SBA, with full powers to negotiate, approve, agree and assent to any conditions, revaluations, modifications, variations and/or amendments as may be required by any relevant authorities and/or as the Board deems fit, appropriate and in the best interest of Ancom.

### **SPECIAL RESOLUTION**

#### **PROPOSED CHANGE OF NAME OF THE COMPANY**

By a vote of 135,102,956 shares (representing 99.9988%) voted for and 1,569 shares (representing 0.0012%) voted against the Resolution, it was RESOLVED:-

THAT subject to the passing of the Ordinary Resolution above and the approval of all the relevant authorities or parties being obtained (if required), the name of the Company be and is hereby changed from "Ancom Berhad" to "Ancom Nylex Berhad" ("Proposed Change of Name") with effect from the date of issuance of the Notice of Registration of New Name by the Companies Commission of Malaysia to the Company and that the name of the Company wherever appearing in the Constitution be and is hereby amended accordingly.

AND THAT the Board and/or the Company Secretaries be and are hereby authorised to do or procure to be done all acts, deeds, things and to execute, enter into, sign and deliver on behalf of the Company all documents as the Board may consider necessary, expedient and/or appropriate and to carry out all necessary formalities to give full effect to the Proposed Change of Name.

#### **9. CLOSURE OF MEETING**

There being no further business, the meeting concluded at 4.20 p.m. with a vote of thanks to the Chair.

CONFIRMED AS A CORRECT RECORD

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CHAIRMAN  
Dated: 24 November 2021