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ANCOM NYLEX 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 SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK
("Proposed Renewal of Share Buy-Back Mandate")

THIS CIRCULAR / STATEMENT IS ISSUED IN CONJUNCTION WITH THE RELEVANT RESOLUTIONS TO BE TABLED AT THE 54TH ANNUAL GENERAL MEETING ("AGM") OF THE COMPANY.

The relevant resolutions will be tabled as Special Businesses at the Company's **54th 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 **Friday, 27 October 2023 at 3.00 p.m.** using remote participation and voting facilities provided by the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. via its TIH Online website at <https://tiah.online>. The Notice of the 54th AGM together with the Proxy Form are enclosed in the Company's Annual Report 2023 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 54th 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 the 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 TIH Online website at <https://tiah.online> before the proxy appointment cut-off time as mentioned below:

Last date and time for lodging the Proxy Form : Wednesday, 25 October 2023 at 3.00 p.m.

Date and time of the 54th AGM : Friday, 27 October 2023 at 3.00 p.m.

This Circular / Statement is dated 27 September 2023

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 [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 5 September 2023
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 <ol style="list-style-type: none">ten percent (10%) or more of the total number of voting shares in the Company; orfive percent (5%) or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. <p>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</p>
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 not exceeding, in aggregate, ten percent (10%) of the total number of issued ANB 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

(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

27 September 2023

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 22 September 2023, announced that it wishes to seek a renewal of mandate from the shareholders in respect of RRPT with transacting Related Party in accordance with Paragraph 10.09 of the Listing Requirements.

The existing mandate, which the Company had obtained during the 53rd AGM held on 27 October 2022, will expire upon conclusion of the forthcoming 54th AGM of the Company.

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 forthcoming 54th AGM of the Company.

2. PROPOSED RENEWAL OF 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) ;
- Animal Health (manufacturing and trading of chemical and animal health products, which include antibiotics, feed additives, supplements and disinfectants) ;
- 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)

Some companies in the Group will enter into certain RRPT in the ordinary course of business and it is likely that such transactions will occur with some degree of frequency and could arise at any time.

In view of the time-sensitive and frequent nature of such RRPT, the Company wishes to seek approval from its shareholders for the Group, in its ordinary course of business, to continue to enter into such RRPT provided that such RRPT are made at arm's length, on the Group's normal commercial terms and on terms not more favourable to the Related Party 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 in the following page.

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	2,443	1,557 / 38.9%	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 Proposed Renewal of Shareholders' Mandate for RRPTs is intended to enhance the Group's ability to pursue business opportunities, which are time-sensitive in nature, and will eliminate the need to announce and convene separate general meetings (if applicable) to seek shareholders' prior approval for such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an ad-hoc basis, improve administration efficiency and allow manpower resources and time to be channeled towards attaining other corporate objectives.

The RRPTs with Related Party are in the ordinary course of business of the Group undertaken at arm's length, on normal commercial terms which are not more favourable to the Related Party than those generally available to the public and are not detriment to the interest of minority shareholders.

From the closed working relationship with Related Party, these RRPTs have benefited the Group with ability to provide prompt and reliable marketing services to its clients.

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 Renewal of 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 Renewal of 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 considered the procedures and guidelines as stated in Section 2.5 above and is of the view that the said procedures and guidelines are :

- (a) adequate and sufficient to monitor, track and identify RRPT in a timely and orderly manner and, if necessary, may request internal audit to review these procedures and guidelines ; and
- (b) sufficient to ensure the RRPT undertaken are on arm's length basis and on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

These procedures and guidelines are reviewed by the Audit Committee annually.

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	134,134,593	14.106	48,153,909	5.064
SKK	847,539	0.089	45,821,643	4.819
<u>Interested Major Shareholder</u>				
DSKW	134,134,593	14.106	48,153,909	5.064
<u>Persons Connected with the Interested Directors / Major Shareholder</u>				
SNCS	45,149,643	4.748	-	-
DYKM	1,484,727	0.156	-	-
QLY	672,000	0.071	-	-

* Based on total issued number of 950,886,168 Shares (excludes 36,168,577 Treasury Shares)

Deemed interested by virtue of his direct and indirect interest held through SNCS, DYKM, QLK and SKK 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 Shareholder and Persons Connected to them will abstain from voting on the resolution approving the Proposed Renewal of Shareholders' Mandate for RRPTs at the 54th 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 54th AGM.

DSKW, being the Major Shareholder interested in the Proposed Renewal of Shareholders' Mandate for RRPTs, 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 54th 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 54th AGM.

DSKW and SKK, being the interested Directors and DSKW, being the Major Shareholder, 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 54th 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 DSKW and SKK who are deemed to be interested in the Proposed Renewal of Shareholders' Mandate for RRPTs), 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, with the exception of DSKW and SKK, who have abstained from giving an opinion and making a recommendation on the Proposed Renewal of Shareholders' Mandate for RRPTs, 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 54th AGM.

4. SHAREHOLDERS' APPROVAL AND 54TH AGM

The Proposed Renewal of Shareholders' Mandate for RRPTs is subject to the approval of the shareholders of ANB at the forthcoming 54th AGM.

The 54th AGM, the Notice of which is enclosed in the Company's Annual Report 2023 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 Friday, 27 October 2023 at 3.00 p.m.

If you are unable to participate, speak and vote at the 54th 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 the 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 54th 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 Wednesday, 25 October 2023 at 3.00 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

Christina Foo
Chairman of the Audit Committee

PART B

Proposed Renewal of Share Buy-Back Mandate



ANCOM NYLEX BERHAD

(Registration No. 196901000122 (8440-M))
(Incorporated in Malaysia)

STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK ("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 54th AGM of the Company.

1. INTRODUCTION

At the 53rd AGM of the Company held on 27 October 2022, the Company had obtained its shareholders' approval to purchase from time to time through Bursa Securities, ANB Shares not exceeding in aggregate, 10% of the total number of issued ANB Shares for the time being in accordance with the provisions of Section 127 of the Act, the Company's Constitution and the Listing Requirements.

As the said approval will expire at the conclusion of the forthcoming 54th AGM, the Company had on 22 September 2023 announced its intention to seek the shareholders' approval for the Proposed Renewal of Share Buy-Back Mandate at the forthcoming 54th AGM.

2. PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

2.1 Validity

The Proposed Renewal of Share Buy-Back Mandate will take effect from the date of the 54th AGM 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 Share Buy-Back will enable the Company to utilize its surplus financial resources not immediately required to purchase ANB Shares. It may stabilize the supply and demand of ANB Shares traded on Bursa Securities and thereby supports the fundamental values of the Shares.

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. The Share Buy-Back may also enable the Company to make a gain if the Treasury Shares are resold at a higher price. The Company may also reward its shareholders by distributing the Treasury Shares as share dividend. 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.

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 the Board is of the opinion that it would be in the best interest of the Company to do so.

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

In the event that the purchased Ancom Shares are held as Treasury Shares, the rights attached as 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

The Board proposes to allocate a sum not exceeding the retained profits of the Company in accordance with Paragraph 12.10(1) of the Listing Requirements. As at 31 May 2023, the audited retained profits of the Company was RM36,339,000.

The sum allocated shall be financed from internally generated funds and/or external borrowings, the proportion of which will only be determined later depending on the available internally generated funds, actual number of ANB Shares to be purchased and other relevant cost factors.

If the purchase of ANB Shares is to be financed by external borrowings, the Board will ensure that the Company will be capable of repaying such borrowings and that such borrowings are not expected to 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

The Share Buy-back will not have any effect on the issued share capital of ANB as the Company intends to retain the Shares so purchased as Treasury Shares. 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 the Shares, the actual number of the purchased Shares and any associated costs incurred in making the purchase.

In contrast, if the Treasury Shares are resold, 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 62,536,898 Shares which together with the 36,168,577 Treasury Shares remaining, represents 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	134,134,593	48,153,909 ⁽¹⁾	182,288,502	19.170	20.520	18.468
Chan Thye Seng (CTS)	-	810,000 ⁽²⁾	810,000	0.085	0.091	0.082
Lee Cheun Wei (LCW)	74,337,440	5,600,000 ⁽³⁾	79,937,440	8.407	8.998	8.099
Siew Ka Kheong (SKK) [alternate to DSKW]	847,539	45,821,643 ⁽⁴⁾	46,669,182	4.908	5.253	4.728
<u>Major Shareholders</u>						
DSKW	134,134,593	48,153,909 ⁽¹⁾	182,288,502	19.170	20.520	18.468
LCW	74,337,440	5,600,000 ⁽³⁾	79,937,440	8.407	8.998	8.099
<u>Persons Connected with the Directors / Major Shareholders</u>						
SNCS	45,149,643	-	45,149,643	4.748	5.082	4.574
DYKM	1,484,727	-	1,484,727	0.156	0.167	0.150
QLK	672,000	-	672,000	0.071	0.076	0.068
Pacific & Orient Insurance Co. Berhad ("P&OI")	810,000	-	810,000	0.085	0.091	0.082
QuantumVerse Sdn. Bhd. ("QVSB")	5,600,000	-	5,600,000	0.589	0.630	0.567

Notes: * Based on 950,886,168 Shares (excludes the existing 36,168,577 Treasury Shares)

** Based on 888,349,270 Shares (excluding 98,705,475 Treasury Shares)

*** Based on 987,054,745 Shares

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

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

(3) Deem interested by virtue of his direct interest held through QVSB.

(4) Deem interested by virtue of his direct and 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 no cancellation of Treasury Shares;
- ii. 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 2022	(2,000,000)	<i>(Refer Note 1)</i>			
October 2022	nil	n/a	n/a	n/a	nil
November 2022	(1,500,000)	<i>(Refer Note 2)</i>			
December 2022	nil	n/a	n/a	n/a	nil
January 2023	(600,000)	<i>(Refer Note 3)</i>			
February 2023	(6,897,500)	<i>(Refer Note 4)</i>			
March 2023	(1,000,000)	<i>(Refer Note 5)</i>			
April 2023	nil	n/a	n/a	n/a	nil
May 2023	500,000	0.970	0.965	0.967	485.75
June 2023	2,584,500	0.986	0.940	0.970	2,508.14
July 2023	200,000	0.990	0.975	0.986	197.25
	(3,684,600)	<i>(Refer Note 6)</i>			
August 2023	(1,200,000)	<i>(Refer Note 7)</i>			

	<u>Note 1</u>	<u>Note 2</u>	<u>Note 3</u>		<u>Note 4</u>	
Transaction Date	30 Sep 22	04 Nov 22	10 Jan 23	07 Feb 23	08 Feb 23	28 Feb 23
No. of Treasury Shares Resold	2,000,000	1,500,000	600,000	3,500,000	2,397,500	1,000,000
Highest Price (RM)	0.940	0.930	1.090	1.260	1.250	1.180
Lowest Price (RM)	0.940	0.930	1.090	1.240	1.250	1.180
Average Price (RM)	0.940	0.930	1.090	1.249	1.250	1.180
*Consideration Received (RM'000)	1,872.80	1,389.40	650.86	4,354.61	2,985.99	1,175.11

	<u>Note 5</u>	<u>Note 6</u>		<u>Note 7</u>
Transaction Date	17 Mar 23	10 Jul 23	11 Jul 23	29 Aug 23
No. of Treasury Shares Resold	1,000,000	794,500	2,890,100	1,200,000
Highest Price (RM)	1.110	0.990	0.965	1.040
Lowest Price (RM)	1.110	0.990	0.965	1.040
Average Price (RM)	1.110	0.990	0.965	1.040
*Consideration Received (RM'000)	1,105.34	782.96	2,778.74	1,242.89

* Inclusive of brokerage, contract stamp and clearing fees.

As at LPD, a total of 36,168,577 Treasury Shares were held by the Company.

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6. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of ANB Shares as traded on Bursa Securities for the past twelve (12) months from September 2022 to August 2023 are set out below:

	Highest (RM)	Lowest (RM)
September 2022	1.040	0.900
October 2022	1.030	0.930
November 2022	0.955	0.895
December 2022	1.090	0.940
January 2023	1.220	1.030
February 2023	1.280	1.170
March 2023	1.200	1.060
April 2023	1.140	1.020
May 2023	1.060	0.990
June 2023	1.030	0.935
July 2023	1.050	0.940
August 2023	1.120	0.985
Last transacted market price on the LPD		1.070

7. PUBLIC SHAREHOLDING SPREAD

As at LPD, the public shareholding spread of the Company stood at 72.34% excluding Treasury Shares held. The Board is mindful of the requirement to maintain the public shareholdings spread of at least 25% when implementing the Share Buy-Back.

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 54th AGM.

9. SHAREHOLDERS' APPROVAL AND 54TH AGM

The Proposed Renewal of Share Buy-Back Mandate is subject to the approval of the shareholders of ANB at the forthcoming 54th AGM.

The 54th AGM, the Notice of which is enclosed in the Company's Annual Report 2023 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 Friday, 27 October 2023 at 3.00 p.m.

If you are unable to participate, speak and vote at the 54th 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 the 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 54th 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 Wednesday, 25 October 2023 at 3.00 p.m.

This Statement is dated 27 September 2023.

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) 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.
- (b) Heads of Agreement dated 21 March 2022 between ANB, Nylex (Malaysia) Berhad, 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. This transaction has yet to be completed.
- (c) Share Sale Agreements dated 12 April 2023 entered into between ACC and several persons namely H.J.Unkel (M) Sdn. Bhd., Chong Sau Kin and Ye Suping in respect of the proposed acquisition of 70% equity interest in H.J.Unkel Chemicals Sdn. Bhd. by ACC for a total consideration of RM9,000,000. These transactions have yet to be completed.

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. ("ACC", a subsidiary of the Company) 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.

Full trials for the matter are fixed on 22 April 2024 to 3 May 2024 and a case management date is fixed on 4 March 2024. 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", a subsidiary of the Company) submitted an application for Judicial Review to High Court of Malaya at Kuala Lumpur as Applicant against Royal Malaysian Customs Department ("Customs") as Respondent, in regard to a Customs decision dated 3 August 2021 that affirmed Customs 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 Customs due to the alleged liability of Fermpro for the indirect taxes in the removal of goods from Westport Free Commercial Zone ("FCZ") to Licensed Manufacturing Warehouse ("LMW") for the period January 2017 to August 2019.

Upon consulting its tax consultants, the Company is of the view that the BODs are without any technical basis and there are reasonably strong grounds for Fermpro to challenge the validity of the said BODs issued by 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.

The hearing for the judicial review application was completed on 22 June 2023 and the decision is expected to be delivered by the court in due course.

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 54th 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 2023 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.

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