

ANCOM LOGISTICS BERHAD (6614-W)
(Incorporated in Malaysia)

Summary of Key Matters Discussed at the 53rd 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, 17 October 2019 at 11.30 a.m.

Before the AGM proceeded to Agenda 1, the Chairman informed the meeting that the Company has received a letter from the Minority Shareholders Watch Group ("MSWG") with questions. The MSWG has requested that the Company presented the questions raised by MSWG and the answers by the Company at the meeting.

Please refer to the Company's website at www.ancomlogistics.com.my under the Corporate Governance section for a copy of the letter from MSWG and the Company's reply thereon.

**AGENDA 1:
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2019
TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

Question 1 : **Mr Tan Jit Liang – Shareholder**

- (a) If the tank farms are fully leased out, why is the Company suffering losses?
- (b) What is the percentage of tank farms leased out to third parties and to the Nylex Group?
- (c) What is the rate charged to the Nylex Group for the lease of the tank farm?

Answer : **Mr Lim Chang Meng – Chief Financial Officer**

- (a) As mentioned in the Company's reply to questions from the MSWG, both the tank farm and trucking business are profitable.

Dato' Siew Ka Wei – Executive Vice-Chairman

- (b) 55% of tank farms are rented to third parties and 45% to the Nylex Group.
- (c) The rental rates are at a 10% discount for bulk long-term customers in line with industry practice.

Question 2 : **Mr Tan Jit Liang – Shareholder**

Why is the Group looking into expending their tank farm capacity if it has to lease them out to Nylex Group at discounted rates just to fill up the capacity?

Why can't the tank space be rented out to third parties at full rates?

Answer : **Dato' Siew Ka Wei – Executive Vice-Chairman**

There are many tank farms with ample space in West Port area meaning if Nylex Group does not take up the space at the Company's facility, there may be chances that the third parties may not want to rent our tank if we do not offer attractive enough rates.

The Company is looking into expanding the number of tanks that can store petrochemicals due to the shortage of such tanks in the market

Comments from Mr Quah Ban Aik of MSWG

Mr Quah commented the Board for conducting the proceedings of the AGM in a very open manner where shareholders are not restricted in any way to ask questions. He also commended the Board and management for the patience in providing answers to the questions from the shareholders.

Prepared by:
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Joint company Secretary