

24 October 2025

Reference: MSWG-CM-03-41/25
By Email

The Board of Directors
ANCOM NYLEX BERHAD
Level 13, Menara 1 Sentrum
201, Jalan Tun Sambanthan
Brickfields
50470 Kuala Lumpur

Attention: **Choo Se Eng**
Teo Mee Hui
Ng Sally
Company Secretaries

Dear Directors,

56TH ANNUAL GENERAL MEETING ("AGM") OF ANCOM NYLEX BERHAD ("ANB", "THE COMPANY" OR "THE GROUP") TO BE HELD ON WEDNESDAY, 29 OCTOBER 2025

In consideration of the interest of minority shareholders and all other stakeholders of the Company, we would like to raise the following questions: -

Operational and Financial Matters

1. In FY2025, ANB reported lower revenue of RM1.87 billion, compared to RM2.00 billion in FY2024. The decrease in revenue was primarily due to lower selling prices and volume in the Industrial Chemicals division. This was partially offset by higher revenue in the Agrichemicals division, which recorded increased sales volume with continued customer demand (page 29 of AR2025).
 - a) What were the causes for lower volume in the Industrial Chemicals division? What is the outlook for prices and demand in FY2026?
 - b) Which product range, i.e., Palm Oil, Sugarcane, drove the increased sales volume for Agrichemicals division FY2025?

2. The inclusion of HELM AG as a strategic investor since September 2024 has strengthened ANB's shareholding structure and created synergistic opportunities for collaboration within the chemical sector. This partnership is expected to facilitate expertise sharing, enhance distribution networks, and improve market access (page 31 of AR2025).
 - a) After a year of collaboration, how has ANB concretely harnessed synergies from the partnership with HELM, particularly in terms of expertise transfer, distribution network expansion, and market access? Please provide specific examples, performance indicators, or measurable outcomes where available.
 - b) Given HELM's extensive presence across 30 countries, how does ANB ensure that this partnership complements rather than cannibalises the existing or potential commercial opportunities in overlapping markets?
3. Recent geopolitical developments in Eastern Europe and the Middle East, together with persistent trade tensions between the United States and China and the implementation of broad-based U.S. tariffs, have heightened uncertainty concerning the availability and pricing of select raw materials (page 34 of AR2025).
 - a) How have the ongoing U.S.–China trade tensions and the imposition of U.S. tariffs affected ANB's raw material procurement strategy, including sourcing, pricing, and supply chain stability?

Additionally, please illustrate the impacts of these tariffs on ANB's sales performance and cost of sales, particularly on the export sales and trade with the U.S.
 - b) What measures have been undertaken to mitigate margin pressure arising from such developments?
4. ANB commenced commercial production of a new Active Ingredient (AI) known as Tebuthiuron in April 2025.
 - a) How were the sales of the new AI in FY2025? What is the projected annual production capacity and expected revenue contribution from Tebuthiuron in FY2026 and beyond?
 - b) Being one of the three producers for Tebuthiuron globally, how does management plan to position the product competitively against the other global producers in terms of pricing, distribution, and target markets?

- c) To further enhance its operational capabilities, ANB is implementing an additional in-house process to manufacture the necessary intermediate for this AI (page 35 of AR 2025).

What is the intermediate required for Tebuthiuron? Are there any significant capital expenditure or R&D costs required to equip with the capability of manufacturing the necessary intermediate for Tebuthiuron? If so, how much is the capex required?

5.

	2025 RM'000	2024 RM'000
Amounts owing by associates	26,837	27,940
Less: Impairment losses	(13,041)	(13,041)
	13,796	14,899

(page 209 of AR2025)

We note that as at the end of FY2024 till FY2025, there were impairment losses totalling RM13.0 million, constituting approximately 50% of the amounts owed by associates.

- a) Since when has the impaired amount been outstanding? What is the likelihood of fully or partially recovering it?
- b) Which associate companies are involved, and what actions have been taken to recover the sums?
- c) Given the significant impairment, what steps are being implemented to strengthen credit monitoring and oversight of related-party balances to prevent recurrence?
6. With the earlier selective capital reduction and repayment exercise to increase ANB's holding of Nylex (Malaysia) Berhad to 100% falling through, what is next on ANB's drawing board for Nylex?

Sustainability Matters

1. ANB has established FY2025 as the baseline year for electricity and water consumption as well as GHG emissions, with performance to be tracked over a three-year period using both absolute and intensity metrics (page 61 of AR2025).
- a) What specific sustainability targets has the Group set to achieve "*measurable reductions in resource intensity by FY2027*"? Please quantify the intended reduction levels for electricity, water, and GHG emissions, where possible.

- b) What key initiatives or operational improvements does ANB plan to carry out to achieve these targets?

We look forward to your reply. Additionally, please present the questions raised and the related answers to the shareholders present at the forthcoming AGM.

Thank you.

Yours sincerely

A stylized, handwritten signature in black ink, consisting of several loops and a long, sweeping tail, representing the Minority Shareholders Watch Group.

MINORITY SHAREHOLDERS WATCH GROUP