

ADVANCECON HOLDINGS BERHAD

[Registration No. 199701011469 (426965-M)]
(Incorporated in Malaysia)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING (“EGM”) OF ADVANCECON HOLDINGS BERHAD (“ADVANCECON” OR “THE COMPANY”) CONDUCTED ON A FULLY VIRTUAL BASIS THROUGH LIVE STREAMING AND REMOTE PARTICIPATION AND VOTING (“RPV”) FACILITIES PROVIDED BY TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD IN MALAYSIA VIA TIIH ONLINE WEBSITE AT [HTTPS://TIIH.ONLINE](https://tiih.online) ON WEDNESDAY, 18 DECEMBER 2024 AT 10:00 A.M.

PRESENT : **Board of Directors**
Mr. Yeoh Chong Keat – Independent Non-Executive Chairman (“the Chairman” or “Mr. Yeoh”)
Dato’ Phum Ang Kia – Executive Director, Group Chief Executive Officer
Mr. Tan Chee Keong – Executive Director, Group Chief Financial Officer
Mr. Tung Kai Hung – Executive Director
Encik Mohd Zaky Bin Othman – Independent Non-Executive Director
Ms. Jananee Priya A/P Gopal – Independent Non-Executive Director

IN ATTENDANCE : Ms. Low Ven Sin (Company Secretary)

INVITEES : As per Attendance List

The shareholders and proxyholders (collectively referred to as “Members”) who attended and participated at the EGM remotely were set out in the Attendance Listing attached and shall form an integral part of these Minutes.

1. CHAIRMAN

The Chairman extended a warm welcome to all Members and attendees present at the Company’s EGM and called the Meeting to order at 10.00 a.m.

The Chairman informed that the EGM was being held via virtual meeting through remote participation and voting facilities (“RPV”) which is in compliance with Section 327 of the Companies Act 2016.

The Chairman then proceeded to introduce the Directors and Company Secretary to the Members.

2. QUORUM

Upon confirming the presence of a requisite quorum which was a minimum of at least two members who have logged in at the commencement of the meeting, the Chairman called the Meeting to order.

3. NOTICE

With the consent of the Meeting, the Notice convening the Meeting having been circulated within the prescribed period was taken as read.

4. POLLING AND ADMINISTRATIVE MATTERS

The Chairman explained the procedures of the meeting and informed the Meeting that all resolutions as set out in the Notice of EGM would be put to vote by way of poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

He also informed that the Company had appointed Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") as the Poll Administrator to conduct the online voting process and Quantegic Services Sdn. Bhd. as the Scrutineers to validate the votes cast and verify the poll results.

Mr. Yeoh then informed the Meeting that the online voting would be conducted via the RPV provided by Tricor after all the agenda items as set out in the Notice of EGM had been dealt with, followed by a question and answer ("Q&A") session. Members would be given the opportunity to ask questions on each agenda item during the Q&A session. The answers to any questions not addressed during the Q&A session would be e-mailed at the earliest possible, after the Meeting.

The Meeting was informed that the online voting session had commenced at the start of the meeting and would close when announced later.

The Chairman then invited Tricor to brief the meeting on the electronic and remote voting process via a video presentation.

After the video presentation, the Chairman proceeded with the business on the agenda.

5. ORDINARY RESOLUTION 1

PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESSES OF ADVANCECON AND ITS SUBSIDIARIES ("ADVANCECON GROUP") TO INCLUDE THE PROPERTY DEVELOPMENT, PROPERTY INVESTMENT, PROPERTY MANAGEMENT AND RELATED BUSINESSES (COLLECTIVELY, "PROPERTY BUSINESSES") ("PROPOSED DIVERSIFICATION")

The Chairman informed that the first item of the agenda was to seek shareholders' approval for the Proposed Diversification of the existing businesses of Advancecon and its subsidiaries to include the property development, property investment, property management and related businesses. The details of the relevant information of the Proposed Diversification was set out in the Circular to Shareholders dated 3 December 2024.

The Chairman invited Members to submit their questions on this agenda item via the query box.

6. ORDINARY RESOLUTION 2

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 15% OF THE TOTAL NUMBER OF ORDINARY SHARES OF ADVANCECON IN ISSUE ("ADVANCECON SHARES" OR "SHARES") (EXCLUDING TREASURY SHARES, IF ANY) AT ANY ONE TIME DURING THE DURATION OF THE ESOS FOR THE ELIGIBLE DIRECTORS AND EMPLOYEES OF ADVANCECON GROUP (EXCLUDING DORMANT SUBSIDIARIES AND FOREIGN SUBSIDIARIES INCORPORATED OUT OF MALAYSIA, IF ANY) ("PROPOSED ESOS")

The next agenda was to seek shareholders' approval for the Proposed ESOS. The details of the relevant information of the Proposed ESOS was set out in the Circular to Shareholders dated 3 December 2024.

The Chairman invited Members to submit their questions on this agenda item via the query box.

7. ORDINARY RESOLUTION 3
PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' PHUM ANG KIA, AN EXECUTIVE DIRECTOR OF THE COMPANY AND GROUP CHIEF EXECUTIVE OFFICER

The Chairman informed that subject to the approval for the Ordinary Resolution 2, Ordinary Resolution 3 was to seek shareholders' approval for the Proposed Allocation of ESOS options to Dato' Phum Ang Kia, an Executive Director of the Company and Group Chief Executive Officer.

The Chairman invited Members to submit their questions on this agenda item via the query box.

8. ORDINARY RESOLUTION 4
PROPOSED ALLOCATION OF ESOS OPTIONS TO TAN CHEE KEONG, AN EXECUTIVE DIRECTOR OF THE COMPANY AND GROUP CHIEF FINANCIAL OFFICER

The Chairman informed that subject to the approval for the Ordinary Resolution 2, Ordinary Resolution 4 was to seek shareholders' approval for the Proposed Allocation of ESOS options to Tan Chee Keong, an Executive Director of the Company and Group Chief Financial Officer.

The Chairman invited Members to submit their questions on this agenda item via the query box.

9. ORDINARY RESOLUTION 5
PROPOSED ALLOCATION OF ESOS OPTIONS TO TUNG KAI HUNG, AN EXECUTIVE DIRECTOR OF THE COMPANY

The Chairman informed that subject to the approval for the Ordinary Resolution 2, Ordinary Resolution 5 was to seek shareholders' approval for the Proposed Allocation of ESOS options to Tung Kai Hung, an Executive Director of the Company.

The Chairman invited Members to submit their questions on this agenda item via the query box.

10. ORDINARY RESOLUTION 6
PROPOSED ALLOCATION OF ESOS OPTIONS TO PHUM BOON JYE, A FINANCE EXECUTIVE OF THE COMPANY AND DAUGHTER OF DATO' PHUM ANG KIA

The Chairman informed that subject to the approval for the Ordinary Resolution 2, Ordinary Resolution 6 was to seek shareholders' approval for the Proposed Allocation of ESOS options to Phum Boon Jye, a Finance Executive of the Company and daughter of Dato' Phum Ang Kia.

The Chairman invited Members to submit their questions on this agenda item via the query box.

11. **Q & A SESSION**

Following the presentation of all resolutions in the agenda, and before moving to vote by poll, the meeting moved on to the Q&A session. The questions received in the query box were grouped where applicable to avoid overlap.

For the benefit of the Members participating remotely, the Chairman then invited Mr Tan Chee Keong ("Mr Tan"), the Executive Director, Group Chief Financial Officer of the Company to read out the questions submitted by shareholders via Tricor's online TIH platform at the EGM and the responses to the questions as set out below:

Questions	Answers
Despite the recovery in the construction and property industries, why is Advancecon's piling business still facing headwinds? Why has Advancecon not been able benefit from these recovery trends?	While there has been some recovery in the construction and property industries, Advancecon's business continues to face challenges due to factors such as intense competition, rising operational costs, and project delays in certain segments.
Could you explain the rationale behind the management's decision to diversify into property development, investment, and management, rather than focusing resources on the piling business?	<p>The Management's decision to diversify into property development, investment, and it aligns with the Company's long-term strategy to enhance resilience, achieve sustainable growth, and balance risks and rewards across its business segments. Over the past two years, it has become evident that relying heavily on a specific business segment exposes the Company to cyclical revenue and income fluctuations. Diversifying into additional segments helps to stabilize the Group's revenue and income streams while also providing recurring income to mitigate the cyclical risks inherent in certain business areas.</p> <p>Further, Mr. Tan clarified that the Company is not involved in the piling business. Its construction division focuses on earthworks and infrastructure projects, such as roads and highways construction.</p>
<p>(a) What is the expected return on investment (ROI) for the proposed CLQ Development and the proposed Joint Development?</p> <p>(b) News reports indicate that Advancecon Holdings Bhd paid ex-gratia to 97 farmers in the Perak projects. Could you clarify the total amount paid? Why did Advancecon bear this cost? Were these expenses accounted for in the project budget, and will they affect the return on investment (ROI) of the projects?</p>	<p>(a) For the CLQ business, the Company is targeting a profit margin of at least 15%. Regarding the Proposed Joint Development with Perak Corp, as highlighted in the Circular, the expected Gross Development Value (GDV) is approximately RM1 billion, with an estimated profit of about RM300 million or an estimated profit margin of approximately 30%.</p> <p>(b) The ex-gratia payment, amounting to nearly RM1 million, was included in the Company's project cost. Since it was budgeted for, it does not affect or reduce the ROI of the project.</p>

12. VOTING SESSION

Upon closing the Q&A session, the Chairman informed the Members to proceed to submit their votes via the RPV Facility as the polling process would conclude after 5 minutes, followed by a 10-minute recess for the verification process and thereafter the declaration of the poll results. It was noted that the Chairman had been appointed to be the proxy for a number of shareholders, and he would vote according to their instructions given.

The meeting was then adjourned at 10.25 a.m. for approximately 10 minutes for the votes to be counted and to enable the Scrutineers to verify and tabulate the poll results.

13. ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed at 10.35 a.m. for the declaration of poll results. The Chairman informed that the Scrutineers had verified the poll results and that the said results projected on the screen were as follows:

Resolution	Voted For		Voted Against		Result
	No. of Units	%	No. of Units	%	
Ordinary Resolution 1	315,535,908	81.1893	73,106,305	18.8107	Carried
Ordinary Resolution 2	315,461,103	81.1701	73,181,110	18.8299	Carried
Ordinary Resolution 3	217,837,853	74.8536	73,180,610	25.1464	Carried
Ordinary Resolution 4	314,834,503	81.1341	73,207,810	18.8659	Carried
Ordinary Resolution 5	305,659,653	80.6773	73,207,310	19.3227	Carried
Ordinary Resolution 6	217,837,353	74.8534	73,181,110	25.1466	Carried

Based on the poll results shown on the screen, the Chairman declared that all Ordinary Resolutions tabled at the EGM were carried.

14. CLOSURE OF MEETING

There being no other matters, the Chairman closed the Meeting at 10.37 a.m. upon thanking the shareholders for their attendance and support.

Confirmed as a correct record by:

Yeoh Chong Keat

Chairman of the Meeting

Dated: