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If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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ANCOM NYLEX BERHAD
(FORMERLY KNOWN AS ANCOM BERHAD)
(Registration No. 196901000122 (8440-M))
(Incorporated in Malaysia)

PART A :
CIRCULAR TO SHAREHOLDERS

in relation to

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE
FOR RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs")
OF A REVENUE OR TRADING NATURE
("Proposed Renewal of Shareholders' Mandate for RRPTs")

PART B :
STATEMENT

in relation to

PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK MANDATE
("Proposed Renewal of Share Buy-Back Mandate")

THIS CIRCULAR / STATEMENT IS ISSUED IN CONJUNCTION WITH THE RELEVANT RESOLUTIONS TO BE TABLED AT THE 53RD ANNUAL GENERAL MEETING ("AGM") OF THE COMPANY.

The relevant resolutions will be tabled as Special Businesses at the Company's **53rd AGM**, which will be conducted entirely through live streaming from the broadcast venue at No. 2A, Jalan 13/2, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia ("**Broadcast Venue**") on **Thursday, 27 October 2022 at 2.30 p.m.** using remote participation and voting facilities provided by the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tiih.online>. The Notice of the 53rd AGM together with the Proxy Form are enclosed in the Company's Annual Report 2022 which are available on the Company's website at <http://www.ancomnylex.com.my/agm.php>

If you are unable to participate, speak and vote at the Company's 53rd AGM, you may appoint a proxy(ies) to do so by completing and depositing the Proxy Form in accordance with the instructions therein at the Company's Share Registrar's office at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time appointed for holding the 53rd AGM. You can also lodge the Proxy Form electronically via TIIH Online website at <https://tiih.online> before the proxy appointment cut-off time as mentioned below:

Last date and time for lodging the Proxy Form : Tuesday, 25 October 2022 at 2.30 p.m.

Date and time of the 53rd AGM : Thursday, 27 October 2022 at 2.30 p.m.

This Circular / Statement is dated 28 September 2022

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular / Statement:

Act	:	Companies Act 2016 as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
ANB or Company	:	Ancom Nylex Berhad (formerly known as Ancom Berhad) [Registration No : 196901000122 (8440-M)]
ANB Group or Group	:	ANB and its subsidiaries
ANB Share(s) or Share(s)	:	Ordinary share(s) of ANB
Board	:	Board of Directors of ANB
Bursa Securities	:	Bursa Malaysia Securities Berhad [Registration No : 200301033577 (635998-W)]
Code	:	Malaysian Code on Takeovers and Mergers, 2010, including any amendments thereto that may be made from time to time
Director(s)	:	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Director of ANB or any other company which is its subsidiary or holding company or a chief executive officer of ANB, its subsidiary or holding company
EPS	:	Earnings per share
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities including any amendments that may be made from time to time
LPD	:	Latest practicable date prior to the printing of this Circular / Statement, being 30 August 2022
Major Shareholder(s)	:	A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is (a) ten percent (10%) or more of the total number of voting shares in the Company; or (b) five percent (5%) or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8 of the Act. It also includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company (as defined above) or any other company which is its subsidiary or holding company
MMOSB	:	Malay Mail Online Sdn. Bhd. [Registration No : 202001023197 (1379517-W)]
NA	:	Net assets

DEFINITIONS (cont'd)

Person Connected	:	In relation to any person (referred to as "said Person") means such person who falls under any one of the following categories : (a) a family member of the said Person; (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary; (c) a partner of the said Person; (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person; (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act; (f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than twenty percent (20%) of the votes attached to voting shares in the body corporate; or (g) a body corporate which is a related corporation of the said Person.
Proposed Renewal of Shareholders' Mandate for RRPTs	:	Proposed renewal of shareholders' mandate for transactions of a revenue and trading nature with the existing transacting related party(ies)
Proposed Renewal of Share Buy-Back Mandate	:	Proposed renewal of shareholders' mandate for the purchase by ANB of its own shares
Related Party(ies)	:	A Director, Major Shareholder or person connected with such director or Major Shareholder
RM	:	Ringgit Malaysia
RRPT(s)	:	Recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations and in the ordinary course of business of ANB Group
Share Buy-back	:	The purchases of Shares pursuant to the Proposed Renewal of Share Buy-Back Mandate
Treasury Share(s)	:	The purchased shares which are retained by the Company and shall have the meaning given under Section 127 of the Act

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular / Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular / Statement shall be a reference to Malaysian time, unless otherwise specified.

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PART A

Proposed Renewal of Shareholders' Mandate for RRPTs



ANCOM NYLEX BERHAD
(FORMERLY KNOWN AS ANCOM BERHAD)
(Registration No. 196901000122 (8440-M))
(Incorporated in Malaysia)

Registered Office

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

28 September 2022

Board of Directors

Dato' Siew Ka Wei (*Executive Chairman*)
Lee Cheun Wei (*Managing Director*)
Chan Thye Seng (*Non-Independent Non-Executive Director*)
Tan Sri Dato' Seri Abdull Hamid Bin Embong (*Independent Non-Executive Director*)
Datuk Dr Abd Hapiz Bin Abdullah (*Independent Non-Executive Director*)
Maliki Kamal Bin Mohd Yasin (*Independent Non-Executive Director*)
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun (*Independent Non-Executive Director*)
Christina Foo (*Independent Non-Executive Director*)
Siew Ka Kheong (*Alternate Director to Dato' Siew Ka Wei*)

To: The Shareholders of ANB

Dear Sir/Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS ("RRPTS") OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPTS")

1. INTRODUCTION

The Company had on 23 September 2022 announced that it will be seeking a renewal of mandate from the shareholders in respect of RRPTs with existing transacting Related Party(ies) in accordance with Paragraph 10.09 of the Listing Requirements ("Proposed Renewal of Shareholders' Mandate for RRPTs") at its forthcoming 53rd AGM. The previous mandate, which was obtained at the 52nd AGM on 26 October 2021, will expire upon the conclusion of 53rd AGM.

This circular serves to provide the shareholders with the relevant information on the Proposed Renewal of Shareholders' Mandate for RRPTs, sets out the views and recommendations of the Board and to seek the approval of the shareholders for the resolution to be tabled at the 53rd AGM of the Company.

2. PROPOSED RENEWAL SHAREHOLDERS' MANDATE FOR RRPTS

2.1 Introduction

Pursuant to Paragraph 10.09 of the Listing Requirements and Practice Note No. 12, the Company may seek a mandate from shareholders in respect of RRPT subject to, inter-alia, the following:

- the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- the Company's circular to shareholders seeking mandate from the shareholders shall include information as may be prescribed by Bursa Securities;
- in a meeting to obtain the shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder must not vote on the resolution to approve the transactions. An interested director or interested major shareholder must ensure that persons connected with him would abstain from voting on the resolution approving the transactions; and
- the Company will immediately announce to Bursa Securities when the actual value of RRPT entered into by the Company exceeds the estimated value of the RRPT disclosed in the Company's circular to shareholders by ten percent (10%) or more and must include the information as may be prescribed by Bursa Securities in its announcement.

2.2 Transaction Details

The Company is principally a management and investment holding company with its subsidiaries involved in, inter alia, the following:

- Agricultural & Industrial Chemicals (manufacturing and sale of agricultural and industrial chemicals) ;
- Public Health & Hygiene (provision of pest control, washroom & hygiene, fumigation and space & surface sanitizing services) ;
- Polymer (manufacturing and marketing of polymer products) ;
- Logistics (provision of transportation, container haulage, bulk cargo handling, chemicals warehousing and related services) ;
- Information Technology (provision of information technology services and sales of computer hardware and software) ; and
- Media (provision of digital and out-of-home advertising media space)

The companies within the Group have entered into certain RRPTs in the ordinary course of business and it is anticipated that they would continue to enter into such RRPTs with some degree of frequency at any time.

In view of the time-sensitive and frequent nature of such RRPTs, the Company wishes to seek approval from its shareholders for the Group, in its ordinary course of business, to continue to enter into such RRPTs provided such RRPTs are made at arm's length, on the Group's normal commercial terms and on terms not more favourable to the Related Party(ies) than those generally available to the public and are not to the detriment of minority shareholders of the Company.

The Proposed Renewal of Shareholders' Mandate for RRPTs will apply to transactions with the following Related Party as detailed below:

Related Party	Transacting Party	Nature of Transactions	Relationship between ANB Group and the Related Party	Estimated Value for Previous Mandate (RM'000)	Actual Value Transacted from Previous Mandate Obtained up to LPD (RM'000)	Deviation of Actual Value against Estimated Value for Previous Mandate (RM'000) / (%)	Estimated Value for Current Mandate (RM'000)
MMOSB	ANB Group	Provision of advertising space in the media channels by MMOSB to ANB Group	(Note 1)	4,000	1,922	2,078 / 51.6%	4,000 (Note 2)

Note 1

- (i) ANB Group refers to ANB and its subsidiaries.
- (ii) Dato' Siew Ka Wei ("DSKW") is a Director and Major Shareholder of ANB through his direct and indirect interest in the Company. His indirect interest includes the interests of Datin Young Ka Mun ("DYKM"-wife), Siew Ka Kheong ("SKK"-brother), Quek Lay Kheng ("QLK"-sister-in-law), Silver Dollars Sdn. Bhd. ("SDSB"-family company) and Siew Nim Chee & Sons Sdn. Bhd. ("SNCS"-family company).
- (iii) DSKW is a director and the sole shareholder of Dahlia Megah Sdn. Bhd. ("DMSB"). DMSB holds 30% direct interest in MMOSB while DSKW holds 31% direct interest in MMOSB. DSKW is also a director of MMOSB.
- (iv) By virtue of the above relationships, MMOSB is deemed a related party to ANB. DSKW is the interested Director and the interested Major Shareholder whereas DYKM, QLK, SDSB and SNCS are the Interested Persons Connected.

Note 2

The basis of arriving of the estimated value is based on the value of transactions undertaken as well as the anticipated / forecasted trend or latest information available relating to these transactions. The estimated value covers for the period from current AGM to the next AGM, and it may vary and subject to changes.

2.3 Amount Due and Owing to ANB Group

As at LPD, there is no outstanding amount due and owing to ANB Group by the Related Party which exceeded the credit term for the RRPTs.

2.4 Rationale and Benefits

The RRPTs envisaged under the Proposed Renewal of Shareholders' Mandate for RRPTs are in the ordinary course of business of the Group and are undertaken at arm's length, on normal commercial terms which are not more favourable to the Related Party(ies) than those generally available to the public and are not detriment to the interest of minority shareholders. The RRPTs have reaped mutual benefits and have been and are expected to continue to be beneficial to the businesses of the Group.

The Proposed Renewal of Shareholders' Mandate for RRPTs will eliminate the need to make announcements to Bursa Securities or to convene separate general meetings from time to time to seek shareholders' approval as and when RRPTs with the related Party(ies) arise. This will reduce the associated expenses, improve administrative efficiency and allow manpower resources and time to be focused on attaining other corporate objectives.

2.5 Review Procedures

The thresholds for the approval of RRPTs within the Group are as follows :

- (i) RRPTs below RM1,000,000 each in value will be reviewed and approved by the Directors or such other senior executive(s) (not being a person connected to the Related Party) designated by the Audit Committee from time to time for such purpose, and tabled for review by the Audit Committee on a quarterly basis ;

- (ii) RRPTs equal to or exceeding RM1,000,000 each in value will be reviewed and approved by the Audit Committee.

The Group has established the following procedures in relation to the RRPTs :

- (i) The relevant employees of the Group are notified of the identities of the Related Parties and will be required prior to entering into such transaction, to ensure that all the RRPT are consistent with the Group's normal business practices and policies, and on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to the minority shareholders.
- (ii) The transaction prices and terms are determined based on the prevailing market rates which are determined by market forces and other relevant factors. Where practical and feasible, quotations and/or tenders will be obtained from unrelated parties for the same or substantially similar products or services for at least two (2) other contemporaneous transactions with unrelated third parties for similar services will be used as comparison, wherever possible, to determine whether the price and terms offered to the Related Parties are fair and reasonable and comparable to those offered to other unrelated third parties for the same or substantially similar type of services. Where it is impractical or impossible for quotes and/or tenders to be obtained from unrelated parties, or where there has not been any similar or substantially similar transactions between the Group and unrelated third parties, the terms of the transactions for the products or services will be in accordance with applicable industry norms, prevailing commercial rates and at rates not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.
- (iii) All RRPTs will be reviewed monthly by the Company's Finance Department to ensure they are within the shareholders' mandate obtained.
- (iv) Records will be maintained by the Company's Finance Department to capture all RRPTs which are entered into pursuant to the Proposed New Shareholders' Mandate for RRPTs.
- (v) Additional information pertaining to the RRPTs may be requested from independent sources or advisers, if required.
- (vi) The Company's internal audit plan will incorporate an annual review of all RRPTs entered into during the financial year to ensure that the relevant approvals have been obtained and the review procedures are adhered to.
- (vii) Disclosure will also be made in the subsequent annual report of the Company on the amount of RRPTs transacted pursuant to the Proposed New Shareholders' Mandate for RRPTs.
- (viii) The Audit Committee will also consider from time to time whether the established guidelines and procedures for RRPTs have become inappropriate and/or are unable to ensure that the transactions will be on normal commercial terms, and/or will prejudice the interests of shareholders generally. Notwithstanding the above, the guidelines and procedures for RRPTs will be reviewed by the Audit Committee at least once in a financial year.

2.6 Statement by Audit Committee

The Audit Committee has seen and reviewed the procedures and guidelines stated in Section 2.5 above and is satisfied that the said procedures and guidelines are sufficient to ensure that the RRPTs undertaken are on arm's length basis and on terms not more favourable to the Related Party(ies) than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

The Audit Committee is also satisfied that the Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner. The Audit Committee conducts the review of these procedures and processes on an annual basis.

2.7 Validity

The Proposed Renewal of Shareholders' Mandate for RRPTs is subject to annual renewal. In this respect, the authority conferred by the Proposed Renewal of Shareholders' Mandate for RRPTs shall continue to be in force until:

- the conclusion of the next AGM of the Company, at which time it will lapse, unless the authority is renewed by a resolution passed at the meeting;
- the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- revoked or varied by resolution passed by the shareholders at a general meeting; whichever is the earlier.

2.8 Effects

The Proposed Renewal of Shareholders' Mandate for RRPTs will not have any effect on the share capital and shareholding structure of the Company. There will also be no impact on the consolidated NA and EPS of the Group.

2.9 Directors', Major Shareholders' and Persons Connected with Directors and/or Major Shareholders' Interests

The direct and indirect interest of the interested Directors, Major Shareholders and Persons Connected to them as at LPD are as follows:

	As at LPD			
	Direct Interest		Indirect Interest	
	No. of Shares	%*	No. of Shares	%*
<u>Interested Directors</u>				
DSKW	120,188,116	13.848	65,722,251	7.573
Siew Ka Kheong ("SKK")	1,447,539	0.167	48,140,508	5.547
<u>Interested Major Shareholders</u>				
DSKW	120,188,116	13.848	65,722,251	7.573
SKK	1,447,539	0.167	48,140,508	5.547
SNCS	47,765,508	5.504	-	-
<u>Persons Connected with the Interested Directors / Major Shareholders</u>				
SNCS	47,765,508	5.504	-	-
SDSB	14,649,477	1.688	-	-
DYKM	1,484,727	0.171	-	-
QLY	375,000	0.043	-	-

* Based on total issued number of 867,889,201 Shares (excludes 49,766,177 Treasury Shares)

Deemed interested by virtue of his direct and indirect interest held through SDSB, SNCS, DYKM and QLK pursuant to Section 59(11)(c) and/or Section 8(4) of the Act.

@ Deemed interested by virtue of his indirect interest held through SNCS and QLK pursuant to Section 59(11)(c) and/or Section 8(4) of the Act

The abovementioned interested Directors, Major Shareholders and Persons Connected to them will abstain from voting on the resolution approving the Proposed Renewal of Shareholders' Mandate for RRPTs at the 53rd AGM in respect of their direct and/or indirect shareholdings.

DSKW and his alternate, SKK, being the Directors interested in the Proposed Renewal of Shareholders' Mandate for RRPTs, have abstained and will continue to abstain from the Board's deliberations on the resolution approving the Proposed Renewal of Shareholders' Mandate for RRPTs and will abstain from voting in respect of his direct and/or indirect shareholdings in ANB on the resolution approving the Proposed Renewal of Shareholders' Mandate for RRPTs at the 53rd AGM.

DSKW and SKK, being the Major Shareholders interested in the Proposed Renewal of Shareholders' Mandate for RRPTs, will abstain from voting in respect of their direct and/or indirect shareholdings in ANB on the resolution approving the Proposed Renewal of Shareholders' Mandate for RRPTs at the 53rd AGM.

SDSB, SNCS, DYKM and QLK, being the persons connected to DSKW and SKK, will abstain from voting in respect of their direct and/or indirect shareholdings in ANB on the resolution approving the Proposed Renewal of Shareholders' Mandate for RRPTs at the 53rd AGM.

DSKW and SKK, being the interested Directors and Major Shareholders, have undertaken that they will ensure that the persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings in ANB on the resolution approving the Proposed Renewal of Shareholders' Mandate for RRPTs at the 53rd AGM.

Save as disclosed in the above, none of the Directors or Major Shareholders or persons connected to them has any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate for RRPTs.

3. DIRECTORS' RECOMMENDATION

The Board (save and except for the Interested Directors who have abstained from forming any opinion and making any recommendations) is of the opinion that the Proposed Renewal of Shareholders' Mandate for RRPTs is in the best interest of shareholders and the Company.

The Board (save and except for the Interested Directors who have abstained from forming any opinion and making any recommendations) recommends that the shareholders vote in favour of the resolution approving the Proposed Renewal of Shareholders' Mandate for RRPTs to be tabled at the forthcoming 53rd AGM.

4. SHAREHOLDERS' APPROVAL AND 53RD AGM

The Proposed Renewal of Shareholders' Mandate for RRPTs is subject to the approval of the shareholders of ANB at the forthcoming 53rd AGM.

The 53rd AGM, the Notice of which is enclosed in the Company's Annual Report 2022 and is also available on the Company's website at <http://www.ancomnylex.com.my/agm.php>, will be conducted entirely through live streaming from the Broadcast Venue at No. 2A, Jalan 13/2, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia using the remote participation and voting facilities provided by the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tjih.online> on Thursday, 27 October 2022 at 2.30 p.m.

If you are unable to participate, speak and vote at the 53rd AGM, you may appoint a proxy(ies) to do so by completing and depositing the Proxy Form in accordance with the instructions therein at the Company's Share Registrar's office at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time for holding the 53rd AGM. You can also lodge the Proxy Form electronically via TIIH Online website at <https://tjih.online>. The last day and time for lodging the Proxy Form is Tuesday, 25 October 2022 at 2.30 p.m.

5. FURTHER INFORMATION

Shareholders are requested to refer to the attached appendices for further information.

Yours faithfully
For and on behalf of the Board
ANCOM NYLEX BERHAD
(Formerly known as Ancom Berhad)

Tan Sri Dato' Seri Abdull Hamid Bin Embong
Chairman of the Audit Committee

PART B

Proposed Renewal of Share Buy-Back Mandate



ANCOM NYLEX BERHAD
(FORMERLY KNOWN AS ANCOM BERHAD)
(Registration No. 196901000122 (8440-M))
(Incorporated in Malaysia)

STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK MANDATE (“PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE”)

The purpose of this Statement is to provide the shareholders with details of the Proposed Renewal of Share Buy-Back Mandate, and to seek the approval of the shareholders for the resolution relating thereto to be tabled at the 53rd AGM of the Company.

1. INTRODUCTION

On 23 September 2022, the Company announced its intention to seek the shareholders' approval for the renewal of mandate from the shareholders for the Company to purchase up to ten per centum (10%) of the total number of issued Shares in accordance with the provisions of Section 127 of the Act, the Company's Constitution and the Listing Requirements.

2. PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

2.1 Validity

The shareholders had, at the 52nd AGM of the Company held on 26 October 2021, given their mandate to the Company to purchase its Shares. In accordance with the Listing Requirements, the said authority will expire upon the conclusion of the forthcoming 53rd AGM of the Company. As such, the Company wishes to seek a renewal of mandate from the shareholders at the 53rd AGM to purchase such number of Shares provided that the Shares so purchased shall (in aggregate with the Treasury Shares) not exceed ten percent (10%) of the total number of issued Shares of the Company for the time being.

The Proposed Renewal of Share Buy-Back Mandate, if given by the shareholders, shall be effective immediately upon passing of the ordinary resolution at the forthcoming 53rd AGM and shall remain valid until the conclusion of the next AGM of the Company, unless earlier revoked or varied by resolution passed by the shareholders in general meeting, or upon the expiration of the period within the next AGM after the date on which the authority conferred by the resolution is required by the law to be held, whichever occurs first.

2.2 Rationale

The Proposed Renewal of Share Buy-Back Mandate would enable the Company to undertake the Share Buy-Back when the Board is of the opinion that the prevailing market prices of the Shares do not reflect the underlying value of the Group. It is also aimed at reducing any unwarranted volatility of the market prices of the Shares in the open market.

The Company would buy back the shares only after the Board has given due consideration to its potential impact on the Company's earnings and financial position and that the Board is of the opinion that it would be in the best interest of the Company to do so.

The Share Buy-Back would enhance the consolidated EPS of the Company if the Shares purchased are cancelled which resulting in a reduction in the issued and paid-up share capital of the Company. In the event the purchased Shares are kept as Treasury Shares and were resold at a higher price, the shareholder's equity of the Company may be increased by realizing the capital gain. The Treasury Shares may also be distributed as share dividend to reward the shareholders. The Treasury Shares may also be utilized as payment for purchase consideration in which event, no cash outlay will be required for the payment of purchase consideration.

2.3 Treatment of Purchased Shares

In accordance with Section 127 of the Act, the Board may, at its discretion, deal with the purchased Shares in the following manner:-

- (i) to cancel the purchased Shares; or
- (ii) to retain the purchased Shares as Treasury Shares for distribution as dividend to the shareholders; and/or resell on the market of Bursa Securities; and/or to be transferred under an employees' share scheme or as purchase consideration; and/or cancelled subsequently; or
- (iii) to retain part of the purchased Shares as Treasury Shares and cancel the remainder; or
- (iv) to deal in such other manner as allowed by the Act and Bursa Securities from time to time.

The actual treatment of the purchased Shares would depend on, inter alia, the prevailing equity market conditions and the financial position of the Company.

2.4 Ranking

The rights attached to the Treasury Shares in relation to voting, dividends and participation in any other distributions or otherwise are suspended. The Treasury Shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

2.5 Funding

A sum of not exceeding the Company's retained profit at the time of purchase(s) will be allocated for the Proposed Renewal of Share Buy-Back Mandate. Based on the latest audited financial statements as at 31 May 2022, the retained profits of the Company was RM25,560,000.

The funding for the Share Buy-back will be through internally generated funds and/or external bank borrowings, the proportion of which will be determined later depending on the availability of funds, actual numbers of ANB Shares to be purchased and other cost factors. The actual number of ANB Shares to be purchased would be dependent on the market conditions and sentiments on Bursa Securities as well as the retained profits and financial resources available to the Company.

In the event the Company purchases its own shares using external bank borrowings, the Board will ensure that the Company has sufficient funds to repay the bank borrowings and that the repayment would not have any material effect on its cash flow and working capital.

2.6 Potential Advantages and Disadvantages

For the potential advantages of the implementation of the Share Buy-back, please refer to Section 2.2 above.

The Share Buy-back, if implemented, will however, reduce the financial resources of the Company and may result in the Company foregoing any investment opportunities arising in the future or any interest income that may be derived from depositing such funds with interest bearing instruments. It may also reduce the financial resources available for distribution of cash dividend to the shareholders of the Company.

In any event, the Board will be mindful of the interests of the Company and its shareholders when implementing Share Buy-back.

2.7 Effects

(a) On Share Capital

It is the intention of the Company to retain the Shares so purchased as Treasury Shares. As such, the Share Buy-back will not have any effect on the issued share capital of ANB. Nevertheless, certain rights attached to the Shares will be suspended while they are held as Treasury Shares.

(b) On NA and EPS

The NA per Share is affected by the number of Shares eventually purchased and the purchase prices of the Shares, the effective cost of funding and the treatment of the Shares purchased.

Upon resale of the Treasury Shares, the NA per Share will increase if the Company realise a gain. Similarly, the EPS will increase if the selling price is higher than the purchase price of such Shares together with the interest forgone or interest expense incurred on the Shares purchased.

(c) On Working Capital

The Share Buy-back would reduce the funds available for working capital purposes of ANB, the quantum of which would depend on the price paid for ANB Shares, the actual number of the purchased Shares and any associated costs incurred in making the purchase.

On the other hand, upon resale of the Treasury Shares, the proceeds arising thereof would increase ANB's working capital. Again, the quantum of the increase would depend on the number of Treasury Shares resold, the selling prices and any associated costs incurred in making the sale.

(d) On Dividend

The Share Buy-back may have an impact on the Company's dividend policy as it would reduce the cash available which may otherwise be used for dividend payments. Nonetheless, the Treasury Shares purchased may be distributed as dividends to the shareholders of the Company if the Board so decides.

3 DIRECTORS', MAJOR SHAREHOLDERS' AND PERSONS CONNECTED WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS' SHAREHOLDING

The following table illustrates the effects of the Proposed Renewal of Share Buy-Back Mandate on the shareholding of Directors, Major Shareholders and persons connected with Directors and/or Major Shareholders of ANB as at LPD, assuming ANB purchases 41,999,360 Shares which together with the 49,766,177 Treasury Shares remaining, represents ten percent (10%) of the total number of issued Shares :

	As at LPD				After share buy-back of maximum 10%	
	Direct	Indirect	Total		(ANB Shares are cancelled)	(ANB Shares are resold)
	No. of Shares	No. of Shares	No. of Shares	%*	%**	%***
<u>Directors</u>						
DSKW	120,188,116	65,722,251 ⁽¹⁾	185,910,367	21.421	22.510	20.259
Chan Thye Seng (CTS)	-	47,730,432 ⁽²⁾	47,730,432	5.500	5.779	5.201
Lee Cheun Wei (LCW)	59,905,440	-	59,905,440	6.902	7.253	6.528
Siew Ka Kheong (SKK) [alternate to DSKW]	1,447,539	48,140,508 ⁽⁴⁾	49,588,047	5.714	6.004	5.404
<u>Major Shareholders</u>						
DSKW	120,188,116	65,722,251 ⁽¹⁾	185,910,367	21.421	22.510	20.259
Pacific & Orient Berhad (P&O)	38,577,615	9,152,817 ⁽³⁾	47,730,432	5.500	5.779	5.201
CTS	-	47,730,432 ⁽²⁾	47,730,432	5.500	5.779	5.201
LCW	59,905,440	-	59,905,440	6.902	7.253	6.528
SNCS	47,765,508	-	47,765,508	5.504	5.784	5.205
SKK	1,447,539	48,140,508 ⁽⁴⁾	49,588,047	5.714	6.004	5.404
<u>Persons Connected with the Directors / Major Shareholders</u>						
SNCS	47,765,508	-	47,765,508	5.504	5.784	5.205
SDSB	14,649,477	-	14,649,477	1.688	1.774	1.596
DYKM	1,484,727	-	1,484,727	0.171	0.180	0.162
QLK	375,000	-	375,000	0.043	0.045	0.041
Pacific & Orient Insurance Co. Berhad ("P&OI") (A wholly-owned subsidiary of P&O)	9,152,817	-	9,152,817	1.055	1.108	0.997

Notes: * Based on 867,889,201 Shares (excludes the existing 49,766,177 Treasury Shares)

** Based on 825,889,841 Shares (excluding 91,765,537 Treasury Shares)

*** Based on 917,655,378 Shares

(1) Deem interested by virtue of his direct and indirect interest held through SNCS, SDSB, DYKM, SKK and QLK.

(2) Deem interested by virtue of his direct and indirect interest held through P&O and P&OI.

(3) Deem interested by virtue of its direct and indirect interest held through P&OI, a wholly-owned subsidiary.

(4) Deem interested by virtue of his indirect interest held through SNCS and QLK.

Save as disclosed in the above, none of the Directors, Major Shareholders or Persons Connected to them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Mandate and resale of Treasury Shares.

4. IMPLICATION UNDER THE CODE

Based on the Company's issued share capital and the current shareholdings of the Major Shareholders and/or parties acting in concert as at LPD, and assuming that the Share Buy-back is implemented in full, none of the Major Shareholders and/or parties acting in concert is expected to trigger a mandatory general offer obligation under the Code.

5. DETAILS OF TRANSACTIONS

During the past twelve (12) months,

- i. there was an increase of 32,302,118 Treasury Shares as a result of the share split exercise undertaken by the Company;
- ii. there was no cancellation of Treasury Shares;
- iii. there were purchases and disposals of Treasury Shares, detailed as below:

Month	No. of Shares Purchased / (No. of Treasury Shares Resold)	Highest (RM)	Lowest (RM)	Average (RM)	Consideration Paid / (Received) (RM'000)
September 2021	(500,000)	<i>(Refer Note 1)</i>			
October 2021	(1,500,000)	<i>(Refer Note 2)</i>			
November 2021	nil	n/a	n/a	n/a	nil
December 2021	403,400	2.750	2.500	2.666	1,075.50
January 2022	(170,000)	<i>(Refer Note 3)</i>			
February 2022	(1,350,000)	<i>(Refer Note 4)</i>			
	241,500	3.520	3.490	3.519	849.72
March 2022	3,718,200	3.920	3.360	3.619	13,455.97
April 2022	1,106,600	3.660	3.310	3.454	3,822.23
May 2022	2,275,000	3.400	3.060	3.217	7,318.82
June	51,300	3.150	3.120	3.138	161.74
	32,302,118	<i>(Adjustment due to Company Share Split exercise)</i>			
	1,555,300	1.090	0.875	0.931	1,448.46
July 2022	1,357,700	1.030	1.030	1.030	1,186.07
August 2022	(1,600,000)	<i>(Refer Note 5)</i>			

Transaction Date	Note 1		Note 2	
	20 Sep 21	08 Oct 21	11 Oct 21	28 Oct 21
No. of Treasury Shares Resold	500,000	250,000	250,000	1,000,000
Highest Price (RM)	1.800	2.550	2.600	2.790
Lowest Price (RM)	1.800	2.540	2.430	2.790
Average Price (RM)	1.800	2.548	2.522	2.790
Consideration Received (RM'000)	896.67	634.58	628.16	2,780.09

Transaction Date	Note 3		Note 4	
	04 Jan 22	05 Jan 22	07 Feb 22	23 Feb 22
No. of Treasury Shares Resold	80,000	90,000	200,000	1,150,000
Highest Price (RM)	3.400	3.320	3.530	3.880
Lowest Price (RM)	3.300	3.280	3.500	3.830
Average Price (RM)	3.3450	3.304	3.513	3.859
Consideration Received (RM'000)	266.31	295.97	699.23	4,422.90

Transaction Date	Note 5		
	03 Aug 22	05 Aug 22	18 Aug 22
No. of Treasury Shares Resold	300,000	500,000	800,000
Highest Price (RM)	1.030	1.030	0.990
Lowest Price (RM)	1.030	1.030	0.990
Average Price (RM)	1.030	1.030	0.990
Consideration Received (RM'000)	307.52	512.53	788.39

As at LPD, a total of 49,766,177 Treasury Shares were held by the Company.

6. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of ANB Shares as traded on Bursa Securities for the past 12 months from September 2021 to August 2022 are set out below:

	Highest (RM)	Lowest (RM)
September 2021	2.22	1.42
October 2021	2.99	2.15
November 2021	3.00	2.54
December 2021	3.15	2.44
January 2022	3.49	3.00
February 2022	4.10	3.33
March 2022	4.07	3.29
April 2022	3.94	3.28
May 2022	3.46	3.05
June 2022	1.13	0.87
July 2022	1.04	0.84
August 2022	1.09	0.90

Last transacted market price on the LPD

RM0.93

Note : Starting June 2022, price adjusted due to share split

7. PUBLIC SHAREHOLDING SPREAD

The Board will ensure that the Company will not purchase its Shares which will result in the Company's public shareholding spread falling below the minimum requirements of twenty-five per centum (25%). As at LPD, the public shareholding spread of the Company stood at approximately 66.18%.

8. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Mandate, is of the opinion that the proposal is in the best interest of the Shareholders and the Company. The Board recommends that the Shareholders vote in favour of the resolution pertaining to the Proposed Renewal of Share Buy-Back Mandate to be tabled at the forthcoming 53rd AGM.

9. SHAREHOLDERS' APPROVAL AND 53RD AGM

The Proposed Renewal of Share Buy-Back Mandate is subject to the approval of the shareholders of ANB at the forthcoming 53rd AGM.

The 53rd AGM, the Notice of which is enclosed in the Company's Annual Report 2022 and is also available on the Company's website at <http://www.ancomnylex.com.my/agm.php>, will be conducted entirely through live streaming from the Broadcast Venue at No. 2A, Jalan 13/2, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia using the remote participation and voting facilities provided by the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tiih.online> on Thursday, 27 October 2022 at 2.30 p.m.

If you are unable to participate, speak and vote at the 53rd AGM, you may appoint a proxy(ies) to do so by completing and depositing the Proxy Form in accordance with the instructions therein at the Company's Share Registrar's office at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time for holding the 53rd AGM. You can also lodge the Proxy Form electronically via TIIH Online website at <https://tiih.online>. The last day and time for lodging the Proxy Form is Tuesday, 25 October 2022 at 2.30 p.m.

This Statement is dated 28 September 2022.

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and its Directors individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no other facts the omission of which would make any information herein misleading.

2. MATERIAL CONTRACTS

Save as disclosed below, ANB and its subsidiaries have not entered into any material contracts (not being contracts entered into in the ordinary course of business) within two (2) years immediately preceding the date of this Circular :

- (a) Sale and Purchase Agreement dated 24 May 2021 entered into between Perusahaan Kimia Gemilang (Vietnam) Company Ltd. ("PKG", a subsidiary of the Company) and TOP Solvent (Vietnam) Limited Liability Company ("TSV") in respect of the proposed disposal of terminal assets by PKG to TSV for a cash consideration of USD6,250,000 (equivalent to approximately RM27.97 million*). This transaction has been completed on 25 March 2022.
- (b) Conditional Sale of Business Agreement dated 29 July 2021 entered into between ANB, Nylex (Malaysia) Berhad ("Nylex") and Nylex Holdings Sdn. Bhd. ("NHSB", a subsidiary of the Company) in respect of the proposed acquisition of the entire business and undertaking including all the assets and liabilities of Nylex by NHSB for a consideration of RM179,287,212. This transaction has been completed on 26 January 2022.
- (c) Several Share Sale Agreements dated 28 December 2021 entered into between Ancom Crop Care Sdn Bhd ("ACC, a subsidiary of the Company) and several persons namely Gan Kian Chong, Ngo Kee Fook, Chang Chun Hee, Lau Moo Leong, Neo Kian Huat Ang Hee Yeou, Yap Tak Sang, Chua Swee Peng, Chua Theng Song and Neo Khean Lee in respect of the proposed acquisitions of 80% equity interest each in Shennong Animal Health (Malaysia) Sdn. Bhd. and Vemedim Sdn. Bhd. by ACC for a total consideration of RM23,919,999. These transactions have been completed on 22 June 2022.
- (d) Heads of Agreement dated 21 March 2022 between ANB, Nylex, Sinar Bina Infra Sdn. Bhd., LBS Bina Group Berhad and BTS Group Holdings Public Company Limited for the collaboration to build and operate a light rail transport system. As at LPD, this transaction has yet to be completed as the parties are working together exclusively to agree on the terms of the definitive agreements to effect the proposals stipulated in the said Heads of Agreement.

Note:

* Based on the exchange rate of USD1.00 : RM4.4751 being the Bank Negara Malaysia's middle rate as at 5.00 p.m. on the LPD.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, as at the LPD, the Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and does not have any knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of the Group:

(i) High Court of Malaya at Kuala Lumpur Suit No. WA-22NCVC-87-02/2018

On 12 February 2018, Ancom Crop Care Sdn. Bhd. and Hamshi Plantation Sdn. Bhd. initiated a legal action at the High Court of Malaya at Kuala Lumpur as plaintiffs against Logix World (M) Sdn. Bhd. and Citra Semerbak Sdn. Bhd. as defendants to claim against and to hold the defendants jointly and severally liable for a principal sum of RM2,702,500, being the unpaid amount for goods sold and delivered by the plaintiffs to the defendants, and interest at the rate of 12.0% per annum from 24 October 2017 until full and final settlement.

On 21 May 2019, the plaintiffs filed the Substantive Application for Contempt against the directors of Logix World (M) Sdn. Bhd. The court had on 13 July 2020 found the directors of Logix World (M) Sdn. Bhd. guilty of contempt and that the plaintiffs have proven their case against the aforesaid directors for interference with the administration of justice beyond reasonable doubt. The court has on 15 October 2021, sentenced the directors and awarded costs of RM15,000 and imposed a fine of RM10,000 per person to be paid within 1 month by 14 November 2021, failing which the defaulting party will be imprisoned for 2 weeks.

Full trials for the matter are fixed on 20-24 June 2022 and a case management date is fixed on 31 May 2022 for parties to file any necessary witness statement before the said case management. The solicitors for the plaintiffs are of the opinion that they can only evaluate the likelihood of the outcome of the case and the approximate amount which may be granted by the court after the evidence has been presented in the court later. The matter is not expected to have a material impact on the earnings, NA and gearing of the Group as the principal sum of RM2,702,500 has been fully provided and accounted for in prior years.

(ii) High Court of Malaya at Kuala Lumpur Suit No. WA-25-341-10/2021

On 14 October 2021, Fermpro Sdn. Bhd. ("Fermpro") submitted an application for Judicial Review to High Court of Malaya at Kuala Lumpur as applicant against the Royal Malaysian Customs Department ("Customs") as respondent, in relation to a decision issued by the Customs dated 3 August 2021 affirming its earlier decisions dated 15 June 2020 to issue four Bills of Demand ("BODs") for indirect taxes totalling RM7.8 million, comprising import duty, excise duty, Goods and Services Tax ("GST") and sales tax (collectively referred to as the "Indirect Taxes").

The BODs were issued by the Customs due to the alleged liability of Fermpro for the Indirect Taxes in the removal of goods from Westport Free Commercial Zone ("FCZ") to a licensed manufacturing warehouse ("LMW") for the period from January 2017 to August 2019.

Upon consulting its tax consultants, the Company is of the view that the BODs are issued without any technical basis and there are reasonably strong grounds for Fermpro to challenge the validity of the said BODs issued by the Customs, amongst others, the removal of goods from FCZ to LMW should not be liable to import duty, excise duty and sales tax under established general principles in indirect tax law and practice. The GST demanded by Customs is effectively levied on the import duty and excise duty elements and hence, should not be applicable as well, since import duty and excise duty should not be applicable in the removal of goods from FCZ to LMW.

As at the LPD, the Judicial Review application is in process.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming 53rd AGM:

- i. Constitution of ANB;
- ii. audited consolidated financial statements of ANB for the past two (2) financial years up to the FYE 31 May 2022 and the latest unaudited results since the last audited financial statements (if any); and
- iii. cause papers for the material litigations referred to in Section 3 above.