

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any 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)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO**

**PROPOSED SHARE SPLIT INVOLVING THE SUBDIVISION OF EVERY 1 EXISTING ORDINARY SHARE IN ANCOM NYLEX BERHAD (FORMERLY KNOWN AS ANCOM BERHAD) (“ANB” OR “COMPANY”) (“ANB SHARE”) HELD BY SHAREHOLDERS OF THE COMPANY, WHOSE NAMES APPEAR IN THE RECORD OF DEPOSITORS OF THE COMPANY ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED AT A LATER DATE, INTO 3 ANB SHARES**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Adviser**

**kenanga**

**Kenanga Investment Bank Berhad**  
Registration No.: 197301002193 (15678-H)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Our Company’s Extraordinary General Meeting (“**EGM**”) 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 on Friday, 20 May 2022 at 10.00 a.m. using remote participation and voting facilities provided by our Company’s Share Registrar, Tricor Investor & Issuing House Sdn Bhd (“**TIIH**”) via TIIH Online website at <https://tiih.online>. The Notice of EGM together with the Proxy Form, Administrative Guide for Shareholders and this Circular are available for download at our Company’s website at <http://www.ancomnylex.com/egm.php>.

If you are unable to attend and vote at our Company’s EGM, you may appoint a proxy(ies) to do so by completing and depositing the Proxy Form in accordance with the instructions therein at our 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 EGM. You can also lodge the Proxy Form electronically via TIIH Online website at <https://tiih.online> before the lodgement cut-off time as mentioned below. The lodging of the Proxy Form will not preclude you from participating and voting at the EGM, should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Wednesday, 18 May 2022 at 10.00 a.m.  
Date and time of the EGM : Friday, 20 May 2022 at 10.00 a.m.

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## DEFINITIONS

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

<b>Act</b>	: Companies Act 2016
<b>Acquisition</b>	: Acquisition of the entire business and undertaking including all the assets and liabilities of Nylex which was completed on 26 January 2022
<b>Additional Warrants B</b>	: Additional Warrants B to be issued pursuant to the adjustments to the exercise price and number of outstanding Warrants B due to the Proposed Share Split
<b>ANB or Company</b>	: Ancom Nylex Berhad (formerly known as Ancom Berhad)
<b>ANB Group or Group</b>	: ANB and its subsidiaries
<b>ANB Shares or Shares</b>	: Ordinary shares in ANB
<b>Announcement</b>	: The announcement dated 7 March 2022 in relation to the Proposed Share Split
<b>Board</b>	: Board of Directors of our Company
<b>Bursa Depository</b>	: Bursa Malaysia Depository Sdn Bhd
<b>Bursa Securities</b>	: Bursa Malaysia Securities Berhad
<b>By-Laws</b>	: By-laws of the ESOS
<b>Circular</b>	: This circular to our shareholders dated 27 April 2022 in relation to the Proposed Share Split
<b>Consideration Shares</b>	: 31,129,508 new ANB Shares allotted on 23 March 2022 as part of the purchase consideration for the Acquisition
<b>Deed Poll</b>	: The deed poll dated 21 August 2020 constituting the Warrants B
<b>Director</b>	: The director of our Company and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
<b>Dividend-In-Specie</b>	: Distribution of up to 18,356,515 ordinary shares in Nylex by way of dividend-in-specie to the shareholders of our Company on the basis of 1 ordinary share in Nylex for every 20 ANB Shares held by shareholders of our Company whose names appear in the Record of Depositors of our Company as at 5.00 p.m. on 15 April 2022
<b>EGM</b>	: Extraordinary general meeting of our Company
<b>Entitled Shareholders</b>	: Our shareholders whose names appear in the Record of Depositors of our Company on the Entitlement Date
<b>Entitlement Date</b>	: A date to be determined and announced later by our Board, at the close of business on which the names of the shareholders of our Company must appear in the Record of Depositors of our Company in order to be entitled for the Proposed Share Split
<b>EPS</b>	: Earnings per Share

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**DEFINITIONS (CONT'D)**

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<b>ESOS Options</b>	:	Options granted under the employees' share option scheme of our Company which took effect on 6 March 2019
<b>FYE</b>	:	Financial year ended/ending 31 May, as the case may be
<b>Kenanga IB or Adviser</b>	:	Kenanga Investment Bank Berhad
<b>Listing Requirements</b>	:	Main Market Listing Requirements of Bursa Securities
<b>LPD</b>	:	11 April 2022, being the latest practicable date prior to the printing of this Circular
<b>Maximum Scenario</b>	:	Assuming all the existing treasury shares are resold in the open market at the closing market price of ANB Shares as at the LPD and all the outstanding Warrants B and ESOS Options are exercised into new ANB Shares prior to the implementation of the Proposed Share Split
<b>Minimum Scenario</b>	:	Assuming all the existing treasury shares are retained in our Company and none of the outstanding Warrants B and ESOS Options will be exercised into new ANB Shares prior to the implementation of the Proposed Share Split
<b>NA</b>	:	Net assets
<b>Nylex</b>	:	Nylex (Malaysia) Berhad
<b>Proposed Share Split</b>	:	Proposed share split involving the subdivision of every 1 existing ANB Share held by the Entitled Shareholders on the Entitlement Date into 3 Subdivided Shares
<b>Record of Depositors</b>	:	A record of securities holders established by Bursa Depository pursuant to the Rules of Bursa Depository
<b>RM and sen</b>	:	Ringgit Malaysia and sen, respectively
<b>Subdivided Shares</b>	:	Ordinary shares in ANB after the Proposed Share Split
<b>Subdivided Warrants</b>	:	Warrants B in ANB after the Proposed Share Split
<b>TESP</b>	:	Theoretical ex-split price
<b>VWAP</b>	:	Volume weighted average market price
<b>Warrants B</b>	:	53,720,618 outstanding warrants 2020/2025 in our Company as at the LPD

References to "we", "us", "our" and "ourselves" mean our Company, or where the context otherwise requires, our Group. All references to "you" and "your" in this Circular are to the shareholders of our Company.

Certain amounts and percentage figures included in this Circular have been subject to rounding adjustments. Any discrepancy in the figures included in this Circular between the amounts stated and the totals thereof are due to rounding.

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

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

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**TABLE OF CONTENTS**

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	<b>PAGE</b>
<b>EXECUTIVE SUMMARY</b>	iv
<b>LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED SHARE SPLIT:</b>	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED SHARE SPLIT	2
3. RATIONALE FOR THE PROPOSED SHARE SPLIT	5
4. EFFECTS OF THE PROPOSED SHARE SPLIT	6
5. HISTORICAL SHARE PRICES	14
6. APPROVALS REQUIRED	15
7. INTER-CONDITIONALITY OF THE PROPOSED SHARE SPLIT	15
8. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION	16
9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM	17
10. DIRECTORS' STATEMENT AND RECOMMENDATION	17
11. ESTIMATED TIMEFRAME FOR COMPLETION	17
12. EGM	18
13. FURTHER INFORMATION	18
<b>APPENDIX</b>	
APPENDIX I FURTHER INFORMATION	19
<b>NOTICE OF EGM</b>	<b>ENCLOSED</b>
<b>PROXY FORM</b>	<b>ENCLOSED</b>

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**EXECUTIVE SUMMARY**

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**THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSED SHARE SPLIT. YOU ARE ADVISED TO READ THIS CIRCULAR IN ITS ENTIRETY AND NOT TO RELY SOLELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION ON THE PROPOSED SHARE SPLIT BEFORE VOTING AT THE FORTHCOMING EGM.**

<b>Key information</b>	<b>Description</b>	<b>Reference in Circular</b>
<b>Summary of the Proposed Share Split</b>	<p>The Proposed Share Split involves the subdivision of every 1 existing ANB Share into 3 Subdivided Shares.</p> <p>The Proposed Share Split will result in adjustments to the reference prices and number of outstanding ANB Shares, Warrants B and ESOS Options.</p>	Section 2
<b>Rationale for the Proposed Share Split</b>	<p>(i) To increase the number of ANB Shares held by our shareholders at no cost to be incurred by our shareholders, while maintaining their percentage of equity shareholding held in our Company.</p> <p>(ii) To potentially result in improved trading liquidity of ANB Shares by increasing the number of Shares in issue.</p> <p>(iii) To result in ANB Shares being more affordable without affecting the market capitalisation of our Company, which may encourage greater participation by a wider group of public shareholders and investors.</p>	Section 3
<b>Approvals required</b>	<p>The Proposed Share Split is subject to the following approvals being obtained:</p> <p>(i) Bursa Securities, the approval of which was obtained vide its letter dated 6 April 2022;</p> <p>(ii) our shareholders for the Proposed Share Split at the forthcoming EGM; and</p> <p>(iii) any other relevant authorities, if required.</p>	Section 6
<b>Directors' recommendation</b>	<p>Our Board recommends that you vote in favour of the resolution pertaining to the Proposed Share Split at the forthcoming EGM.</p>	Section 10



**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  
Malaysia

27 April 2022

**Board of Directors**

Dato' Siew Ka Wei (Executive Chairman)  
Lee Cheun Wei (Managing Director)  
Tan Sri Dato' Dr Lin See Yan (Independent Non-Executive Director)  
Tan Sri Dato' Seri Abdull Hamid bin Embong (Independent Non-Executive Director)  
Chan Thye Seng (Non-Independent Non-Executive Director)  
Edmond Cheah Swee Leng (Independent Non-Executive Director)  
Lim Hock Chye (Non-Independent Non-Executive Director)  
Datuk Dr Abd Hapiz bin Abdullah (Independent Non-Executive Director)  
Maliki Kamal bin Mohd Yasin (Independent Non-Executive Director)  
Siew Ka Kheong (Alternate Director to Dato' Siew Ka Wei)

**To: Our shareholders**

Dear Sir/Madam,

**PROPOSED SHARE SPLIT**

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**1. INTRODUCTION**

On 7 March 2022, Kenanga IB had, on behalf of our Board, announced that our Company proposes to undertake the Proposed Share Split.

On 6 April 2022, Kenanga IB had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 6 April 2022, granted its approval for the following:

- (i) the Proposed Share Split;
- (ii) listing of and quotation for up to 116,864,960 Additional Warrants B on the Main Market of Bursa Securities; and
- (iii) listing of and quotation for up to 116,864,960 new Subdivided Shares to be issued pursuant to the exercise of the Additional Warrants B on the Main Market of Bursa Securities,

subject to the conditions set out in Section 6 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED SHARE SPLIT, TOGETHER WITH OUR BOARD'S RECOMMENDATION THEREON AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED SHARE SPLIT TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHARE SPLIT TO BE TABLED AT OUR FORTHCOMING EGM.

## 2. DETAILS OF THE PROPOSED SHARE SPLIT

### 2.1 Basis of the Proposed Share Split

The Proposed Share Split entails the subdivision of every 1 existing ANB Share held by the Entitled Shareholders on the Entitlement Date into 3 Subdivided Shares.

As at the LPD, the issued share capital of our Company is RM376,954,311 comprising 301,448,472 ANB Shares (including 12,823,359 treasury shares). As at the LPD, our Company also has the following convertible securities:

- (a) 53,720,618 outstanding Warrants B as constituted by the Deed Poll. Each Warrant B entitles the registered holder to subscribe for 1 new ANB Share at any time on or before the maturity date of 9 September 2025 at the exercise price of RM0.84 per Warrant B; and
- (b) 11,781,692 outstanding ESOS Options with the exercise price of RM0.765 per ESOS Option. Each ESOS Option granted entitles its holder to subscribe for 1 new ANB Share at an exercise price to be determined by our Board at the date of offer of the ESOS Option.

Under the Minimum Scenario, the enlarged number of issued shares of 301,448,472 ANB Shares (including 12,823,359 treasury shares) will be subdivided into 904,345,416 Subdivided Shares (including 38,470,077 treasury shares) upon completion of the Proposed Share Split.

Under the Maximum Scenario, our Company's enlarged number of issued shares will be 366,950,782 ANB Shares. Subsequently, our Company's enlarged number of issued shares will be 1,100,852,346 Subdivided Shares upon completion of the Proposed Share Split.

The actual number of Subdivided Shares to be issued under the Proposed Share Split will be determined based on the number of ANB Shares in issue (including treasury shares, if any) as at the Entitlement Date. For avoidance of doubt, treasury shares will be entitled to the Subdivided Shares and such Subdivided Shares will be treated as treasury shares held by our Company at the time the Subdivided Shares are allotted.

Notwithstanding the subdivision of the number of ANB Shares as set out above, the RM value of the issued share capital of our Company shall remain unchanged before and after the Proposed Share Split.

The Proposed Share Split is expected to result in adjustments to the exercise prices and number of outstanding Warrants B and ESOS Options. Further details on the adjustments are set out in **Section 4.5** of this Circular.

Fractional entitlements for the Subdivided Shares, Subdivided Warrants and number of ESOS Options after the Proposed Share Split, if any, shall be dealt with in such manner as our Board in its absolute discretion deems fit and expedient, and in the best interest of our Company.

The Proposed Share Split will not be implemented on a staggered basis.

## 2.2 Reference prices of Subdivided Shares and Subdivided Warrants following completion of the Proposed Share Split

The Proposed Share Split will result in an adjustment to the reference prices of ANB Shares and Warrants B listed and quoted on the Main Market of Bursa Securities.

### Subdivided Shares

For illustrative purposes, the TESP of ANB Shares upon the completion of the Proposed Share Split based on the closing market price of ANB Shares as at the LPD of RM3.69, is as set out below:

	<u>Assumed no. of ANB Shares</u>	<u>Closing market price/TESP per ANB Share (RM)</u>	<u>Total value <sup>(1)</sup> (RM)</u>
As at the LPD	1,000	3.69 <sup>(2)</sup>	3,690
After the completion of the Proposed Share Split	3,000	1.23 <sup>(3)</sup>	3,690

#### **Notes:**

- (1) The total value is calculated by multiplying the number of ANB Shares with the closing market price/TESP per ANB Share.
- (2) Based on the closing market price of ANB Shares as at the LPD.
- (3) For illustrative purposes, the TESP based on the closing market price of ANB Shares as at the LPD is arrived at based on the following formula:

$$\begin{aligned}
 \text{TESP} &= \frac{\text{Closing market price of ANB Shares}}{\text{No. of Subdivided Shares after Proposed Share Split}} \times \frac{\text{Assumed no. of Shares before the Proposed Share Split}}{\text{No. of Subdivided Shares after Proposed Share Split}} \\
 &= \text{RM3.69} \times \frac{1,000}{3,000} \\
 &= \text{RM1.23}
 \end{aligned}$$

### Subdivided Warrants

For illustrative purposes, the TESP of Warrants B upon the completion of the Proposed Share Split based on the closing market price of Warrants B as at the LPD of RM2.87, is as set out below:

	<u>Assumed no. of Warrants B</u>	<u>Closing market price/TESP per Warrant B (RM)</u>	<u>Total value <sup>(1)</sup> (RM)</u>
As at the LPD	1,000	2.87 <sup>(2)</sup>	2,870
After the completion of the Proposed Share Split	3,000	0.9567 <sup>(3)</sup>	2,870



**Notes:**

- (1) The total value is calculated by multiplying the number of Warrants B with the closing market price/TESP per Warrant B.
- (2) Based on the closing market price of Warrants B as at the LPD.
- (3) For illustrative purposes, the TESP based on the closing market price of Warrants B as at the LPD is arrived at based on the following formula:

$$\begin{aligned} \text{TESP} &= \frac{\text{Closing market price of Warrants B}}{\text{Assumed no. of Warrants B before the Proposed Share Split}} \times \frac{\text{No. of Subdivided Warrants after Proposed Share Split}}{\text{No. of Subdivided Warrants after Proposed Share Split}} \\ &= \text{RM2.87} \quad \times \quad \frac{1,000}{3,000} \\ &= \text{RM0.9567} \end{aligned}$$

Based on the lowest daily VWAP of ANB Shares during the 3-month period up to and including 29 March 2022, being the last trading date immediately preceding the submission of the application to Bursa Securities in relation to the Proposed Share Split of RM3.0876, the TESP of ANB Shares is RM1.0292 pursuant to the Proposed Share Split.

Accordingly, the Proposed Share Split is in compliance with Paragraph 6.30(1A) of the Listing Requirements which requires the adjusted Share price to be not less than RM0.50 based on the daily VWAP of the Shares during the 3-month period up to and including the last trading date immediately preceding the submission of the application to Bursa Securities in relation to the Proposed Share Split.

Based on the above illustration, the Proposed Share Split will adjust the reference prices of the Shares and Warrants B without affecting the total market value of these securities held by the respective securities holders.

**2.3 Ranking of Subdivided Shares, Additional Warrants B and new ANB Shares to be issued pursuant to the exercise of the Additional Warrants B**

The Subdivided Shares shall, upon allotment and issuance, rank equally in all respects with the then existing ANB Shares, save and except that the Subdivided Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid to shareholders of our Company before the Entitlement Date.

The Additional Warrants B shall, upon allotment and issuance, rank equally in all respects with the then existing Warrants B.

The new ANB Shares to be issued pursuant to the exercise of the Additional Warrants B shall, upon allotment and issuance, rank equally in all respects with the then existing ANB Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or other forms of distribution, the entitlement date of which is prior to the dates of allotment and issuance of the new ANB Shares to be issued pursuant to the exercise of the Additional Warrants B.

**2.4 Listing of and quotation for the Subdivided Shares, Additional Warrants B and new ANB Shares to be issued pursuant to the exercise of the Additional Warrants B**

No suspension will be imposed on the trading of ANB Shares and Warrants B on the Main Market of Bursa Securities for the purpose of implementing the Proposed Share Split.

The approval from Bursa Securities for the Proposed Share Split, listing of and quotation for the Additional Warrants B arising from the Proposed Share Split as well as the new Subdivided Shares to be issued pursuant to the exercise of the Additional Warrants B on the Main Market of Bursa Securities has been obtained via its letter dated 6 April 2022.

The Subdivided Shares and Subdivided Warrants shall be listed and quoted on the Main Market of Bursa Securities on the next market day following the Entitlement Date.

### **3. RATIONALE FOR THE PROPOSED SHARE SPLIT**

Our Board intends to undertake the Proposed Share Split as it serves to:

- (i) increase the number of ANB Shares held by our Company's shareholders at no cost to be incurred by the shareholders, while maintaining their percentage of equity shareholding held in our Company;
- (ii) potentially result in improved trading liquidity of ANB Shares by increasing the number of Shares in issue; and
- (iii) result in ANB Shares being more affordable without affecting the market capitalisation of our Company, which may encourage greater participation by a wider group of public shareholders and investors.

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#### 4. EFFECTS OF THE PROPOSED SHARE SPLIT

##### 4.1 Issued share capital

The pro forma effects of the Proposed Share Split on the issued share capital of our Company are as set out below:

	← Minimum Scenario		Maximum Scenario →					
	No. of Shares (excluding treasury shares)	No. of treasury shares	Total no. of Shares	RM	No. of Shares (excluding treasury shares)	No. of treasury shares	Total no. of Shares	RM
Issued share capital as at the LPD	288,625,113	12,823,359	301,448,472	376,954,311	288,625,113	12,823,359	301,448,472	376,954,311
Assuming resale of treasury shares in open market	-	-	-	-	12,823,359	(12,823,359)	-	-
Assuming full exercise of outstanding Warrants B	-	-	-	-	53,720,618	-	53,720,618	45,125,319 <sup>(1)</sup>
Assuming full exercise of outstanding ESOS Options	-	-	-	-	11,781,692	-	11,781,692	12,406,661 <sup>(2)</sup>
Enlarged issued share capital	288,625,113	12,823,359	301,448,472	376,954,311	366,950,782	-	366,950,782	434,486,291
<b>Issued share capital after the Proposed Share Split</b>	<b>865,875,339</b>	<b>38,470,077</b>	<b>904,345,416</b>	<b>376,954,311</b>	<b>1,100,852,346</b>	<b>-</b>	<b>1,100,852,346</b>	<b>434,486,291</b>

##### Notes:

- (1) Computed based on the exercise price of RM0.84 per Warrants B.
- (2) Computed based on the exercise price of RM0.765 per ESOS option and the corresponding reversal of share options reserve amounting to approximately RM3.39 million to the share capital.

## 4.2 NA and gearing

Based on the latest audited consolidated statements of financial position of our Group as at 31 May 2021, the pro forma effects of the Proposed Share Split on the NA per Share and gearing of our Group are as set out below:

### Minimum Scenario

	(I) Audited as at 31 May 2021 RM'000	(II) After subsequent events up to and including the LPD <sup>(1)</sup> RM'000	(II) After (I) and the Dividend-In- Specie RM'000	(III) After (II) and the Proposed Share Split RM'000
Share capital	256,043	376,954	376,954	376,954
Treasury shares	(6,248)	(19,955)	(19,955)	(19,955)
Reserves	112,404	44,618	42,918 <sup>(2)</sup>	42,418 <sup>(3)</sup>
<b>Shareholders' funds/NA</b>	<b>362,199</b>	<b>401,617</b>	<b>399,917</b>	<b>399,417</b>
No. of Shares in issue (excluding treasury shares) ('000)	242,616	288,625	288,625	865,875
NA per Share (RM)	1.49	1.39	1.39	0.46
Total borrowings	300,796	350,796	350,796	350,796
Gearing (times)	0.83	0.87	0.88	0.88

#### Notes:

(1) After adjusting for the following:

- (a) the issuance of 6,158,172 new Shares pursuant to the exercise of 6,158,172 Warrants B at the exercise price of RM0.84 each, raising approximately RM5.17 million;
- (b) the issuance of 9,669,320 new Shares pursuant to the exercise of 9,669,320 ESOS options at the exercise price of RM0.765 each, raising approximately RM7.40 million;
- (c) the net purchase of a total of 948,300 treasury shares by our Company in the open market;

- (d) the issuance of 31,129,508 Consideration Shares at the fair value of RM3.38 each (i.e. the closing market price of ANB Shares as at 26 January 2022, being the completion date of the Acquisition), in compliance with Malaysian Financial Reporting Standard 13 – Fair Value Measurement, pursuant to the Acquisition;
- (e) the estimated expenses relating to the Acquisition and adjusting for the difference between the adjusted book value of ANB's non-controlling interest in Nylex and the total fair value of the net amount payable for the Acquisition; and
- (f) new bank borrowings amounting to RM50 million to fund the cash portion of the purchase consideration for the Acquisition.
- (2) Assuming dilution of equity interest of RM1.70 million from retained earnings to non-controlling interests as a result of the Dividend-In-Specie.
- (3) After deducting estimated expenses of RM0.50 million relating to the Dividend-In-Specie and Proposed Share Split.

### Maximum Scenario

	(I) Audited as at 31 May 2021 RM'000	(II) After subsequent events up to and including the LPD <sup>(1)</sup> RM'000	(III) After (I) and assuming resale of treasury shares in open market and full exercise of outstanding Warrants B and ESOS Options RM'000	(IV) After (II) and the Dividend-In- Specie RM'000	(V) After (III) and the Proposed Share Split RM'000
Share capital	256,043	376,954	434,486 <sup>(2)</sup>	434,486	434,486
Treasury shares	(6,248)	(19,955)	- <sup>(3)</sup>	-	-
Reserves	112,404	44,618	68,588 <sup>(3)</sup>	66,426 <sup>(4)</sup>	65,926 <sup>(5)</sup>
<b>Shareholders' funds/NA</b>	<b>362,199</b>	<b>401,617</b>	<b>503,074</b>	<b>500,912</b>	<b>500,412</b>
No. of Shares in issue (excluding treasury shares) ('000)	242,616	288,625	366,951	366,951	1,100,852
NA per Share (RM)	1.49	1.39	1.37	1.37	0.45
Total borrowings	300,796	350,796	350,796	350,796	350,796
Gearing (times)	0.83	0.87	0.70	0.70	0.70

**Notes:**

- (1) After adjusting for the following:
  - (a) the total issuance of 6,158,172 new Shares pursuant to the exercise of 6,158,172 Warrants B at the exercise price of RM0.84 each, raising approximately RM5.17 million;
  - (b) the total issuance of 9,669,320 new Shares pursuant to the exercise of 9,669,320 ESOS options at the exercise price of RM0.765 each, raising approximately RM7.40 million;
  - (c) the net purchase of a total of 948,300 treasury shares by our Company in the open market;
  - (d) the issuance of 31,129,508 Consideration Shares at the fair value of RM3.38 each (i.e. the closing market price of ANB Shares as at 26 January 2022, being the completion date of the Acquisition), in compliance with Malaysian Financial Reporting Standard 13 – Fair Value Measurement, pursuant to the Acquisition;
  - (e) the estimated expenses relating to the Acquisition and adjusting for the difference between the adjusted book value of ANB's non-controlling interest in Nylex and the total fair value of the net amount payable for the Acquisition; and
  - (f) new bank borrowing amounting to RM50 million to fund the cash portion of the purchase consideration for the Acquisition.
- (2) Assuming:
  - (a) all 53,720,618 outstanding Warrants B are exercised at the exercise price of RM0.84 per Warrant B; and
  - (b) all 11,781,692 outstanding ESOS options are exercised at the exercise price of RM0.765 per ESOS Option.
- (3) Assuming:
  - (a) all 12,823,359 treasury shares are resold in the open market at RM3.69 per Share, being the closing price of ANB Shares as at the LPD and the resultant gain of RM27.36 million; and
  - (b) the corresponding reversal of share option reserve amounting to approximately RM3.39 million to the share capital due to the assumed exercise of all 11,781,692 outstanding ESOS Options.
- (4) Assuming dilution of equity interest of RM2.16 million from retained earnings to non-controlling interests as a result of the Dividend-In-Specie.
- (5) After deducting estimated expenses of RM0.50 million relating to the Dividend-in-Specie and Proposed Share Split.

### 4.3 Earnings and EPS

The Proposed Share Split is not expected to have any material effect on the consolidated earnings and EPS of our Group for the FYE 2022.

Assuming the earnings of our Group remain unchanged, the consolidated EPS of our Group will be proportionately diluted as a result of the increase in the number of ANB Shares in issue upon the completion of the Proposed Share Split.

For illustrative purposes, assuming that the Proposed Share Split had been completed at the beginning of the FYE 2021 and the earnings of our Group remain unchanged, the pro forma effects of the Proposed Share Split on the consolidated earnings and EPS of our Group are as follows:

	← Minimum Scenario →		← Maximum Scenario →		
	(I)	(II)	(I)	(II)	
	FYE 2021 (audited)	After the Proposed Share Split	FYE 2021 (audited)	Assuming resale of treasury shares in open market and full exercise of outstanding Warrants B and ESOS Options	After (I) and the Proposed Share Split
Net profit attributable to owners of the Company (RM'000)	23,753	23,253 <sup>(2)</sup>	23,753	23,753	23,253 <sup>(2)</sup>
Weighted average no. of Shares in issue (excluding treasury shares) ('000)	288,625 <sup>(1)</sup>	865,875	288,625 <sup>(1)</sup>	366,951 <sup>(3)</sup>	1,100,853
EPS (sen) <sup>(4)</sup>	8.23	2.69	8.23	6.47	2.11

#### Notes:

- (1) Being the weighted average number of Shares in issue (excluding treasury shares) as at the LPD and assuming that the total issuance of 46,957,000 new Shares since 1 June 2021 up to the LPD (comprising 6,158,172 new Shares arising from the exercise of 6,158,172 Warrants B, 9,669,320 new Shares arising from the exercise of 9,669,320 ESOS Options and 31,129,508 Consideration Shares) had been completed at the beginning of the FYE 2021.
- (2) After deducting estimated expenses of RM0.50 million relating to the Dividend-In-Specie and Proposed Share Split.
- (3) Assuming:
  - (a) all 53,720,618 outstanding Warrants B are exercised at the exercise price of RM0.84 per Warrant B
  - (b) all 11,781,692 outstanding ESOS options are exercised at the exercise price of RM0.765 per ESOS Option; and
  - (c) all 12,823,359 treasury shares are resold in the open market at RM3.69 per Share, being the closing price of ANB Shares as at the LPD.
- (4) Computed based on net profit attributable to owners of our Company divided by weighted average number of ANB Shares in issue.

#### 4.4 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Share Split on the substantial shareholders' shareholdings in our Company based on the Register of Substantial Shareholders of our Company as at the LPD are as set out below:

##### Minimum Scenario

Name	Shareholding as at the LPD			(i) After the Proposed Share Split		
	Direct No. of Shares	Indirect No. of Shares	% <sup>(1)</sup>	Direct No. of Shares	Indirect No. of Shares	% <sup>(1)</sup>
Dato' Siew Ka Wei	37,646,972	22,307,417 <sup>(2)</sup>	7.73	112,940,916	66,922,251 <sup>(2)</sup>	7.73
Chan Thye Seng	-	15,910,144 <sup>(3)</sup>	5.51	-	47,730,432 <sup>(3)</sup>	5.51
Pacific & Orient Berhad	12,859,205	3,050,939 <sup>(4)</sup>	1.06	38,577,615	9,152,817 <sup>(4)</sup>	1.06
Siew Ka Kheong	482,513	16,886,836 <sup>(5)</sup>	5.85	1,447,539	50,660,508 <sup>(5)</sup>	5.85
Siew Nim Chee & Sons Sdn Bhd	16,761,836	-	-	50,286,508	-	-
Lee Cheun Wei	16,634,280	-	-	49,902,840	-	-

##### Maximum Scenario

Name	Shareholding as at the LPD			(i) Assuming resale of treasury shares in open market and full exercise of outstanding Warrants B and ESOS Options		
	Direct No. of Shares	Indirect No. of Shares	% <sup>(1)</sup>	Direct No. of Shares	Indirect No. of Shares	% <sup>(1)</sup>
Dato' Siew Ka Wei	37,646,972	22,307,417 <sup>(2)</sup>	7.73	48,207,949	26,404,462 <sup>(2)</sup>	7.20
Chan Thye Seng	-	15,910,144 <sup>(3)</sup>	5.51	-	18,506,635 <sup>(3)</sup>	5.04
Pacific & Orient Berhad	12,859,205	3,050,939 <sup>(4)</sup>	1.06	12,859,205	5,647,430 <sup>(4)</sup>	1.54
Siew Ka Kheong	482,513	16,886,836 <sup>(5)</sup>	5.85	782,513	19,883,881 <sup>(5)</sup>	5.42
Siew Nim Chee & Sons Sdn Bhd	16,761,836	-	-	19,659,881	-	-
Lee Cheun Wei	16,634,280	-	-	23,230,650	-	-



(II)

← After (I) and the Proposed Share Split →

Name	← Direct →		← Indirect →	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Dato' Siew Ka Wei	144,623,847	13.14	79,213,386 <sup>(2)</sup>	7.20
Chan Thye Seng	-	-	55,519,905 <sup>(3)</sup>	5.04
Pacific & Orient Berhad	38,577,615	3.50	16,942,290 <sup>(4)</sup>	1.54
Siew Ka Kheong	2,347,539	0.21	59,651,643 <sup>(5)</sup>	5.42
Siew Nim Chee & Sons Sdn Bhd	58,979,643	5.36	-	-
Lee Cheun Wei	69,691,950	6.33	-	-

**Notes:**

- (1) Excluding treasury shares.
- (2) Deemed interested by virtue of his direct and indirect interests held through Silver Dollars Sdn. Bhd., Siew Nim Chee & Sons Sdn Bhd, Datin Young Ka Mun, Quek Lay Kheng and Siew Ka Kheong.
- (3) Deemed interested by virtue of his direct and indirect interests held through Pacific & Orient Berhad and Pacific & Orient Insurance Co. Berhad.
- (4) Deemed interested by virtue of its direct interests held through Pacific & Orient Insurance Co. Berhad.
- (5) Deemed interested by virtue of his direct and indirect interests held through Siew Nim Chee & Sons Sdn Bhd and Quek Lay Kheng.

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## 4.5 Convertible Securities

As at the LPD, save for the 53,720,618 outstanding Warrants B and 11,781,692 outstanding ESOS Options, our Company does not have any other outstanding convertible securities.

The Proposed Share Split will give rise to adjustments to the exercise price and number of outstanding Warrants B and ESOS Options in accordance with the provisions of the Deed Poll and By-Laws respectively, as illustrated below:

### (i) Adjustments to the outstanding Warrants B

The exercise price and number of the outstanding Warrants B will be adjusted in accordance with the provisions of the Deed Poll as a result of the Proposed Share Split. Any adjustments to the exercise price and number of the outstanding Warrants B will be determined by our Board in consultation with an approved adviser or certified by the external auditors of our Company at a later date. A notice will be despatched to the holders of Warrants B in the event of any adjustment to the exercise price and/or number of outstanding Warrants B within 21 market days of such adjustment in accordance with the provisions of the Deed Poll.

For illustrative purposes only, assuming all the 53,720,618 outstanding Warrants B as at the LPD are not exercised into new ANB Shares prior to the Entitlement Date, the adjustments to the outstanding Warrants B pursuant to the Proposed Share Split are as follows:

$$\begin{aligned}
 \text{Adjusted exercise price} &= \text{Existing exercise price} \times \frac{\text{Aggregate number of issued Shares immediately before the Proposed Share Split}}{\text{Aggregate number of issued Shares immediately after the Proposed Share Split}} \\
 &= \text{RM0.84} \times \frac{301,448,472}{904,345,416} \\
 &= \text{RM0.28}
 \end{aligned}$$

$$\begin{aligned}
 \text{Additional Warrants B} &= \text{Number of outstanding Warrants B} \times \frac{\text{Aggregate number of issued Shares immediately after the Proposed Share Split}}{\text{Aggregate number of issued Shares immediately before the Proposed Share Split}} - \text{Number of outstanding Warrants B} \\
 &= 53,720,618 \times \frac{904,345,416}{301,448,472} - 53,720,618 \\
 &= 107,441,236
 \end{aligned}$$

### (ii) Adjustments to the outstanding ESOS Options

The exercise price and number of the outstanding ESOS Options will be adjusted in accordance with the provisions of the By-Laws as a result of the Proposed Share Split. Any adjustments to the exercise price and number of the outstanding ESOS Options will be determined by the ESOS Committee and certified by the external auditor or such other persons allowed by Bursa Securities in accordance with the provisions of the By-Laws in consultation with an adviser and/or the external auditor at a later date. A notice will be given to the holders of ESOS Options in the event of any adjustment to the exercise price and/or number of outstanding ESOS options within 10 market days of such adjustment in accordance with the provisions of the By-Laws.

For illustrative purposes only, assuming all the 11,781,692 outstanding ESOS Options as at the LPD are not exercised into new ANB Shares prior to the Entitlement Date, the adjustments to the exercise price and outstanding ESOS options are as follows:

$$\begin{aligned}
 \text{Adjusted exercise price} &= \text{Existing exercise price} \times \frac{\text{Aggregate number of issued Shares immediately before the Proposed Share Split}}{\text{Aggregate number of issued Shares immediately after the Proposed Share Split}} \\
 &= \text{RM0.765} \times \frac{301,448,472}{904,345,416} \\
 &= \text{RM0.25 (rounded down to the nearest one sen)}
 \end{aligned}$$
  

$$\begin{aligned}
 \text{Additional ESOS options} &= \text{Number of outstanding ESOS options} \times \frac{\text{Aggregate number of issued Shares immediately after the Proposed Share Split}}{\text{Aggregate number of issued Shares immediately before the Proposed Share Split}} - \text{Number of outstanding ESOS options} \\
 &= 11,781,692 \times \frac{904,345,416}{301,448,472} - 11,781,692 \\
 &= 23,563,384
 \end{aligned}$$

The Adjustments will only be finalised on the Entitlement Date and will be effective on the next market day following the Entitlement Date.

## 5. HISTORICAL SHARE PRICES

The monthly highest and lowest transacted market prices of ANB Shares traded on Bursa Securities for the past 12 months prior to the LPD are as follows:

	<u>Highest (RM)</u>	<u>Lowest (RM)</u>
<b><u>2021</u></b>		
April	1.84	1.34
May	1.71	1.35
June	1.72	1.45
July	1.58	1.43
August	1.48	1.40
September	2.22	1.42
October	2.99	2.15
November	3.00	2.54
December	3.15	2.44
<b><u>2022</u></b>		
January	3.49	3.00
February	4.10	3.33
March	4.07	3.29
Closing market price of ANB Shares on 4 March 2022 (being the last trading day prior to the Announcement)		4.03
Closing market price of ANB Shares on the LPD		3.69

(Source: Bloomberg L.P.)

## 6. APPROVALS REQUIRED

The Proposed Share Split is subject to the following approvals being obtained:

- (i) Bursa Securities for the following:
  - (a) the Proposed Share Split;
  - (b) listing of and quotation for up to 116,864,960 Additional Warrants B on the Main Market of Bursa Securities; and
  - (c) listing of and quotation for up to 116,864,960 new Subdivided Shares to be issued pursuant to the exercise of the Additional Warrants B on the Main Market of Bursa Securities,

the approval of which was obtained vide Bursa Securities' letter dated 6 April 2022 subject to the following conditions:

<b>Conditions</b>	<b>Status of compliance</b>
(a) ANB and Kenanga IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Share Split;	To be complied
(b) ANB and Kenanga IB to inform Bursa Securities upon the completion of the Proposed Share Split;	To be complied
(c) ANB/Kenanga IB to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders at the forthcoming general meeting for the Proposed Share Split;	To be complied
(d) ANB and Kenanga IB to furnish to Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Share Split is completed;	To be complied
(e) ANB/Kenanga IB is required to make the relevant announcements pursuant to Paragraphs 6.35(2)(a)&(b) and 6.35(4) of the Listing Requirements;	To be complied
(f) The Subdivided Shares and Additional Warrants B must be listed and quoted simultaneously; and	To be complied
(g) ANB/Kenanga IB is required to make an "Entitlement" announcement on Additional Warrants B together with the Proposed Share Split pursuant to Paragraph 9.19(1) of the Listing Requirements	To be complied

- (ii) our shareholders for the Proposed Share Split at the forthcoming EGM; and
- (iii) any other relevant authorities, if required.

## 7. INTER-CONDITIONALITY OF THE PROPOSED SHARE SPLIT

The Proposed Share Split is not conditional upon any other proposal undertaken or to be undertaken by our Company.

## 8. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Share Split as well as the proposals as disclosed below, our Board is not aware of any other outstanding corporate exercises, which have been announced by our Company but not yet completed as at the LPD:

- (i) the underlying proposals of the heads of agreement dated 16 July 2020 (“**HOA**”) entered into between ANB, Ancom Logistics Berhad (“**ALB**”), S7 Holdings Sdn. Bhd., Merrington Assets Limited, MY E.G. Capital Sdn. Bhd. and Avocat Sdn. Bhd. (collectively referred to as the “**Parties**”) and supplemental heads of agreement dated 19 January 2022 (“**Supplemental HOA**”) entered into between the Parties, Matrix Sdn. Bhd. and Venstrait Sdn. Bhd., for acquisition of new business by ALB and disposal of ALB’s existing core business to ANB or its subsidiary, as part of ALB’s group restructuring exercise.

The HOA has become effective on 16 June 2020 upon the signing of the HOA between the parties and shall terminate upon occurrence of any of the following events:

- (a) mutual written agreement to terminate by the parties at any time; or
- (b) upon execution of the share sale agreement and any other documents in relation to the proposed acquisition; or
- (c) expiry of 21 months from the date of the HOA (i.e. 15 April 2022) (“**Negotiation Period**”);

whichever is the earliest.

The HOA (as supplemented by the Supplemental HOA) has expired and lapsed on 15 April 2022 as the conditions in the Supplementary HOA have not been met, and no further extension of time of the Negotiation Period has been requested by the vendors;

- (ii) proposed acquisition by ALB of 76.37% equity interest in S5 Holdings Inc. from S7 Holdings Sdn. Bhd. pursuant to an offer to purchase agreement dated 1 September 2020 entered into between ALB and S7 Holdings Sdn. Bhd.

On 15 April 2022, ALB had issued and served on S7 a written notice for refund of the refundable deposit of RM10,000,000 within 14 days from the date of receipt of such notice pursuant to the terms and conditions of the offer to purchase agreement;

- (iii) proposed acquisition by our wholly-owned subsidiary, Ancom Crop Care Sdn. Bhd. of 80% equity interest in Shennong Animal Health (Malaysia) Sdn. Bhd. from Gan Kian Chong, Ngo Kee Fook, Chang Chun Hee, Lau Moo Leong, Neo Kian Huat, Ang Hee Yeou and Yap Tek Sang pursuant to 2 share sale agreements dated 28 December 2021 for a total cash consideration of RM16,640,000. As at the LPD, the share sale agreements have not been completed;
- (iv) proposed acquisition by our wholly-owned subsidiary, Ancom Crop Care Sdn. Bhd. of 80% equity interest in Vemedim Sdn. Bhd. from Gan Kian Chong, Chua Swee Peng, Neo Kian Huat, Chua Theng Song and Neo Khean Lee pursuant to 2 share sale agreements dated 28 December 2021 for a total cash consideration of RM7,279,999. As at the LPD, the share sale agreements have not been completed;

(v) the underlying proposals of the heads of agreement dated 21 March 2022 entered into between Sinar Bina Infra Sdn. Bhd., LBS Bina Group Berhad (“**LBS**”), BTS Group Holdings Public Company Limited (“**BTS**”), ANB and Nylex for the following:

(a) proposed joint venture between the relevant parties in connection with the concession to build and operate a light rail transport system connected with the railway shuttle link currently being built from Singapore to Johor Bahru, with an integrated property development using the “Transit-Oriented Development” concept in Johor Bahru metropolitan region (“**LRT Project**”) and the development of such lands in Johor as part of the LRT Project (“**Proposed Venture**”);

(b) proposed acquisition by Nylex of several lands located in Johor from LBS; and

(c) proposed private placement of new ordinary shares in Nylex to BTS, ANB and/or other investors to be identified after the completion of the Proposed Venture.

As at the LPD, the parties have not finalised the terms of the definitive agreement; and

(vi) Dividend-In-Specie.

## 9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, Chief Executive of our Company and/or persons connected with them have any interest, direct or indirect, in the Proposed Share Split, save for their respective entitlements as shareholders of our Company under the Proposed Share Split, the rights of which are also available to all other entitled shareholders of our Company.

## 10. DIRECTORS’ STATEMENT AND RECOMMENDATION

Our Board, after having considered all aspects of the Proposed Share Split including its rationale and effects, is of the opinion that the Proposed Share Split is in the best interests of our Company and its securities holders and accordingly recommend you to vote in favour of the resolution in respect of the Proposed Share Split to be tabled at our forthcoming EGM.

## 11. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Share Split is expected to be completed in the second quarter of 2022.

The tentative timetable for the implementation of the Proposed Share Split is set out below:

<b>Date</b>	<b>Events</b>
20 May 2022	<ul style="list-style-type: none"><li>• Convening of EGM</li></ul>
End of May 2022	<ul style="list-style-type: none"><li>• Announcement of the Entitlement Date</li></ul>
Early June 2022	<ul style="list-style-type: none"><li>• Entitlement Date</li><li>• Listing of and quotation for the Subdivided Shares and Additional Warrants B on the Main Market of Bursa Securities</li><li>• Completion of the Proposed Share Split</li></ul>

## 12. EGM

The EGM, the Notice of which is enclosed in this Circular and available for download at our Company's website at <http://www.ancomnylex.com/egm.php>, will be held entirely through live streaming from the broadcast venue at No. 2A, Jalan 13/2, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Friday, 20 May 2022, at 10.00 a.m. using remote participation and voting facilities provided by the Share Registrar of our Company, Tricor Investor & Issuing House Services Sdn Bhd via TIIH Online website at <https://tiih.online>, for the purpose of considering and, if thought fit, passing the Special Resolution.

If you are unable to attend and vote at the EGM, you may appoint a proxy(ies) to do so by completing and depositing the Proxy Form in accordance with the instructions therein at the office of the Share Registrar of our Company 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 EGM. 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, 18 May 2022, at 10.00 a.m.

The lodging of the Proxy Form will not preclude you from participating, speaking and voting at the EGM should you subsequently decide to do so. If you do, your proxy shall be precluded from participating in the EGM.

You are advised to refer to the Administrative Guide for Shareholders which is available at our Company's website at <https://www.ancomnylex.com/egm.php> on the registration and voting process for the EGM.

## 13. FURTHER INFORMATION

You are advised to refer to the appendix set out in this Circular for further information.

Yours faithfully  
For and on behalf of our Board  
**ANCOM NYLEX BERHAD**  
**(FORMERLY KNOWN AS ANCOM BERHAD)**

**DATO' SIEW KA WEI**  
Executive Chairman

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by our Board, and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

**2. CONSENT AND CONFLICT OF INTERESTS**

Kenanga IB, being the Adviser for the Proposed Share Split, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Kenanga IB has confirmed that as at the LPD, it is not aware of any conflict of interest situation which exists or is likely to exist in its capacity as the Adviser for the Proposed Share Split.

**3. MATERIAL LITIGATION**

Save as disclosed below, as at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware of any proceedings pending or threatened, against our Group, or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our 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 our 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, our 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. A case management of the matter was fixed on 21 April 2022 but was subsequently postponed to a later date to be fixed by the court.

**4. MATERIAL COMMITMENTS**

Save as disclosed below, as at the LPD, our Board is not aware of any material commitments incurred or known to be incurred by our Group which may have a material impact on the profit and/or NA of our Group.

<b>Capital commitments</b>	<b>RM'000</b>
In respect of purchase of property, plant and equipment:	
• Approved and contracted for	18,571
• Approved but not contracted for	28,772
	<b>47,343</b>

**5. CONTINGENT LIABILITIES**

Save as disclosed below, as at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on our Group's financial results/position:

	<b>RM'000</b>
Bank guarantees given by financial institutions for trade performance of certain subsidiaries	7,644

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of ANB at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, during the normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM of our Company:

- (i) the Constitution of our Company;
- (ii) the audited consolidated financial statements of our Group for FYE 2020 and FYE 2021;
- (iii) the latest unaudited consolidated financial statements of our Group for the 9-month financial period ended 28 February 2022;
- (iv) the letter of consent and conflict of interest referred to in Section 2 above; and
- (v) cause papers for the material litigation referred to in Section 3 above.

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

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of Ancom Nylex Berhad (formerly known as Ancom Berhad) (“**ANB**” or “**Company**”) 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, 20 May 2022 at 10.00 a.m. using remote participation and voting facilities provided by the Company’s Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd via TIIH Online website at <https://tiih.online>, for the purpose of considering and, if thought fit, passing the following resolution, with or without any modification:

**SPECIAL RESOLUTION**

**PROPOSED SHARE SPLIT INVOLVING THE SUBDIVISION OF EVERY 1 EXISTING ORDINARY SHARE IN ANCOM NYLEX BERHAD (FORMERLY KNOWN AS ANCOM BERHAD) (“ANB” OR “COMPANY”) (“ANB SHARE”) HELD BY SHAREHOLDERS OF THE COMPANY, WHOSE NAMES APPEAR IN THE RECORD OF DEPOSITORS OF THE COMPANY ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED AT A LATER DATE, INTO 3 ANB SHARES (“SUBDIVIDED SHARES”)**

“THAT subject to all approvals being obtained from the relevant authorities (if required), approval be and is hereby granted to the Board of Directors of ANB (“**Board**”) to –

- (i) subdivide every 1 existing ANB Share held by the shareholders of ANB, whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board (“**Entitlement Date**”), into 3 Subdivided Shares (“**Proposed Share Split**”);
- (ii) allot and issue additional warrants 2020/2025 in the Company (as constituted by the deed poll dated 21 August 2020) (“**Warrants B**”) (“**Additional Warrants B**”) resulting from adjustments pursuant to the Proposed Share Split; and
- (iii) allot and issue such number of new ANB Shares arising from the exercise of the Additional Warrants B by the holders;

THAT the Subdivided Shares shall, upon allotment and issuance, rank equally in all respects with the then existing ANB Shares, save and except that the Subdivided Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid to shareholders of the Company before the Entitlement Date;

THAT the Additional Warrants B shall, upon allotment and issuance, rank equally in all respects with the then existing Warrants B;

THAT the new ANB Shares to be issued arising from the exercise of the Additional Warrants B shall, upon allotment and issuance, rank equally in all respects with the then existing ANB Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or other forms of distribution, the entitlement date of which is prior to the dates of allotment and issuance of the new ANB Shares to be issued arising from the exercise of the Additional Warrants B;

THAT the fractional entitlements for the Subdivided Shares and Additional Warrants B arising from the Proposed Share Split, if any, shall be disregarded and/or dealt with by the Board in such manner at its absolute discretion as it may deem fit and expedient and in the best interest of the Company;

AND THAT the Board be and is hereby authorised to do all acts, deeds and things and to execute and deliver on behalf of the Company all such documents as the Board may deem fit, necessary or expedient in the best interest of the Company in order to finalise, implement and/or give full effect to the Proposed Share Split with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required or imposed by the relevant authorities.”

**By Order of the Board**

**CHOO SE ENG** (MIA 5876) (SSM PC No. 202208000036)

**WONG WAI FOONG** (MAICSA 7001358) (SSM PC No. 202008001472)

Company Secretaries

Petaling Jaya

27 April 2022

**Notes:**

- (1) Pursuant to Section 327(2) of the Companies Act 2016, the Chairman will be present at the Broadcast Venue being the main venue of the EGM. **Members will not be allowed to attend the EGM in person at the Broadcast Venue on the day of the meeting.** Members are to participate, speak (via real time submission of typed texts only) and vote remotely. Please refer to the Administrative Guide for Shareholders, a copy of which is available at the Company's website at <http://www.ancomnylex.com/egm.php> on registration, participation and voting at the EGM.
- (2) In respect of deposited securities, only members whose names appear on the Record of Depositors as at 12 May 2022 shall be entitled to participate, speak and vote or appoint proxy(ies) to participate, speak and vote on their behalf at the EGM.
- (3) A member, including an authorised nominee, who is entitled to participate, speak and vote at the EGM may appoint not more than two (2) proxies to participate, speak and vote for him/her. A proxy may but need not be a member of the Company. There is no restriction as to the qualification of the proxy.
- (4) Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (5) Where a member, an authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy in the Proxy Form.
- (6) The appointment of proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company's Share Registrar at least forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof:
  - (i) In hardcopy form  
The Proxy Form may be deposited at the Share Registrar of the Company 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 alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
  - (ii) By electronic means  
The Proxy Form can be electronically lodged with the Share Registrar of the Company via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide for Shareholders on the appointment and registration of proxy for the EGM by electronic means.

- (7) Any authority pursuant to which such an appointment is made by a Power of Attorney must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, 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 at least forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof at which the person named in the appointment proposes to vote. A copy of the Power of Attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (8) For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL Certificate of Appointment of Authorised Representative (“**Certificate**”) with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia before the time appointed for holding the EGM or any adjournment thereof at which the person named in the appointment proposes to vote. The Certificate should be executed in the following manner:
- (i) If the corporate member has a Common Seal, the Certificate should be executed under seal in accordance with the constitution of the corporate member.
  - (ii) If the corporate member does not have a Common Seal, the Certificate should be affixed with the rubber stamp of the corporate member (if any) and executed by: (a) at least two (2) authorised officers, one of whom shall be a director; or, (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- (9) A member who has appointed a proxy or attorney or authorised representative to participate in the EGM must request his proxy or attorney or authorised representative to register himself for the remote participation and voting facilities at the Share Registrar’s TIIH Online website at <https://tiih.online>. Please read and follow the procedures provided in the Administrative Guide for Shareholders.

**ANCOM NYLEX BERHAD****(FORMERLY KNOWN AS ANCOM BERHAD)**

Registration No: 196901000122 (8440-M)

(Incorporated in Malaysia)

CDS account no.	No. of shares held

I/We ..... NRIC No. ....  
 (Full Name in Block Letters)

of .....  
 (Full Address)

being (a) member(s) of **ANCOM NYLEX BERHAD (FORMERLY KNOWN AS ANCOM BERHAD)**,  
 hereby appoint

Full Name in Block Letters		Proportion of Shareholdings %
NRIC No.		
Full Address		
Full Name in Block Letters		Proportion of Shareholdings %
NRIC No.		
Full Address		
		100%

or failing \*him/her, the Chairman of the Meeting as \*my/our \*proxy /proxies to attend and to vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting ("EGM") of our Company to be held and conducted entirely through live streaming from the broadcast venue at No. 2A, Jalan 13/2, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan ("Broadcast Venue") on Friday, 20 May 2022 at 10.00 a.m. and to vote as indicated below:

RESOLUTION	FOR	AGAINST
Proposed Share Split		

(Please indicate with an "X" on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.)

[\*Delete if not applicable]

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

\_\_\_\_\_  
 Signature/Common Seal of shareholder(s)

Telephone no. during office hours



**Notes:**

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AFFIX  
STAMP

**ANCOM NYLEX BERHAD**  
**(FORMERLY KNOWN AS ANCOM BERHAD)**  
The Share Registrar:  
Tricor Investor & Issuing House Services Sdn Bhd  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

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