



## ANCOM BERHAD

(Company No.: 8440-M)  
(Incorporated in Malaysia)

### **Summary of Key Matters Discussed During the 47<sup>th</sup> Annual General Meeting of the Company Held at Selangor 1 Ballroom, Dorsett Grand Subang, Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 20 October 2016 at 9.30 a.m. (“47<sup>th</sup> AGM”)**

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Dato’ Johari Razak presided as Chairman of the meeting. The meeting was called to order at 9.30 a.m. after confirmation by the Secretary of the requisite quorum being present.

The Chairman informed the shareholders that the polling process for all the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the 47<sup>th</sup> AGM. The shareholders also received the Audited Financial Statements of the Company and of the Group, along with the Reports of Directors and Auditors for the financial year ended 31 May 2016.

Questions were raised during the 47<sup>th</sup> AGM, which were duly responded by the Company. The salient questions are as follows:

#### **AGENDA ITEM 1: AUDITED FINANCIAL STATEMENTS AND REPORTS**

- (1) Mr Ng Soo Har @ Ng Seet Kow (“Mr Ng”) commented that the 5-year highlights were historical information. He asked the Directors for the strategic plan of the Company for the next 3 to 5 years under the current economy, political and social environment. He also noted enormous difference between profits for the Company and the Group and would like to confirm whether the said profits were overstated or understated as the case may be by the adoption of the Financial Reporting Standards (“FRS”).

Dato’ (Dr) Siew Ka Wei (“Dato’ Siew”) replied that Management had been putting together and looking at restructuring plans to streamline the Group’s businesses. Business for the past 2 years had been challenging under the difficult global market conditions and the turbulences faced in the marketplace in terms of currency and oil prices.

He also informed that the Statements of Comprehensive Income was prepared in accordance with the rules of the accounting standards and there was no misrepresentation on the figures.

- (2) Commenting on the not up to satisfactory performance of the Company for the past few years, Mr Ho Yueh Weng (“Mr Ho”) asked about the roadmap and future plans of the Company and whether Management had identified areas where the problems were.

Dato’ Siew replied that performance of the Group had varied over the years as some companies within the Group were doing well and some were not.

The core business of Ancom Berhad Group was advertising and chemicals. The market for advertising is picking up from the collapsed market environment. He added that the chemical sector was performing good but still was affected due to the decrease in the oil prices.

Dato’ Siew then briefed the shareholders the outline of the plans proposed within Ancom Berhad Group’s several core businesses such as agricultural and industrial chemicals, media and advertising and logistics. The agricultural chemicals, i.e. crop care business, was performing well and was making profits. The division would be incurring capital expenditure for expansion purpose. As for the media business, the Group had recently secured a consortium right for advertising in the MRT train stations and Management would continue to grow the business.

He then informed that Management expected the industrial chemical business to grow despite a challenging environment due to fluctuation in oil prices. However, the Group was still making a smaller profit from the said business and intended to expand its business regionally. A sum for capital expenditure would be incurred.

He continued to brief that the logistics business was facing a tough competitive market and Management had been consistently trying to strengthen its offering to the marketplace.

- (4) Mr Ho commented that the operating costs had increased drastically, and asked how Management intended to control the costs. He also noted that the revenue of the Group was mainly contributed by the agricultural and industrial chemical business. He advised Management to focus on areas which generated more profits and to provide solutions to those businesses with lesser revenue contribution.

Dato' Siew replied that the agriculture chemical business was expanding with the recent purchase of new companies which Management expected good profit contribution. As for the media business, the Company had secured several new concessions and would need a gestation period. He then briefed that under the industrial chemical business, Management was in the midst of strengthening its supply chain. The market for industrial chemical business was turbulent and affected by oil prices as well as economic situation. He commented that despite a difficult market situation, the industrial chemical business would still be able to make profits.

Dato' Siew reiterated that the Company was in the midst of restructuring in order to strengthen its businesses to move forward. Announcement will be released to the public should there is any restructuring exercise finalised and confirmed.

**AGENDA ITEM 2:  
PAYMENT OF DIRECTORS' FEES**

- (1) Mr Ng Aik Pheng commented that Directors should consider reducing its Directors' fees by 10% due to the performance of the Company. He then provided some examples on how the reduction of fees could be done.

Dato' Siew informed the Meeting that the Directors' fees paid to the Non-Executive Directors was only a small sum compared with the total Directors' Remuneration. The Non-Executive Directors were paid for their duties and responsibilities as a Director of a public listed company.

- (2) Mr Ho commented that shareholders had no objection to the fees paid to the Non-Executive Directors if they deserved the fees. He then referred the Meeting to the disparity of fees paid to the Executive and Non-Executive Directors. He requested and reminded the Directors to match the fees paid against performance.

Dato' Siew replied that he was the only director who received Directors' Remuneration paid under the Company and subsidiaries of Ancom Berhad, Nylex (Malaysia) Berhad and Ancom Logistics Berhad as he has been managing the businesses of the Group.

**AGENDA ITEM 4:  
RE-APPOINTMENT OF TAN SRI DATO' DR LIN SEE YAN**

- (1) Mr Ng Aik Pheng noted the age of Tan Sri Dato' Dr Lin See Yan ("Tan Sri Lin") and asked if Tan Sri Lin's performance as a Director matched the fee he received.

Dato' Siew explained that Tan Sri Lin is a Non-Executive Director receiving Directors' fee once a year. He added that the Company had conducted a survey in the market and noted that the Directors' fees paid by the Company were in line with a medium size company.

**AGENDA ITEM 7 & 8:  
PROPOSED SHARE BUY-BACK MANDATE AND SHARE ISSUE MANDATE**

- (1) Mr Ho requested the Directors to provide the shareholders with a brief idea on the Company's restructuring exercise and how the Company intended to use its financial resources to buy back its own shares. He was concerned that while the Company is seeking mandate to buy back its own shares, on the other hand, the Company seeks approval to issue new shares. He also asked whether the authority to purchase its shares and to issue shares were blanket approvals.

The Chairman replied that the resolution for the Renewal of Mandate for share buy-back and resolution for the issuance of shares were normal enabling provisions and the Company did not have any plan to issue shares at the moment.

Dato' Siew clarified that the proposed restructuring plan and the authority for the share buy-back and issue of shares were separate matters. He then explained that the authority for share buy-back and the issuance of shares were for situation when the need arose. Moreover, the approval for share buy-back and issuance of shares were standard practices for all public listed companies in order to save time and costs in convening another general meetings when the need arose.

After all the questions were duly answered and clarified, the Chairman then initiated the poll voting process. All the ordinary resolutions that were tabled at the 47<sup>th</sup> AGM were duly passed by the shareholders through poll voting, the result, which was announced by the Chairman, is as follows:

	Vote For		Vote Against		Total Votes	
	No. of Units	%	No. of Units	%	No. of Units	%
Resolution 1 : Payment of Directors' fees	19,886,914	99.860	27,796	0.140	19,914,710	100.000
Resolution 2 : Re-election of Dato' (Dr) Siew Ka Wei as Director	3,711,357	99.327	25,150	0.673	3,736,507	100.000
Resolution 3 : Re-election of Chan Thye Seng as Director	19,889,960	99.874	25,150	0.126	19,915,110	100.000
Resolution 4 : Re-election of Tan Sri Dato' Seri Abdull Hamid bin Embong as Director	19,890,050	99.874	25,150	0.126	19,915,200	100.000
Resolution 5 : Re-appointment of Tan Sri Dato' Dr Lin See Yan as Director	19,905,494	99.979	4,160	0.021	19,909,654	100.000
Resolution 6 : Re-appointment of Messrs BDO as Auditors	19,911,050	99.979	4,150	0.021	19,915,200	100.000

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	Vote For		Vote Against		Total Votes	
	No. of Units	%	No. of Units	%	No. of Units	%
Resolution 7 : Renewal of Recurrent Related Party Transaction Mandate	424,357	98.801	5,150	1.199	429,507	100.000
Resolution 8 : Renewal of Share Buy-back Mandate	19,898,160	99.924	15,150	0.076	19,913,310	100.000
Resolution 9 : Issuance of New Ordinary Shares	19,880,060	99.824	35,150	0.176	19,915,210	100.000

There being no further business, the 47<sup>th</sup> AGM was concluded at 11.00 a.m. with a vote of thanks to the Chair.