

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

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

Bursa Malaysia Securities Berhad ("Bursa Securities") has perused the Proposed New Shareholders' Mandate for RRPTs on a limited review basis pursuant to Practice Note 18 of the Main Market Listing Requirements. Bursa Securities has not perused the Proposed Renewal of Share Buy-Back Mandate before its issuance.

Bursa Securities takes no responsibility for the contents of this Circular and Statement and makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular and Statement.



ANCOM BERHAD

[Registration No : 196901000122 (8440-M)]
(Incorporated in Malaysia)

**PART A :
CIRCULAR TO SHAREHOLDERS**

in relation to

**PROPOSED NEW SHAREHOLDERS' MANDATE
FOR RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs")
OF A REVENUE OR TRADING NATURE
("Proposed New Shareholders' Mandate for RRPTs")**

**PART B :
STATEMENT**

in relation to

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

THIS CIRCULAR AND STATEMENT IS ISSUED IN CONJUNCTION WITH THE RELEVANT RESOLUTIONS TO BE TABLED AT THE 52ND ANNUAL GENERAL MEETING ("AGM") OF THE COMPANY.

The relevant resolutions will be tabled as Special Businesses at the Company's **52nd 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 ("**Broadcast Venue**") on **Tuesday, 26 October 2021 at 2.30 p.m.** using remote participation and voting facilities provided by the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tiih.online>. The Notice of the 52nd AGM together with the Proxy Form are enclosed in the Company's 2021 Annual Report which are available on the Company's website at <http://www.ancom.com.my/agm.php>

If you are unable to participate, speak and vote at the Company's 52nd AGM, you may appoint a proxy(ies) to do so by completing and depositing the Proxy Form in accordance with the instructions therein at the Company's Share Registrar's office at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time appointed for holding the 52nd AGM. You can also lodge the Proxy Form electronically via TIIH Online website at <https://tiih.online> before the proxy appointment cut-off time as mentioned below:

Last date and time for lodging the Proxy Form : Sunday, 24 October 2021 at 2.30 p.m.

Date and time of the 52nd AGM : Tuesday, 26 October 2021 at 2.30 p.m.

DEFINITIONS

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

Act	:	Companies Act 2016 as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
Ancom or Company	:	Ancom Berhad [Registration No : 196901000122 (8440-M)]
Ancom Group or Group	:	Ancom and its subsidiaries
Ancom Share(s) or Share(s)	:	Ordinary share(s) of Ancom
Board	:	Board of Directors of Ancom
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 6 months of the date on which the terms of the transaction were agreed upon, a Director of Ancom or any other company which is its subsidiary or holding company or a chief executive officer of Ancom, 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 and Statement, being 14 September 2021
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 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)]
MMSB	:	Malay Mail Sdn. Bhd. [Registration No : 199201008009 (239512-V)]
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 New Shareholders' Mandate for RRPTs	:	Proposed new shareholders' mandate for RRPTs with MMOSB
Proposed Renewal of Share Buy-Back Mandate	:	Proposed renewal of shareholders' mandate for the purchase by Ancom of its own shares
Related Party(ies)	:	A Director, Major Shareholder or person connected with such director or Major Shareholder
RM	:	Ringgit Malaysia
RRPT(s)	:	Recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations and in the ordinary course of business of Ancom 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 and 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 and Statement shall be a reference to Malaysian time, unless otherwise specified.

TABLE OF CONTENT

	Page
PART A :	
CIRCULAR TO SHAREHOLDERS IN RELATION TO PROPOSED NEW SHAREHOLDERS' MANDATE FOR RRPTS	
1. INTRODUCTION	1
2. PROPOSED NEW SHAREHOLDERS' MANDATE FOR RRPTS	
2.1 Introduction	1
2.2 Transaction Details	2
2.3 Amount Due and Owing to Ancom Group	3
2.4 Rationale and Benefits	4
2.5 Review Procedures	4
2.6 Statement by Audit Committee	5
2.7 Validity	5
2.8 Effects	5
2.9 Directors', Major Shareholders' and Persons Connected with Directors and/or Major Shareholders' Interests	5
3. DIRECTORS' RECOMMENDATION	6
4. SHAREHOLDERS' APPROVAL AND 52 ND AGM	6
5. FURTHER INFORMATION	7
PART B :	
STATEMENT IN RELATION TO PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE	
1. INTRODUCTION	8
2. PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE	
2.1 Validity	8
2.2 Rationale	8
2.3 Ranking	8
2.4 Funding	9
2.5 Potential Advantages and Disadvantages	9
2.6 Effects	9
3. DIRECTORS', MAJOR SHAREHOLDERS' AND PERSONS CONNECTED WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS' SHAREHOLDING	10
4. IMPLICATION UNDER THE CODE	11
5. DETAILS OF TRANSACTIONS	11
6. HISTORICAL SHARE PRICES	11
7. PUBLIC SHAREHOLDING SPREAD	12
8. DIRECTORS' RECOMMENDATION	12
9. SHAREHOLDERS' APPROVAL AND 52 ND AGM	12
APPENDIX :	
FURTHER INFORMATION	

PART A

Proposed New Shareholders' Mandate
for RRPTs



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

30 September 2021

Board of Directors

Dato' Siew Ka Wei (*Executive Chairman*)
Tan Sri Dato' Dr Lin See Yan (*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*)
Chan Thye Seng (*Non-Independent Non-Executive Director*)
Edmond Cheah Swee Leng (*Independent Non-Executive Director*)
Lim Hock Chye (*Independent Non-Executive Director*)
Siew Ka Kheong (*Alternate Director to Dato' Siew Ka Wei*)

To: The Shareholders of Ancom

Dear Sir/Madam,

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

1. INTRODUCTION

At the 51st AGM held on 21 October 2020, the Company had obtained its shareholders' mandate in respect of RRPT. The said mandate shall lapse at the conclusion of the forthcoming 52nd AGM scheduled to be held on 26 October 2021.

On 24 September 2021, the Company announced its intention to seek shareholders' approval for a new mandate in respect of RRPT with new transacting Related Party(ies) in accordance with Paragraph 10.09 of the Listing Requirements ("Proposed New Shareholders' Mandate for RRPTs").

The purpose of this circular is to provide the shareholders with the relevant information on the Proposed New 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 52nd AGM of the Company.

2. PROPOSED NEW 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 Chemicals – manufacturing, trading and sale of agricultural chemical products;
- Industrial Chemicals – manufacturing, trading and sale of industrial chemical products;
- Polymer – manufacturing and marketing of polymer products.
- Logistics – ship-owning, ship-operating, land transportation, container haulage, bulk cargo handling, chemicals warehousing and related services;
- Media – provision of out-of-home and digital advertising media space; and
- Other businesses include education, information technology, manufacturing and sales of electrical components and property development.

Ancom Group has entered into RRPT in the ordinary course of business and it is anticipated that the subsidiaries of Ancom would, in the ordinary course of business, continue to enter into such transactions with the Related Party. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

In this regard, the Board proposes to seek a mandate from the shareholders for RRPT to be entered into by Ancom Group from the date of the forthcoming 52nd AGM, which are necessary for the day-to-day operations of Ancom Group and are based on normal commercial terms that are 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 rest of this page is intentionally left blank }

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

<i>Related Party</i>	<i>Transacting Party</i>	<i>Nature of Transactions</i>	<i>Relationship between Ancom Group and the Related Party</i>	<i>Estimated Value for Previous Mandate</i> <i>(RM'000)</i>	<i>Actual Value Transacted from Previous Mandate Obtained up to LPD</i> <i>(RM'000)</i>	<i>Deviation of Actual Value against Estimated Value for Previous Mandate</i> <i>(RM'000) / (%)</i>	<i>Estimated Value for Current Mandate</i> <i>(RM'000)</i>
<u>New Related Party</u>							
MMOSB	Ancom Group	Provision of advertising space in the media channels by MMOSB to Ancom Group	<i>(Note 1)</i>	N/A	N/A	N/A	4,000 <i>(Note 2)</i>
<u>Existing Related Party</u>							
MMSB	Ancom Group	Provision of advertising space in the newspaper and other media channels by MMSB to Ancom Group	<i>(Note 1)</i>	4,000	1,433	(2,567) / (64.17)%	Nil

Note 1

- (i) Ancom Group refers to Ancom and its subsidiaries.*
- (ii) Dato' Siew Ka Wei ("DSKW") is a Director and Major Shareholder of Ancom through his direct and indirect interest in the Company. His indirect interest includes the interests of Datin Young Ka Mun ("DYKM"-wife), 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 of Dahlia Megah Sdn. Bhd. ("DMSB") and he holds 50% equity interest in DMSB. DMSB holds 46.8% direct interest in MMOSB while DSKW holds 32.2% 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 Ancom. 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 transaction 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 Ancom Group

As at LPD, there is no outstanding amount due and owing to Ancom Group by the Related Party(ies) which exceeded the credit term for the RRPT.

2.4 Rationale and Benefits

The RRPT are intended to meet the business needs and they enable the Group to transact with the Related Party(ies) which are in the ordinary course of business undertaken at arm's length, on normal commercial terms which are not more favourable to the Related Party(ies) than those generally available to the public and are not detrimental to the interest of minority shareholders.

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

2.5 Review Procedures

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

- (i) RRPT 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) RRPT 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 RRPT :

- (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 RRPT 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 RRPT which are entered into pursuant to the Proposed New Shareholders' Mandate for RRPTs.
- (v) Additional information pertaining to the RRPT may be requested from independent sources or advisers, if required.
- (vi) The Company's internal audit plan will incorporate an annual review of all RRPT 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 RRPT transacted pursuant to the Proposed New Shareholders' Mandate for RRPTs.

- (viii) The Audit Committee will also consider from time to time whether the established guidelines and procedures for RRPT 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 RRPT will be reviewed by the Audit Committee at least once in a financial year.

2.6 Statement by Audit Committee

The Audit Committee has seen and reviewed the procedures and guidelines stated in Section 2.5 above and is of the view that the procedures and guidelines put in place are sufficient to ensure that the RRPT will be carried out at arm's length basis and in accordance with the Group's normal commercial terms and not favourable to the Related Party(ies) than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

The Audit Committee is of the view that the Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. These procedures and processes are reviewed on an annual basis.

2.7 Validity

The Proposed New Shareholders' Mandate for RRPTs is subject to annual renewal. In this respect, the authority conferred by the Proposed New 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 New 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 Company.

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	30,382,320	12.44	22,556,221	9.23
Siew Ka Kheong ("SKK")	660,000	0.27	16,217,185	6.64
<u>Interested Major Shareholders</u>				
DSKW	30,382,320	12.44	22,556,221	9.23
SKK	660,000	0.27	16,217,185	6.64
SNCS	15,992,185	6.55	-	-
<u>Persons Connected with the Interested Directors / Major Shareholders</u>				
SNCS	15,992,185	6.55	-	-
SDSB	5,200,451	2.13	-	-
DYKM	478,585	0.20	-	-
QLY	225,000	0.09	-	-

* Based on share capital of 244,242,283 ordinary shares (excludes 11,875,059 treasury shares)

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

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

The abovementioned interested Directors, Major Shareholders and Persons Connected to them will abstain from voting on the resolution approving the Proposed New Shareholders' Mandate for RRPTs at the 52nd AGM in respect of their direct and/or indirect shareholdings.

DSKW (and his alternate, SKK) being the Director interested in the Proposed New Shareholders' Mandate for RRPTs, have abstained and will continue to abstain from the Board's deliberations on the resolution approving the Proposed New Shareholders' Mandate for RRPTs and will abstain from voting in respect of his direct and/or indirect shareholdings in Ancom on the resolution approving the Proposed New Shareholders' Mandate for RRPTs at the 52nd AGM.

DSKW and SKK, being the Major Shareholders interested in the Proposed New Shareholders' Mandate for RRPTs, will abstain from voting in respect of their direct and/or indirect shareholdings in Ancom on the resolution approving the Proposed New Shareholders' Mandate for RRPTs at the 52nd 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 Ancom on the resolution approving the Proposed New Shareholders' Mandate for RRPTs at the 52nd AGM.

DSKW and SKK, being the interested Directors and Major Shareholders, have undertaken that they will ensure that the persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings in Ancom on the resolution approving the Proposed New Shareholders' Mandate for RRPTs at the 52nd 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 New Shareholders' Mandate for RRPTs.

3. DIRECTORS' RECOMMENDATION

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

The Board (save and except for the Interested Directors who have abstained from forming any opinion and making any recommendations) recommends that the shareholders vote in favour of the resolution approving the Proposed New Shareholders' Mandate for RRPTs to be tabled at the forthcoming 52nd AGM.

4. SHAREHOLDERS' APPROVAL AND 52nd AGM

The Proposed New Shareholders' Mandate for RRPTs is subject to the approval of the shareholders of Ancom at the forthcoming 52nd AGM.

The 52nd AGM, the Notice of which is enclosed in the Company's 2021 Annual Report and is also available on the Company's website at <http://www.ancom.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 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 Tuesday, 26 October 2021 at 2.30 p.m.

If you are unable to participate, speak and vote at the 52nd AGM, you may appoint a proxy(ies) to do so by completing and depositing the Proxy Form in accordance with the instructions therein at the Company's Share Registrar's office at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time for holding the 52nd 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 Sunday, 24 October 2021 at 2.30 p.m.

5. FURTHER INFORMATION

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

Yours faithfully
For and on behalf of the Board
ANCOM BERHAD

Edmond Cheah Swee Leng
Chairman of the Audit Committee

{ The rest of this page is intentionally left blank }

PART B

Proposed Renewal of Share Buy-Back Mandate



ANCOM BERHAD

[Registration No : 196901000122 (8440-M)]
(Incorporated in Malaysia)

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

The purpose of this Statement is to provide you, the shareholders of Ancom, with details of the Proposed Renewal of Share Buy-Back Mandate, and to seek your approval for the resolution relating thereto to be tabled at the 52nd AGM of the Company.

1. INTRODUCTION

The Company had on 24 September 2021 announced its intention to seek the shareholders' approval for the renewal of mandate from the shareholders for the Company to purchase up to ten percent (10%) of the total number of issued Shares in accordance with the provisions of Section 127 of the Act, the Company's Constitution and the Listing Requirements.

2. PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

2.1 Validity

The shareholders had, at the 51st AGM of the Company held on 21 October 2020, given their mandate to the Company to purchase its Shares. In accordance with the Listing Requirements, the said authority will expire upon the conclusion of the forthcoming 52nd AGM of the Company. As such, the Company wishes to seek a renewal of mandate from the shareholders at the 52nd AGM to purchase such number of Shares provided that the Shares so purchased shall (in aggregate with the Treasury Shares) not exceed ten percent (10%) of the total number of issued Shares of the Company for the time being.

The Proposed Renewal of Share Buy-Back Mandate, if given by the shareholders, shall be effective immediately upon passing of the ordinary resolution at the forthcoming 52nd AGM and shall remain valid until the conclusion of the next AGM of the Company, unless earlier revoked or varied by resolution passed by the shareholders in general meeting, or upon the expiration of the period within the next AGM after the date on which the authority conferred by the resolution is required by the law to be held, whichever occurs first.

2.2 Rationale

The Share Buy-back will enable the Company to take pre-emptive measures if need be, to stabilize the supply and demand of the Shares in the open market, thereby allowing the price of the Shares to better reflect its fundamental value. It will also allow the Company to utilize the financial resources which are not immediately required for use.

The Company will have the opportunity to make a gain when the Treasury Shares are resold when market condition improved or reward its shareholders by distributing the Treasury Shares as share dividend.

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

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

2.3 Ranking

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

2.4 Funding

The Board proposes to allocate a sum not exceeding the Company's retained profit at the time of purchase for the Proposed Renewal of Share Buy-Back Mandate. The retained profits of the Company, based on the latest audited financial statements as at 31 May 2021, was RM12,369,000.

The funding for the Share Buy-back will be through internally generated funds and/or bank borrowings, the proportion of which will be determined later depending on the availability of funds, actual numbers of Ancom Shares to be purchased and other cost factors.

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

2.5 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.

2.6 Effects

(a) On Share Capital

It is the intention of the Company to retain the Shares so purchased as Treasury Shares. As such, the Share Buy-back will not have any effect on the issued share capital of Ancom. 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 Ancom, the quantum of which would depend on the price paid for Ancom Shares, the actual number of the purchased Shares and any associated costs incurred in making the purchase.

On the other hand, upon resale of the Treasury Shares, the proceeds arising thereof would increase Ancom'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 Ancom as at LPD, assuming Ancom purchases 13,736,675 Shares which together with the 11,875,059 Treasury Shares remaining, represents ten percent (10%) of the total number of issued Shares :

	As at LPD				After share buy-back of maximum 10%	
	Direct	Indirect	Total		(Ancom Shares are cancelled)	(Ancom Shares are resold)
	No. of Shares	No. of Shares	No. of Shares	%*	%**	%***
Directors						
DSKW	30,382,320	22,556,221 ⁽¹⁾	52,938,541	21.67	22.97	20.67
Chan Thye Seng (CTS)	-	47,077,140 ⁽²⁾	47,077,140	19.27	20.42	18.38
Siew Ka Kheong (SKK) [alternate to DSKW]	660,000	16,217,185 ⁽⁴⁾	16,877,185	6.91	7.32	6.59
Major Shareholders						
DSKW	30,382,320	22,556,221 ⁽¹⁾	52,938,541	21.67	22.97	20.67
Pacific & Orient Berhad (P&O)	35,065,775	11,648,365 ⁽³⁾	46,714,140	19.13	20.27	18.24
CTS	-	47,077,140 ⁽²⁾	47,077,140	19.27	20.42	18.38
SNCS	15,992,185	-	15,992,185	6.55	6.94	6.24
SKK	660,000	16,217,185 ⁽⁴⁾	16,877,185	6.91	7.32	6.59
Persons Connected with the Directors / Major Shareholders						
SNCS	15,992,185	-	15,992,185	6.55	6.94	6.24
SDSB	5,200,451	-	5,200,451	2.13	2.26	2.03
DYKM	478,585	-	478,585	0.20	0.21	0.19
QLK	225,000	-	225,000	0.09	0.10	0.09
Pacific & Orient Insurance Co. Berhad ("P&OI") (A wholly-owned subsidiary of P&O)	11,648,365	-	11,648,365	4.77	5.05	4.55
Tysim Holdings Sdn. Bhd. ("THSB") (Company in which CTS has 25% equity interest)	33,000	-	33,000	0.01	0.01	0.01
Tan Soo Leng ("TSL") (Wife of CTS)	330,000	-	330,000	0.14	0.14	0.13

Notes:

* Based on 244,242,283 Shares (excludes the existing 11,875,059 treasury shares)

** Based on 230,505,608 Shares (Excluding 25,611,734 Treasury Shares)

*** Based on 256,117,342 Shares

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

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

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

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

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

4. IMPLICATION UNDER THE CODE

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

5. DETAILS OF TRANSACTIONS

Details of the transactions during the past twelve (12) months :

Month	No. of Shares Purchased / (No. of Treasury Shares Resold)	Highest (RM)	Lowest (RM)	Average (RM)	Consideration Paid / (Received) (RM)
2020					
September	nil	n/a	n/a	n/a	nil
October	nil	n/a	n/a	n/a	nil
November	nil	n/a	n/a	n/a	nil
December	nil	n/a	n/a	n/a	nil
2021					
January (Note 1)	(300,000)	1.180	1.110	1.140	(340,610)
February	nil	n/a	n/a	n/a	nil
March (Note 2)	(1,249,000)	1.440	1.400	1.416	(1,762,145)
April	nil	n/a	n/a	n/a	nil
May	nil	n/a	n/a	n/a	nil
June	nil	n/a	n/a	n/a	nil
July	nil	n/a	n/a	n/a	nil
August	nil	n/a	n/a	n/a	nil

Note 1

27 January 2021 for resold of 300,000 Treasury Shares

Note 2 :

11 March 2021 for 979,000 Treasury Shares resold for RM1,374,898/- (Highest RM1.410 ; Lowest RM1.400 ; Average : RM1.4095)

15 March 2021 for 270,000 Treasury Shares resold for RM387,247/- (Highest RM1.440 ; Lowest RM1.440 ; Average : RM1.440)

There were no cancellation of Shares made during the past twelve (12) months. As at LPD, a total of 11, 875,059 Treasury Shares were held by the Company.

6. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Ancom Shares as traded on Bursa Securities for the past 12 months from September 2020 to August 2021 are set out below:

	Highest (RM)	Lowest (RM)
2020		
September	0.9646	0.7306
October	0.8166	0.7067
November	0.8200	0.7115
December	1.0200	0.7800
2021		
January	1.2000	0.9200
February	1.3300	1.0200
March	1.5700	1.2300
April	1.8400	1.3400
May	1.7100	1.3500
June	1.7200	1.4500
July	1.5800	1.4300
August	1.4800	1.4000
Last transacted market price on the LPD		RM1.5400

Source : Yahoo Finance

7. PUBLIC SHAREHOLDING SPREAD

As at LPD, the public shareholding spread of the Company stood at 54.49% excluding Treasury Shares held. The Board is mindful of the requirement to maintain the public shareholdings spread of at least twenty-five percent (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 52nd AGM.

9. SHAREHOLDERS' APPROVAL AND 52ND AGM

The Proposed Renewal of Share Buy-Back Mandate is subject to the approval of the shareholders of Ancom at the forthcoming 52nd AGM.

The 52nd AGM, the Notice of which is enclosed in the Company's 2021 Annual Report and is also available on the Company's website at <http://www.ancom.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 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 Tuesday, 26 October 2021 at 2.30 p.m.

If you are unable to participate, speak and vote at the 52nd AGM, you may appoint a proxy(ies) to do so by completing and depositing the Proxy Form in accordance with the instructions therein at the Company's Share Registrar's office at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time for holding the 52nd 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 Sunday, 24 October 2021 at 2.30 p.m.

This Statement is dated 30 September 2021.

{ The rest of this page is intentionally left blank }

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

- (a) Sale and Purchase Agreement dated 12 September 2019 entered into between Nylex (Malaysia) Berhad ("Nylex", a subsidiary of the Company) and Juasa Holdings Sdn. Bhd. in respect of the sale and purchase of the property known as Unit No. 7-10, Wisma 730 (The Trax), No. 1 Jalan Lima Off Jalan Chan Sow Lin, 54200 Kuala Lumpur for purchase consideration of RM6,700,000. This transaction has completed on 12 September 2019.
- (b) Heads of Agreement dated 16 July 2020 between Ancom, Ancom Logistics Berhad ("ALB", a subsidiary of the Company), S7 Holdings Sdn. Bhd. ("S7"), Merrington Assets Limited, MY E.G. Capital Sdn. Bhd. and Avocat Sdn. Bhd. for acquisition of new business by ALB and disposal of ALB's existing core business to Nylex, as part of ALB's group restructuring exercise. This transaction has yet to be completed as at the LPD.
- (c) Offer to Purchase Agreement dated 1 September 2020 between ALB and S7 for the acquisition of 76.38% equity interest in S5 Holdings Inc by ALB from S7. This transaction has yet to be completed as at the LPD.
- (d) Sale and Purchase Agreement dated 24 May 2021 entered into between Perusahaan Kimia Gemilang (Vietnam) Company Ltd. and TOP Solvent (Vietnam) Limited Liability Company, a subsidiary of Nylex, in respect of the proposed disposal of terminal assets for a cash consideration of USD6,250,000 (equivalent to approximately RM26.0 million*). This transaction has yet to be completed as at the LPD.
- (e) Conditional Sale of Business Agreement dated 29 July 2021 entered into between Ancom, Nylex and Nylex Holdings Sdn. Bhd. in respect of the proposed acquisition of all of the business and undertaking of Nylex, whether or not relating to the business of Nylex, including all the assets and liabilities of Nylex. This transaction has yet to be completed as at the LPD.

Note:

* Based on the exchange rate of USD1.00 : RM4.1545 being the Bank Negara Malaysia's middle rate as at 5.00 p.m. on the LPD.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

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

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

On 12 February 2018, Ancom Crop Care Sdn. Bhd. and Hamshi Plantation Sdn. Bhd. initiated a legal action at the High Court of Malaya at Kuala Lumpur as plaintiffs against Logix World (M) Sdn. Bhd. and Citra Semerbak Sdn. Bhd. as defendants to claim against and to hold the defendants jointly and severally liable for a principal sum of RM2,702,500, being the unpaid amount for goods sold and delivered by the plaintiffs to the defendants, and interest at the rate of 12% 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 fixed the date for sentencing of the aforementioned contempt committed by the directors of Logix World (M) Sdn. Bhd. on 15 October 2021.

Full trials for the matter are ongoing and the parties are obtaining further directions from the court on the next trial dates. 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 Shah Alam Company Winding Up Petition No. BA-28NCC-7-01/2021

On 13 July 2020, Mobileads Marketing Sdn. Bhd. (“Mobileads”) issued a statutory notice of demand to Redberry Outdoors Sdn. Bhd. (“ROSB”) pursuant to Section 465 and 466 of the Act in respect of an amount of RM111,510.00 owing by ROSB to Mobileads for the outdoor transit advertising services provided by Mobileads to ROSB. On 18 January 2021, Mobileads filed a winding up petition against ROSB at the High Court of Malaya at Shah Alam for failure to pay the afore-mentioned amount.

ROSB did not contest again the winding up petition filed by Mobileads and accordingly on 13 July 2021, Mobileads obtained a winding-up order from the High Court of Malaya at Shah Alam against ROSB that:

- (a) ROSB be wound up by the court under the provisions of the Act;
- (b) the Official Receiver of Malaysia be appointed as liquidator of ROSB; and
- (c) the costs of RM5,000.00 of the winding-up petition subject to allocator fee to be paid out of the assets of ROSB.

As at the LPD, ROSB is in the process of liquidation. The matter is not expected to have a material impact on the earnings, NA and gearing of the Group.

(iii) High Court of Malaya at Shah Alam Company Winding Up Petition No. BA-28NCC-292-05/2021

On 18 February 2021, Prasarana Integrated Development Sdn. Bhd. (“PIDSB”) obtained a judgment in default from the High Court of Malaya against ROSB on 17 March 2021 in relation to an amount of RM3,766,250.00 payable by ROSB to PIDSB under a licence agreement dated 17 December 2020 entered into between PIDSB and ROSB, pursuant to which ROSB is ordered to pay the following to PIDSB:

- (a) the amount of RM3,766,250.00 and late payment penalty of RM1,859,794.91 calculated based on the rate of 8% per annum as at 31 January 2021;
- (b) late payment penalty charges upon the amount of RM3,766,250 calculated at a rate of 8% per annum from 31 January 2021 up to full settlement of such amount;
- (c) costs of bus repair expenses in the sum of RM86,520.53;
- (d) management fee for the bus repair at the rate of 10% upon the sum of RM86,520.53;
- (e) costs of action in the sum of RM1,597.00; and
- (f) any other reliefs as the court deems fair or reasonable.

On 3 May 2021, PIDSB issued a statutory notice of demand to ROSB pursuant to Section 465 and 466 of the Act in respect of the afore-mentioned judgement sum. On 28 May 2021, PIDSB filed a winding up petition against ROSB at the High Court of Malaya at Shah Alam for failure to pay the afore-mentioned judgement sum.

The Company does not intend to contest against the winding up petition filed by PIDSB. The matter is not expected to have a material impact on the earnings, NA and gearing of the Group.

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 52nd AGM:

- i. Constitution of Ancom;
- ii. audited consolidated financial statements of Ancom for the past two (2) financial years up to the FYE 31 May 2021 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.

{ The rest of this page is intentionally left blank }