



ANCOM NYLEX BERHAD

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

ANNUAL
REPORT
2024



TOGETHER
WE CAN MAKE A
DIFFERENCE

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CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK ANUAR BIN AHMAD

*(Independent Non-Executive Chairman)
(Appointed on 30 November 2023)*

DATO' SIEW KA WEI

(Executive Vice Chairman)

DATUK LEE CHEUN WEI

*(Managing Director/
Group Chief Executive Officer)*

CHAN THYE SENG

*(Non-Independent
Non-Executive Director)
(Retired on 27 October 2023)*

TAN SRI DATO' SERI ABDULL HAMID BIN EMBONG

(Independent Non-Executive Director)

DATUK DR. ABD HAPIZ BIN ABDULLAH

(Independent Non-Executive Director)

MALIKI KAMAL BIN MOHD YASIN

(Independent Non-Executive Director)

TAN SRI DATO' SRI MOHAMAD FUZI BIN HARUN

(Independent Non-Executive Director)

CHRISTINA FOO

(Independent Non-Executive Director)

SIEW KA KHEONG

(Alternate Director to Dato' Siew Ka Wei)

AUDIT COMMITTEE

CHRISTINA FOO *(Chairman)*

TAN SRI DATO' SERI ABDULL HAMID BIN EMBONG *(Member)*

TAN SRI DATO' SRI MOHAMAD FUZI BIN HARUN *(Member)*

REMUNERATION & NOMINATION COMMITTEE

DATUK DR. ABD HAPIZ BIN ABDULLAH *(Chairman)*

TAN SRI DATO' SERI ABDULL HAMID BIN EMBONG *(Member)*

MALIKI KAMAL BIN MOHD YASIN *(Member)*

RISK MANAGEMENT COMMITTEE

DATUK DR. ABD HAPIZ BIN ABDULLAH *(Chairman)*

CHRISTINA FOO *(Member)*

DATUK LEE CHEUN WEI *(Member)*

COMPANY SECRETARIES

CHOO SE ENG *(MIA 5876)*

TE HOCK WEE *(MAICSA 7054787)*

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia
Tel. : (603) 2783 9191
Fax : (603) 2783 9111
Email : info@my.tricorglobal.com

BUSINESS ADDRESS

No. 2A, Jalan 13/2, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel. : (603) 7495 5000
Fax : (603) 7495 5088

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.

Office

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia
Tel. : (603) 2783 9299
Fax : (603) 2783 9222
Email : is.enquiry@my.tricorglobal.com

Customer Service Centre

Unit G-3, Ground Floor, Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

AUDITORS

BDO PLT, Chartered Accountants

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
- Industrial Products Sector
- Stock code : 4758
- Stock name : ancomny

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
Malayan Banking Berhad
AmBank (M) Berhad

SOLICITORS

Chong, Ng & Yap

DOMICILE

Malaysia

WEBSITE

www.ancomnylex.com

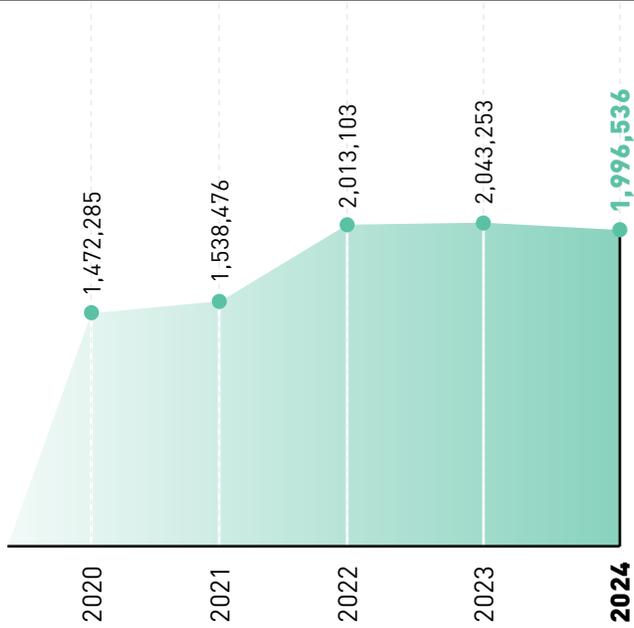
FIVE-YEAR HIGHLIGHTS

	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
Revenue	1,996,536	2,043,253	2,013,103	1,538,476	1,472,285
Profit/(Loss) before tax	110,479	95,810	78,193	50,977	(832)
Profit/(Loss) after tax	80,845	76,827	29,085	32,559	(18,892)
Effective percentage rate of tax	27%	20%	63%	36%	>100%
Net earnings/(loss) for ANB shareholders	81,474	75,127	68,178	23,753	(9,696)
ASSETS EMPLOYED					
Property, plant and equipment	246,513	221,289	216,656	189,690	200,660
Right-of-use assets	87,915	98,424	103,864	110,150	104,324
Investments	16,409	7,038	4,647	6,447	8,641
Other non-current assets	109,569	113,128	88,336	101,231	116,286
Current assets	767,561	764,843	710,274	660,791	529,395
TOTAL ASSETS	1,227,967	1,204,722	1,123,777	1,068,309	959,306
FINANCED BY					
Share capital	408,707	397,624	377,892	256,043	245,766
Reserves	182,577	119,007	40,406	112,404	75,629
Less: Treasury shares, at cost	(43,195)	(25,123)	(30,711)	(6,248)	(9,688)
ANB shareholders' interest	548,089	491,508	387,587	362,199	311,707
Minority shareholders' interest	34,061	32,423	40,674	120,197	111,854
Total shareholders' fund and minority interest	582,150	523,931	428,261	482,396	423,561
Non-current liabilities	79,304	102,425	113,854	91,097	97,273
Current liabilities	566,513	578,366	581,662	494,816	438,472
TOTAL FUNDS EMPLOYED	1,227,967	1,204,722	1,123,777	1,068,309	959,306
SHAREHOLDERS' INTERESTS					
Earnings/(Loss) per ordinary share - sen					
- Basic	8.58	8.43	8.98*	3.32*	(1.44)*
- Diluted	8.02	7.64	7.56*	2.87*	(1.44)*
Net assets per ordinary share attributable to ANB shareholders - RM	0.57	0.53	0.45	0.50	0.47
OTHERS					
Depreciation & amortisation	41,099	38,982	40,811	41,657	55,125
Interest expense	20,584	20,216	13,664	12,734	19,070
Number of ordinary shares of the Company	1,008,597,360	972,776,411	302,487,849	254,491,472	240,849,284
Treasury shares	(51,038,677)	(38,268,677)	(16,099,759)	(11,875,059)	(18,483,359)
	957,558,683	934,507,734	286,388,090	242,616,413	222,365,925

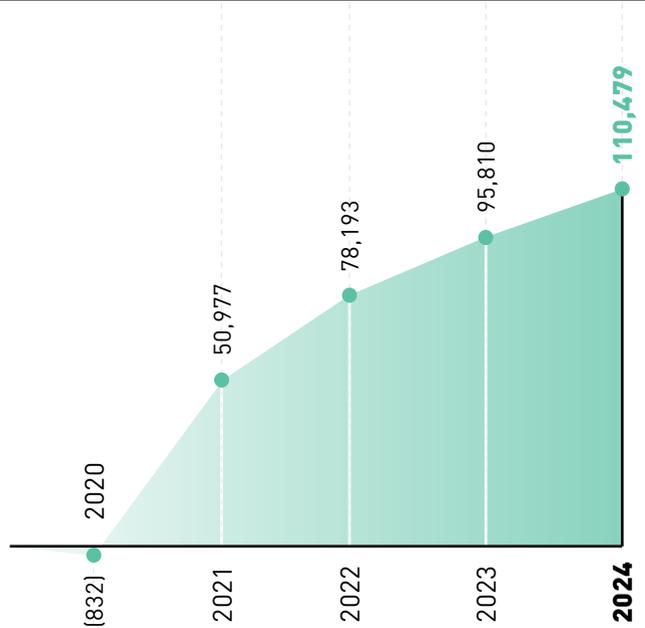
* The basic and diluted earnings/(loss) per ordinary share has been adjusted pursuant to the share split exercise completed on 7 June 2022.

FIVE-YEAR HIGHLIGHTS

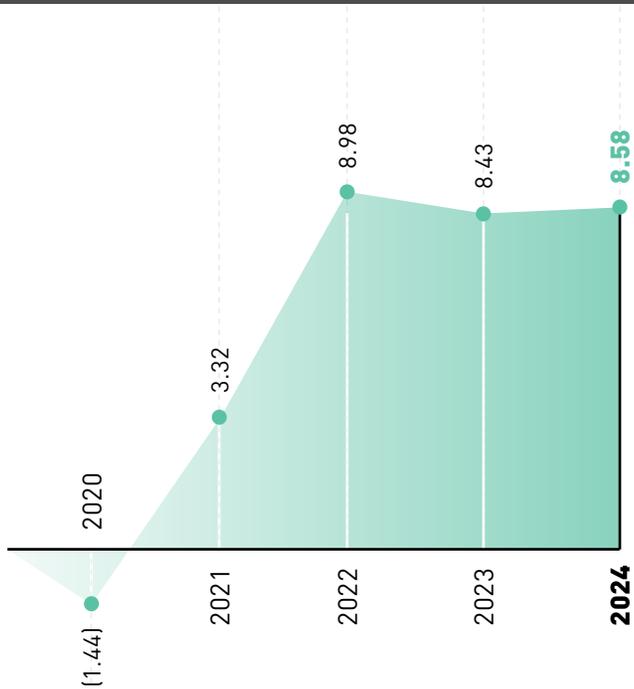
REVENUE (in RM'000)



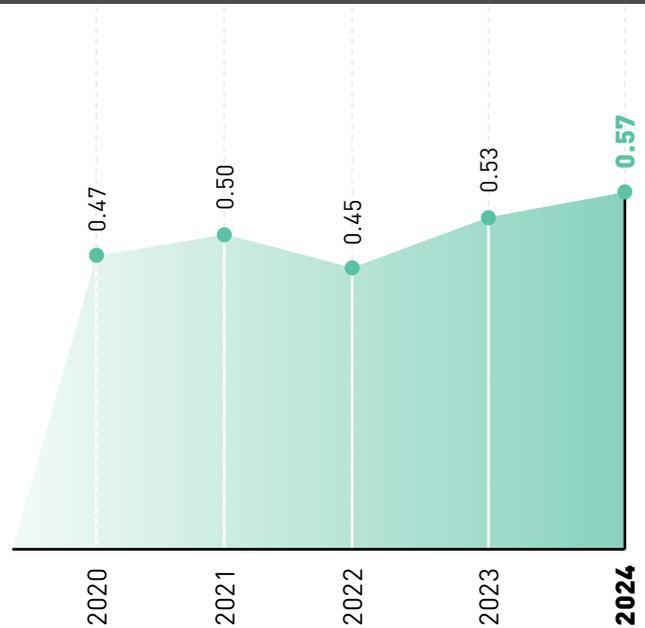
PROFIT/(LOSS) BEFORE TAX (in RM'000)



EARNINGS/(LOSS) PER ORDINARY SHARE - BASIC (Sen)



NET ASSETS PER ORDINARY SHARE (RM)



LIST OF PRINCIPAL OFFICES

ANCOM NYLEX BERHAD – CORPORATE OFFICE / ANCOM MANAGEMENT SERVICES SDN. BHD.

No. 2A, Jalan 13/2, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : (603) 7495 5000
Fax : (603) 7495 5088

ANCOM NYLEX TERMINALS SDN. BHD.

Jeti Petrokimia, Pelabuhan Barat
42920 Pulau Indah, Port Klang
Selangor Darul Ehsan, Malaysia
Tel : (603) 3101 1372
Fax : (603) 3101 1279

ANCOM CROP CARE SDN. BHD. / TIMBER PRESERVATIVES INDUSTRIES SDN. BHD.

No. 31 Jalan Tukul P15/P, Section 15
40200 Shah Alam
Selangor Darul Ehsan, Malaysia
Tel : (603) 5519 4022
Fax : (603) 5510 3888

ANCOM KIMIA SDN. BHD. / PERUSAHAAN KIMIA GEMILIANG SDN. BHD.

No. 2A, Jalan 13/2, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : (603) 7495 5633
Fax : (603) 7495 5638/5639

ANCOM LOGISTICS BERHAD / ANCOM ENERGY & SERVICES SDN. BHD. / ANCOM TRUELIFE SDN. BHD. / COMMON FEED SDN. BHD.

No. 2A, Jalan 13/2, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : (603) 7495 5000
Fax : (603) 7495 5088

ATG NEXUS SDN. BHD. / ATG AVIONIX SDN. BHD.

(Formerly known as iEnterprise Online Sdn. Bhd.) / (Formerly known as Redberry Ambient Sdn. Bhd.)
Unit 1003 & 1005, Blok B, Phileo Damansara II
No. 15 Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : (603) 7665 1988
Fax : (603) 7665 1638

CKG CHEMICALS PTE LTD

51 Goldhill Plaza #11-03
Singapore 308900
Tel : (65) 6319 4680
Fax : (65) 6319 4699

DYNAMIC CHEMICAL PTE LTD

3 International Business Park
#03-04, Nordic European Centre
Singapore 609927
Tel : (65) 6224 4142
Fax : (65) 6224 6460

ENTOPEST ENVIRONMENTAL SERVICES SDN. BHD.

No. 2A, Jalan 13/2, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : (603) 7931 3232
Fax : (603) 7931 3230

FERMPRO SDN. BHD.

No. 2A, Jalan 13/2, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : (603) 7495 5633
Fax : (603) 7495 5699

H.J. UNKEL CHEMICALS SDN. BHD.

28, Jalan Biola 33/1, Seksyen 33
40400 Shah Alam
Selangor Darul Ehsan, Malaysia
Tel : (603) 5525 9333

KUMPULAN KESUMA SDN. BHD. / WEDON SDN. BHD.

No. 6, Lorong SS13/6A
Subang Jaya Industrial Estate
47500 Subang Jaya
Selangor Darul Ehsan, Malaysia
Tel : (603) 5633 6229
Fax : (603) 5634 9915

LIST OF PRINCIPAL OFFICES

NYLEX (MALAYSIA) BERHAD / NYLEX HOLDINGS SDN. BHD. / NYLEX POLYMER MARKETING SDN. BHD. / ALB MARINE SDN. BHD.

Lot 16, Persiaran Selangor, Section 15
40200 Shah Alam
Selangor Darul Ehsan, Malaysia
Tel : (603) 5519 1706
Fax : (603) 5510 8291

NYLEX SPECIALTY CHEMICALS SDN. BHD. / SPECIALITY PHOSPHATES (MALAYSIA) SDN. BHD.

Lot 593, Persiaran Raja Lumu
Kawasan Perusahaan Pandamaran
42000 Port Klang
Selangor Darul Ehsan, Malaysia
Tel : (603) 3168 8282
Fax : (603) 3167 9115

ONE CHEM TERMINAL SDN. BHD.

Lot 1863, Mukim Sungai Karang
Kawasan Perindustrian Lembaga Pelabuhan Kuantan
Tanjung Gelang
25720 Kuantan
Pahang Darul Makmur, Malaysia
Tel : (609) 583 3936
Fax : (609) 583 3980

PENGANGKUTAN COGENT SDN. BHD.

PTD 149227, Jalan Berjaya 7
Taman Perindustrian Berjaya
81200 Kempas Lama
Johor Darul Takzim, Malaysia
Tel : (607) 558 3131
Fax : (607) 558 1313

PT NYLEX INDONESIA

Desa Sumengko Km 31
Wringinanom, Gresik
61176 Indonesia
Tel : (6231) 898 2626
Fax : (6231) 898 2623

PT PKG LAUTAN INDONESIA

Gedung Graha Indramas, Jl. AIPDA K.S. Tubun Raya No. 77
Jakarta, 11410 Indonesia
Tel : (6221) 5367 3269
Fax : (6221) 5367 3278

REDBERRY CINEMA AND DIGITAL SDN. BHD. / REDBERRY ADVERTISING SDN. BHD.

No. 2A, Jalan 13/2, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : (603) 7495 1188
Fax : (603) 7495 1177

REDBERRY CONTACT CENTER SDN. BHD.

No. 2A, Jalan 13/2, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : (603) 7627 6599

SHENNONG ANIMAL HEALTH (MALAYSIA) SDN. BHD.

2,4,6,8,10 Jalan Industri USJ 1/19
Taman Perindustrian USJ 1
47610 Subang Jaya
Selangor Darul Ehsan, Malaysia
Tel : (603) 8011 4646
Fax : (603) 8011 4466

TWINSTAR SYNERGY SDN. BHD.

No. 2A, Jalan 13/2, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : (603) 7495 5000
Fax : (603) 7495 5088

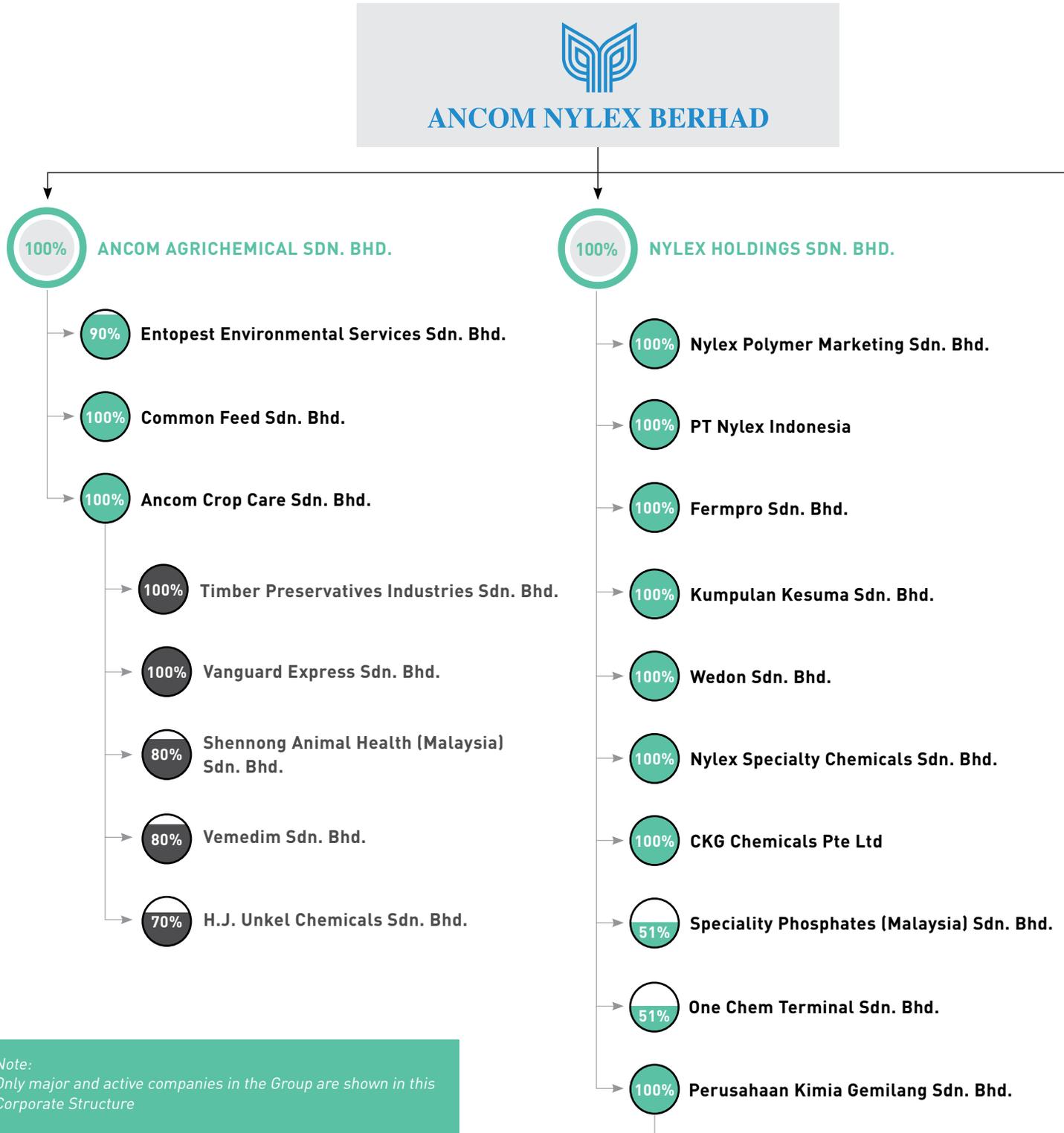
VEMEDIM SDN. BHD.

15, Jalan USJ 1/31
47600 Subang Jaya
Selangor Darul Ehsan, Malaysia
Tel : (603) 8024 7118
Fax : (603) 8024 7168



CORPORATE STRUCTURE

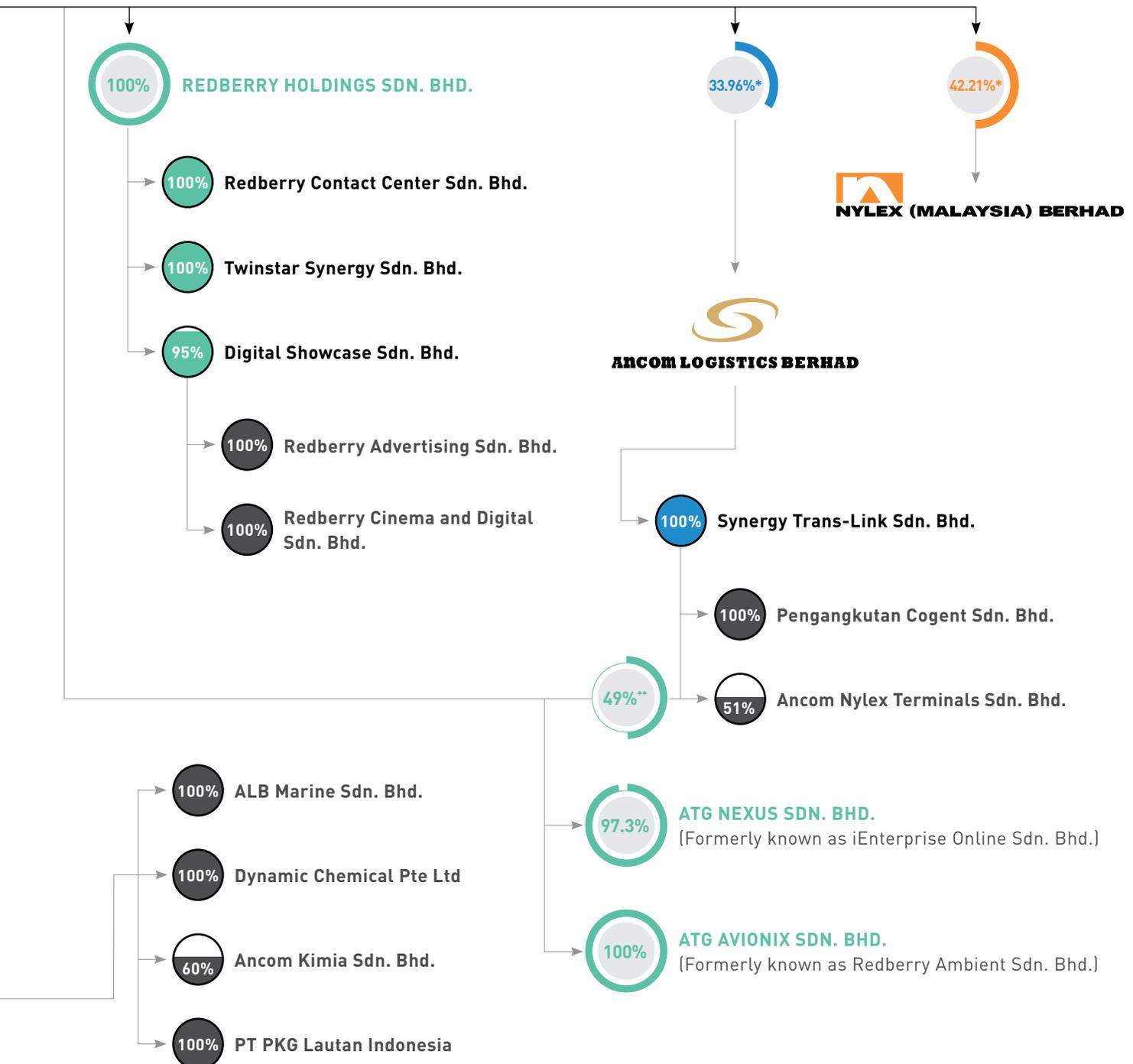
As at 31 May 2024



Note:
Only major and active companies in the Group are shown in this Corporate Structure

* Direct and Indirect Interest
** Held through CKG Chemicals Pte Ltd, a wholly-owned subsidiary of Nylex Holdings Sdn. Bhd.

CORPORATE STRUCTURE
As at 31 May 2024



BOARD OF DIRECTORS



DATUK ANUAR BIN AHMAD

Independent Non-Executive Chairman

MALAYSIAN

MALE

AGE 70

Datuk Anuar joined the Board as Independent Non-Executive Chairman on 30 November 2023.

He graduated in 1977 with a Bachelor of Science (Econs) degree from the London School of Economics and Political Science, University of London, UK.

Datuk Anuar started his career in 1977 with Petroliaam Nasional Berhad ("PETRONAS"). During his 36 years of service with the PETRONAS Group, he held various senior managerial and leadership positions in marketing, trading, corporate planning, and human resource management until his retirement in April 2014 where his last position held was the Executive Vice President of Gas and Power Business.

During his stint with PETRONAS Group, Datuk Anuar was appointed as the Managing Director and Chief Executive Officer in PETRONAS Dagangan Berhad from 1998 to 2002. He was also a member of PETRONAS Management Committee and member of PETRONAS board from 2002 to 2014. He also sat on the board of various companies within the PETRONAS Group.

In 1997, between his years of service with the PETRONAS Group, Datuk Anuar underwent a 3-month business management course under the Advanced Management Program at Harvard Business School.

Presently, Datuk Anuar is Independent Non-Executive Chairman of Nylex (Malaysia) Berhad (a subsidiary of the Company), Non-Independent Non-Executive Chairman of PETRONAS Dagangan Berhad, and Independent Non-Executive Director of Kumpulan FIMA Berhad.



DATO' SIEW KA WEI

Executive Vice Chairman

MALAYSIAN

MALE

AGE 68

Dato' Siew joined the Board on 23 October 1985. He was appointed Deputy Group Managing Director on 17 October 1995 and subsequently Group Managing Director on 30 July 2003. He was subsequently elected as the Executive Chairman on 2 January 2018 and was re-designated Executive Vice Chairman on 30 November 2023.

Dato' Siew received his secondary and tertiary education in the United Kingdom, first studying at Marlborough College before completing his tertiary education at Imperial College, London. He obtained his Bachelor of Science (Hons) degree in Chemical Engineering and Master of Science ("MSc") degree in Operational Research at Imperial College, graduating in 1978.

Dato' Siew has extensive experience in the field of petrochemicals, accumulated over more than 30 years in the local and international sectors.

He was an active member of the Young Presidents' Organisation ("YPO") from 1993 until 2006, serving as the Chairman of the Malaysian Chapter of YPO and Co-Chairman of the first Regional Conference in Kuala Lumpur in 1998. During his tenure as a member of the International Board of YPO from 2000 to 2003, he was Chairman of YPO's Global Leadership Congress in Beijing in 2003. He was also a past President of the Imperial College Alumni of Malaysia and past Governor on the Board of Governors of Marlborough College Malaysia.

Currently, Dato' Siew is the Group Managing Director of Nylex (Malaysia) Berhad and the Executive Vice Chairman of Ancom Logistics Berhad, both of which are subsidiaries of the Company.

Dato' Siew is currently a substantial shareholder of the Company.

BOARD OF DIRECTORS

**DATUK LEE CHEUN WEI**

Managing Director /
Group Chief Executive Officer (“CEO”)

MALAYSIAN
MALE
AGE 50

Datuk Lee Cheun Wei has been the Company’s Group CEO since 2 January 2018 and was appointed to the Board as the Managing Director on 29 March 2022. He is currently a member of the Risk Management Committee.

He graduated with a Bachelor of Arts (Hons) degree in Accounting and Finance from Lancaster University, UK, and holds a Master of Science in Finance (Distinction) from Cass Business School, London. For both degrees, he was awarded full scholarships from the Renong/UEM Group and British Chevening/HSBC respectively.

Datuk Lee started his career in 1997 as a Group Accountant at EPE Power Corporation Berhad (“EPE”) and was promoted as the Chief Financial Officer of the EPE Group in 2003. He was the Director of Corporate Finance of Tamco Corporate Holding Berhad (now known as Ancom Logistics Berhad (“ALB”), a subsidiary of the Company) from 2005 to 2009. He joined the Company in 2009 as the Group Chief Financial Officer. In July 2014, he was appointed Managing Director of Ancom Crop Care Sdn. Bhd. (“ACC”), a wholly-owned subsidiary of the Ancom Agrichemical Sdn. Bhd., heading the Group’s Agricultural Chemicals Division.

Datuk Lee is a member of the Association of Chartered Certified Accountants and the Malaysian Institute of Accountants.

He is currently a Non-Independent Non-Executive Director of ALB.

Datuk Lee is currently a substantial shareholder of the Company.

**TAN SRI DATO’ SERI ABDULL HAMID BIN EMBONG**

Independent Non-Executive Director

MALAYSIAN
MALE
AGE 75

Tan Sri Dato’ Seri Abdull Hamid was appointed to the Board on 1 March 2016. He is currently a member of the Audit Committee and the Remuneration & Nomination Committee.

Tan Sri Dato’ Seri Abdull Hamid completed his secondary schooling at the Malay College Kuala Kangsar, Perak. He obtained a Barrister at Law degree from Lincoln’s Inn, London and was admitted as an Utter Barrister in 1976.

Tan Sri Dato’ Seri Abdull Hamid served in the judicial and legal service of the Government of Malaysia in various posts including that of a Magistrate, Deputy Public Prosecutor, Legal Advisor and Senior Federal Counsel with the Customs and Excise Department, the Economic Planning Unit in the Prime Minister’s Department, Ministry of Land and Regional Development, Treasury and Ministry of Home Affairs. He has also served as a Legal Advisor to the Negeri Sembilan and Pahang State Governments.

He was appointed a Judicial Commissioner in 1994 and a High Court Judge in 1996. In 2006, he was elevated to the Court of Appeal and in 2009 to the Federal Court of Malaysia. He retired from the Bench in February 2016. In March 2021, he was appointed a Judge of the Syariah Court of Appeal, Perak.

Tan Sri Dato’ Seri Abdull Hamid was the Chairman of 7-Eleven Malaysia Holdings Berhad from 2016 to 2021.

Currently, he has no directorship in other public companies or listed issuers.

BOARD OF DIRECTORS



DATUK DR. ABD HAPIZ BIN ABDULLAH

Independent Non-Executive Director

MALAYSIAN
MALE
AGE 66

Datuk Dr. Abd Hapiz was appointed to the Board on 8 May 2020. He is currently Chairman of the Remuneration & Nomination Committee and the Risk Management Committee.

He graduated with a Bachelor of Science degree in Chemistry from the University of Nevada, USA and a Doctor of Philosophy in Organic Chemistry from Utah State University, USA, in 1980 and 1984 respectively.

He began his career at Dow Chemical (Malaysia) Sdn. Bhd. in 1985, holding a regional role for several years. He was appointed as the Managing Director of DuPont Malaysia Sdn. Bhd. in 1995 and later, as the President/CEO of PETRONAS Chemicals Group Berhad from 2011 until he retired in 2014.

Datuk Dr. Abd Hapiz was appointed Chairman of ACC in March 2016. He is also an Independent Non-Executive Director of Perdana Petroleum Berhad and MSM Malaysia Holdings Berhad as well as a board member of several private chemical companies in Malaysia and the United States.

He is currently the Chairman of the Chemical Industries Council of Malaysia ("CICM").



MALIKI KAMAL BIN MOHD YASIN

Independent Non-Executive Director

MALAYSIAN
MALE
AGE 61

Maliki Kamal joined the Board on 28 October 2021. He is currently a member of the Remuneration & Nomination Committee.

He graduated with a Bachelor of Laws (Hons) degree at the international Islamic University Malaysia in 1987.

He began his career as an Advocate and Solicitor in 1987, specialising in criminal laws with significant experiences in civil litigations, banking and conveyancing matters.

In 1990, he joined PETRONAS as a legal officer and has continued to serve in various senior management roles. Maliki served as a Legal Head/General Counsel/Senior General Counsel for PETRONAS Penapisan (Terengganu) Sdn. Bhd.; Legal Corporate & Technology, PETRONAS Chemicals Group Berhad; Refinery and Petrochemical Integrated Development (RAPID) Project; Legal Finance and Corporate Secretarial and Legal Downstream and Finance and Technology prior to being appointed as the Vice President and Group General Counsel in 2017. In 2019, he was appointed Senior Vice President and Group General Counsel until his retirement from PETRONAS in 2021.

During his service, Maliki Kamal also sat as a board member and Company Secretary to various entities within the PETRONAS's Group of Companies (local and overseas) and has twice served as Company Secretary of PETRONAS.

Maliki Kamal is currently the Independent Non-Executive Director of Gas Malaysia Berhad.

BOARD OF
DIRECTORS
**TAN SRI DATO' SRI
MOHAMAD FUZI BIN HARUN**

Independent Non-Executive Director

MALAYSIAN

MALE

AGE 65

Tan Sri Dato' Sri Fuzi joined the Board on 19 September 2022. He is currently a member of the Audit Committee.

Tan Sri Dato' Sri Fuzi graduated with a Bachelor of Arts (Honours) degree from Universiti Malaya in 1983 and obtained his Master in Anthropology and Sociology from Universiti Kebangsaan Malaysia in 1991. He completed the Advance Management and Leadership Programmes from the SAID Business School at Oxford University, UK in 2014.

He joined the Royal Malaysia Police Force ("PDRM") in 1984 a Cadet Assistant Superintendent of Police. After completing basic police training, he was attached to the Special Branch Department of the PDRM from 1986 to 2009 where he served in various capacities, including Deputy Director of the Special Branch.

In 2009, he was promoted as the Director of Special Task Force on Operation and Counter-Terrorism. In 2014, he served as the Director of the Management Department in Bukit Aman and was subsequently promoted as the Director of Special Branch in 2015.

In September 2017, he was further promoted as the Inspector-General of Police ("IGP"), the highest ranking position in the PDRM, until his retirement in May 2019.

Currently, Tan Sri Dato' Sri Fuzi is the Independent Non-Executive Chairman of Jaya Tiasa Holdings Berhad, Tropicana Corporation Berhad, Hiap Teck Venture Berhad and SIAB Holdings Berhad.


CHRISTINA FOO

Independent Non-Executive Director

MALAYSIAN

FEMALE

AGE 63

Christina joined the Board on 19 September 2022. She is currently the Chairman of the Audit Committee and a member of the Risk Management Committee.

Christina graduated with Bachelor of Business Studies (Accounting) degree from Deakin University, Australia in 1985. She is a Chartered Accountant and a member of Malaysian Institute of Accountants; Fellow of CPAAustralia; Fellow of Malaysian Institute of Management; Fellow of Institute of Corporate Directors Malaysia; Qualified Risk Director of the Institute of Enterprise Risk Practitioners; a member of ASEAN Chartered Professional Accountants and a member of Malaysian Institute of Corporate Governance.

Christina started her career in Ernst & Young ("EY") Malaysia in 1985. During this period until 2001, she served in various capacities in EY LLP based in Atlanta, USA; EY International in London and EY Asia Pacific Consulting. Her last held position was Director, Business Development, EY Malaysia.

In 2001, Christina founded Priority One group and was a Director of Priority One Tax Services Sdn. Bhd. until August 2022. From 2018 to 2019, she was appointed as a Senior Practice Fellow of Sunway Business School, Sunway University, Malaysia and she currently chairs the Industry Advisory Board, Sunway Business School, Sunway University. She was a Board Director of KPJ Healthcare Berhad from 2018 to 2021 and Star Media Group Berhad from October 2022 to May 2023.

She is currently the Senior Independent Non-Executive Director of UEM Sunrise Berhad.

BOARD OF DIRECTORS



SIEW KA KHEONG

Alternate Director to Dato' Siew Ka Wei

MALAYSIAN
MALE
AGE 64

Ka Kheong was appointed as an Alternate Director to Dato' Siew Ka Wei on 26 April 2019.

He graduated with a Bachelor of Science degree in Chemical Engineering from University College London, UK, in 1982.

Ka Kheong is currently the Executive Director of ATG Nexus Sdn. Bhd. (formerly known as iEnterprise Online Sdn. Bhd.), a subsidiary of the Company and heads the Group's IT Division. Prior to this, he was the Managing Director of an IT company he set up in 1982.

He has more than 30 years of experience in the IT industry, specialising in systems development and integration as well as applications implementation. His experience spans across the financial services, manufacturing, distribution and retail industries.

He is also the Chairman of a local company that provides professional IT certification from the Project Management Institute, USA, to IT professionals in Malaysia.

He has no directorship in other public companies or listed issuers.

Ka Kheong is currently a substantial shareholder of the Company.

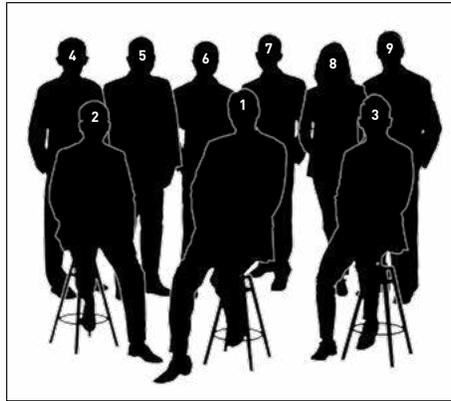
Notes:

1. Other than Dato' Siew Ka Wei and Siew Ka Kheong who are brothers, there are no family relationships amongst the Directors and/or major shareholders of the Company.
2. The Directors do not have any business interest which conflict with their positions in the Company.
3. None of the Directors has been convicted of any offences other than traffic offences (if any) within the past five (5) years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
4. Other than Dato' Siew Ka Wei, Siew Ka Kheong and Datuk Lee Cheun Wei, the other Directors do not hold any shares in the Company and its related companies.

Please refer to the Directors' Report of this Annual Report for the Directors' securities holdings in the Company and its related companies.

5. Please refer to the Corporate Governance Overview Statement for the Directors' Board and Committees meeting attendances in financial year ended 31 May 2024.

KEY SENIOR MANAGEMENT



- 1 DATO' SIEW KA WEI
- 2 DATUK LEE CHEUN WEI
- 3 ROBIN LING
- 4 DATUK HASNUL BIN HASSAN
- 5 DATUK ABDUL RASHID BIN HASHIM
- 6 LIM CHANG MENG
- 7 CHOO SE ENG
- 8 MICHELLE CHEN
- 9 PHILLIP KARUPPIAH

DATO' SIEW KA WEI

MALAYSIAN
MALE
AGE 68

Executive Vice Chairman – Ancom Nylex Berhad (“ANB”)

Executive Vice Chairman – Ancom Logistics Berhad (“ALB”)

Group Managing Director – Nylex (Malaysia) Berhad (“Nylex”)

Dato' Siew Ka Wei's profile is disclosed in the Board of Directors of this Annual Report

DATUK LEE CHEUN WEI

MALAYSIAN
MALE
AGE 50

Managing Director/Group Chief Executive Officer (“CEO”) – ANB

Managing Director – Ancom Crop Care Sdn. Bhd. (“ACC”)

Non-Independent Non-Executive Director – ALB

Datuk Lee Cheun Wei's profile is disclosed in the Board of Directors of this Annual Report

KEY SENIOR MANAGEMENT

ROBIN LING

MALAYSIAN

MALE

AGE 54

Deputy CEO – Nylex

CEO – Nylex Holdings Sdn. Bhd. (“NHSB”)

Executive Director – Perusahaan Kimia Gemilang Sdn. Bhd. (“PKG”)

Robin joined the Nylex group as an Executive Director of PKG, a subsidiary of NHSB, in charge of its industrial chemical trading business, in 2007. He was promoted as Deputy CEO of Nylex, assisting the Group Managing Director in overseeing Nylex group’s business operations, in 2018. Prior to joining PKG, he worked as the Asia Pacific Regional Manager for a United States specialty chemicals company for 13 years.

He is currently a member of Industry Expert Advisory Panel, Science Programme of Tunku Abdul Rahman University of Management and Technology. Robin is also the Executive Committee of Chemical Industries Council of Malaysia for the 2021-2023 and 2023-2025 terms.

Robin graduated with a Bachelor of Applied Science degree majoring in Analytical Chemistry from the University of Science Malaysia in 1994.

DATUK HASNUL BIN HASSAN

MALAYSIAN

MALE

AGE 62

Executive Director
(Business Development) - ANB

Deputy CEO - ALB

Datuk Hasnul joined the Company in 2014 as Executive Director (Business Development). He was also appointed as the Deputy CEO of ALB in 2019.

Datuk Hasnul brings with him vast experience in the corporate sector including several reputable multi-national companies such as Unilever, Johnson & Johnson and British American Tobacco where he developed his marketing and management skills.

After spending 23 years with the multi-national companies, Datuk Hasnul joined BERNAMA as its Chief Executive Officer in 2009. He subsequently joined Malay Mail Sdn. Bhd., publisher of the Malay Mail newspaper (“Malay Mail”) as its CEO in 2013 until 2014.

Datuk Hasnul obtained his Bachelor of Science degree in Business Administration from Southeast Missouri State University, USA in 1984. He subsequently pursued and obtained his Masters of Business Administration in 1985.

DATUK ABDUL RASHID BIN HASHIM

MALAYSIAN

MALE

AGE 60

Executive Chairman – Ancom Kimia Sdn. Bhd. (“AKSB”)

Datuk Rashid joined AKSB, a subsidiary of NHSB, as Chief Operating Officer (“COO”) in 2011. He was re-designated as its Executive Chairman in 2020 and was also appointed as the Executive Chairman of MSTI Corporation Sdn. Bhd., an associate of the Company, which is involved in the provision of IT services, in 2023.

Datuk Rashid started his career as an assistant credit officer with a commercial bank in 1982. He joined ESPI Industries Sdn. Bhd., a parts and accessories manufacturer for Proton, as General Manager in 1990. He was appointed as the Personal Assistant to Managing Director of Ayer Molek Plantation Berhad in 1994. Subsequently he joined property developer HBA Development Bhd as its CEO in 2000. He was appointed the Managing Director of Global Globe Sdn. Bhd., a property developer and engineering group in 2008.

Datuk Rashid graduated with a Diploma in Credit Management from Institute Teknologi MARA in 1988.

LIM CHANG MENG

MALAYSIAN

MALE

AGE 52

Chief Financial Officer – ANB and ALB

Chang Meng was appointed as the Chief Financial Officer of ANB in 2014.

Chang Meng began his career as an audit assistant with Coopers & Lybrand in 1992 and stay until 2000 with his last position as an Audit Manager. He subsequently joined Setegap Berhad, a construction company and later, HLG Securities Sdn. Bhd., a stockbroking company as Finance Manager.

He joined Tamco Corporate Holdings Berhad (now known as ALB) in 2005 as its Corporate Accounting Manager, and became its Head of Corporate Finance in 2010. He was promoted as Chief Financial Officer of ALB in 2011. He also became the Chief Financial Officer of ANB in 2014.

Chang Meng is a member of the Malaysian Institute of Accountants.

KEY SENIOR MANAGEMENT

CHOO SE ENG

MALAYSIAN

MALE

AGE 63

Company Secretary – ANB, Nylex and
ALB and their subsidiaries

Se Eng joined the Company in 1995 as its Senior Manager of Corporate Planning. He assumed the role of Company Secretary in 1996, and maintained this position until his resignation in 2016. He rejoined the Company in 2018.

Se Eng started his career as an auditor in a Big Four audit firm in Malaysia in 1981 and qualified as a Chartered Accountant in 1988. During this period, he gained valuable working knowledge in accounting, taxation and secretarial practices. He worked for two years in the Corporate Finance division of a merchant bank, and was with a public listed company as its Corporate Finance Manager for four years before joining ANB in 1995.

Se Eng is a member of the Malaysian Institute of Accountants.

MICHELLE CHEN

MALAYSIAN

FEMALE

AGE 57

Chief Financial Officer – Nylex and NHSB

Michelle joined Nylex in 1995 as an Associate Accounts Manager and held various positions within the Nylex group in the ensuing years. She was appointed to her current position as Chief Financial Officer of Nylex in 2010 and as a Director and Chief Financial Officer of NHSB in 2021.

Michelle was attached to an international professional service firm before joining Nylex.

Michelle is a Fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants. She is also a Fellow member of the Institute of Corporate Directors Malaysia.

PHILLIP KARUPPIAH

MALAYSIAN

MALE

AGE 66

Group Human Resource Director – ANB

Group Chief Integrity Officer (“CIO”) -
ANB

Phillip has been the Group Human Resource Director and Group CIO of ANB since 2013 and 2020 respectively.

He started his career as a journalist with the New Straits Times and has experience in communication consulting with Burson Marsteller as well as banking operations with Malayan Banking Berhad.

He was the CEO of Malay Mail from 2011 until 2013. Before this, Phillip was with Lexis Nexis, an American multinational company, as CEO of its South East Asia operations. His other stints include Managing Director of Sun Media Sdn. Bhd., publisher of the Sun newspaper, and General Manager of Group Human Resources at Phileo Allied Group, a financial services group.

Phillip has a Bachelor of Science (Agribusiness) degree from University Putra Malaysia and a Law degree from the University of Wolverhampton, UK.

KONG HWAI MING

SINGAPOREAN

MALE

AGE 64

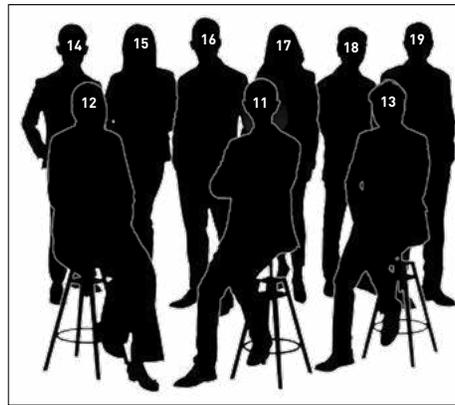
Executive Director – CKG Chemicals
Pte Ltd (“CKG”)

Hwai Ming joined CKG in 1992 as an Operation Manager and was subsequently promoted to the position of Executive Director in 1998. In 2006, Nylex acquired 100% shareholding of CKG, and Hwai Ming was retained in the same position until today.

Hwai Ming started his career as a technician in the tankfarm and shipping operations of ESSO Refinery Pte Ltd in 1981. He joined Petrochemical Corporation of Singapore Pte Ltd as an Operation and Shipping Executive in 1989 until 1992.

Hwai Ming obtained a Diploma in Mechanical Engineering and a Post-Diploma in Industrial Management from Singapore Polytechnic.

KEY SENIOR MANAGEMENT



- 11 ANTHONY TAN
- 12 ASMARIAH BINTI ISMAIL
- 13 KEITH FU
- 14 ANDREW LEONG
- 15 KATHLEEN TEH
- 16 TERRY TOW
- 17 REGINE LIM
- 18 GAN KIAN CHONG
- 19 TAN YEOW HENG

ANTHONY TAN

MALAYSIAN
MALE
AGE 62

Executive Director/COO – ACC

Anthony has been the COO and Executive Director of ACC since 2014 and 2018 respectively.

Anthony started his career in 1982 as a Research Conductor at Highlands Research Unit, Klang, which specialised in the research & development of industrial crops in Malaysia.

He joined Ancom Sdn. Bhd. (the Company’s name then) as a Research Assistant in 1983 to do research & development of new cocktails for the Company. He was transferred to its Marketing Department and was based in Yong Peng, Johor covering the Johor, Melaka & Pahang markets in 1984. He was promoted as ACC’s Marketing Manager in 1997 and as General Manager of Ancom Bioscience Sdn. Bhd., a wholly-owned subsidiary of ACC, in 2006. He was promoted as ACC’s COO in 2014 and its Executive Director in 2018.

Anthony graduated with a MBA from Nottingham Trent University in 2002, UK, and obtained Certificate of Marketing from Chartered Institute of Marketing, UK in 1991.

Anthony has been a member of the Incorporated Society of Planters of Malaysia (“ISP”) since 1988. He was made a Life Member of ISP in 2023.

ASMARIAH BINTI ISMAIL

MALAYSIAN
FEMALE
AGE 52

Chief Financial Officer – ACC

Asmariah joined ACC in 2006 as Finance Manager overseeing the Group’s Agricultural Chemicals division and was later promoted as its Chief Financial Officer in 2019.

Asmariah started her career as an executive in CSR Building Materials (M) Sdn. Bhd. in 1996 and stayed until 2004. She subsequently joined a trading company as an Accountant for two years.

Asmariah graduated with Bachelor in Accounting (Hons.) from University Utara Malaysia. She is a member of the Malaysian Institute of Accountants.

KEY SENIOR MANAGEMENT

KEITH FU

MALAYSIAN

MALE

AGE 48

Chief Marketing Officer – ACC & Timber Preservatives Industries Sdn. Bhd. ("TPI")

Keith joined ACC in 2015 as Manager of ROW (Rest-of-the-World) Export Business covering both the sales operation of agricultural chemicals and timber preservatives. He is currently the Chief Marketing Officer of ACC and and TPI since 2020.

Keith has over 25 years of experience in sales and marketing spanning across chemical, media, financial and property sectors.

Prior to ACC, he spent most of his career in media sales and later in key account management with the Redberry Media Group before making the career switching move to ACC in 2015 to grow its chemical export business.

Keith holds a Diploma in Canadian Pre-University/Canadian International Matriculation Programme from Taylor's College.

ANDREW LEONG

MALAYSIAN

MALE

AGE 34

Head, Investor Relations - ANB

Andrew joined ACC in 2015, responsible for business development in the ASEAN region. Subsequently, he oversaw subsidiaries involved in upstream planting and commodities trading.

Andrew also spearheaded the Group's investor relations exercises as Head, Investor Relations, enhancing corporate visibility and awareness while strategically managing communications with key stakeholders since 2019.

Prior to joining the Group, Andrew has experience in hospitality operations, real estate market research and commodities trading.

Andrew graduated with a Bachelor's Degree in Economics from The University of British Columbia, Canada in 2013.

KATHLEEN TEH

MALAYSIAN

FEMALE

AGE 39

Senior Manager, ESG - ANB

Kathleen joined the Company as Senior Manager, ESG in 2023, responsible for overseeing all ESG-related matters of the Group.

She started her professional career in 2008 as a Quality Support Executive at Energy Alloy, UK and subsequently, she joined Tesco Stores (M) Sdn. Bhd. as a Mechanical and Electrical Engineer in 2010. She was promoted as an Energy and Engineering Manager-Lead Role in 2018, spearheading its Environmental and Engineering division, a position she held prior to joining ANB.

Over the course of 14 years, Kathleen has gained a wealth of experience in working on projects that focus on renewable energy, hypermarket construction and retrofit projects in sustainability.

Kathleen graduated with a Bachelor of Science (BSc) degree from the University of Sheffield, UK in 2006. She obtained a Master's in Engineering and Management in 2008. Additionally, she holds an Energy Manager license from the Malaysia Energy Commission.

TERRY TOW

MALAYSIAN

MALE

AGE 34

Head, Corporate Finance - ANB

Terry joined the Company in 2024 as Head, Corporate Finance, responsible for overseeing all corporate finance related matters of the Group.

He started his career in 2014 as a Management Trainee with Malayan Banking Berhad and subsequently as an Analyst with Maybank Investment Bank Berhad. He has held various positions in Reneuco Berhad and Sime Darby Motors prior to joining ANB.

Terry's experience lies in project finance advisory, debt capital markets, mergers & acquisitions and commercial advisory in various industries including energy, infrastructure, utilities and automotive.

Terry graduated with a Bachelor's Degree in Business & Commerce (majoring in Accounting and Economics) from Monash University Malaysia in 2013. He is also currently a CFA® Charterholder under the CFA Institute.

KEY SENIOR MANAGEMENT

REGINE LIM

MALAYSIAN
FEMALE
AGE 47

COO – Entopest Environmental Services Sdn. Bhd. (“Entopest”)

Regine joined Entopest as the General Manager of Entopest, heading the nationwide operation and also developing the South East Asia pest control operation of the Group. She was promoted as Entopest’s COO in 2023. Under her stewardship, Entopest won the Silver Medal for National BASF Pest Management Award 2022.

Regine started her career in 2001 as an Operation Manager in Ridpest Sdn. Bhd., a local pest control company until 2003. She was the Technical Manager in Pest Elimination Division of Ecolab Sdn. Bhd. from 2004 to 2008 and was promoted as its Southeast Asia Regional Sales Manager in 2008, taking care of Malaysia, Singapore, Thailand & Indonesia markets until 2010.

She started the Ecogreen Pest Management Sdn. Bhd. in 2010. This company was acquired by ACC and renamed Entopest Environment Services (Penang) Sdn. Bhd. in 2017.

Regine was the president of WomenBizSENSE in Penang Women Entrepreneur Group for the 2017-2019 term and was the first lady president of Malaysia Pest Management Association (MPMA) for the 2021-2023 term. She was the Country Representative in the Federation of Asian & Oceania Pest Managers Associations (FAOPMA) for the 2021-2023 term. She was re-elected as President of MPMA for another 2023-2025 term.

She was interviewed by BBC on Women Empowerments in Man Dominated Industry in 2023.

Regine graduated with a Bachelor of Science (Hons) degree in Biology - Zoology from Universiti Sains Malaysia in 2001.

GAN KIAN CHONG

MALAYSIAN
MALE
AGE 56

Managing Director – Shennong Animal Health (M) Sdn. Bhd. (“Shennong”) and Vemedim Sdn. Bhd. (“Vemedim”)

Kian Chong has been the Managing Director and founder of Vemedim and Shennong since 1997 and 2004 respectively and holds more than 30 years of expertise in the livestock industry.

Kian Chong started his career in Pahang Pharmacy as a sales executive focusing in poultry base veterinary medicine.

Kian Chong and his partner, in recognising the tremendous potential of Vemedim’s veterinary medicine from Vietnam and to market them in Malaysia, started Vemedim to import and market Vemedim’s veterinary medicine from Vietnam in Malaysia in 1997.

Kian Chong and his partner co-founded Shennong, a company focused on local formulation and manufacturing of veterinary medicine, in 2004 in pursuing of greater market share in the livestock industry.

Kian Chong graduated with a Bachelor of Science degree in Animal Husbandry from the National Pingtung University of Science and Technology, Taiwan in 1990.

TAN YEOW HENG

MALAYSIAN
MALE
AGE 61

Managing Director – H.J. Unkel Chemicals Sdn. Bhd. (“H.J. Unkel”)

Yeow Heng has been the Managing Director and Founder of H.J. Unkel since 2009.

Yeow Heng started his career as a sales representative in ICI Industrial Chemicals (Malaysia) Sdn. Bhd. (“ICI”) in 1984.

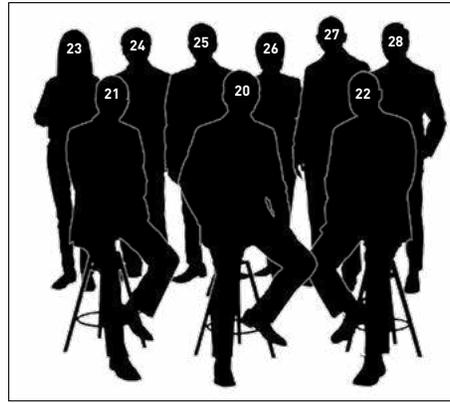
He was with the ICI Group for close to 16 years in total, from a local sales representative until he was appointed Regional Sales Manager for Tioxide (Malaysia) Sdn. Bhd., a subsidiary of the ICI Group, looking after South East Asia and Indian Continent markets.

He was seconded to ICI Group’s marketing consultancy arm, Market Focus Consultants, UK for more than 2 years as a marketing consultant, providing consultancy services to the ICI and Zeneca Group of companies.

He joined a Belgian company, UCB Chemicals (Malaysia) Sdn. Bhd. (“UCB”), as the Regional Sales Director in 1999 looking after all the whole product portfolio for Asia Pacific, except North East Asia.

Yeow Heng obtained an MBA in Strategic Marketing degree from the University of Hull, UK in 2000.

KEY SENIOR MANAGEMENT



- 20 LOH CHIAN HONG
- 21 WONG JUN-PIN
- 22 WILLIAM TAN
- 23 WONG SIUT YIN
- 24 SABLI BIN SIBIL
- 25 MOHD YUSOF BIN MUHAMAD DON
- 26 SERENA KHOO
- 27 MAARESH STARLING
- 28 JOE PRAMESH GANESAGURU

LOH CHIAN HONG

MALAYSIAN
MALE
AGE 58

Executive Director – ATG Nexus Sdn. Bhd.
("ATGN")

Chian Hong joined ATGN (formerly known as iEnterprise Online Sdn Bhd, subsidiary of ANB) in 2017 as CEO, Analytics Division to start the Analytics business unit for ATGN. He was promoted as CEO of ATGN in 2022. He is currently the Executive Committee member of ATGN and ATG Avionix Sdn. Bhd. (formerly known as Redberry Ambient Sdn. Bhd., a subsidiary of ANB).

Chian Hong has over 30 years of experience in the Information Technology industry, started his career as a programmer in a local bank in 1989 before switching his career to enterprise solutions sales 2 years later. He has since held sales and general management positions of a few IT companies until 1999. He started his own IT business in 2000 providing consulting services to develop business analytics solutions for organisations in the ASEAN countries until 2015.

Chian Hong holds a Higher Diploma of Computer Science, British Computer Society.

WONG JUN-PIN

MALAYSIAN
MALE
AGE 51

CEO – Ancom Energy & Services
Sdn. Bhd. ("AES")

Jun-Pin was appointed as the CEO of AES, a wholly-owned subsidiary of the Company, in 2020 to spearhead ANB's Energy division.

Jun-Pin brings over 25 years of diversified experience within the renewable energies, utilities, oil & gas sectors, international business development and engineering projects.

He started his career as an engineer at Tamco Corporate Holdings Berhad (now known as ALB) in 1996, with an extensive job focus in switchgear manufacturing and commercial industry. After 8 years, Jun-Pin joined Schneider Electric Malaysia as a Division Manager for Equipment & Services until 2008.

Jun-Pin joined Infrakomas Sdn. Bhd. as a General Manager (Manufacturing & Trading) from 2008 till 2016. Prior to joining ANB, he was in Kind Holdings Berhad for activities and contracts in Solar and Biogas projects from 2017 to 2020.

Jun-Ping graduated with a Bachelor of Science in Mechanical Engineering degree in 1994 and attained a Masters in Industrial Engineering from University of Arkansas, Fayetteville, USA in 1996.

KEY SENIOR MANAGEMENT

WILLIAM TAN

MALAYSIAN
MALE
AGE 57

Divisional Head – Polymer Division

William started his career as a Sales Executive in PKG in 1994. He was transferred to Fermpro Sdn. Bhd., a subsidiary of NHSB, in 1997 where he held various positions before being promoted to Deputy Managing Director in 2006. He was given the additional responsibility of handling Nylex Specialty Chemicals Sdn. Bhd. ("NSC"), a subsidiary of NHSB, in 2005, and was promoted to the position of Managing Director of NSC in 2007.

William was re-designated as the Deputy Head of Polymer Division in 2020, and was later promoted as the Division's Head in the same year.

William is a graduate of the Institute of Chartered Secretaries and Administrators.

WONG SIUT YIN

MALAYSIAN
FEMALE
AGE 56

Director – Kumpulan Kesuma Sdn. Bhd.
("Kesuma")

Siut Yin joined Kesuma, a subsidiary of NHSB, as a Techno-Commercial Chemist in 1991. She was promoted to her current position as a Director of Kesuma in 1999, handling the technical, manufacturing and sales of sealants and adhesives for the automotive, construction air-conditioner and light engineering industries.

Throughout the years, she has gone to Thailand, Japan, France, Germany, USA and Taiwan to attend international conferences and visit various car plants, and technical partners' and suppliers' labs to enhance her skills in the industry.

Siut Yin started her career as a Pharmaceutical Sales Executive in Ciba-Geigy (M) Sdn. Bhd..

Siut Yin graduated with a Bachelor of Science in Chemistry (Hons) degree from the National University of Malaysia.

SABLI BIN SIBIL

MALAYSIAN
MALE
AGE 70

Executive Director – Logistics Division

Sabli joined the Company as its Human Resource Director in 2009. He was later appointed Director of Chemical Integration in 2011 and later Managing Director/CEO of Genovasi Malaysia Sdn. Bhd., a former subsidiary of the Company then, in 2021. He was appointed Executive Director - Logistics Division in 2023.

Sabli started his career with PETRONAS as a Marketing Senior Manager in 1992 and served in various capacities, the last being Training Senior Manager prior to his retirement in 2009.

Sabli graduated with Master of Business Development from Henley/Brunel University, UK in 1988. He has a Postgraduate Diploma from Brighton Polytechnic and a Diploma from South Devon Technical College, UK. He also attended a Senior Management Programme (PETRONAS/INSEAD) and obtained a Certificate in International Management in 1999.

MOHD YUSOF BIN MUHAMAD DON

MALAYSIAN
MALE
AGE 56

General Manager – Pengangkutan
Cogent Sdn. Bhd. ("Cogent")

Mohd Yusof was appointed General Manager of Cogent, a wholly-owned subsidiary of ALB, in 2015.

Prior to joining Cogent, he was a Senior Manager/Director of Penang-based Hayara Sdn. Bhd., a solid waste management contractor, and Hayana Sdn. Bhd., a construction materials company, from 2013 to 2015. Before that, he held various senior managerial positions at Soi Yong Berhad and Koperasi Usaha Bersatu (M) Berhad.

Mohd Yusof graduated with a Bachelor's degree in Industrial Engineering from the University of Alabama, Tuscaloosa, Alabama, USA.

KEY SENIOR MANAGEMENT

SERENA KHOO

MALAYSIAN
FEMALE
AGE 60

General Manager – Ancom Nylex Terminals Sdn. Bhd. ("ANT")

Serena was appointed the General Manager of ANT, a subsidiary of ALB, in 2017.

She has more than 25 years of experience in the bulk chemicals and logistics businesses. Prior to her current position, she held various positions in PKG, a subsidiary of the Company, her last position being Senior Operations Manager.

Serena graduated with a Diploma in Business Administration from the University of Central Lancashire, UK.

MAARESH STARLING

MALAYSIAN
MALE
AGE 56

CEO – Redberry Media Group

Maaresh has been appointed CEO of Redberry Media Group since 2021.

Maaresh started his career as an Engineer in Federal Telecommunications Sdn. Bhd. in 1989. He joined Electcom Sdn. Bhd. as Manager in 1990 and subsequently TG Kall (M) Sdn. Bhd. as its General Manager in 1995. He joined Mobile Media Sdn. Bhd. as its Chief Technology Officer in 2000, as Chief Technology Officer of Focus Media Network Sdn. Bhd. (later known as Redberry Ambient Sdn. Bhd. and now known as ATG Avionix Sdn. Bhd.) in 2008. He was appointed as COO of Redberry Advertising Sdn. Bhd. in 2018 and was subsequently promoted as CEO of the Redberry Media Group in 2021.

Maaresh was elected as President of Outdoor Advertising Association of Malaysia for the term 2021-2024, and was recently re-elected for the 2nd term, 2024-2027.

Maaresh graduated with a Degree in Electronics & Communication from Generale University, UK in 2000.

JOE PRAMESH GANESAGURU

MALAYSIAN
MALE
AGE 49

CEO – Ancom Truelife Sdn. Bhd. ("Ancom Truelife")

Joe joined Ancom Truelife as its CEO in 2022.

Joe has been involved in the nutraceutical industry for the past 12 years since 2012. He founded Truelife Sciences Holdings Sdn. Bhd. in 2017 and has since built a brand name for the numerous products to its name. With a Robotics and Automation engineering background and various dips in diverse professional pathway, he found his passion in healthcare.

Joe and ANB formed Ancom Truelife in 2022 as ANB's quest to diversify its business into the Healthcare segment with Joe taking the helm as its CEO, spearheading Ancom Truelife's foray in the healthcare market locally and in the South East Asian region under the Healthy Nation brand.

Joe's drive for the industry has not gone unnoticed as he was awarded with The Asia Pacific Entrepreneurship Awards in 2018.

Joe obtained a Higher Education with Distinction certificate from Liverpool John Moores University, UK in 1996 and a Diploma in Human Resources from University Malaya in 1999.

Notes:

1. Except for Siew Ka Kheong (who is the brother of Dato' Siew Ka Wei), there is no family relationship between the Key Senior Management with any Director and/or major shareholder of the Company.
2. None of the Key Senior Management has any financial interest in any business arrangement involving the Group.
3. Other than traffic offences (if any), none of the Key Senior Management has been convicted of any offence within the past five (5) years, and no public sanction or penalty was imposed by the relevant regulatory bodies during the financial year.
4. Other than Dato Siew Ka Wei, Siew Ka Kheong and Datuk Lee Cheun Wei, none of the Key Senior Management is a director in any public listed companies or listed issuers.

MANAGEMENT DISCUSSION AND ANALYSIS

DEAR SHAREHOLDERS,

ON BEHALF OF THE BOARD OF DIRECTORS (“BOARD”), WE ARE PLEASED TO PRESENT TO YOU THE MANAGEMENT DISCUSSION AND ANALYSIS OF ANCOM NYLEX BERHAD (“ANB”, “GROUP”, OR “COMPANY”) FOR THE FINANCIAL YEAR ENDED 31 MAY 2024 (“FY2024”).

FY2024: SUSTAINING POSITIVE MOMENTUM AMIDST CHALLENGES

In FY2024, we navigated a macro landscape marked by global market volatility and the impact of El Niño weather patterns on crop production. Despite these headwinds, we remained vigilant and are pleased to conclude the financial year with another strong financial performance. The Group achieved a net profit attributable to owners of the parent (“Net Profit”) of RM81.5 million for FY2024, marking an 8.5% increase from the RM75.1 million recorded in FY2023. It is noteworthy to mention that this is our second consecutive year of best-ever Net Profit performance and I thank all involved in achieving this commendable result.



Dato' Siew Ka Wei
Executive Vice Chairman

For the financial year under review, we charted good progress for our new active ingredient in our Agricultural Chemicals (“Agrichemicals”) business. Having obtained the Certificate of Completion and Compliance (“CCC”) for our new Agrichemicals production facility in Klang, we have begun production trials of the new active ingredient and delivered samples to our clients for their in-house quality checks and assessments. The upcoming rollout of new active ingredients will expand our product offerings, solidifying our market position as the sole large-scale manufacturer of herbicide active ingredients in Southeast Asia.

In January 2024, we have completed the acquisition of 70%-stake in H.J. Unkel Chemicals Sdn. Bhd. This will help broaden our product offerings and market reach to further strengthen our position as an integrated chemical group. This new upstream venture may also allow for possibilities to insource chemicals for our Agrichemicals Division, benefiting from potential cost savings and synergies.

We remain committed on strengthening the Group’s financial position through prudent financial management and when possible, we will continue to pare down debts. In addition, our previous group-wide consolidation efforts have also improved some of our operational efficiency.

With the better performance, the Board declared and paid a first interim dividend by way of dividend-in-specie on 1 March 2024 and has proposed a second interim dividend of 1.0 sen per ordinary share for FY2024 payable on 24 October 2024 as an appreciation to our valued shareholders.

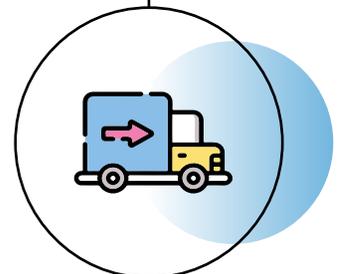
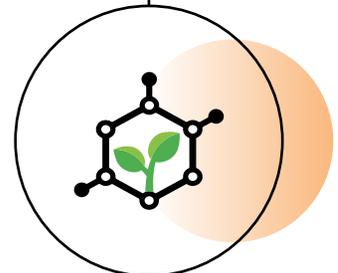
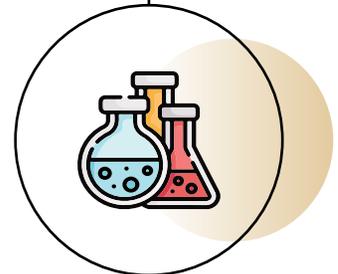
MANAGEMENT DISCUSSION AND ANALYSIS

ABOUT ANCOM NYLEX BERHAD

ESTABLISHED IN 1969 AND WITH AN EXTENSIVE TRACK RECORD SPANNING OVER 50 YEARS, ANB HAS EMERGED AS ONE OF THE LEADING INTEGRATED CHEMICAL GROUP IN SOUTHEAST ASIA. WE ARE INVOLVED IN THE MANUFACTURING AND DISTRIBUTION OF A WIDE RANGE OF AGRICHEMICALS AND INDUSTRIAL CHEMICALS PRODUCTS.

ANB was founded in 1969 as Ansul (Malaysia) Sdn. Bhd., and subsequently listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") under its former name, Ancom Berhad. The Company assumed its present name, Ancom Nylex Berhad, on 5 April 2022 following the acquisition of the entire business of Nylex (Malaysia) Berhad on 26 January 2022.

ANB is the parent company of Nylex (Malaysia) Berhad ("Nylex") and Ancom Logistics Berhad ("ALB"), both of which are listed on the Main Market and ACE Market of Bursa Securities, respectively. The Group's core businesses include agrichemicals, industrial chemicals, polymers and chemical logistics divisions.



MANAGEMENT DISCUSSION AND ANALYSIS



AGRICHEMICALS DIVISION

The Agrichemicals division focuses on the manufacturing, formulation and sale of agrichemical products, specialising in crop protection and timber preservatives. Notably, ANB is the sole large-scale producer of active ingredients for herbicides in Southeast Asia and is a key player in the Asia Pacific market. Active ingredients are the active chemical compounds found in pesticides, which include herbicides, insecticides, and fungicides.

We produce active ingredients for herbicides such as monosodium methyl arsonate ("MSMA"), Diuron, Monex, Bromacil and Ester, which are then used in our own product range. We also manufacture, formulate and market a wide range of herbicides comprising Glyphosate, 2,4D, Glufosinate Ammonium, Brodifacoum, Monoammonium, Carbosulfan, Clethodim, Cadusafos, Sulfentrazone and Tetraconazole. Our manufacturing of active ingredients and product formulation activities are carried out in our production plants in two separate locations in Selangor, Malaysia.

Our herbicides business specifically generates over two thirds of its revenue from export markets, reaching customers in more than 40 countries across North America, South America, Asia, Africa, and Oceania. Our herbicide products are primarily used in sugar cane, corn, wheat, cotton, pineapple and palm oil plantations. In addition to the herbicides business, we offer other comprehensive agricultural solutions in the downstream activities such as pest control, hygiene, animal health and fumigation which are mostly based in Malaysia.

The Agrichemicals division is held via a wholly-owned intermediate holding company of ANB, Ancom Agrichemical Sdn. Bhd..

Key subsidiaries of the division are:

- Ancom Crop Care Sdn. Bhd.
- Timber Preservatives Industries Sdn. Bhd.
- Entopest Environmental Services Sdn. Bhd.
- Common Feed Sdn. Bhd.
- Ancom Nutrifoods Sdn. Bhd.
- Vanguard Express Sdn. Bhd.
- Shennong Animal Health (Malaysia) Sdn. Bhd.
- Vemedim Sdn. Bhd.
- H.J. Unkel Chemicals Sdn. Bhd. ("HJU Chemicals")



INDUSTRIAL CHEMICALS DIVISION

The Industrial Chemicals division is the largest revenue contributor to the Group, encompassing two main business activities: manufacturing and distribution.

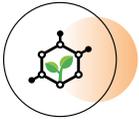
The manufacturing business specialises in the production of ethanol, phosphoric acid, adhesives and sealants. ANB is one of the two key producers of ethanols in Malaysia. Companies involved in the manufacturing business are:

- Fermpro Sdn. Bhd.
- Nylex Specialty Chemicals Sdn. Bhd.
- Speciality Phosphates (Malaysia) Sdn. Bhd.
- Kumpulan Kesuma Sdn. Bhd.
- Wedon Sdn. Bhd.

Meanwhile, the distribution business supplies a wide range of petrochemicals and industrial chemicals within the Asia Pacific region. Companies involved in the distribution business are:

- Perusahaan Kimia Gemilang Sdn. Bhd. and its subsidiaries, namely:
 - Dynamic Chemical Pte. Ltd.
 - Perusahaan Kimia Gemilang (Vietnam) Company Ltd
 - PT PKG Lautan Indonesia
 - Ancom Kimia Sdn. Bhd.
- CKG Chemicals Pte. Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS



POLYMER DIVISION

ANB's Polymer division is structured into four key business units, namely:

- 1) **Films and Coated Fabrics** - Manufactures high-quality, value-added synthetic leather such as polyvinyl chloride ("PVC") and polyurethane ("PU") leathercloths, films and sheets using casting and calendaring technology.
- 2) **Geosynthetics** - Produces geosynthetic drainage products for the construction and civil engineering industries.
- 3) **Rotomoulding** - Manufactures custom moulds, serving the industrial chemicals, road safety and landscaping industries.
- 4) **Trading** - Markets its products through a network of distributors as well as directly to industrial customers. The unit serves markets encompassing ASEAN, Australia, India, Sri Lanka, China, Korea, the Middle East, Indian Ocean Islands and Africa.

The segment is supported by two manufacturing plants, with one located in Shah Alam, Selangor while the other is in Surabaya, Indonesia. Companies involved in the Polymer Division are:

- PT Nylex Indonesia
- Nylex Polymer Marketing Sdn. Bhd.



LOGISTICS DIVISION

The Logistics division is principally involved in managing and chartering a ship for transporting chemicals, operating tank farms and terminals to provide bulk storage facilities for liquid chemicals and offering bulk chemical land transportation services.

The companies involved in this division include:

- ALB Marine Sdn. Bhd.
- Ancom Nylex Terminals Sdn. Bhd.
- Pengangkutan Cogent Sdn. Bhd.
- One Chem Terminal Sdn. Bhd.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL RESULTS

	FY2024 RM'mil	FY2023 RM'mil	Year-on-Year Change	
			RM'mil	%
Revenue	1,996.5	2,043.3	(46.8)	(2.3%)
Gross profit	312.8	296.4	16.4	5.5%
Profit after tax	80.8	76.8	4.0	5.2%
Net Profit	81.5	75.1	6.4	8.5%
Gross Profit Margin	15.7%	14.5%	-	1.2 ppt
Net Profit Margin	4.1%	3.7%	-	0.4 ppt

* ppt = percentage point

Despite market uncertainties, ANB has remained resilient and managed to post a higher Net Profit in FY2024. For the financial year under review, our Net Profit reached a new high of RM81.5 million, up from RM75.1 million last year, driven primarily by the positive performance in our agrichemicals division.

Revenue

The Group's revenue remained broadly similar at RM2.00 billion in FY2024, compared to RM2.04 billion achieved in FY2023. This was primarily due to lower revenue contribution from Agrichemicals and Industrial Chemicals divisions arising from softer chemical prices.

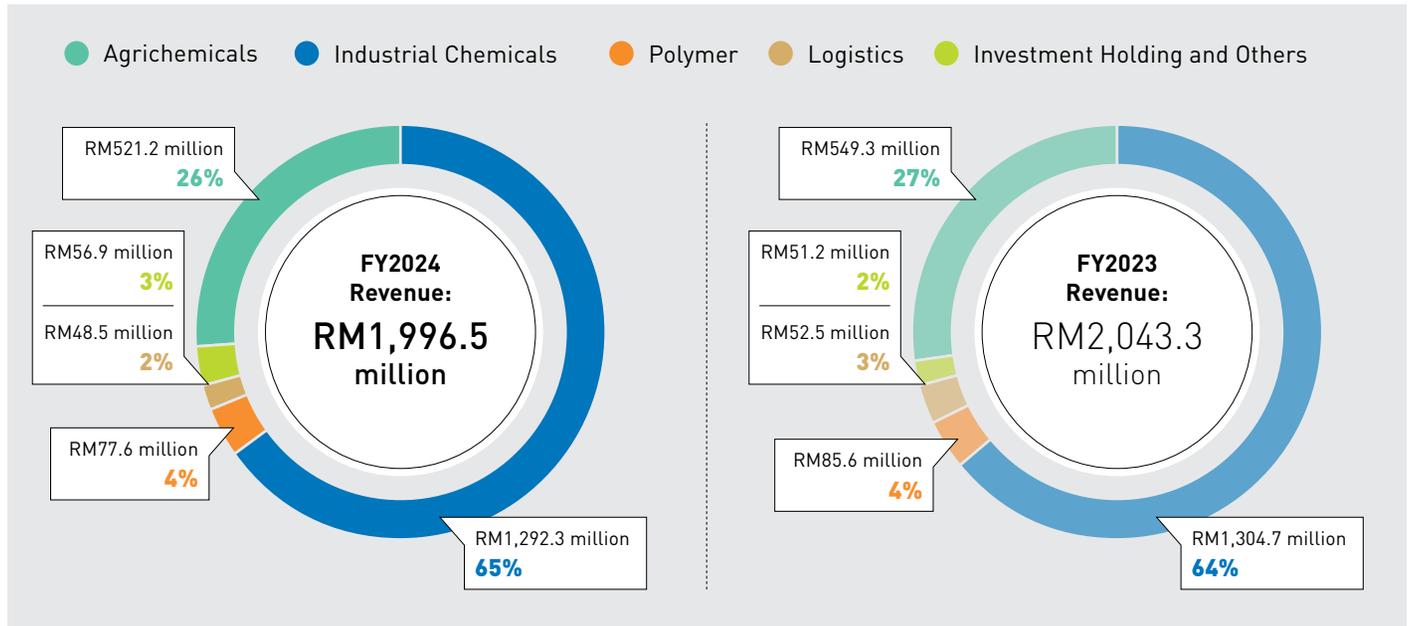
Profitability

Notwithstanding a softer top-line performance, we recorded a gross profit of RM312.8 million in FY2024, representing a 5.5% year-on-year ("YoY") increase from RM296.4 million last year. The higher gross profit was driven by strong performance in the Agrichemicals division, contributed by increase in sales of higher-margin products. Our Group's Gross Profit Margin also improved by 1.2 ppt, rising from 14.5% to 15.7%.

Correspondingly, profit after tax ("PAT") improved by 5.2% YoY to RM80.8 million in FY2024 from RM76.8 million recorded in FY2023. Additionally, the Group reported a Net Profit of RM81.5 million, compared to RM75.1 million in FY2023. The Net Profit Margin also improved from 3.7% to 4.1%.

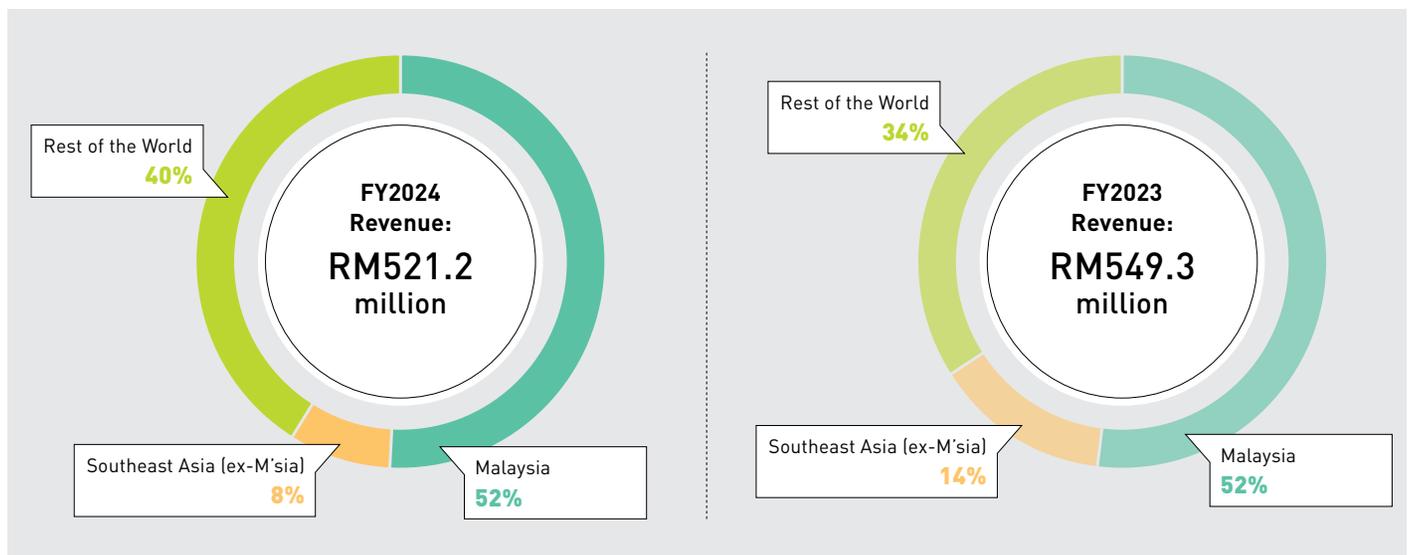
MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENTAL ANALYSIS



Agrichemicals Division

In FY2024, the Agrichemicals division recorded a revenue of RM521.2 million, compared to RM549.3 million in FY2023. Export sales remained a major revenue driver, accounting for nearly half of the division’s revenue in FY2024, which is relatively stable compared to FY2023. Although demand softened the Southeast Asia region during the financial year under review, exports to the Rest of the World were encouraging, with sustained orders from our key markets such as the United States, Brazil, South Africa, and Australia.



The Agrichemicals division continued to be ANB’s primary growth driver, contributing 93.6% of the Group’s profit before tax (“PBT”) in FY2024. Despite a decline in revenue, PBT recorded an increase of 26.4% YoY to RM103.4 million from RM81.8 million in FY2023. The improvement was driven by higher sales of high-margin products. Consequently, the PBT margin improved by 4.9 ppt to 19.8% in FY2024 from 14.9% in FY2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Industrial Chemicals Division

The Industrial Chemicals division posted a revenue of RM1.29 billion in FY2024, a slight decline from the previous year's RM1.30 billion. This marginal decrease was primarily attributed to lower crude oil prices and the softening of chemical prices, stemming from weakened demand amid rising geopolitical tensions. The average Brent crude oil price dropped to USD83.21 per barrel in FY2024, from USD90.18 per barrel in FY2023.

Correspondingly, the division registered a PBT of RM14.5 million in FY2024, compared to RM15.2 million in FY2023.

Polymer Division

In FY2024, the Group's Polymer division reported lower revenue of RM77.6 million as compared to RM85.6 million in FY2023, primarily due to reduced production volume. However, segmental PBT increased by 16.4% to RM8.5 million from RM7.3 million in FY2023, largely attributed to lower raw material prices.

Logistics Division

Meanwhile, ANB's Logistics division posted a revenue of RM48.5 million for FY2024, down from RM52.5 million in FY2023. This was mainly due to lower chartered volume from its chemical tanker. Consequently, the division also reported a lower PBT of RM7.9 million as compared to RM9.7 million in FY2023.

Investment Holding and Others Division

The Investment Holding and Others division comprises our investment holding as well as non-core activities of information technology, media, and electrical businesses.

The segment posted a revenue of RM56.9 million for FY2024, representing an 11.0% increase from RM51.2 million last year. Nonetheless, segmental loss before tax widened from RM23.5 million in FY2023 to RM26.7 million in FY2024, primarily due to higher operating expenses.

REVIEW OF FINANCIAL POSITION

RM' million	As at 31 May 2024	As at 31 May 2023
Total assets	1,228.0	1,204.7
Total liabilities	645.8	680.8
Shareholders' equity	548.1	491.5
Non-controlling interests	34.1	32.4
Total borrowings	347.6	383.9
Short term borrowings	299.9	312.9
Cash and bank balances	137.3	168.2
Net operating cash flows	130.8	106.6
Net assets per share (RM)	0.57	0.53
Net gearing ratio (times)	0.38	0.44

At the end of the financial year under review, ANB's total assets rose to RM1.23 billion, an increase of RM23.3 million from RM1.20 billion in FY2023. Cash and bank balances remained strong at RM137.3 million as of 31 May 2024.

Meanwhile, total liabilities decreased to RM645.8 million as at the end of FY2024, down RM35.0 million from RM680.8 million as at the end of FY2023. Similarly, total borrowings were reduced by RM36.3 million to RM347.6 million from RM383.9 million a year earlier. Of which, 86.3% or RM299.9 million of the total borrowings are short term for working capital needs. As of 31 May 2024, shareholders' equity increased to RM548.1 million, as compared to RM491.5 million as at the end of FY2023.

Net Gearing Ratio

At the end of the financial year, ANB's net gearing ratio stood at 0.38 times, an improvement from 0.44 times recorded in the previous year. This reflects the Group's ongoing commitment to strengthen its financial position by reducing borrowings and increasing cash reserves and generation.

Net Operating Cash Flows

In FY2024, we continued to record a strong net operating cash flows ("NOCF") at RM130.8 million, marking our seven consecutive year of delivering a healthy positive NOCF.

MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE EXERCISES AND DEVELOPMENTS



Proposed Acquisition of a Homegrown Environmental Solutions Company by ALB

In April 2024, ANB and its 33.96% owned listed subsidiary, ALB, entered into Heads of Agreement (“HOA”) with Greenheart Sdn. Bhd., Choong Wee Keong and How Yoon For (collectively referred to as “Vendors”) for the proposed acquisition by ALB of the entire share capital of Green Lagoon Technology Sdn. Bhd. (“GLT”) from the Vendors for total consideration of RM120.0 million, subject to independent valuation, to be satisfied via issuance of 1.0 billion new ordinary shares in ALB (“ALB Share(s)”) at an issue price of RM0.12 per ALB Share (“Proposed GLT Acquisition”).

Established in 2010, GLT specialises in the design, construction, operation and management of biogas plants for various industries, including palm oil, agriculture and food processing. The Proposed GLT Acquisition will enable ANB to participate in the renewable energy business.

The Proposed GLT Acquisition also comes with a profit guarantee, in which GLT shall achieve a consolidated PAT of no less than RM8.0 million and RM10.0 million for the first and second full financial years after completion. As part of the HOA, the Vendors, other shareholders of GLT and their person(s) acting in concert will be seeking exemption from the obligation to undertake a mandatory offer for the remaining ALB Shares not already owned by them pursuant to the Proposed GLT Acquisition (“Proposed GLT Exemption”).

In relation to the Proposed GLT Acquisition, ANB had also proposed to take up a private placement of up to 183.3 million new ALB Shares in ALB for the total sum of up to RM22.0 million at an issue price of RM0.12 per ALB Share, provided that ANB’s shareholding in ALB post-acquisition shall not exceed 21% of ALB’s entire issued and paid-up share capital (“Proposed Private Placement”). The Proposed Private Placement is expected to support ALB’s financial position for the Proposed GLT Acquisition.

Simultaneously, there is a proposed disposal by ALB and all of its subsidiaries, (i.e., Synergy Trans-Link Sdn. Bhd. and its subsidiaries, Pengangkutan Cogent Sdn. Bhd., and Ancom Nylex Terminals Sdn. Bhd.), to ANB, at an independent valuation to be conducted and conditions to be determined later (“Proposed ALB Disposal”).

These initiatives will enable a strategic restructuring and streamlining of ANB’s chemical businesses under one entity, positioning it as a more integrated chemical distribution player.

Upon completion of the above exercises, which collectively constitute a reverse takeover exercise of GLT into ALB (“Proposed GLT RTO”), ALB shall cease to be a subsidiary and shall become an associate of ANB.



Acquisition of HJU Chemicals

In January 2024, ANB via its wholly-owned subsidiary, Ancom Crop Care Sdn. Bhd. (“ACC”) has completed the acquisition of 70% equity interests in HJU Chemicals for a cash consideration of RM9.0 million.

Incorporated in 2009 and headquartered in Shah Alam, Selangor, HJU Chemicals is a distributor of chemical products for industrial purposes. This acquisition is a synergistic move, as HJU Chemicals can supply surfactant chemicals to the Group’s Agrichemical division for the active ingredient productions. Additionally, the acquisition includes a profit guarantee of RM2.5 million PAT each financial year for the first two financial years post completion. HJU Chemicals made its maiden contribution to the Group in the fourth quarter of FY2024.

MANAGEMENT DISCUSSION AND ANALYSIS



Proposed Regularisation Plan for Nylex

Nylex's business was acquired by ANB in January 2022, and since then, Nylex has been classified as an Affected Issuer under Paragraph 8.03A(2) of the Listing Requirements, i.e., a listed issuer that has an insignificant business or operations.

Subsequently in March 2022, ANB and Nylex entered into a Heads of Agreement with Sinar Bina Infra Sdn. Bhd., LBS Bina Group Berhad and BTS Group Holdings Public Company Limited for the collaboration to propose a build and operate a Light Rail Transit system in Johor Bahru, with an integrated property development using the "Transit-Oriented Development" concept in Johor Bahru metropolitan region ("Proposed Johor LRT"). This Proposed Johor LRT is part of Nylex's regularisation plan to regularise its affected listed issuer status.

Bursa Securities had on 29 January 2024 decided to suspend the trading of Nylex's shares with effect from 7 February 2024. Currently, Nylex has until 26 January 2025 to submit a regularisation plan to the relevant authorities based on the latest extension granted by Bursa Securities on 24 September 2024.



Dividends

In view of the Group's strong financial performance, improved financial position, and strong NOCF in FY2024, the Board has paid a first interim dividend by way of dividend-in-specie through the distribution of ordinary shares on the basis of 1 ANB share for every 100 ANB shares held by shareholders of the Company.

The Board has also proposed a second interim dividend of 1.0 sen per ordinary share in respect of FY2024, as a gesture of appreciation to our valued shareholders which will be paid on 24 October 2024.

ANTICIPATED OR KNOWN RISKS

Supply Chain Disruptions

Similar to many businesses, we face the risk of potential disruptions to our supply chain, which could lead to operational disruptions and adverse effects on our financial performance. To mitigate this risk, the Group has implemented diligent measures. We closely monitor the situation and maintain communication with our suppliers to assess the likelihood of disruptions. We may maintain a higher level of inventories for our critical raw materials to buffer against possible supply issues. We continue to explore options to diversify our supply sources. Nevertheless, it is important to note that China remains the largest manufacturer of many chemical intermediaries. Therefore, the diversification of suppliers will require longer time and planning. Furthermore, the prevailing geopolitical tensions between China and the United States, along with the ongoing conflicts in Ukraine and the Middle East, have added further layers of complexity to this situation.

Fluctuations in Input Costs

As an integrated agrichemicals and industrial chemicals player, our input costs encompass chemical intermediaries, petroleum-derived raw materials, and logistics costs, among others. As such, volatile movements in prices can affect our procurement planning and overall profitability. Additionally, conflicts in Eastern Europe have introduced further uncertainties regarding the supply and cost of certain raw materials.

To mitigate these challenges, we maintain open communication with our suppliers and business partners to stay informed about the latest market developments. The Group will also leverage its strong relationships with these entities to enhance our ability to navigate these complexities effectively.

Natural Disasters

Extreme weather events, such as floods, wildfires and droughts in regions where our clients operate, can adversely affect the performance of our agrichemicals business. These occurrences can devastate plantations and crops, thereby reducing demand for agrichemical products intended for crop protection and management. Besides, the El Niño weather phenomenon, characterised by prolonged heat and dryness, may lead to higher temperatures and extreme weather conditions. The Group closely monitors weather conditions and actively engages with our customers and suppliers to manage these risks.

Changes in Regulations and Government Policies

Our business is governed by regulations and policies set by local authorities in each countries where we operate in. ANB's Agrichemicals division operates within a highly regulated industry, spanning multiple countries with varying jurisdictions. With that, each of our products is required to comply with the specifications and requirements set by the relevant regulatory bodies prior to any commercial launch.

As part of our risk management strategy, we actively collaborate with the respective local authorities to stay abreast of the latest developments and diligently monitor any potential regulatory alterations.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK AND PROSPECTS

The global economy continues to exhibit resilience, with the International Monetary Fund (“IMF”) projecting growth rates of 3.2% in 2024 and 3.3% in 2025. While headline inflation is gradually easing, persistent geopolitical challenges and escalating trade tensions have posed risks to global supply chains. Geopolitical tensions, including the Middle East instability and ongoing US-China trade disputes, have contributed to volatile freight rates and increased shipping costs.

On the weather front, the prolonged impact of El Niño, which has caused extended periods of hot and dry weather, is expected to end. The second half of 2024 is anticipated to be marked by the appearance of La Niña, known for bringing cooler and wetter weather.

At ANB, we are adeptly navigating both the macroeconomic landscape and global weather conditions while advancing our growth strategies to enhance our market presence. We are expanding our Agrichemicals product portfolio, with a new active ingredient scheduled for commercial production by December 2024. To support this, we are integrating the additional upstream synthesis in-house to produce the required intermediate chemicals for this new active ingredient. This strategic move will enhance ANB’s supply chain resilience by accelerating procurement and mitigating potential shipping issues. Additionally, the development of another new active ingredient is underway, with machine installation planned for early 2025 and production targeted in the second half of 2025.

We are also working to drive sales growth by expanding the application of our MSMA products beyond sugarcane to include larger hectare crops like soybeans. With the planted area for soybeans in Brazil being four to five times larger than for sugarcane, this represents a significant market opportunity. We have submitted label registration in Brazil and conducted successful trials for MSMA for the soybean plantations. We hope that the soybean plantation market can present a gradual growth opportunity to us in the next few years. Meanwhile, we have also secured a long-term supply contract for timber preservatives with a longstanding US customer in June 2024, which is expected to sustain order flow and contribute positively to the Agrichemicals division’s performance.

For our industrial chemicals division, the Proposed ALB Disposal will enable a strategic restructuring of our chemical businesses. This involves the divestment of the bulk chemical land transportation business within Malaysia and Singapore, as well as the chemical tank farm and terminal located in Westport, Port Klang. This consolidation will enhance our position as an integrated chemical distribution player, improve

operational efficiency and generate cost savings, with benefits expected to materialise from FY2025 onwards.

In line with our commitment to building a sustainable and resilient business, we relaunched an enhanced Environmental, Social, and Governance (“ESG”) framework in June 2024. It outlines our strategic focus on decarbonisation and achieving carbon neutrality, aligning with our broader goal for responsible development and use of chemicals. As we navigate an evolving business landscape, our ESG strategy will be a driver for sustainable growth.

On the whole, we continue to be upbeat about the Group’s prospects, supported by our growth catalysts. While cognisant of the broader economic landscape, our focus on market expansion, operational efficiency, and sustainability positions us well to seize emerging opportunities. We look forward to sustaining our growth momentum in the years ahead, barring unforeseen circumstances.

ACKNOWLEDGEMENTS

In closing, I would like to express my heartfelt gratitude to my fellow Board members. Thank you for invaluable guidance and support in steering the Group to another commendable year.

The collective efforts of our ANB team have been instrumental in driving the Group forward. Achieving two consecutive years of strong profits is a notable accomplishment, especially given the challenging market conditions.

We warmly welcome Datuk Anuar Bin Ahmad to the Board as Independent Non-Executive Chairman. With his wealth of experience in business management, we look forward to benefiting from his extensive knowledge and guidance. With that, I am re-designated to Executive Vice Chairman. At the same time, I would like to extend my gratitude to Mr. Chan Thy Seng for his significant contributions and valuable advice during his tenure on the Board.

Finally, I offer our sincere thanks to all our stakeholders, including customers, business partners, bankers, and suppliers. Your continued trust and collaboration have been vital in driving our growth. As for our valued shareholders, we are grateful for your belief and support in ANB through challenging times and for celebrating our successes with us.

Dato’ Siew Ka Wei

Executive Vice Chairman

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

INTRODUCTION

Ancom Nylex Berhad (“ANB” or “Company”) and its subsidiaries (“Group”) is pleased to present key updates to our Environmental, Social, and Governance (“ESG”) efforts and our impact on economic value creation for the financial year ended May 2024 (“FY2024”) in this Sustainability Statement (“SS2024”).

The SS2024 has been prepared in accordance with Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition) and the following additional frameworks and guidelines:

- Global Reporting Initiative (“GRI”) Standards
- FTSE4Good Bursa Malaysia Index
- Task Force on Climate-Related Financial Disclosures (“TCFD”)
- Sustainability Accounting Standards Board (“SASB”)
- United Nations Sustainable Development Goals (“UNSDGs”)

REPORTING SCOPE AND BOUNDARY

This SS2024 document shall highlight key ESG activities of the Company and selected subsidiaries in Malaysia, Indonesia, Singapore, and Vietnam (“Operating Company(ies)”) as listed below:

No.	Division	Operating Company
1.	Agricultural Chemicals (“AA”)	Ancom Crop Care Sdn. Bhd. (“ACC”)
2.		Common Feed Sdn. Bhd.
3.		Entopest Environmental Services Sdn. Bhd.
4.		Shennong Animal Health (Malaysia) Sdn. Bhd.
5.	Industrial Chemicals (“IA”)	CKG Chemicals Pte. Ltd.
6.		Dynamic Chemical Pte. Ltd.
7.		Fermpro Sdn. Bhd. (“Fermpro”)
8.		Kumpulan Kesuma Sdn. Bhd. (“Kesuma”)
9.		Nylex Specialty Chemicals Sdn. Bhd. (“NSC”)
10.		Perusahaan Kimia Gemilang Sdn. Bhd.
11.		PT PKG Lautan Indonesia
12.		Perusahaan Kimia Gemilang (Vietnam) Company Ltd. (“PKGVI”)
13.	Polymers (“POLY”)	Nylex Holdings Sdn. Bhd.
14.		PT Nylex Indonesia (“PTNI”)
15.	Logistics (“LOG”)	ALB Marine Sdn. Bhd. (“ALB Marine”)
16.		Ancom Nylex Terminals Sdn. Bhd.
17.		One Chem Terminal Sdn. Bhd.
18.		Pengangkutan Cogent Sdn. Bhd. (“Cogent”)
19.	Investment Holdings & Others (“INV”)	ANB
20.		Ancom Management Services Sdn. Bhd. (“AMS”)
21.		ATG Avionix Sdn. Bhd. (formerly known as Redberry Ambient Sdn. Bhd.)
22.		ATG Nexus Sdn. Bhd. (formerly known as iEnterprise Online Sdn. Bhd.)
23.		Ancom Components Sdn. Bhd.
24.		Redberry Advertising Sdn. Bhd.
25.		Twinstar Synergy Sdn. Bhd.

SUSTAINABILITY STATEMENT

Unless otherwise stated, all information disclosed within the SS2024 covers the financial period from 1 June 2023 to 31 May 2024. We have included performance data spanning three (3) financial years (FY2022-FY2024) where relevant, allowing for the depiction of trendlines that reflect overall performance for key material topics.

LIMITATIONS AND DISCLAIMERS

All data and information disclosed in this SS2024 have been collected from existing management control and official information systems. The Group aims to provide meaningful and accurate disclosures, maintaining the same standards for relevant data from our supply chain.

While we aim for comprehensive data coverage, we acknowledge that there may be gaps in data availability for certain indicators. The Group remains committed to monitoring our data tracking and collection mechanisms to address and resolve these issues in future reporting.

Content within the SS2024 may include forward-looking statements, such as targets, plans, operations, and forecasts. These are based on reasonable assumptions from our current business trajectory. However, as the Group is subject to unforeseen risks, readers must exercise their own due diligence when evaluating these statements.

DATA QUALITY AND ASSURANCE

The data and disclosures presented in this SS2024 have been reviewed and verified internally by the respective data owners and the Group's Board of Directors ("Board").

SS2024 has been developed in accordance with a resolution of the Board dated 23 September 2024. The resolution is part of our ongoing efforts to ensure Board involvement and oversight in the Group's sustainability agenda including sustainability reporting. This practice is in line with promoting high level ownership and strategic focus on ESG and is consistent with the best practices of GRI, Bursa Malaysia and Malaysian Code on Corporate Governance (updated on 28 April 2021). This practice also correlates and is verifiable against Board resolution meeting minutes.

DISTRIBUTION AND FEEDBACK

The SS2024 can be downloaded from the Company's website at www.ancomnylex.com.

At the same time, any feedback or queries can be sent to:

No. 2A, Jalan 13/2, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Office: 603-7495 5000

Fax: 603-7495 5088

Email: kathleen@ancomnylex.com

Contact person: Kathleen Teh – Senior Manager, ESG (ANB)

SUSTAINABILITY STATEMENT

GROUP CEO STATEMENT

OUR JOURNEY TOWARDS ENHANCING ESG IS NOT JUST ABOUT REGULATORY COMPLIANCE, IT IS ABOUT OUR RESPONSIBILITY AND WILLINGNESS TO CREATE A BETTER AND MORE SUSTAINABLE WORLD FOR OURSELVES AND FUTURE GENERATIONS.



I am proud to share the remarkable strides Ancom Nylex Berhad has made in our sustainability journey over the past year. We started our ESG reporting with a basic framework, and in last year's annual report, we significantly expanded our coverage of ESG matters.

This growth underscores our strengthened dedication to these initiatives. Our sustainability efforts have always been voluntary, exceeding Bursa's basic reporting requirements. For us, embracing ESG is not merely about compliance; it is about creating long-term value for our stakeholders and safeguarding the well-being of future generations.

This year, many of us participated in our surveys and helped choose our new theme: "Embracing Chemicals for a Sustainable Tomorrow." Chemicals are integral to our daily lives, and Ancom Nylex Group is dedicated to continuing our leadership in the chemical industry sustainably.

I am also thrilled to announce that we are in the midst of acquiring a clean energy company specialising in biogas, which will significantly reduce carbon emissions. Once this acquisition is complete, we anticipate ourselves to be carbon neutral, effectively absorbing more carbon than we emit.

In the coming years, we will introduce an enhanced ESG framework featuring engaging activities both within our workplace and the broader community. To achieve our ESG commitments, we will focus on several key areas: environmental sustainability, social impact, and governance excellence. We are committed to reducing our carbon footprint, promoting resource efficiency, and mitigating climate-related risks through the adoption of renewable energy sources and minimising waste generation while implementing sustainable supply chain practices.

Socially, we aim to foster an inclusive and diverse workplace culture that respects and empowers all employees. We will invest in education, health, and community development programs to create positive social impacts beyond our organisation. In terms of governance, we uphold the highest standards of corporate governance, integrity, and ethical conduct by enhancing transparency, accountability, and risk management practices.

Last but not least, I would like to extend my heartfelt thanks to the ESG Committee members for their unwavering dedication and hard work. I would like to stress again that as we advance our ESG efforts, our focus extends beyond mere regulatory compliance. It reflects our corporate responsibility and unwavering commitment to fostering a more sustainable future for both current and future generations.

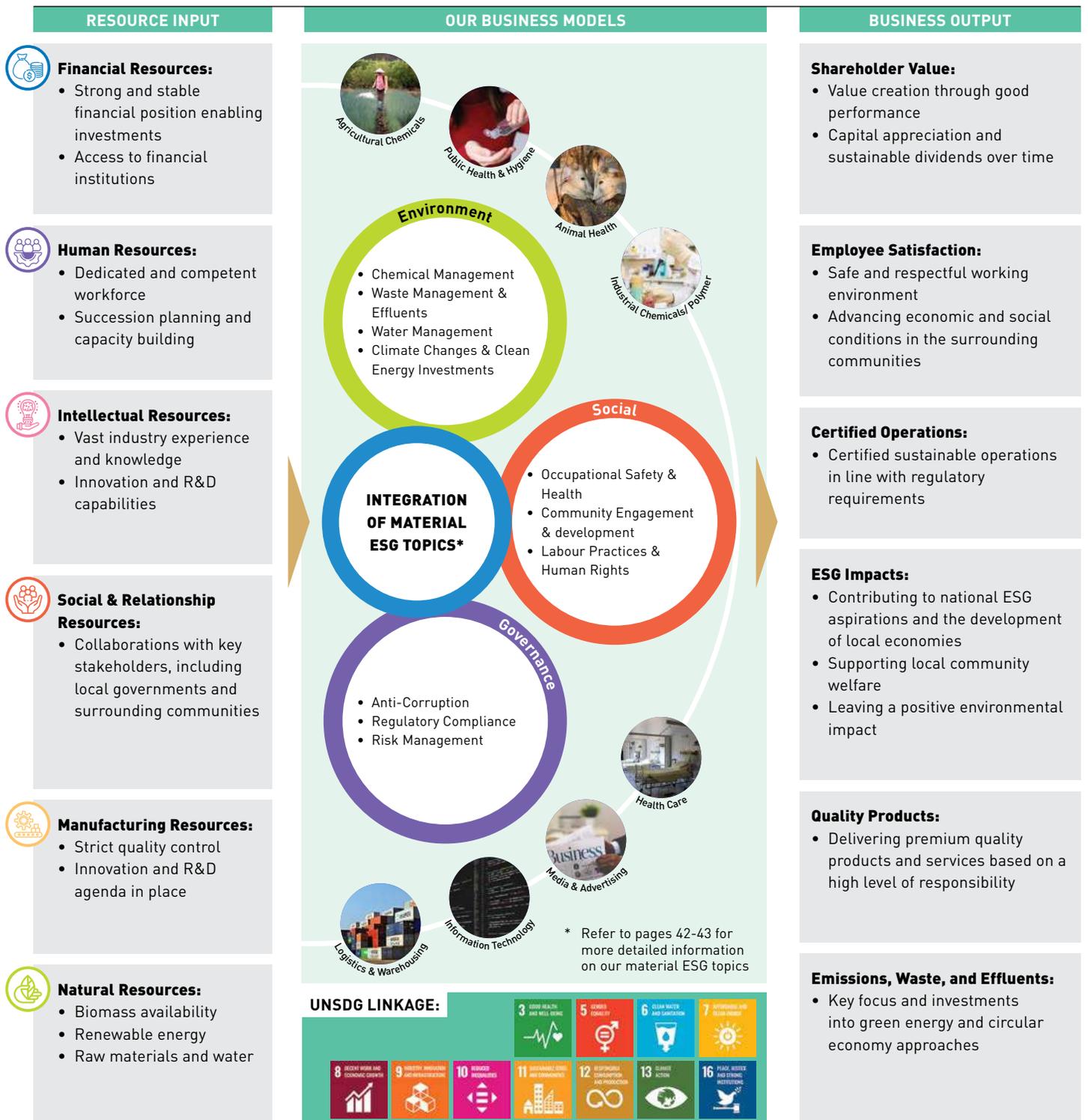
Thank you for your continued support.

Datuk Lee Cheun Wei
Managing Director/Group CEO

SUSTAINABILITY STATEMENT

SUSTAINABILITY OVERVIEW

APPROACH TO SUSTAINABILITY



UNSDG LINKAGE:



SUSTAINABILITY STATEMENT

ESG ROADMAP



SUSTAINABILITY HIGHLIGHTS

Zero

Incidence of Customer Data Breaches

RM549,476

Spent on community investment

Zero

Incidence of Corruption

Zero

Incidents of Fatality and HSE Non-Compliance Cases

Expansion

of Carbon Reporting Scope and Establishment of Carbon Intensity Baseline

7,875

Total Training Hours

MEMBERSHIPS IN ASSOCIATION

The Operating Companies maintain active memberships in various professional bodies and industry associations. We value these affiliations as they keep us updated on the latest industry trends and developments while allowing us to connect with our peers and exchange valuable best practices. This involvement not only enhances our expertise but also supports our commitment to sustainable and responsible business practices.

ASSOCIATION	DIVISION
Chemical Industries Council of Malaysia ("CICM")	AA, IA, POLY
Institut Kimia Malaysia	AA, IA, POLY
Federation of Malaysian Manufacturers ("FMM") Selangor	AA, IA, POLY
Malaysia Pest Management Association	AA
Outdoor Advertising Association Malaysia	INV
Malaysian Society for Occupational Safety and Health ("MSOSH")	All Divisions
International Maritime Organisation ("IMO")	LOG

SUSTAINABILITY STATEMENT

AWARDS & CERTIFICATIONS

AWARDS & ACCOLADES

ANB IS HONOURED TO ANNOUNCE THAT OUR OPERATIONS HAVE BEEN ASSESSED BY FTSE IN JUNE 2024 AND RECEIVED A THREE-STAR ESG RATING. THIS IS A TESTAMENT TO OUR ONGOING AND UNWAVERING DEDICATION TO SUSTAINABILITY. THIS RECOGNITION HIGHLIGHTS OUR COMMITMENT TO ADVANCING GOOD ESG PRACTICES THAT REFLECT OUR PROACTIVE STANCE IN FOSTERING RESPONSIBLE BUSINESS OPERATIONS AND MAKING A MEANINGFUL CONTRIBUTION TO GLOBAL SUSTAINABILITY GOALS.

CERTIFICATIONS

DIVISION	OPERATING COMPANY	CERTIFICATION
AA	ACC	<ul style="list-style-type: none"> ISO 9001:2015
IA	NSC	<ul style="list-style-type: none"> ISO 9001:2015 HACCP MS 1480: 2019 Makanan Selamat Tanggungjawab Industri ("MeSTI") Kosher Certification Certificate of Authentication (HALAL)
		<ul style="list-style-type: none"> ISO 14001: 2015 ISO 9001:2015 IATF 16949
		<ul style="list-style-type: none"> ISO 9001:2015 Kosher Certification Certificate of Authentication (HALAL)
POLY	PTNI	<ul style="list-style-type: none"> ISO 9001:2015
LOG	ALB Marine*	<ul style="list-style-type: none"> ISO 9001:2015 ISO 14001:2015 ISO 45001:2018

* The Ship Manager, on behalf of ALB Marine.

ASSESSING MATERIALITY

MATERIALITY ASSESSMENT PROCESS

In FY2024, ANB conducted our second comprehensive Materiality Assessment Exercise ("MAE") to identify the key ESG and economic topics significant to the Group and all our reported Operating Companies. This MAE enhances our previous assessment in FY2021 by further incorporating double materiality perspectives in line with the latest industry trends and regulatory requirements. These perspectives enable us to evaluate both the impact of our business operations on the environment and surrounding communities and the significance of these impacts on our financial value creation.

SUSTAINABILITY STATEMENT

A key improvement in this financial year's MAE was the inclusion of a broader range of participants, extending beyond our internal workforce to involve external stakeholders. This diverse participation ensures a more holistic understanding of the material topics that impact our businesses and stakeholders.

ANB's comprehensive materiality assessment was conducted as follows:

STEP

01



IDENTIFICATION

ANB identified a list of sustainability topics based on the relevant reporting frameworks, previously identified material topics, and prevalent industry themes.

We also identified key stakeholder groups to engage in this assessment, prioritising their perspectives and interests. These included external stakeholders, such as customers, financiers, and media members among others.

STEP

02



PRIORITISATION

The MAE was conducted through an online survey distributed to the selected stakeholders. Respondents were asked to rank each identified sustainability topic based on its priority to ANB's operational performance and the potential ESG significance.

At the same time, respondents were asked to rank the Group's various key stakeholders based on their influence on ANB and the extent to which they would be impacted by our operations.

STEP

03



VALIDATION

Following the prioritisation and ranking of sustainability topics, a Materiality Matrix was generated that highlighted the top material topics deemed significant to the Group. These topics were compared against our existing strategies and sustainability targets, validating them against the Group's larger sustainability goals.

STEP

04



THIRD-PARTY REVIEW

As an added layer of assurance that the selected topics are in line with current business and regulatory needs, the final matrix has been independently reviewed. This not only ensures that our topics are relevant but also that the methodology we have used to select these key ESG topics is sound.

STEP

05



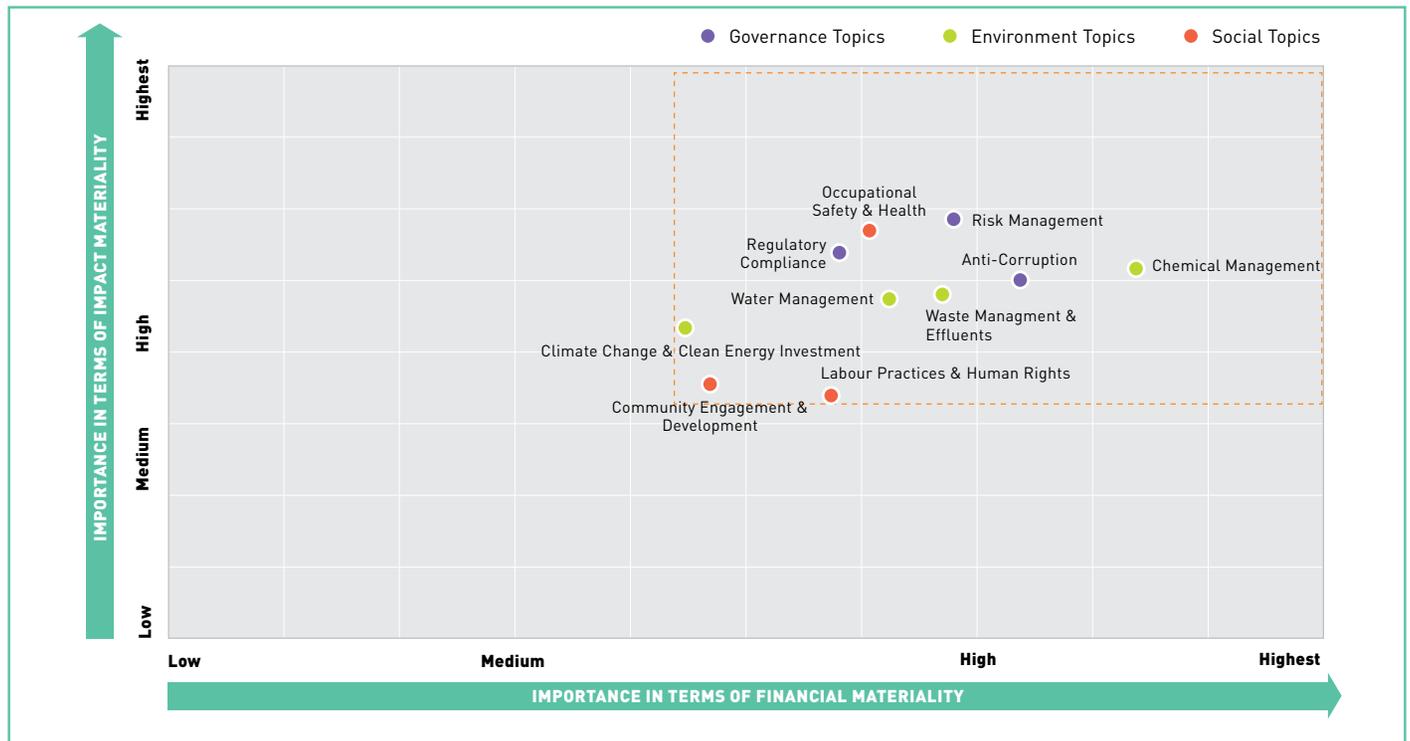
REVIEW AND APPROVAL

After developing the list of prioritised material topics and finalising the materiality matrix, these were submitted to the ANB's Management for their review and approval. This step ensures continuous high-level alignment on ANB's sustainability approaches and guarantees consistency across all our Operating Companies.

SUSTAINABILITY STATEMENT

PRIORITISATION OF MATERIAL TOPICS

Following the MAE, the following Materiality Matrix was obtained:



All the material topics identified are important to ANB, as they collectively contribute to the Group’s business performance and overall financial stability. However, the Materiality Matrix allows us to focus our efforts and resources on topics that have the most immediate impacts as identified by our stakeholders.

The MAE provided valuable insights into which material topics are most critical to the Group’s operations. The top topics from this were then evaluated internally based on their potential to generate financial value by improving operational efficiencies or reducing costs. At the same time, we also looked at the value they can bring to other stakeholders, particularly in terms of our environmental impacts and our relationships with local communities and other stakeholders.

SUSTAINABILITY STATEMENT

MATERIAL TOPICS

VALUE CREATION

ENVIRONMENT



Chemical Management

Value to ANB:	Effective chemical management can lower costs associated with resource procurement and enhance operational efficiency. It also minimises the risks of non-compliance or the potential need for remediation in case of spills.
Value to Others:	Proper management of chemicals can protect ecosystems and public health, leading to stronger community relations and a positive environmental impact.

Waste Management & Effluents

Value to ANB:	Efficient waste management can lead to cost savings through recirculation and reduction of waste. It also provides opportunities for the Group to improve operational efficiency.
Value to Others:	Effective waste management practices directly reduce the risk of pollution resulting from ANB's operations, which protects the well-being of local communities and ecosystems.

Water Management

Value to ANB:	Responsible water management can reduce costs associated with sourcing while ensuring a stable water supply for operations.
Value to Others:	Sustainable water management protects local water resources from overuse. At the same time, management of our discharge ensures nearby water sources are kept clean from pollution.

Climate Change & Clean Energy Investment

Value to ANB:	Investing in clean energy and climate resilience can reduce long-term operational costs and mitigate potential climate-related risks.
Value to Others:	Proactive climate management and clean energy investments can contribute to environmental protection and support the national agenda towards Net Zero Carbon by 2050.

SOCIAL



Occupational Safety & Health ("OSH")

Value to ANB:	Prioritising OSH can reduce costs associated with accidents, such as insurance premiums and legal liabilities, while enhancing productivity through improved employee well-being and morale.
Value to Others:	Strong OSH practices can foster trust within the workforce by demonstrating a commitment to employee safety, which can lead to better relationships and a positive public image.

Community Engagement & Development

Value to ANB:	Positive community engagements give ANB the license to operate and prevent conflicts with surrounding communities. This leads to smoother and more cost-effective operations.
Value to Others:	Strong community relationships can lead to improved social cohesion and support for local development and welfare.

Labour Practices & Human Rights

Value to ANB:	Upholding strong labour practices can reduce employee turnover. This, in turn, allows the Group to retain talented employees and protect ourselves against legal penalties.
Value to Others:	Respecting labour and human rights strengthens our workforce and supply chain. It also allows ANB to function as a benchmark within the industry, leading to better practices throughout the sector.

SUSTAINABILITY STATEMENT

MATERIAL TOPICS

VALUE CREATION

GOVERNANCE		9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
			
Risk Management	Value to ANB:	Effective risk management can prevent financial losses by identifying and mitigating potential threats to the Group's operations. These include risks associated with sustainability and climate change.	
	Value to Others:	Robust risk management practices allow ANB to proactively identify parts of our operations that carry environmental and social risks. By managing these risks, we indirectly prevent undue harm to the environment and surrounding communities.	
Regulatory Compliance	Value to ANB:	Ensuring regulatory compliance can help ANB avoid fines and legal expenses while also creating a more stable operating environment by reducing the risk of business interruptions.	
	Value to Others:	Compliance with regulations can protect the environment and public health.	
Anti-Corruption	Value to ANB:	A strong anti-corruption approach reduces the risk of legal penalties and operational inefficiencies while also enhancing ANB's ability to maintain market access.	
	Value to Others:	A firm stance against corruption strengthens governance systems, promotes fairness, and enhances the Group's reputation for integrity. This fosters trust among external stakeholders.	

Through this identification of value-creation opportunities and analysis of the matrix, the Group has been able to prioritise the following topics as our top material topics:

- 1 Risk Management
- 6 Waste Management & Effluents
- 2 OSH
- 7 Water Management
- 3 Regulatory Compliance
- 8 Climate Change & Clean Energy Investments
- 4 Chemical Management
- 9 Community Engagement & Development
- 5 Anti-Corruption
- 10 Labour Practices & Human Rights

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT

RELEVANT MATERIAL TOPICS	OUR APPROACH	ENGAGEMENT CHANNEL AND FREQUENCY	
<p>Board ANB's Board provides crucial strategic direction and oversight of the Group's sustainability and operational goals.</p>			
<p>Risks: Governance, decision-making, and leadership effectiveness</p>		<p>Opportunities: Can ensure long-term stability and strategic growth through strong leadership and sound governance</p>	
<ul style="list-style-type: none"> Regulatory Compliance Anti-Corruption 	<ul style="list-style-type: none"> Provide comprehensive and timely information for decision-making Ensure effective corporate governance and risk management practices 	<ul style="list-style-type: none"> Direct Communication Board Meetings Committee Meetings Annual General Meeting ("AGM") 	<ul style="list-style-type: none"> As Needed Quarterly Annually
<p>Workforce (including Management) Employees are key to executing our business strategies and driving operational performance.</p>			
<p>Risks: Talent retention, productivity, and labour disputes</p>		<p>Opportunities: Offer chances for innovation, improved performance, and a strong organised culture</p>	
<ul style="list-style-type: none"> OSH Labour Practices & Human Rights 	<ul style="list-style-type: none"> Offer competitive benefits and remuneration Provide opportunities for professional development and training Foster a positive work environment Maintain feedback through grievance channels and employee engagement surveys 	<ul style="list-style-type: none"> Social Events Internal Communication Training Programmes Employee Commuting Survey 	<ul style="list-style-type: none"> Regularly
<p>Shareholders & Investors Shareholders and investors are important for providing the capital we need for growth and business expansion.</p>			
<p>Risks: Financial performance and market volatility</p>		<p>Opportunities: Funding, strategic guidance, and increased market credibility</p>	
<ul style="list-style-type: none"> Regulatory Compliance Anti-Corruption 	<ul style="list-style-type: none"> Provide transparent and regular financial reporting Implement robust corporate governance practices to safeguard investments 	<ul style="list-style-type: none"> Extraordinary General Meeting Bursa Announcements Social Events Meetings Analyst Briefings AGM Annual Report 	<ul style="list-style-type: none"> As Needed Regularly Annually

SUSTAINABILITY
STATEMENT

RELEVANT MATERIAL TOPICS	OUR APPROACH	ENGAGEMENT CHANNEL AND FREQUENCY	
Government & Regulatory Officials			
These officials are crucial in ensuring the Group's compliance with laws and regulations.			
Risks: Regulatory changes and non-compliance penalties		Opportunities: Influence policy development and provide favourable operating conditions	
<ul style="list-style-type: none"> • OSH • Regulatory Compliance • Anti-Corruption • Climate Change & Green Energy Investment • Labour Practices & Human Rights 	<ul style="list-style-type: none"> • Ensure compliance with all relevant laws and regulations • Participate in government events and policy development discussions • Adopting stringent corporate governance and ethical practices throughout operations 	<ul style="list-style-type: none"> In Writing Social Events Regulatory Meetings Conferences and Seminars Audits and Inspections 	<ul style="list-style-type: none"> As Needed Regularly
Customers			
Customers are vital to the Group's business as they drive demand for our products and services.			
Risks: Changing preferences and expectations		Opportunities: Present opportunities for growth and innovation through constructive feedback and loyalty	
<ul style="list-style-type: none"> • Regulatory Compliance • Chemical Management • Anti-Corruption 	<ul style="list-style-type: none"> • Timely product and service delivery within the expected quality • Engage customers for feedback through customer satisfaction surveys • Strengthen internal cybersecurity to protect confidential customer data 	<ul style="list-style-type: none"> In Writing Social Events Meetings Conferences and Seminars 	<ul style="list-style-type: none"> As Needed Regularly
Bankers & Financial Institutions			
Similar to investors, bankers and financial institutions provide an alternative source of financial capital needed for our operations and growth.			
Risks: Credit availability and financial terms		Opportunities: Favourable financing, strategic advice, and financial stability	
<ul style="list-style-type: none"> • Regulatory Compliance • Anti-Corruption 	<ul style="list-style-type: none"> • Maintain open and transparent financial communications • Meet all financial obligations on time • Regularly review and manage financial risks 	<ul style="list-style-type: none"> Meetings and Financial Briefings Credit Assessments Quarterly Financial Reports Annual Report 	<ul style="list-style-type: none"> As Needed Regularly Annually

SUSTAINABILITY STATEMENT

RELEVANT MATERIAL TOPICS	OUR APPROACH	ENGAGEMENT CHANNEL AND FREQUENCY	
<p>Media The media plays a significant role in shaping public perception and awareness of the Group.</p>			
<p>Risks: Negative publicity and misinformation</p>		<p>Opportunities: Positive exposure, brand building, and effective communication of our achievements and initiatives</p>	
<ul style="list-style-type: none"> Regulatory Compliance Anti-Corruption Community Engagement & Development 	<ul style="list-style-type: none"> Maintain open lines of communication with media representatives Provide accurate and timely information Engage in proactive media relations to build a positive public image 	<p>Press Releases</p> <p>Media Briefings</p> <p>Company Website</p>	<p>As Needed</p>
<p>Suppliers These stakeholders are critical for maintaining our supply chain and ensuring the quality of our products and services.</p>			
<p>Risks: Supply chain disruptions and quality issues</p>		<p>Opportunities: Cost optimisation, innovation, and strong partnerships</p>	
<ul style="list-style-type: none"> Regulatory Compliance Chemical Management Anti-Corruption 	<ul style="list-style-type: none"> Develop long-term, mutually beneficial relationships Provide clear and consistent communication regarding quality expectations Procure from responsible and ethical suppliers 	<p>In Writing</p> <p>Social Events</p> <p>Meetings</p>	<p>As Needed</p> <p>Regularly</p>
<p>Local Community Members & General Public They form the social environment in which we exist and provide the Group with the licence to operate without disruption.</p>			
<p>Risks: Social unrest or negative public opinion</p>		<p>Opportunities: Provide opportunities for building positive reputation and achieving social license to operate through community engagement and support</p>	
<ul style="list-style-type: none"> Regulatory Compliance Waste Management & Effluents Community Engagement & Development 	<ul style="list-style-type: none"> Support local community initiatives through Corporate Social Responsibility ("CSR") programmes Engage in regular dialogues to understand their needs and concerns Minimising potential impacts through responsible and sustainable business practices 	<p>Social Events</p> <p>CSR</p>	<p>Regularly</p>

SUSTAINABILITY STATEMENT

RELEVANT MATERIAL TOPICS	OUR APPROACH	ENGAGEMENT CHANNEL AND FREQUENCY	
Non-Governmental Organisation (“NGO”) Representatives			
NGOs advocate for social, environmental, and economic issues that impact the Group’s operations and other stakeholders.			
Risks: Activism and campaigns that can affect ANB’s reputation and operations		Opportunities: Collaboration on sustainability initiatives which can enhance our CSR efforts and build trust with other stakeholders	
<ul style="list-style-type: none"> • Regulatory Compliance • Anti-Corruption • Waste Management & Effluents • Climate Change & Clean Energy Investment • Labour Practices & Human Rights 	<ul style="list-style-type: none"> • Collaborate on CSR programmes • Participate in periodic meetings and discussions to understand their concerns • Share information and reports transparently to build trust 	In Writing	As Needed
		Social Events	
		CSR	Regularly



SUSTAINABILITY GOVERNANCE



At ANB, sustainability is not merely a strategic objective but a core value that permeates every aspect of our operations and future planning. As a leading player in the chemical industry, we are deeply committed to ESG principles, ensuring our long-term success while safeguarding the environment and supporting the communities we serve.

We take pride in leading by example among our industry peers. Through our unwavering dedication to ESG excellence, we continuously strive to enhance our performance by setting ambitious targets, measuring our progress,

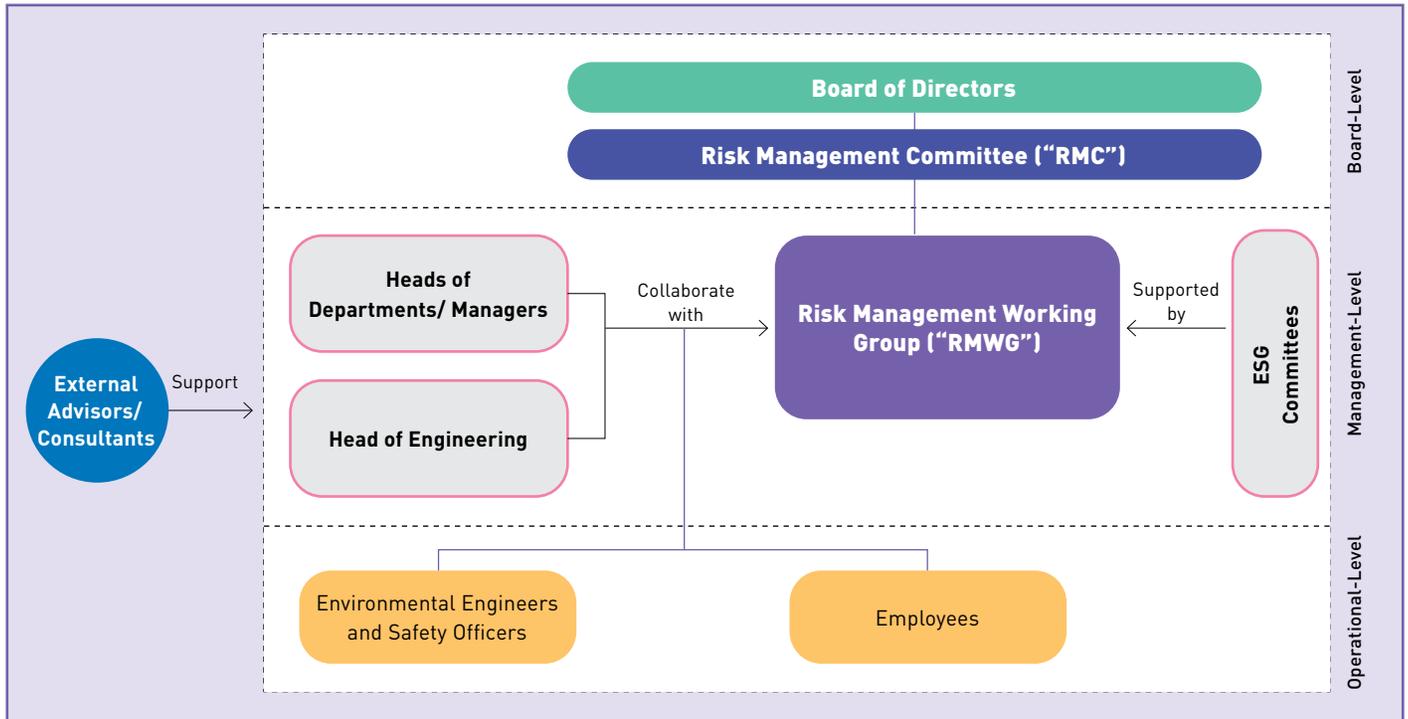
and transparently reporting our achievements. We believe that integrating ESG considerations into our business strategy is essential for creating value for our stakeholders and ensuring a sustainable future.

In this regard, the Group upholds the highest standards of corporate governance, ensuring transparency, accountability, and integrity in all our business dealings. Our governance framework is designed to promote ethical leadership and sound decision-making, reinforcing our commitment to responsible business practices.

A key priority in embedding ethical governance into our operations is building a responsible and sustainable supply chain. We work closely with our suppliers to ensure they adhere to regulatory and environmental standards, fostering long-term partnerships based on trust and mutual respect. This approach helps us create a resilient supply chain that aligns with our sustainability goals.

SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE STRUCTURE



Sustainability at ANB is directly overseen by the Board through the RMC. This is a key Board-level committee that provides top-down guidance on all risk-related issues, including those involving sustainability and climate change. The RMC ensures all decisions related to sustainability are aligned with the Group’s general goals and ambitions.

At the Management level, the RMC is supported by the RMWG, with sustainability matters coming under the specific purview of the ESG Committee. The ESG Committee was established in FY2023 to ensure that all ESG and climate change matters receive focused attention. They also serve as the ANB’s dedicated team for driving sustainability initiatives across the Group, acting as the central point of contact, and leading the development and execution of the RMC’s strategies.

The RMWG and ESG Committee work closely with the various Heads of Departments (“HODs”), managers, and the Head of Engineering to play the critical role of translating the Board’s decisions into actionable strategies and goals that align with the Group’s overall corporate objectives. Additionally, the ESG Committee is supported by various other management committees, each contributing uniquely to ANB’s sustainability efforts.

At the operational level, ANB’s broader sustainability ambitions are translated into specific goals and objectives, which are then implemented by dedicated teams within each Operating Company. These teams are responsible for integrating the Group’s sustainability and climate change initiatives into their daily operations.

Progress is also consistently reported directly to the Board through the ESG Committee. This ensures seamless alignment between the Group’s sustainability goals and the operational activities of each Operating Company. This structured approach also enables us to consolidate the diverse risk profiles of our various Operating Companies into a unified register that is monitored by a centralised RMC and RMWG. This facilitates holistic decision-making and effective management of ESG and climate change-related risks.

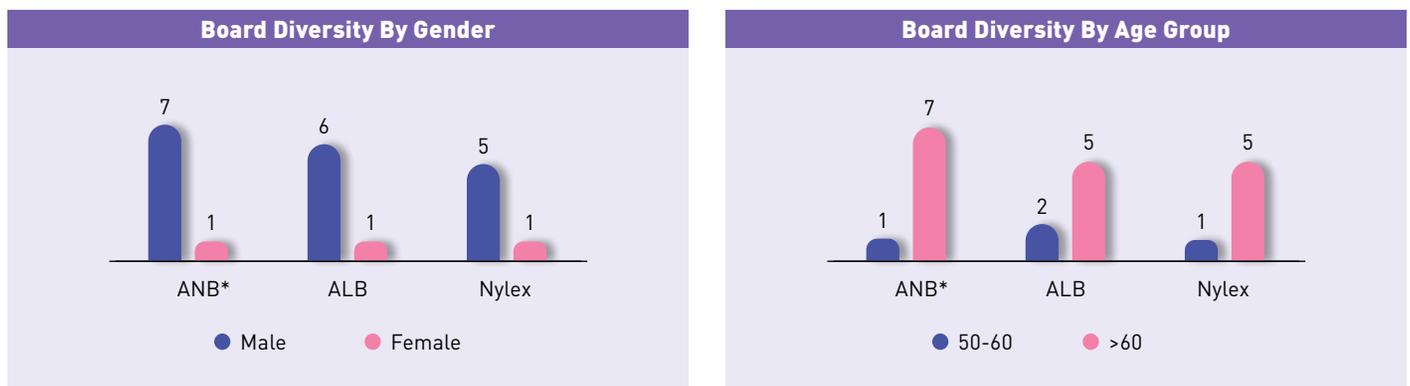
SUSTAINABILITY STATEMENT

BOARD COMPOSITION

ANB’s Board is made up of a capable and diverse team of individuals with extensive experience across multiple industries. Meanwhile, Ancom Logistics Berhad (“ALB”) and Nylex (Malaysia) Berhad (“Nylex”), both of which are subsidiaries of the Company and are listed on Bursa Malaysia Securities Berhad have maintain their distinct Board.

During the FY2024, the Board comprised of eight (8) Directors with one (1) Independent Non-Executive Chairman, one (1) Executive Chairman, one (1) Managing Director/Group Chief Executive Officer and five (5) Independent Non-Executive Directors.

The Board diversity of ANB, ALB and Nylex are as follows:

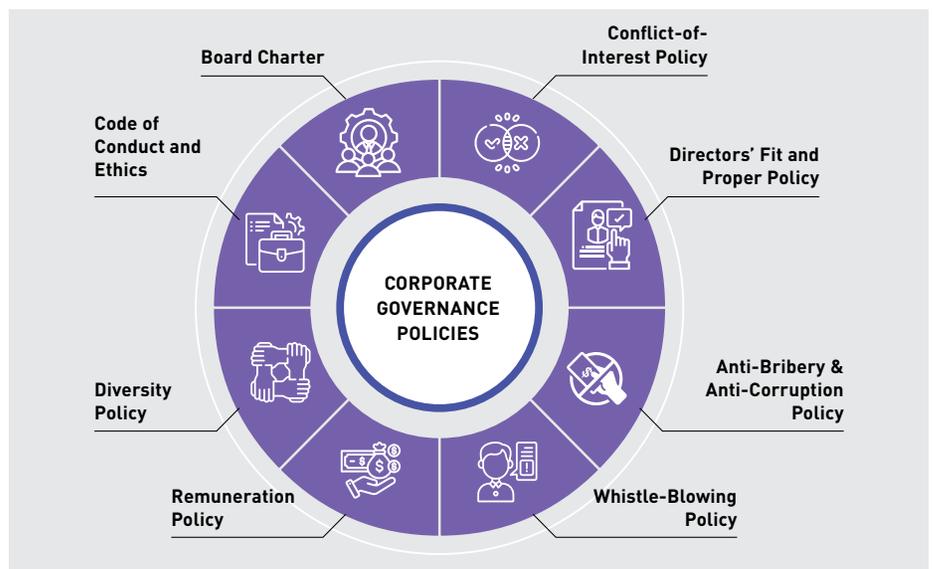


The full profile of ANB’s Board are disclosed in Board of Directors of this Annual Report.

CORPORATE GOVERNANCE POLICIES

Strong corporate values are essential for any organisation. At ANB, we ensure that our business practices remain ethical by implementing several robust policies. These policies are applied Group-wide, fostering a shared commitment among all our subsidiaries to the value ANB places on good corporate behaviour. At the same time, relevant policies are also extended to our suppliers and business partners, promoting integrity throughout the supply chain.

The following are some of the main policies that the Group has implemented:



More information on these and other Group policies can be found on the Company’s website at www.ancomnylex.com.

SUSTAINABILITY STATEMENT

ANTI-CORRUPTION

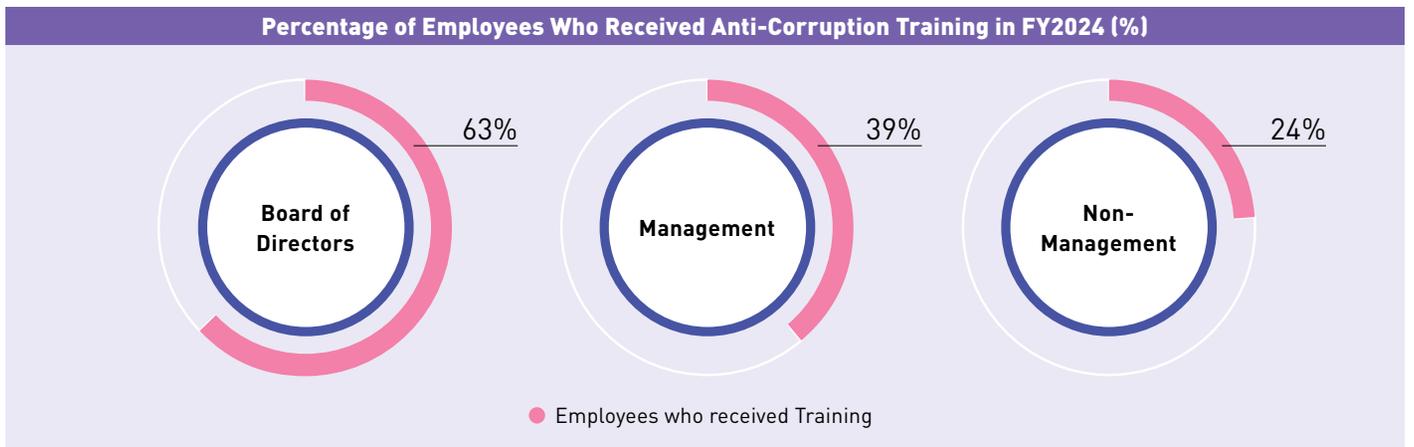
ANB is committed to conducting our business with fairness, honesty, and transparency. As such, we maintain a strict zero-tolerance policy against any form of bribery or corruption in all interactions involving the Group.

Our Anti-Bribery & Anti-Corruption (“ABAC”) Policy clearly prohibits all employees, including the management and Board, from accepting or giving any gifts or personal favours that could be misconstrued as bribery. Any suspected violations of this rule will be reported to Chief Integrity Officer (“CIO”) for further investigation. This could be followed by disciplinary actions or even termination.

The ABAC Policy is not limited to our immediate workforce but also extends to our supply chain and business partners. This ensures that the Group remains free from any corruption risks throughout our operations.

To ensure all levels of the Group are reminded of our ABAC Policy and the Group’s stance on this issue, we conduct regular training for all employees, including the Board.

Anti-Corruption Training	FY2024
Board	5
Management	65
Non-Management	240
Total training attendees	311



ANTI-BRIBERY AND CORRUPTION TRAINING

ANB employees participated in an in-house anti-bribery and anti-corruption training session conducted online by Mr. Phillip Karuppiah, the Group HR Director and Lim Chang Meng, the Chief Financial Officer. This training session focused on fostering ethical conduct and compliance.

It reinforced our commitment to integrity and equipped participants with crucial skills to uphold transparency and accountability within their workplace.

In FY2024, the Operating Companies were assessed for corruption risk and there were no cases of corruption throughout the Group.

SUSTAINABILITY STATEMENT

CODE OF ETHICS AND WHISTLEBLOWING

Aside from addressing corruption, ANB also emphasises the importance of ethical business conduct through the Group's comprehensive Code of Conduct and Ethics. This document, along with the Employee Handbook, is made available to all employees, including new hires, to ensure they understand the Group's expectations for professional behaviour in the workplace.

To further promote a culture of accountability, the Group has put in place a grievance channel and Whistle-Blowing Policy to allow for anonymous reports of any policy breaches. This includes instances of corruption, fraud, harassment, or other improper workplace conduct.

These whistle-blowing reports can be made via the Group's Whistle-Blowing Form on ANB's website at www.ancomnylex.com. Such reports are directly channelled to the CIO and copied to the Company Secretary and Chairman of the Audit Committee. Upon receiving a report, the CIO conducts an investigation to resolve the issue. Throughout the process, the Integrity Unit will keep the Chairman of the Audit Committee informed of the investigation's progress. Once an outcome is reached, it shall be reported to the Board for deliberation on further actions to be taken. If necessary, the relevant authorities may be involved during this stage. Depending on legal limitations, the whistle-blower will be kept informed of the outcomes as well.

In FY2024, no such reports were received by the Integrity Unit.

SUPPLY CHAIN MANAGEMENT

ANB's commitment to sustainability extends beyond our internal operations to include our supply chain, as well as ensuring that all goods and services we procure adhere to the highest standards. To achieve this, the Group adopts a responsible supply chain approach by extending key policies, such as the ABAC policy, to our suppliers. At the same time, ANB incorporates our Code of Conduct and Ethics into all contracts and agreements with third-party suppliers, contractors, and business partners. This is a crucial step in establishing an Ethical and Environmental Code of Conduct for suppliers that ensure our good corporate governance practices are spread throughout all aspects of our business, including the supply chain.

Apart from ethical governance, we have also begun looking into the environmental and social impacts of our supply chain, particularly in terms of labour and human rights. All members of our supply chain are expected to fully comply with the Malaysian Employment Act 1955 and other relevant national and international labour laws. ANB's expectations of our suppliers on this matter, in line with our supplier's Ethical and Environmental Code of Conduct, include:

<p>01 </p> <p>Non-Exploitative/ Discriminatory Workplace</p> <p>Adherence to relevant laws that prohibit child labour, forced labour, or discrimination in the workplace.</p>	<p>02 </p> <p>Prioritising a Safe and Healthy Work Environment</p> <p>Establishing relevant health and safety policies and procedures to safeguard employee well-being.</p>	<p>03 </p> <p>Fair Remuneration Policies</p> <p>Fair remuneration according to local wage requirements, with no forced or uncompensated overtime.</p>	<p>04 </p> <p>Right to Freedom of Association and Collective Bargaining</p> <p>The supplier does not actively prohibit their employee's freedom of association and collective bargaining rights.</p>
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SUSTAINABILITY STATEMENT

Our commitment to fostering a sustainable and ethical supply chain begins with a social risk assessment for new and existing major suppliers. This is part of our initial due diligence that ensures all suppliers comply with the Group’s standards. Those identified as ‘high risk’ during this process would then be continuously monitored, either formally or informally. If the need arises, physical inspection audits will also be conducted.

As part of the Group’s strategic sourcing and procurement processes, our Operating Companies now include environmental and social assessments as part of the supplier questionnaire. These allow us to evaluate the potential impacts of our supply chain and the steps our suppliers take to mitigate them. We integrate environmental and social-related policies during training for buyers, purchasing policies, and supplier contracts, forming the foundation for ethical and environmentally responsible conduct among all ANB suppliers. Clear expectations are communicated to these suppliers through regular engagement and training sessions.

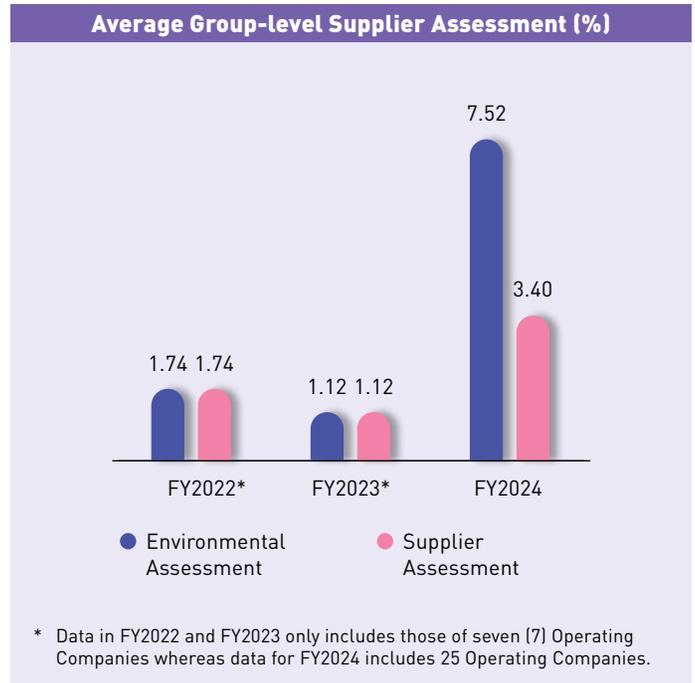
Apart from topics related to employee health and safety as well as compliance with relevant environmental, labour, and safety regulations, the Group’s supplier questionnaire also covers other requirements they are expected to have, such as quality control, certifications, and operating permits. Over the years, all our Operating Companies have steadily increased the number of suppliers assessed for environmental and social impacts.

DATA PRIVACY AND CYBERSECURITY

ANB is committed to ensuring the privacy and security of confidential data, including the personal data of our customers, workforce, suppliers, and business partners. This commitment is upheld through the Group’s comprehensive policy, which details our practices during the collection and use of data in line with the Personal Data Protection Act (“PDPA”) 2010. Under this policy, all data collection is conducted with the explicit consent of data owners and used exclusively for internal purposes only. The Group does not disclose this data to any third party except as required by law enforcement authorities.

To safeguard confidential data, the Group employs the latest security measures and protocols. Additionally, all personnel undergo regular training to prevent information security breaches, ensuring they remain up to date with the best practices. The Group also conducts routine internal audits of our control procedures, providing an additional layer of security by continuously monitoring the effectiveness of our internal control systems.

Thanks to these robust data security measures, ANB experienced zero cases of data breaches or leaks in FY2024.



SUSTAINABILITY STATEMENT



ECONOMIC

As a commercial entity, economic performance is a key indicator of ANB's success and our ability to continue operating. However, we recognise that focusing only on generating financial value is not conducive to building a sustainable business. True value creation occurs when both financial and non-financial considerations are integrated into our business ventures and operations.

These two aspects are deeply interlinked. The various ESG and sustainability initiatives the Group has undertaken over the years would not be possible without financial capital. Greater fiscal returns enable us to distribute more wealth to our stakeholders and support additional sustainability and community-based initiatives. In turn, these initiatives drive improvements and innovation within the Group, ultimately leading to enhanced economic value creation.

VALUE CREATION

DIRECT ECONOMIC VALUES

As a commercial entity, strong financial performance, such as revenue and earnings, is crucial for the long-term sustainability of ANB. It not only ensures our business continuity but, ultimately, enables the Group to support our environmental and social goals. Solid financial returns are essential for the Group to invest in initiatives that enhance our ESG performance.

For example, transitioning to renewable energy sources, like solar power, requires significant upfront investment. This can only be achieved if the Group records stable finances. The same applies to social initiatives, such as offering better employee benefits or providing ongoing support for community activities.

With that, some of the key financial performance of the Group are highlighted below. For a more detailed breakdown, please refer to the Financial Statement section of this Annual Report.

DIRECT ECONOMIC VALUES	FY2022 (RM'000)	FY2023 (RM'000)	FY2024 (RM'000)
Revenue	2,013,103	2,043,253	1,996,536
Profit Before Tax	78,193	95,810	110,479
Net Profit Attributable to Owners of the Parent	68,178	75,127	81,474
Share Capital	377,892	397,624	408,707
Retained Earnings	24,392	89,150	154,805
Total Tangible Assets	1,046,688	1,114,208	1,136,614
Basic Earnings per Share (sen)	8.98	8.43	8.58
Total Borrowings	411,414	383,910	347,612

SUSTAINABILITY STATEMENT

INDIRECT ECONOMIC VALUES

Our business model extends beyond measurable direct economic benefits. As a major industry player, ANB’s operations generate spillover effects that drive indirect economic growth. This is accomplished through job creation, support for local supply chains, and investment in local communities, among others.

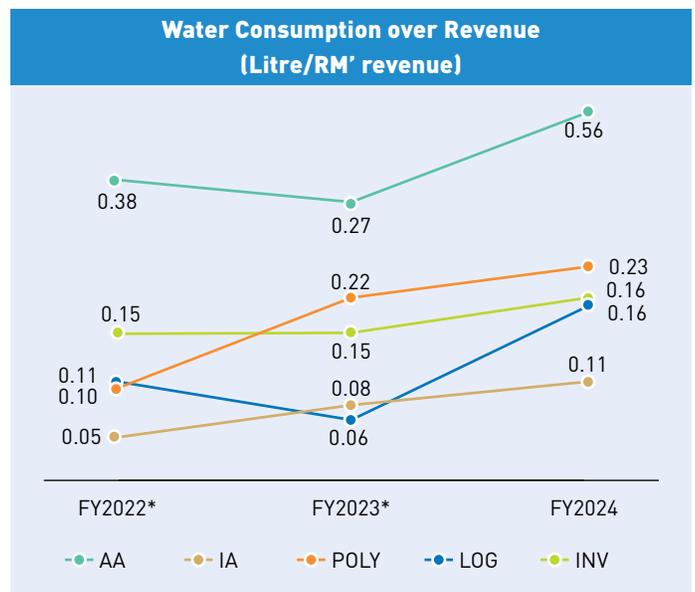
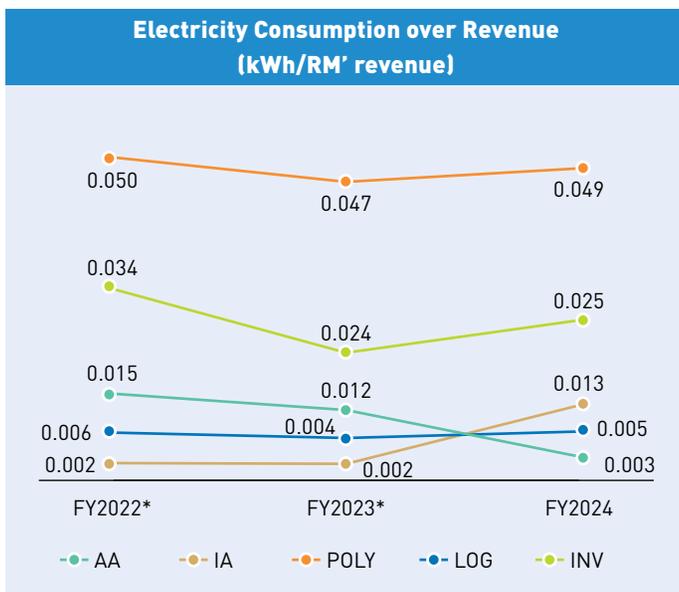
Some of these significant quantifiable indirect economic values generated by the Group are highlighted below. For more detailed information, please refer to the Financial Statement section of this Annual Report.

INDIRECT ECONOMIC VALUES	FY2022 (RM'000)	FY2023 (RM'000)	FY2024 (RM'000)
Total Payout to Employees in Salaries & Benefits	114,954	103,420	105,984
Corporate Tax Paid to Government	34,518	27,416	21,110
Dividend Returned to Shareholders	1,951	NIL	17,097

ENVIRONMENTAL FOOTPRINT

To better quantify the environmental impacts of our operations, ANB has begun evaluating the environment footprint of our various business divisions in relation to their operational performance. This involves measuring key metrics, such as carbon emissions, electricity consumption, and water usage, against the revenue generated by each division. By calculating our environmental intensity in this way, the Group can gain insights into the amount of environmental impact generated per RM in revenue. This approach then allows us to assess the efficiency of our operations concerning resource use and environmental impact.

These figures also provide a comprehensive view of our operational performance over time. For electricity and water consumption, we have used our FY2022 data as a baseline to monitor our progress. This analysis reveals that while electricity intensity has remained relatively stable over the past three (3) financial years, the Group’s water intensity has increased across all divisions.



* Data in FY2022 and FY2023 only includes those of seven (7) Operating Companies.

SUSTAINABILITY STATEMENT

This trend is consistent with the overall industry, as operations began ramping in FY2022 following the pandemic. The resulting increase in operational activity across the Group has naturally led to higher resource consumption, including water.

Regarding carbon emissions, we have expanded our reporting scope in FY2024. Consequently, the emissions intensity calculations for this year will serve as a baseline for future reporting periods, enabling us to track our progress in terms of decarbonisation.

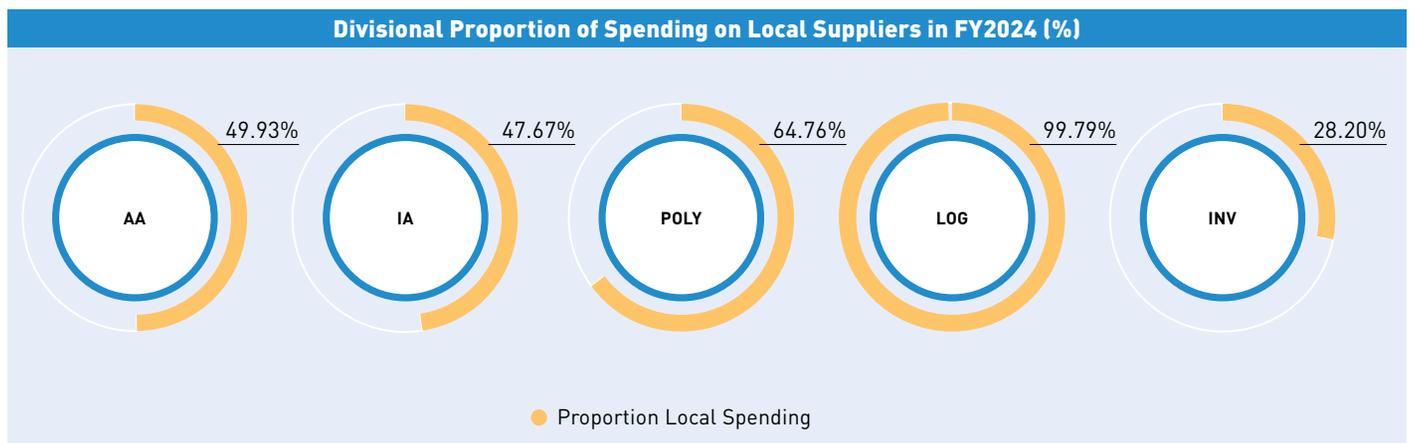
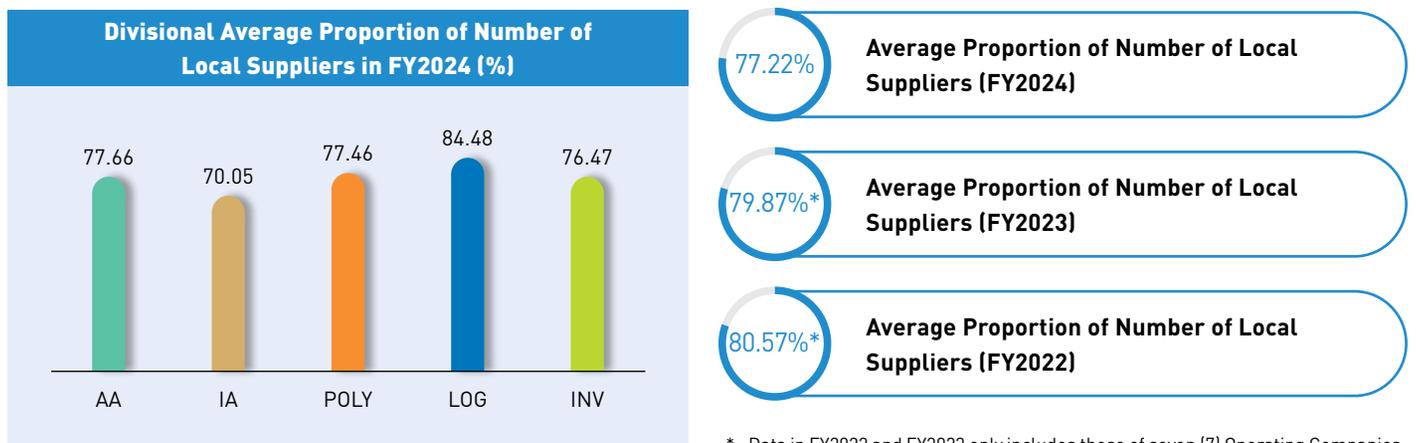
CARBON EMISSION INTENSITY (tCO ₂ e/RM million)				
AA	IA	POLY	LOG	INV
24.73	11.02	69.65	531.06	14.59

Additional details on our specific environmental performance can be found in the Environmental Disclosures section from pages 56-67.

LOCAL PROCUREMENT

ANB recognises the importance of supporting local suppliers for both economic growth and environmental sustainability. For the Group, this means sourcing products and services from local businesses to where each Operating Company is located.

Beyond directly benefiting these local communities, local procurement offers added economic and environmental advantages. Locally sourced products typically require less transportation, reducing costs and waiting times for the Group. At the same time, it decreases emissions and the risk of pollution.



SUSTAINABILITY STATEMENT

PRODUCT/ SERVICE QUALITY AND RESPONSIBILITY

The Group is committed to ensuring superior product and service quality, which directly influences customer satisfaction. This commitment translates into higher economic returns, increased repeat customers, and an enhanced industry reputation.

To maintain high product and service quality, our Operating Companies involved in sales regularly monitor customer satisfaction through annual surveys. These surveys provide honest and open feedback, allowing us to identify areas for improvement. They also help generate ideas for new product or service innovations to address customer needs.

Throughout FY2024, we have consistently maintained a high customer satisfaction score with minimal comments. This demonstrates the success of ANB's Quality Management approach in producing reliable products and delivering high-standard services.

As responsible business operators, we prioritise the safety of our products for both consumers and the environment. To this end, all of the Group's products undergo extensive evaluation and field trials to ensure they meet customer needs while complying with regulatory standards. Our Operating Companies are certified and adhere to relevant ISO standards, as highlighted in the Awards and Certifications section on page 39. These certifications guide operations to be safe for consumers and minimise environmental harm.

Our efforts to achieve this include replacing certain solvents with suitable natural materials or using those with a lower ecological toxicology profile instead. We also prevent environmental pollution and safety risks by including detailed information and safety data sheets ("SDS") with all our products. These contain information that provides safe handling, storage, and disposal instructions. All products are labelled to meet regulatory requirements, explaining the potential harm if used or disposed of incorrectly.

The Group's commitment to product responsibility also extends to our packaging. Whenever possible, we use sustainable packaging methods. For example, one of our Operating Company, Kesuma, has replaced carton boxes with recyclable plastic alternatives that can be returned by the consumer.



ENVIRONMENTAL

At ANB, we recognise that preserving and nurturing Earth's resources is fundamental to our environmental stewardship. We acknowledge that our operations consume natural resources, including energy, water, and raw materials, and produce emissions, waste products, and pollutants. As a responsible corporate entity, we deem these impacts to be material to our business and stakeholders.

Each of our business segments is encouraged to set ambitious targets for operational efficiency, including energy and water usage, as well as their corresponding outputs: greenhouse gas ("GHG") emissions, waste, and wastewater. By maintaining an efficient operational system, we not only reduce our environmental footprint but also achieve significant cost savings.

Every business segment within ANB has dedicated departments or managerial functions responsible for reviewing and monitoring the Group's activities. This oversight ensures compliance with all relevant laws and regulations, with a particular focus on pollution prevention and addressing the climate crisis.

In FY2024, ANB incurred a fine of RM200,000 related to environmental compliance issues. We take this matter seriously and have implemented robust countermeasures to prevent such occurrences in the future. These include (i) the installation of Industrial Effluent Treatment Systems ("IETS") to ensure compliant discharge; and (ii) partnering with contractors licensed by the Department of Environment ("DOE") for scheduled waste disposal.

SUSTAINABILITY STATEMENT

ENERGY MANAGEMENT

The Group is dedicated to optimising energy consumption and boosting efficiency. Throughout the year, we have been systematically upgrading our lighting systems, replacing conventional fixtures with energy-conserving LED and induction alternatives. Additionally, we are ensuring that all newly installed air-conditioning systems meet or exceed a three-star energy efficiency rating, with a preference for four-star rated units.

Target	FY2023 Progress	Current progress
To reduce electricity intensity by 2-3% by FY2024-2025	6.88 KWh/Rm'000 1) LED replacement 50% completed 2) Inverter installation 60% completed	6.61 KWh/Rm'000 1) LED replacement 98% completed 2) Inverter installation 76% completed

Our energy sources comprise a mix of purchased electricity, natural gas, diesel fuel, and a wide variety of biodiesel, including B7, B10, and B20. These biodiesel fuels will be categorised under 'Diesel' in our upcoming 'Group Energy Mix (TJ)' table. Our manufacturing facilities, being major energy consumers, are the primary focus of our conservation efforts. We have implemented a rigorous equipment maintenance schedule to maximise operational efficiency and minimise energy waste.

ALB Marine continues to refine its energy management strategies, adhering to the Energy Efficiency Existing Ship Index ("EEXI") standards set by the International Maritime Organisation ("IMO"). These standards align with IMO's ambitious targets of reducing CO₂ emissions per transport work by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008 levels. The IMO also aims to cut total annual GHG emissions from international shipping by at least 50% by 2050 compared to 2008.

In FY2024, we transitioned from the NK Class Portal to the Enerva portal, a more comprehensive system specialising in vessel performance and energy efficiency solutions. This change has enhanced our ability to calculate and monitor the Energy Efficiency Operating Indicator ("EEOI") with greater precision. Additionally, we have enrolled our vessels for CO₂ emission monitoring in the Enerva portal.

All vessels in our fleet have adopted Enerva as a component of our comprehensive safety management framework, which has been designed to enhance efficiency metrics over time. As a result of our ongoing efforts to improve energy efficiency, ALB Marine's tanker has been awarded the International Energy Efficiency Certificate ("IEE") by Bureau Veritas Marine and Offshore.

These efforts align with the broader UN carbon emission goals, which call for emissions to be reduced by 45% by 2030 and reach net zero by 2050. ALB Marine remains dedicated to continually improving our energy efficiency and reducing our environmental impact in maritime operations, supporting global efforts to combat climate change.

In our transportation sector, Cogent is progressively updating its fleet, replacing older vehicles with more eco-friendly models that utilise Euro 5-compliant, energy-efficient fuel systems.

DIVISION	ELECTRICITY CONSUMPTION (kWh)		
	FY2022*	FY2023*	FY2024
AA	7,163,917	6,519,987	6,677,517
IA	2,727,207	2,088,356	3,556,623
POLY	4,229,203	3,995,981	3,805,601
LOG	264,761	226,409	250,471
INV	1,140,389	1,230,371	1,403,123
Total	15,525,477	14,061,104	15,693,335

* Data in FY2022 and FY2023 only include those of seven (7) Operating Companies.

SUSTAINABILITY STATEMENT

ENERGY TYPE	GROUP ENERGY MIX (TJ)		
	FY2022*	FY2023*	FY2024
Electricity	56	50	56
Natural Gas	166	173	162
Diesel	167	171	126
Others**	-	-	90
Total	389	394	434

* Data in FY2022 and FY2023 only include those of seven (7) Operating Companies.

** Refers to a mixture of heavy fuel oil, marine oil, petrol and liquified petroleum gas ("LPG").

CLIMATE CHANGE MANAGEMENT

ANB remains committed to addressing and mitigating climate change risks by reducing our impact and improving operational efficiency. We recognise the devastating effects of climate change and the associated short and long-term business risks. In line with this commitment, ANB fully supports Malaysia's goal of achieving net zero carbon emissions by 2050 ("NZCE 2050").

Our climate change strategy includes:

				
Collaborating with staff and supply chain partners on energy-efficient practices.	Performing thorough evaluations of climate change risks.	Incorporating climate-related risk management into the Risk Registers of major operating companies.	Developing business strategies that take into account climate risks and opportunities.	Allocating funds towards research and development as well as technologies that combat climate change.

Climate change considerations have been fully integrated into our risk management processes. This integration ensures that climate-related risks and opportunities are systematically identified, assessed, and managed across all our operations. Our RMWG, reporting to the RMC, is tasked with devising strategies to manage and minimise our environmental footprint in light of these climate-related risks.

Furthermore, we recognise the significant financial implications of climate change on our business operations. Climate change directly affects our operating costs ("OPEX") and capital expenditure ("CAPEX") in several ways. Changing climate conditions can decrease the efficiency, output, and performance of our assets and equipment, potentially leading to increased operational costs.

We may need to allocate additional CAPEX due to asset damage or decreased asset performance resulting from climate-related events or gradual environmental changes. Complying with evolving environmental regulations often necessitates additional CAPEX for upgrading facilities or equipment to combat increased pollution risks and stricter emissions standards. We also anticipate the need for ongoing investments in climate-resilient infrastructure and technologies to maintain operational stability in the face of changing environmental conditions.

SUSTAINABILITY STATEMENT

Emission Control

As part of our climate change management efforts, we maintain a strong focus on emission control across all our operations. We evaluate GHG emissions in tonnes of CO₂-equivalent ("tCO₂e") as a key performance metric. This evaluation extends to all Operating Companies operations, including non-production sites such as administrative offices, which, despite generating a smaller portion of the Operating Companies' emissions footprint, contribute to our commitment to reduce emissions intensity.

The Group coordinates energy reduction measures with Scope One and Scope Two GHG emissions management, actively mitigating daily energy use by streamlining operations. ANB implements emission control practices in compliance with the Environmental Quality (Amendment) Bill 2023. Our approach focuses on preventing pollutants and gaseous products from being released into the environment by plant operations.

We use two (2) main types of emission control systems:

1. Packed Bed Scrubbers: These devices remove particles and gases from industrial exhaust streams.
2. Dust Collectors: These systems capture dust and other particulates from the air or gas in our industrial processes.

These systems, supervised by Certified Competent Persons, are complemented by annual stack emission monitoring. The results are submitted to the DOE, ensuring regulatory compliance and helping the Group manage our environmental impact effectively. We also continue to control non-GHG emissions through bi-annual stack gas emissions monitoring at NSC. Our most recent tests confirm that all emissions levels remain within the limits set by the Malaysian Environmental Quality (Clean Air) Regulation 2014. We also conduct timely maintenance and servicing of machinery emission control systems.

Each Operating Company also conducts its own initiatives that cater to its specific operations. For instance, NSC continues to control non-GHG emissions through bi-annual stack gas emissions monitoring.



Ancom Energy EV Charging Stations

Ancom Energy & Services Sdn. Bhd., a wholly-owned subsidiary of the Group, as a Tesla Malaysia-certified EV Charging Installer, supports ESG and green energy integration by promoting sustainable transportation that reduces carbon emissions through the widespread adoption of electric vehicles.

Their efforts also enhance social equity by providing accessible, clean energy solutions and creating jobs that contribute to economic growth and community development.

Strategic Acquisition

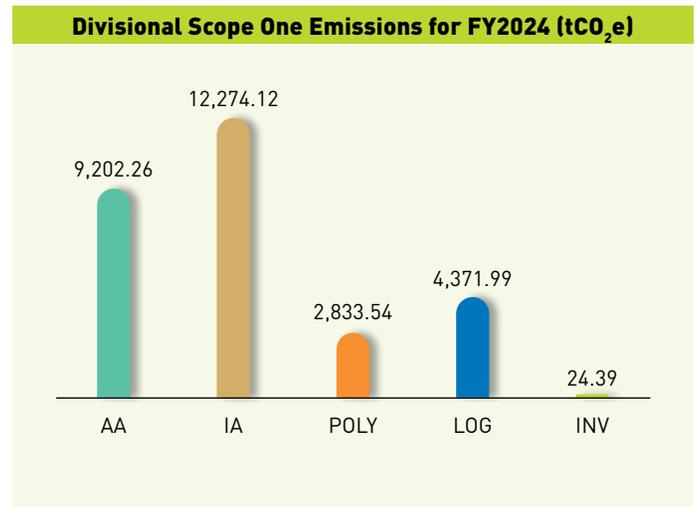
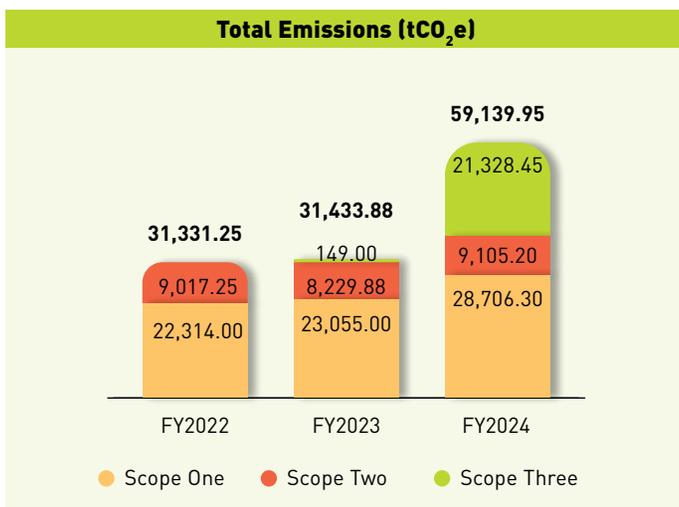
The Company and its subsidiary, ALB, entered into a Heads of Agreements with Greenheart Sdn. Bhd., Choong Wee Keong and How Yoon For for the proposed acquisition by ALB of the entire share capital of Green Lagoon Technology Sdn. Bhd. ("GLT") ("Proposed GLT Acquisition"). GLT is a company specialising in palm oil mill effluent ("POME") anaerobic lagoon biogas-to-power projects. Upon completion of the Proposed GLT Acquisition, the Group expects the carbon emissions will be reduce significantly.

SUSTAINABILITY STATEMENT

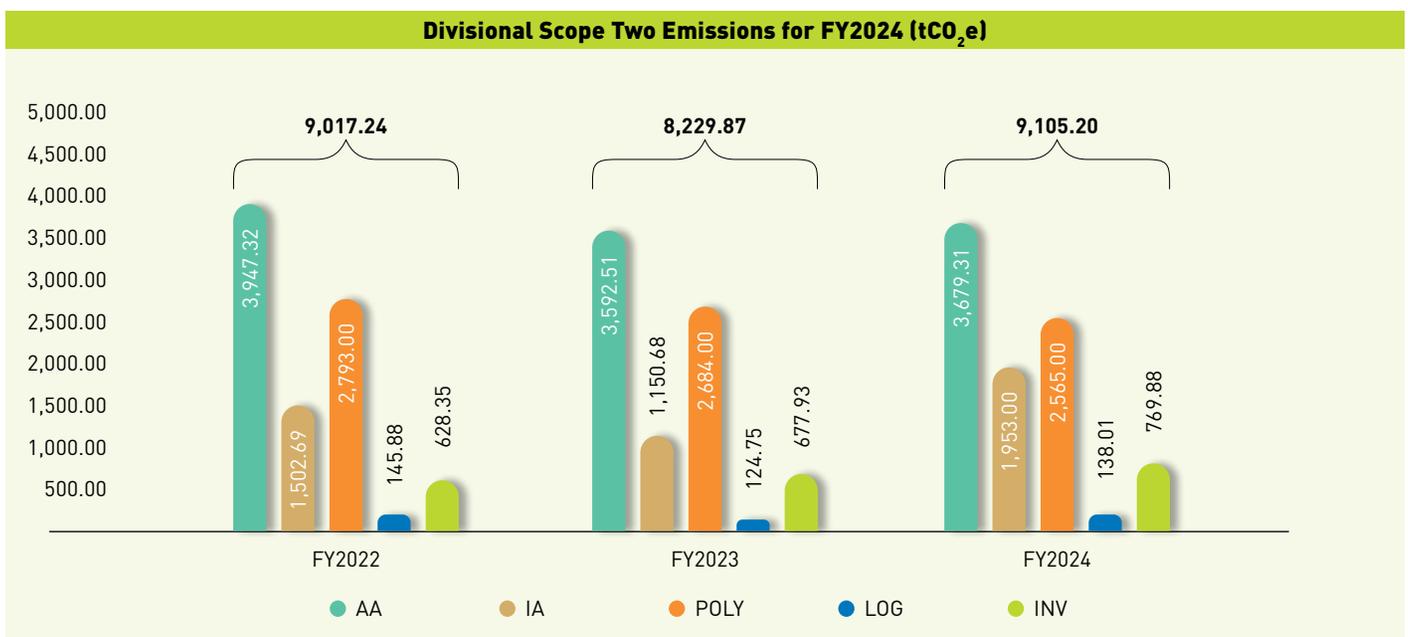
Carbon Emissions

ANB continues to manage and measure its carbon emissions as part of its Carbon Management Plan, which is integral to our broader climate change management strategy. We use the internationally recognised GHG Protocol established by the World Business Council for Sustainable Development (“WBCSD”) and the World Research Institute (“WRI”) for our emissions accounting.

In a significant expansion of our environmental monitoring efforts, ANB has broadened its scope to twenty-five (25) Operating Companies in its carbon emissions assessment. This marks a substantial increase from previous financial years, as both FY2022 and FY2023 only encompassed seven (7) Operating Companies.



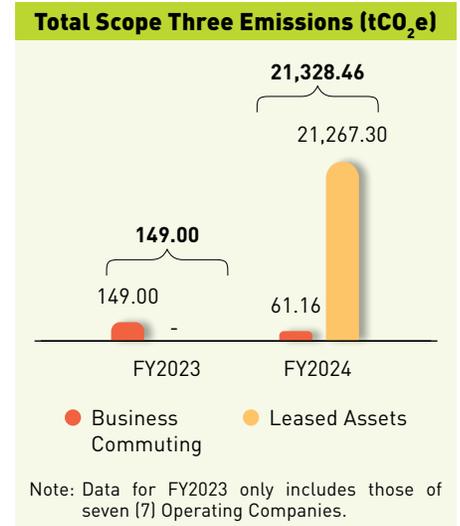
Note: Data for FY2022 and FY2023 only includes those of seven (7) Operating Companies.
 Note: Scope Two data for FY2022 and FY2023 have been refined using a more accurate methodology based on specific emission factors.



Note: Emission factors sourced from UNFCCC (Malaysia), RUPTL 2019 (Indonesia), Department of Climate Change (Vietnam), and Energy Market Authority (Singapore).
 Note: FY2022 and FY2023 data have been refined using a more accurate methodology based on specific emission factors.
 Note: FY2022 and FY2023 data only includes those of seven (7) Operating Companies.

SUSTAINABILITY STATEMENT

Divisional Scope Three Emissions for FY2024 (tCO ₂ e)				
DIVISION	CATEGORY 6 (BUSINESS TRAVEL)			CATEGORY 13 (LEASED ASSETS)
	CAR	TRAIN	FLIGHT	
AA	6.37	-	0.71	-
IA	2.10	-	6.37	-
POLY	0.86	0.01	7.55	-
LOG	1.14	-	0.10	21,267.30
INV	20.56	0.01	15.37	-
Total	31.03	0.02	30.11	21,267.30
Grand Total				21,328.46



WATER MANAGEMENT

At ANB, we recognise the critical importance of water resources in the face of intensifying climate change. While we do not operate in water-stressed regions, the Group is committed to addressing water scarcity issues by efficiently managing this resource and optimising water use across all our sites. We encourage all stakeholders to join us in this crucial endeavour.

ANB’s Group-Wide Water Reduction Initiatives:

Minimising

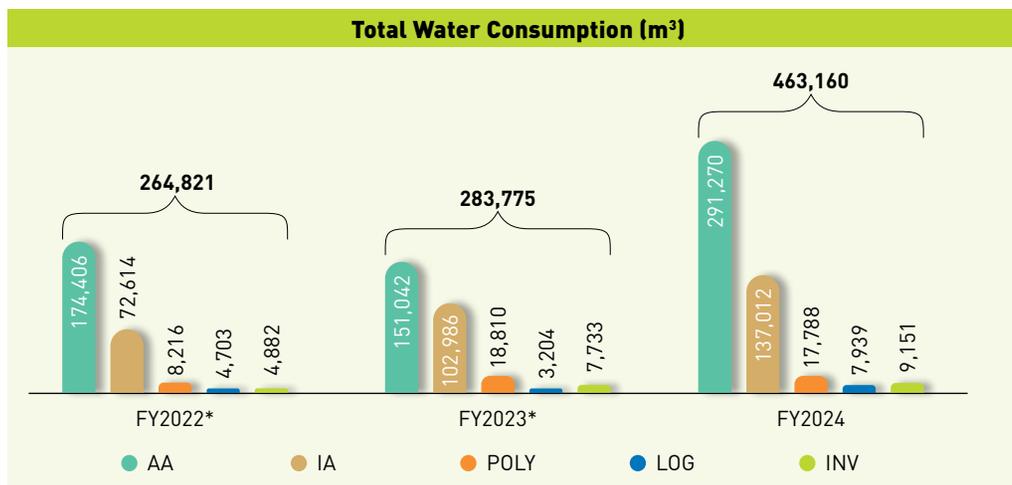
- Education on water conservation
- Installing sensors and automatic shut-off systems on nozzles
- Regulating taps to reduce water consumption
- Controlling steam consumption to reduce boiler water consumption

Monitoring

- Leak detection on all taps and pipes
- Centralised water consumption monitoring system

Recycling

- Installing and maintaining rainwater harvesting systems at plants
- Recycling process distillate water with a vapour condenser
- Recycling condensate water from the process back to the boiler water system



In FY2024, we have observed an increase in water consumption compared to FY2023. This rise is directly correlated with our increased production volume, which is reflected in our higher revenue figures. While we continue to prioritise water efficiency in our operations, the growth in our production output has necessitated greater water usage to maintain our quality standards and meet the rising demand for our products.

* Data in FY2022 and FY2023 only include those of seven (7) Operating Companies.

SUSTAINABILITY STATEMENT

POLLUTION PREVENTION

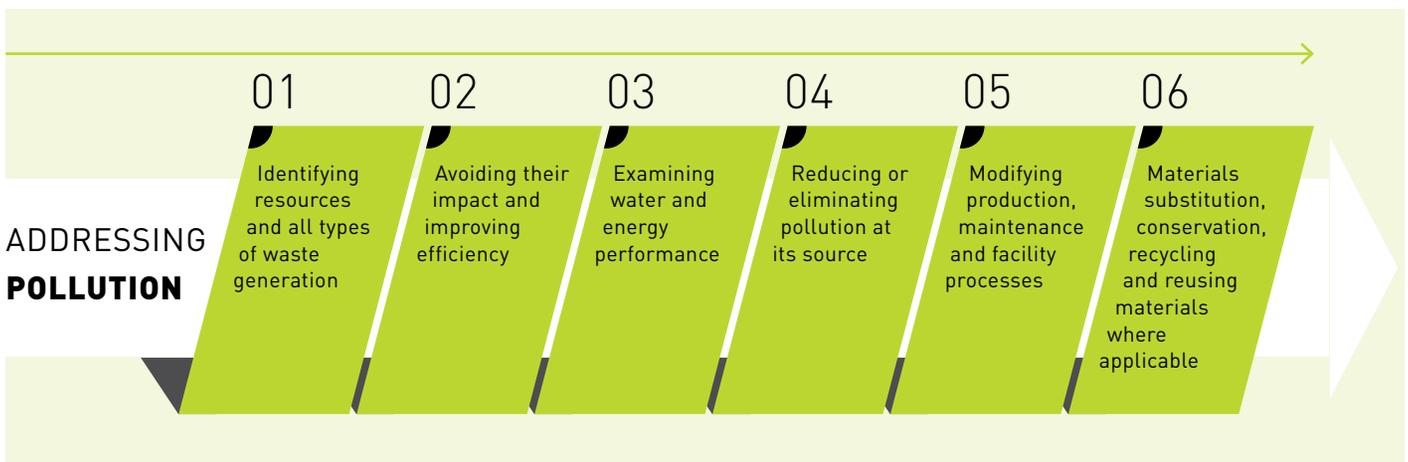
At ANB, we recognise the environmental challenges inherent in our operations, particularly in AA division. Our manufacturing, formulation, and packaging processes generate non-recoverable waste despite our ongoing efforts to reduce, recycle, and reuse. We understand the significant effects pollution can have on human health and the environment, and we are committed to addressing these issues proactively.

We are committed to environmental stewardship through our comprehensive Environmental Management System (“EMS”). Our EMS is designed to systematically address environmental impacts, ensure compliance with regulations, and drive continuous improvement in our environmental performance.

Key components of our EMS include:

1. ISO 14001:2015 Certification: Our EMS is implemented in accordance with international standards.
2. Regular Audits and Assessments: We conduct internal environmental audits on a consistent basis. These audits help us assess our compliance with regulatory requirements and evaluate the effectiveness of our environmental performance initiatives.
3. Employee Training and Awareness: We prioritise educating our workforce on pollution prevention and control best practices. This ongoing training ensures that environmental considerations are integrated into our daily operations at all levels of the organisation.

Central to our environmental strategy is ANB’s Pollution Reduction Model, which outlines a six-step approach to addressing pollution:



Effluent and Waste Targets:

Target	FY 2023 progress	Current progress
To collect and compile daily waste generation data for monitoring	To improve existing processes and comply with the regulation as stated in the Environmental Quality (Amendment) Bill 2023	Achieved
To weigh non-hazardous waste generated by type	Ongoing	Achieved

SUSTAINABILITY STATEMENT

Air Pollution Management

ACC air emissions of pollutants and particulate matter (mg/m³)

Pollutant	Boiler 1	Boiler 2	Boiler 3	NMT Scrubber	Diuron Scrubber
Particulate Matter ("PM2.5")	1.7	1.8	1.6	7.5	8.9
Particulate Matter ("PM10")	1.7	1.7	1.4	7.7	3.4
Sulphur Dioxide ("SO ₂ ")	ND	ND	ND	ND	ND
Nitrous Oxides ("NOx")	ND	ND	ND	ND	ND
Mercury ("Hg")	ND	ND	ND	NA	NA
Carbon Monoxide ("CO")	0	0	0	0	0
Lead ("Pb")	ND	ND	ND	NA	NA

Note:

ND= Non-detected

NA= Not available

Solid Waste Management

ANB recognises the importance of responsible hazardous waste management in its operations. The Group hazardous waste stream primarily consists of four main categories: packaging materials from various processes, product residues generated during industrial production, liquids that cannot be safely disposed of through standard wastewater systems, and residual materials left over after production in specific plant facilities.

To ensure compliance with environmental regulations and minimise potential risks, the Group has implemented a rigorous hazardous waste handling protocol. All hazardous materials are carefully packaged, clearly labelled, and securely stored in designated areas within our facilities. This systematic approach not only helps prevent accidental exposure but also facilitates efficient waste tracking and management.

For the final disposal of hazardous waste, ANB partners with licensed contractors who specialise in this field. These contractors are selected based on their expertise and ability to comply with the stringent regulations set forth by the DOE. By outsourcing this critical task to qualified professionals, the Group ensures that all hazardous waste is transported, treated, and disposed of in full accordance with legal requirements and best environmental practices.

The breakdown of scheduled waste produced by the Group is as follows:

WASTE TYPE	TOTAL WASTE (Tonnes)		
	FY2022	FY2023	FY2024
SW101			
Waste containing arsenic or its compounds	-	2.88	0.57
SW202			
Waste catalysts	-	-	0.38
SW204			
Sludges containing one or several metals including chromium, copper, nickel, zinc, lead, cadmium, aluminium, tin, vanadium, and beryllium	657.00	2,278.09	265.32
SW303			
Adhesive or glue waste containing organic solvents, excluding solid polymeric materials	3.70	12.50	5.87
SW408			
Contaminated soil, debris, or matter resulting from cleaning-up of a spill of chemical, mineral oil, or scheduled wastes	-	24.51	-
SW409			
Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil, or scheduled wastes	-	1.04	10.73
SW410			
Rags, plastics, papers, or filters contaminated with scheduled wastes	46.30	50.10	75.70
SW417			
Waste of inks, paints, pigments, lacquer dye, or varnish	-	-	0.02
SW421			
A mixture of scheduled wastes	1.15	-	-
SW426			
Off-specification products from the production, formulation, trade, or use of pesticides, herbicides, or biocides	-	-	0.13
SW429			
Chemicals that are discarded or off-specification	-	-	0.11
LB3			
The Indonesian code for Toxic Hazardous Waste	-	-	39.56
Total	708.15	2,369.12	398.39

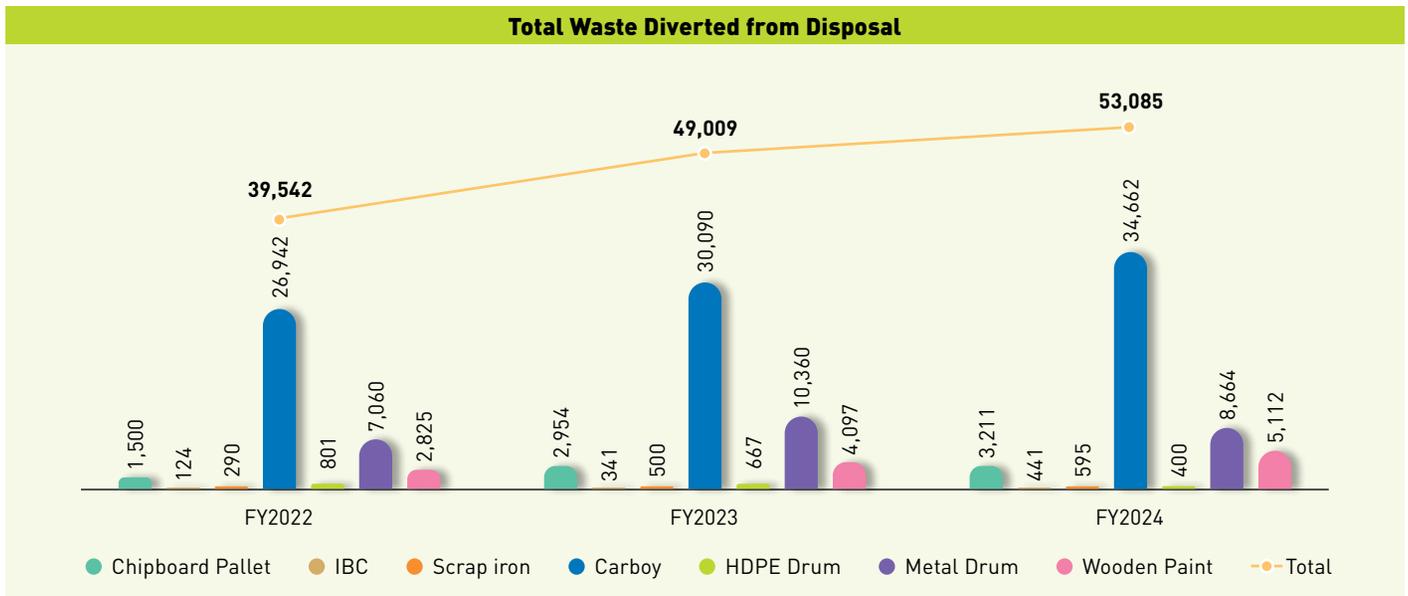
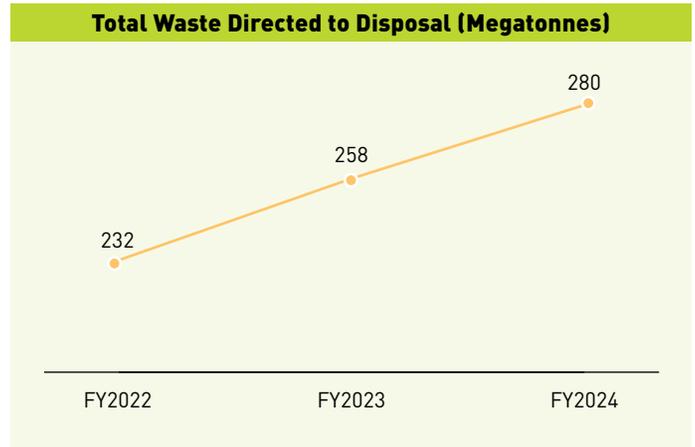
SUSTAINABILITY STATEMENT

Non-hazardous waste management

We aim to reuse and recycle as much of our non-hazardous waste as possible. We continue our collaboration with Alam Flora Environmental Solution to ensure proper collection, recovery, and treatment of recyclables such as cardboard, paper, plastic, and glass. Kesuma maintains its corporate social responsibility initiative of donating all recyclable wastes to specialist collectors.

In FY2024, we implemented the following new initiatives to improve our waste management. These include:

- Electronic data keeping
- Effluent and water monitoring by third-party specialists
- Control of effluent pH discharge from plants
- Use of carbon filters to absorb the smell and colour of waste
- Oil Discharge Monitoring Equipment (“ODME”) for cargo tank washing water by ALB Marine



Note: Scrap iron quantities are reported in metric tonnes. Other material quantities are reported in pieces.



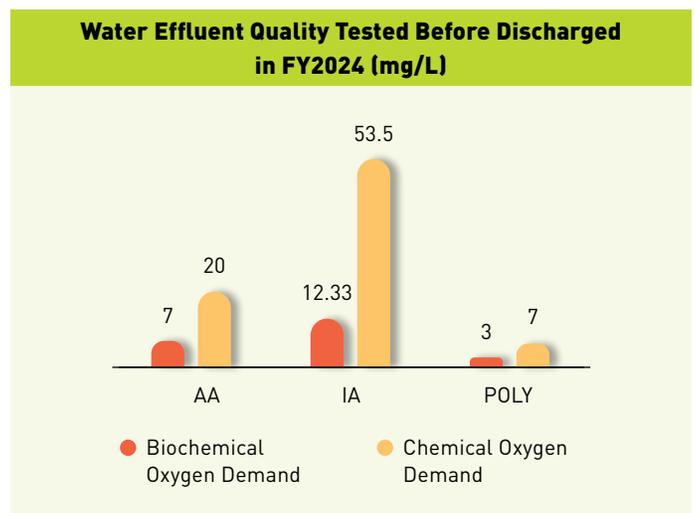
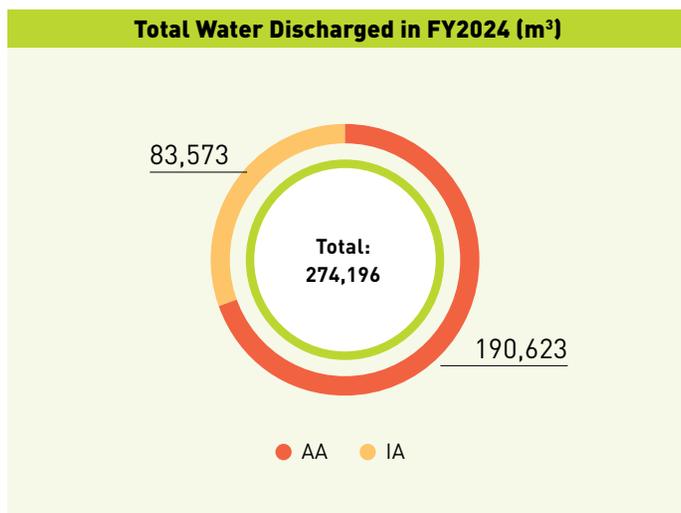
ALB Marine Plastic-Bottle Free Initiative

ALB Marine has installed permanent drinking water facilities on their vessels, eliminating the need for plastic bottles. This initiative reduces plastic waste onboard, promotes sustainability, and ensures crew members have ready access to clean water throughout their voyage.

SUSTAINABILITY STATEMENT

Water Pollution Management

ANB recognises the potential environmental impact of effluents from its manufacturing operations and has implemented robust water pollution management practices. The Group’s wastewater management system ensures environmental protection and regulatory compliance. Internal drainage from plants is routed to a Wastewater Treatment Plant (“WWTP”), preventing spillage, leaks, or contaminated washing water from entering external drains. The WWTP treats wastewater before discharge, adhering to standards set by the Environmental Quality (Amendment) Bill 2023. Certified Competent Persons oversee this process, monitoring and maintaining treatment operations to ensure consistent compliance.



Fermpro Upgraded Industrial Effluent Treatment System (“IETS”)

Fermpro has built an upgraded IETS to ensure that the final discharge channelled out of their facilities into the public drains complies with Standard B of the Environmental Quality Act 1974. The enhanced IETS has upgraded the type of chemical used and its dosing system to minimise resource consumption and save operational costs.

SUSTAINABILITY STATEMENT

RESOURCE CONSUMPTION

Our commitment to responsible sourcing and procurement practices ensures the safe development of products from inception. Kesuma continues its voluntary omission of hazardous materials such as asbestos, lead, tin, and toluene. All our products maintain compliance with the Restriction of Hazardous Substances in Electrical and Electronic Equipment ("RoHS"), Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH"), and their Substance of Concern ("SOC") list.

ACC's absorption tank utilises eco-friendly materials including activated carbon, sand, and gravel to absorb dimethylamine and other chemicals. This advanced filtration system effectively reduces the Chemical Oxygen Demand ("COD") content applied in the waste system.

MATERIALS	RESOURCE CONSUMPTION (Tonnes)		
	FY2022*	FY2023*	FY2024
Hydrochloric Acid ("HCl")	5,490	5,548	5,621
Caustic	13,757	14,600	14,800
Chloromethane ("MeCl")	3,692	4,218	4,559
Arsenic Trioxide ("As ₂ O ₃ ")	12,738	13,427	13,912
Dimethylacetamide ("DMA")	978	742	1,002
Dichlorophenyl ("DCPI")	2,214	1,792	1,990
Yellow Phosphorus	0	230	230
Polyphosphoric Acid ("PPA")	0	978	978
Phosphoric Acid	0	10,147	10,147
Metal and Plastic Drums	5	982	-
Unspecified	3,636	3,782	-
Nitrogen	60,787	60,462	60,462
Total	103,292	116,908	113,701

* Data in FY2022 and FY2023 only includes those of seven (7) Operating Companies.

BIODIVERSITY

The Group recognises the importance of biodiversity and the need to protect natural ecosystems from adverse harm. As a chemical manufacturer, many of our products and production processes involve ecologically toxic substances that can pose significant risks if accidentally released into the environment. As such, Operating Companies take extensive measures to ensure that all chemicals used in our facilities, especially hazardous chemicals, are safely contained.

Disposal is conducted according to stringent procedures based on regulatory standards to prevent accidental leakages. Additionally, our products, including herbicides and pesticides, are sold with detailed Safety Data Sheet that guide end consumers on their proper handling, storage, and disposal. The same precautions are communicated with our logistics partners to prevent environmental spillage during transport. Additionally, ANB does not operate near any protected habitats, further minimising potential impacts on sensitive ecosystems.

Beyond our chemical manufacturing segment, biodiversity conservation is also a priority for ALB Marine. A major concern here is the threat of invasive organisms spread by ship ballast water. Ballast water transfer is an important process for vessels to stabilise themselves and maintain balance at sea. However, it can accidentally introduce harmful organisms to new areas where there are no natural predators or limiting factors, leading to the newcomers outcompeting native species and disrupting local ecosystems.

SUSTAINABILITY STATEMENT

ALB Marine has mitigated this risk by installing a ballast water treatment system. This system screens and removes organisms, including microns, from ballast water, ensuring that all discharged ballast water is free from foreign organisms.



ALB Marine’s ballast water treatment system



SOCIAL

HUMAN AND LABOUR RIGHTS

At ANB, we are deeply committed to upholding and promoting human and labour rights across all our operations. Our approach is guided by internationally recognised standards and our own ethical principles.

We adhere to all applicable employment and human rights regulations in the countries where we operate. Our human rights practices are summarised in our Code of Conduct and Ethics, which also extends to our suppliers, ensuring high standards throughout our supply chain. As part of our risk assessment procedure, we regularly review the labour standards of existing and potential businesses and supply chain partners.

Our Human Rights Standards, Policies, Principles, and Commitment Statement encompasses several key areas:

- 1 Health, Safety, and Well-being:**
 We prioritise workplace safety and provide healthcare programs for employees and their families.
- 2 Non-discrimination:**
 We promote inclusiveness and treat people fairly, without distinction based on race, gender, sexual orientation, religion, nationality, age, disability, or other defining factors.
- 3 No Harassment and Violence:**
 We do not tolerate any form of physical, verbal, sexual, or psychological harassment, bullying, abuse, or threats.
- 4 Child Protection:**
 We follow the ILO definition of minimum age for employment and adhere to the Children’s Rights and Business Principles.
- 5 Freedom of Association:**
 We respect employees’ right to be legally represented by a labour union without fear of retaliation.
- 6 Rights of Indigenous People:**
 All our operations, local and international, must not violate the human rights of indigenous people.
- 7 No Forced Labour:**
 We ensure all employees work freely, are familiar with their terms and conditions, and receive regular and timely salaries as agreed.
- 8 Fair Pay and Remuneration:**
 We commit to paying above the minimum living wage and uphold the principle of ‘equal pay for equal work’.
- 9 Rest and Leisure:**
 We recognise the right to rest and leisure, complying with local laws on working hours, overtime, and adequate rest periods.

WE COMMIT TO THE ANTI-SEXUAL HARASSMENT POLICY, REINFORCING OUR COMMITMENT TO PROVIDING A WORKPLACE FREE FROM ANY FORM OF SEXUAL HARASSMENT. THIS POLICY ALIGNS WITH THE ANTI-SEXUAL HARASSMENT ACT 2022, PASSED BY THE DEWAN NEGARA ON 11 AUGUST 2022.

SUSTAINABILITY STATEMENT

To ensure transparency and accountability, we have established robust whistle-blowing and grievance procedures. These mechanisms allow employees and other stakeholders to report any violations of our human rights policies or labour standards without fear of retaliation. All reports are treated confidentially and investigated thoroughly.

As we move forward, we remain committed to continuously improving our human rights practices, regularly assessing our performance, and addressing any gaps or challenges that may arise.

EMPLOYEE MANAGEMENT

ANB holds a deep respect for the fundamental dignity and human rights of all individuals in our business operations. Our practices are carefully aligned with renowned international standards, including The International Bill of Human Rights, The Universal Declaration of Human Rights, The ILO Declaration on Fundamental Principles and Rights at Work, and The UN Guiding Principles on Business and Human Rights. As we move into FY2025, we are committed to continually reviewing and updating our policies and practices to ensure they remain at the forefront of human rights protection in the workplace.

HIRING & ATTRITION

Our approach to hiring and retention is guided by our comprehensive Diversity Policy. The Diversity Policy emphasises equal opportunity for all, regardless of age, ethnicity, or gender. We recognise that a diverse workforce offers greater depth and breadth of perspectives, knowledge, and experiences, which contributes to our competitive advantage.

Our Diversity Policy sets out a framework aimed at:

1. Building a workplace culture that provides an equal playing ground for all, prioritising individual merit.
2. Improving workforce quality by leveraging multiple viewpoints and skill sets.
3. Encouraging an inclusive culture and raising awareness of diversity rights and responsibilities.

In practice, this Diversity Policy influences our hiring processes in several ways:

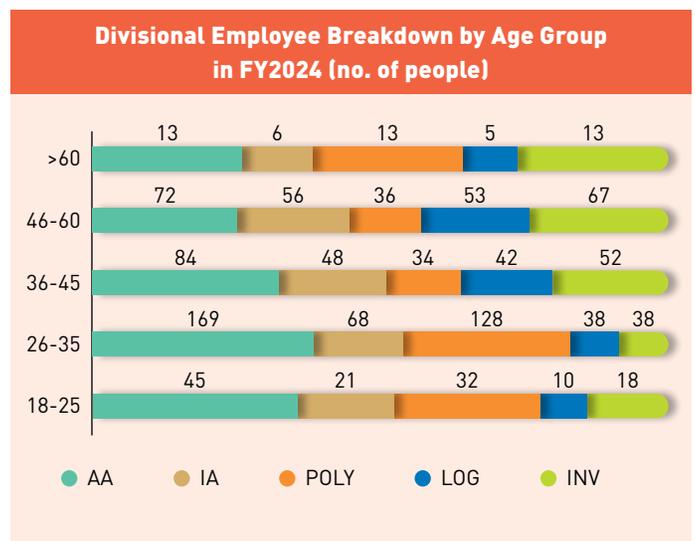
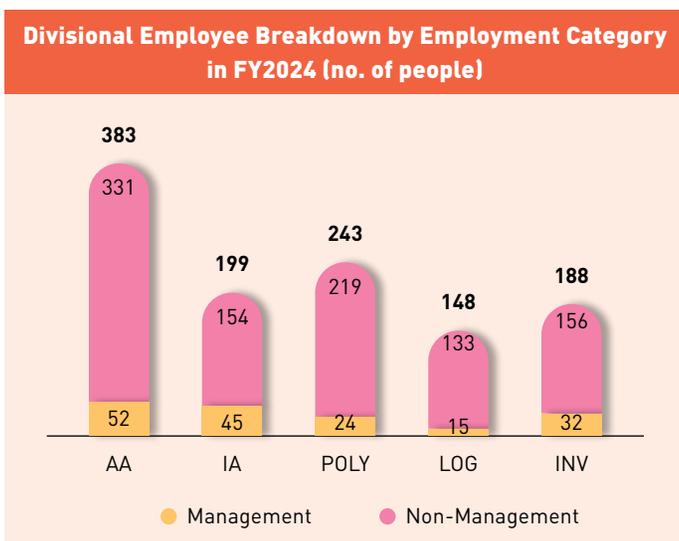
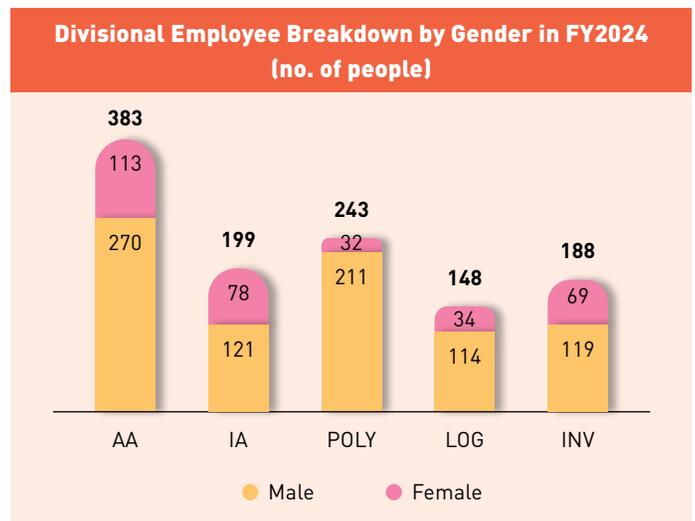
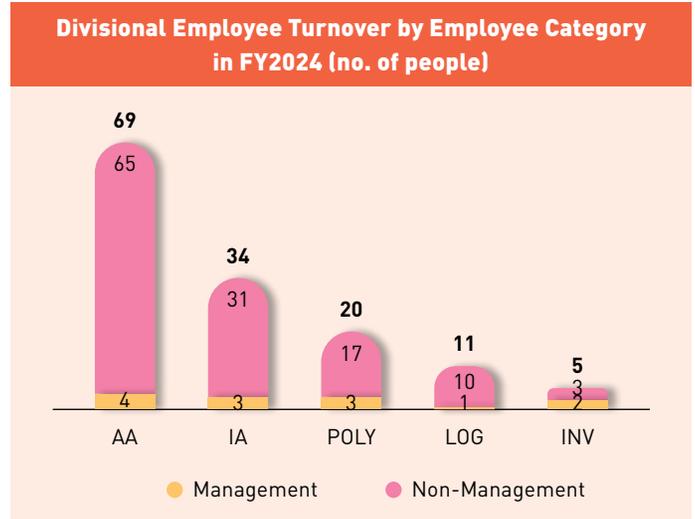
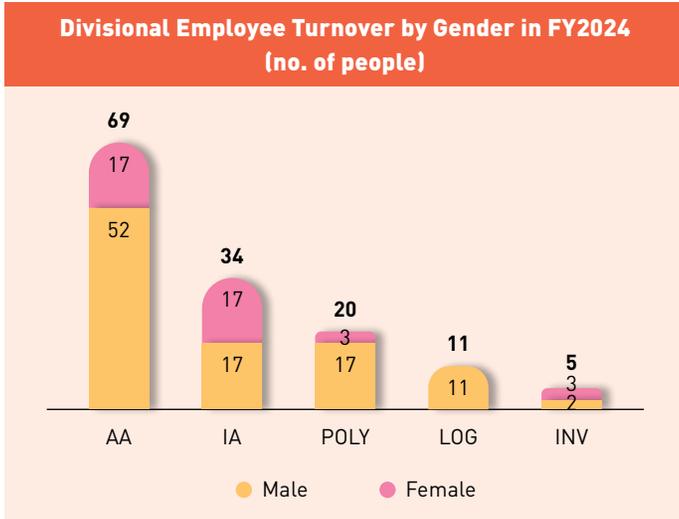
- When filling vacancies, including at Senior Management levels, we draw from various sources, including independent recruiters, public advertisements, professional bodies, and internal recommendations.
- We regularly review and update succession plans to ensure fair consideration of all candidates.
- We develop programs to broaden the pool of skilled candidates, including workplace development, mentoring, and targeted training initiatives.

While we strive for diversity, the foremost considerations in selecting candidates remain knowledge, character, experience, integrity, competence, and the ability to carry out responsibilities effectively.

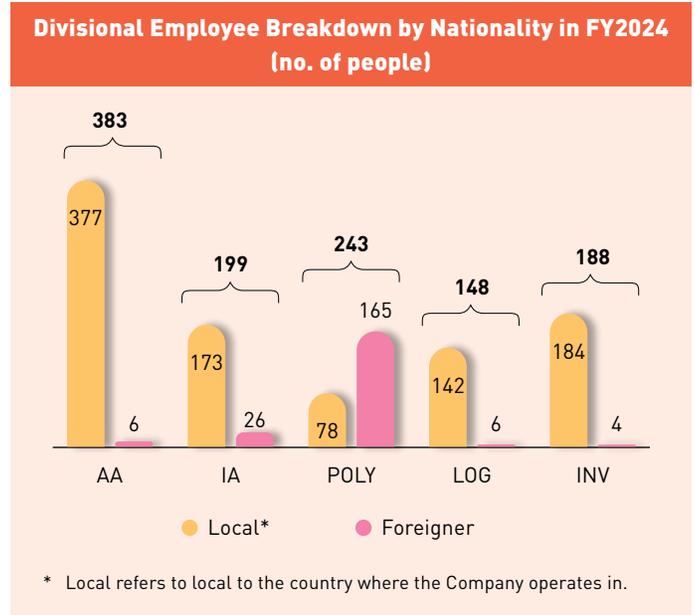
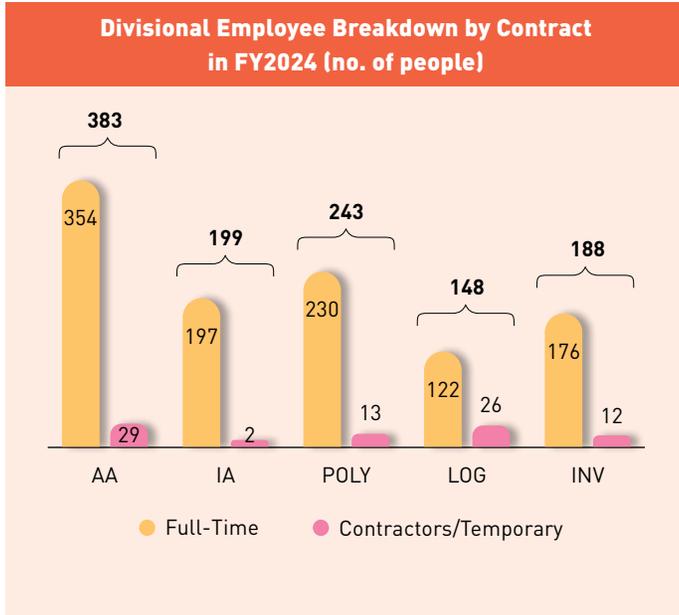
Employee Turnover	FY2022	FY2023	FY2024
Total Turnover	184	220	139
Turnover Rate	15.85%**	19.80%**	11.97%
Turnover by Gender:			
Male	110	140	99
Female	74	80	40
Turnover by Employee Category:			
Management	5	7	13
Non-Management	179	213	126

** Restated due to updated calculation methodology.

SUSTAINABILITY STATEMENT



SUSTAINABILITY STATEMENT



EMPLOYEE BENEFITS & ENGAGEMENT

ANB offers fair and competitive remuneration to all employees, enabling us to attract and retain essential talent that drives the Group’s productivity. Our remuneration package includes both financial and non-financial compensation, such as salaries and other benefits benchmarked against current market standards. In addition to their basic salaries, employees who perform well are also rewarded with performance bonuses and salary increments to incentivise them to achieve their full potential.

As part of ANB’s statutory requirements, the Group ensures that all employees receive the benefits mandated by the governments in the different countries we operate in. In Malaysia, Operating Companies have contributed over RM7 million to the Employee Provident Fund (“EPF”) and RM740,000 for the Social Security Organisation (“SOCSO”) and the Social Security Employment Insurance (“EIS”) in FY2024. Similarly, all Indonesian employees benefit from the *Badan Penyelenggara Jaminan Sosial* (“BJPS”) Kesehatan retirement fund and medical insurance, with the Group making monthly contributions of over IDR 65 million (approximately RM18,350) and over IDR 36 million (approximately RM10,160) respectively.

In Vietnam, PKGV adheres to regulations by making both compulsory and voluntary contributions toward employee benefits. For FY2024, a total of over 200 million VND (around RM35,670) was allocated for social insurance, health insurance, and unemployment insurance. This was in addition to a voluntary contribution of over 4.5 million VND (around RM800) for 24/24 accident insurance.

Other benefits provided by the Group include:

Leave	Medical	Monetary
<ul style="list-style-type: none"> Annual Leave Sick Leave Medical Leave Hospitalisation/Prolonged Illness Leave Marriage Leave Maternity/ Paternity Leave Compassionate Leave 	<ul style="list-style-type: none"> Group Personal Accident Group Term Life Insurance Group Hospitalisation & Surgical Children and Spouse Treatment Dental Benefits 	<ul style="list-style-type: none"> Overtime Payment Meal Allowance Performance Bonus Condolence Money Allowance and Reimbursement Claim

SUSTAINABILITY STATEMENT

ANB also acknowledges the crucial role of employee engagement in cultivating a positive workplace and achieving organisational success. Our engagement activities are designed to create a sense of community and belonging across the workforce. Employees who are unable to join physically, such as our marine crews, are always invited to participate virtually, maintaining their connection with the broader ANB family.

Throughout FY2024, our employees participated in various such activities that were essential for fostering a culture of sustainability and ensuring long-term organisational growth. These included social and networking events, virtual workshops and webinars, celebrations of annual festivals, interdepartmental events, sports tournaments, and birthday celebrations.

The list of engagement activities the Group and our Operating Companies conducted throughout FY2024 are:



CORPORATE SOCIAL EVENTS

Each year, ANB host a themed dinner to celebrate and recognise the exceptional efforts of their employees. These events are designed to foster appreciation, provide an opportunity for networking, and enjoy a night of entertainment and camaraderie.



CHINESE NEW YEAR CELEBRATION

The Group celebrated the festive season with vibrant greetings from a Chinese lion dance troupe, marking the start of the Year of the Dragon. This event warmly welcomed our colleagues back to the office while fostering a spirit of unity and renewal.



RAYA OPEN HOUSE

Our workforce celebrated Hari Raya with a delightful buffet. All employees dressed beautifully in their traditional garments to honour the festive occasion. This event fostered a shared sense of community and joy as everyone came together to share delicious food and festive cheer.



SUSTAINABILITY STATEMENT



PTNI FUN WALK

PTNI organised a fun walk for its employees and their families in conjunction with Indonesia's Independence Day. The event, with over 200 participants, promoted community health by encouraging physical activity. It highlights the Operating Company's commitment to ESG principles and the well-being of its workforce.



ACC ZUMBA

ACC employees enthusiastically joined the Senamrobik (Zumba) activity conducted at Dewan Futsal, Stadium Matsushita, Seksyen 21, Shah Alam. This event promoted social and health engagement through energetic exercise. It also highlighted the benefits of Zumba while enhancing physical fitness and fostering camaraderie in a fun, vibrant setting.



ACC BOWLING TOURNAMENT

ACC organised a friendly bowling match at Bowling di Alam Lanes in AEON Mall, Seksyen 13, Shah Alam. This event fostered teamwork and social connections among the workforce while strengthening friendships and promoting physical activity.



AMS SPORTS CLUB COMMITTEE

AMS Sports Club Committee held its Annual General Meeting ("AGM") to appoint a new president and committee members, following the tradition of a two-year rotation. We extend our gratitude to Ms. Edlyn Cheah for her leadership and welcome Tengku Iskandar as the newly appointed Club President along with his new committee. We look forward to their focus on sports and fun team-building outings.



ANCOM TRUELIFE HEALTHY NATION

Ancom Truelife Sdn. Bhd., a subsidiary of the Company, unveiled its latest healthcare solutions to the entire Group on the 5th of March 2024. It was centred around the theme 'Differentiating Tomorrow's Healthcare'. The event integrated ESG principles by highlighting sustainable product features and promoting employee health and wellness.

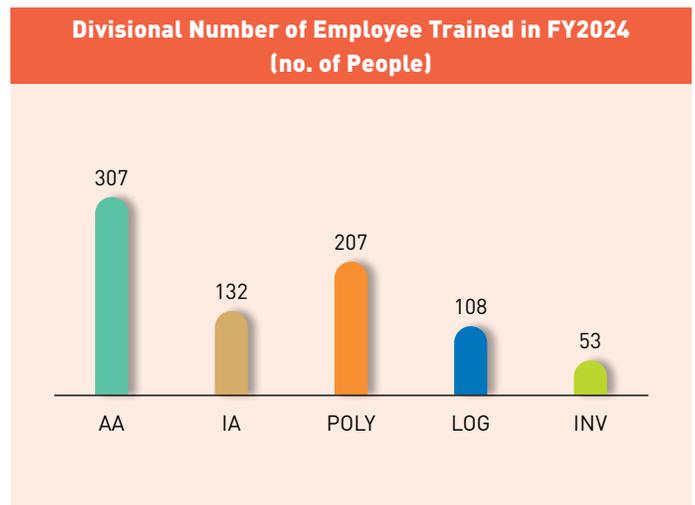
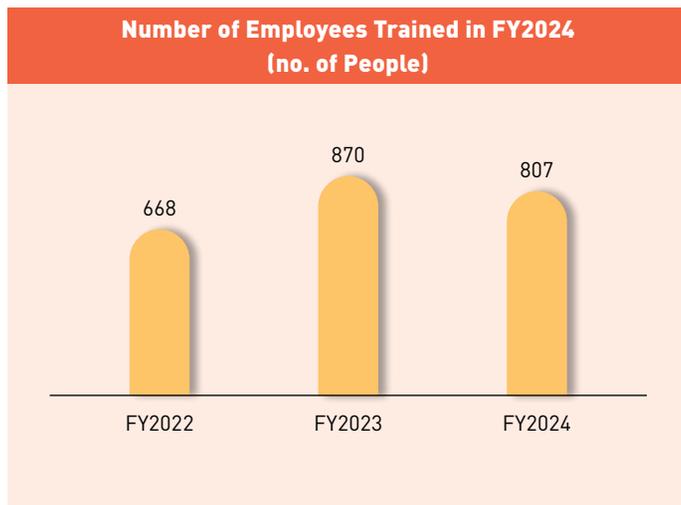
SUSTAINABILITY STATEMENT

TRAINING AND CAREER DEVELOPMENT

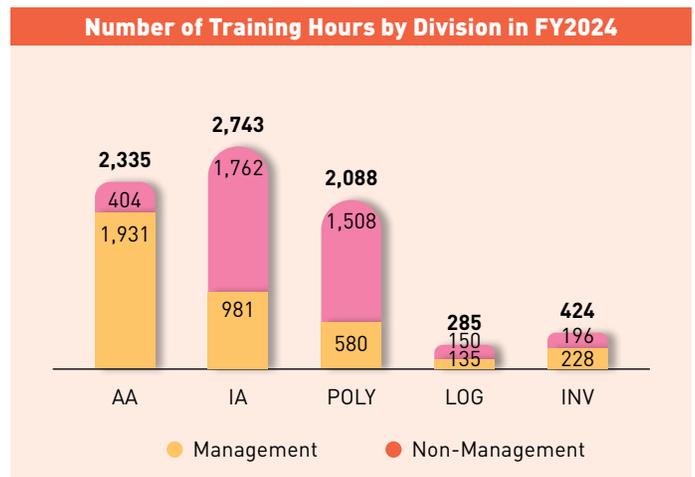
The professional growth and development of our employees are important to the Group’s success. We understand that their continuous learning is a vital investment in sustaining ANB’s competitive advantage. Empowering the workforce with the right skills and knowledge not only enhances their performance but also drives the overall productivity and success of our organisation.

As such, the Group are committed to fostering an environment where continuous training and development are prioritised. This support begins during day one itself, with a comprehensive onboarding programme that ensures all new employees have the tools and knowledge to succeed in their roles. Throughout their careers, employees have access to a wide range of professional, technical, and developmental training opportunities tailored to the specific needs and nature of work within the Group.

In FY2024, we continued expanding our training offerings, including programmes on emergency response and first aid, sales training, technical skill building, and more. These initiatives are designed to equip our employees with the necessary skills and expertise to perform at their best, ensuring both their personal growth and the sustained performance of the Group.



Total Training Hours	FY2022	FY2023	FY2024
Total Training Hours:	11,320	14,538	7,875
Management	4,260	5,949	3,855
Non-Management	7,060	8,589	4,020



SUSTAINABILITY STATEMENT

Some of the training programmes conducted in FY2024 include the following:

AA	IA	LOG	INV
<ul style="list-style-type: none"> • Authorised Entrant & Standby Person ("AESP") Training • Awareness of Ergonomics • First Aid Training • Chemical Handling • Working at Height • Scheduled Waste Management • Safe Handling of Forklift 	<ul style="list-style-type: none"> • Fire Prevention Awareness • Handling of Fire Extinguisher • First Aid Training • International Automotive Task Force ("IATF") 16949 Training • 5 Core Quality Tools Training • Caustic Leakage Emergency Drill • Halal Awareness • Conquering Diabetes, Hypertension, and Hyperlipidaemia • Workplace Accident & Injury Reduction • ISO 9001:2015 Internal Auditing • International Commercial Term ("INCOTERMS") 2020 New Update 	<ul style="list-style-type: none"> • International Ship & Port Facility ("ISPS") Internal Audit Training • Stakeholder Management • Media Handling Awareness • Top Executive Workplace Safety & Health ("WSH") Programme • Safety & Maintenance Training • Emergency Response Plan ("ERP") • Defensive Driving • Occupational Safety and Hazard Awareness at the Workplace • ESG Data Reporting 	<ul style="list-style-type: none"> • Fire Awareness Training • Environment, Safety, & Health ("ESH") Training • Power Skill • Digital Marketing • Roles & Responsibilities of Company Secretaries • Company Act 2016: Dealing with Common Issues • HR Math & Domestic Inquiry • IFRS Sustainability Disclosure Standards

Given the Group's increased focus on ESG, we have also conducted several talks and training sessions on the topic. These include:



Inhouse Online ESG Training with all Operating Companies

In FY2024, ANB successfully conducted our inaugural ESG training involving all the Operating Companies. The session was led by our ESG Senior Manager and aimed to spread awareness of the Group's ESG goals and the importance of sustainability within the business operations of the Operating Companies. It was a highly effective and well-received session, marking a significant milestone in our commitment to sustainability and governance.

SUSTAINABILITY STATEMENT



Talks on Engaging with Emerging Trends: ESG Insight for Business Improvement

This event was a half-day ESG talk held to discuss the latest developments and trends in the broader industry. Three (3) members of the Group's workforce participated in the event, engaging in discussions on a range of topics, including emerging trends, upcoming regulatory changes, and innovative strategies for integrating ESG principles into business operations.

OCCUPATIONAL SAFETY & HEALTH

OSH GOVERNANCE & MANAGEMENT

ANB's health and safety practices extend to all of its subsidiaries, including their contractors, visitors, or any other stakeholders on their premises. To maintain a safe workplace for everyone on site, the Group ensure that all operating practices comply with the relevant regulatory requirements. These include the Occupational Safety and Health Act ("OSHA") 1994, the Factories and Machinery Act ("FMA") 1967, the Environmental Quality Act ("EQA") 1974, and any other applicable laws and legislation that the Group adheres to.

In terms of governance, the Board and Senior Management of ANB take a proactive role in driving topdown oversight of all OSH initiatives. They are not only responsible for assessing and managing OSH-related risks but also for developing and implementing OSH initiatives and reviewing the effectiveness of these programmes. At the same time, they ensure that all Operating Companies remain compliant with the relevant laws and regulations of the various countries in which we operate.

To further drive OSH governance at the operational level and maintain consistent performance across the Group, Safety and Health Committees ("SHCs") have been established at each relevant Operating Company. These committees include representatives from both the management and employees and play a crucial role in promoting and maintaining a safe working environment. This structure ensures that diverse perspectives are considered in safety matters while aligning initiatives and performance targets with the Group's overarching vision. The SHC structure also facilitates effective ongoing communication between management and employees, both at the Operating Company and Group level, on critical OSH issues, ensuring that workplace health and safety remain top priorities.

Each SHC meets at least quarterly to discuss and address OSH concerns. During these meetings, matters raised by both the management and unions are reviewed, with a focus on enhancing the Group's overall OSH performance. The outcomes of these meetings are communicated to the workforce through updates, notices, or internal email blasts, especially if they concern changes to existing OSH procedures.

As an added level of scrutiny, relevant Operating Companies also undergo regular biannual safety and environmental audits. This ensures that all procedures effectively promote safe workplace practices and maintain high operating standards in compliance with environmental and safety regulations.

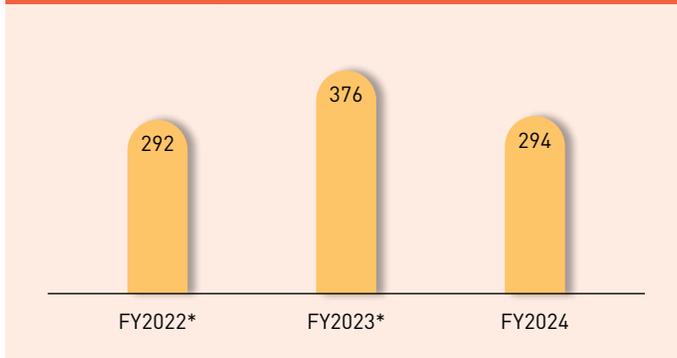
OSH TRAINING

In addition to regular training programmes for career development, each Operating Company also conducts various training sessions focused on workplace safety procedures and emergency preparedness. These sessions are designed to equip the workforce with the knowledge and skills to proactively identify and minimise potential OSH risks and to swiftly respond to any incidents, minimising harm.

OSH training sessions are either conducted directly by each Operating Company's management or facilitated through the SHC. All employees are encouraged to participate in these programmes to ensure a well-informed and prepared workforce.

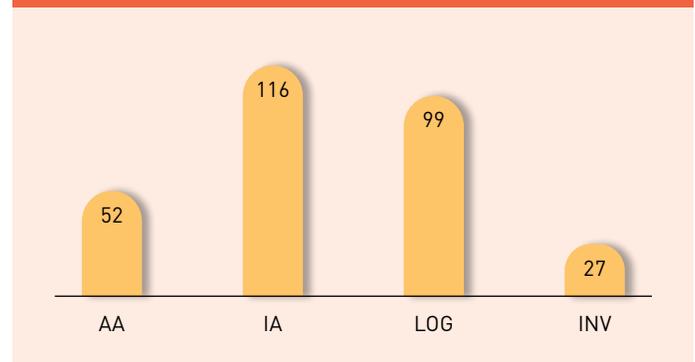
SUSTAINABILITY STATEMENT

Total Employees Trained on OSH (no. of people)



* Data for FY2022 and FY2023 only includes seven (7) Operating Companies.

Total Employees Trained on OSH by Division in FY2024 (no. of people)



OSH PERFORMANCE

The Group's OSH performance in FY2024 is as below:

OSH PERFORMANCE	FY2022*	FY2023*	FY2024
Lost-Time Injury ("LTI") (including fatalities)	0	0	5
Lost-Time Injury Rate ("LTIR")**	1.99	1.38	0.02

* Data for FY2022 and FY2023 only include seven (7) Operating Companies.

** LTIR is calculated using (Number of LTI in the reporting period/ Total number of working hours in the reporting period) X 200,000.

COMMUNITY DEVELOPMENT

The Group views our Corporate Social Responsibility ("CSR") initiatives as the main approach towards contributing to the welfare and development of the communities around us. By reinvesting in these communities, we aim to enhance their overall well-being while supporting their aspirations and growth.

One of ANB's main approaches to empowering communities is through supporting their education needs. We recognise the transformative impact educational opportunities can have, particularly for those who may not have the means to afford them. As such, one of the key CSR initiatives the Group has undertaken is our scholarship programmes, with a notable example being ACC's Penang Scholarship. This programme is designed to provide financial assistance to students pursuing higher education, helping them to alleviate some of the financial burdens they may face. In FY2024, a total of fourteen (14) students were awarded scholarships worth a total of RM140,000.

In addition to scholarships, ANB also provides financial support to various agencies and organisations, including welfare programmes conducted in partnership with charitable organisations. We have made significant contributions in this regard, especially in supporting sports programmes. In fact, the Group has supported national sports ambitions by sponsoring our national badminton player, Cheam June Wei.

SUSTAINABILITY STATEMENT

Overall, the Group has allocated RM549,476 to sponsor CSR and community development initiatives in FY2024. Highlighted programmes and our beneficiaries can be referred to below:

DATE	BENEFICIARY & PROGRAMME
COMMUNITY DEVELOPMENT/ WELFARE PROGRAMMES	
25 July 2023	<ul style="list-style-type: none"> • UITM – <i>Kempen Kesedaran Autisme 2023</i>
30 August 2023	<ul style="list-style-type: none"> • Wesley Methodist School KL – Charity Night 2023
15 November 2023	<ul style="list-style-type: none"> • Yayasan Chow Kit – Donation • Pusat Kreatif Kanak-Kanak Tuanku Bainun – Artspire Programme
21 November 2023	<ul style="list-style-type: none"> • Pusat Kreatif Kanak-Kanak Tuanku Bainun – 3-year media support sponsorship
8 December 2023 – 15 April 2024	<ul style="list-style-type: none"> • ACC Penang Scholarship – sponsorship of 14 tertiary education students
8 January 2024	<ul style="list-style-type: none"> • University Malaya Lion Dance Troupe – Troupe uniform sponsorship
30 May 2024	<ul style="list-style-type: none"> • Rumah St Vincent de Paul Lourdes Conference Klang – Fundraising event and donation
SPORTS & WELLNESS	
30 June 2023 – 19 December 2023	<ul style="list-style-type: none"> • Majlis Sukan Negara – Sponsorship of national badminton player, Cheam June Wei
25 October 2023	<ul style="list-style-type: none"> • MMOA Sponsorship for <i>Piala WIDAD Cup 2023</i>
3 November 2023	<ul style="list-style-type: none"> • Chemical Industries Council of Malaysia (“CICM”) – CICM Responsible Care Run 2023
6 November 2023	<ul style="list-style-type: none"> • Bendahari Negeri Selangor – Green Selangor Crown Golf Prince Charity Cup 2023
30 November 2023	<ul style="list-style-type: none"> • The Federation of Chinese Associations Malaysia (Huazong) – Huazong Education Fund Charity Golf
19 January 2024	<ul style="list-style-type: none"> • Badminton Players – Sponsorship of eight badminton players
21 March – 5 July 2024	<ul style="list-style-type: none"> • Rumah St Vincent de Paul Lourdes Conference Klang – Fundraising event and donation
OTHER AGENCY INITIATIVES	
21 July 2023	<ul style="list-style-type: none"> • CICM – CICM dinner
11 August 2023	<ul style="list-style-type: none"> • Persatuan Kayan Sarawak – <i>Persembahan Tarian dan Musik Borneo</i>
30 August 2023	<ul style="list-style-type: none"> • Malaysian Consortium of Mid-Tier Companies – Event sponsorship
15 September 2023	<ul style="list-style-type: none"> • DKPC Global Sdn. Bhd. – Multinational Corp. Leadership Summit (Obor Gala Dinner)
14 March 2024	<ul style="list-style-type: none"> • Persatuan Kebangsaan Pekebun-Pekebun Kecil Malaysia – Agriculture Expo 2024

SUSTAINABILITY STATEMENT

SUSTAINABILITY PERFORMANCE INDICATORS

Indicator	Unit	FY2022	FY2023	FY2024
ECONOMIC				
Procurement				
Proportion of local suppliers	%	80.57	79.87	77.22
Suppliers assessed for environmental impacts	%	1.74	1.12	9.47
Suppliers assessed for social impacts	%	1.74	1.12	1.89
Corruption				
Employees disciplined or dismissed due to non-compliance with Anti-Bribery & Anti-Corruption Policy	No.	0	0	0
Costs of fines, penalties, or settlements in relation to corruption	RM	0	0	0
Political contributions	RM	0	0	0
ENVIRONMENT				
Waste and Effluents				
Total scheduled waste	Tonnes	708.15	2,369.12	398.39
Total effluent discharge	m ³	61,605	85,707	274,196
Materials				
Total raw materials	Tonnes	100,159	113,474	113,692
Conformance and Certification				
Total costs of environmental fines and penalties	RM	16,000	12,000	200,000
SOCIAL				
Diversity				
Total headcount	No.	1,161	1,111	1,161
<u>Employees by Contract</u>				
Full-time employees	No.	969	949	1,079
Contractors/Temporary Employees	No.	192	162	82
<u>Employees by Nationality</u>				
Local (relative to the location where the Operating Company operates)	No.	962	914	956
Foreigner	No.	199	197	205
Employee Turnover				
Total turnover	No.	184	220	139
<u>Turnover by Gender</u>				
Male	No.	110	140	99
Female	No.	74	80	40
<u>Turnover by Employee Category</u>				
Management	No.	5	7	13
Non-Management	No.	179	213	126

SUSTAINABILITY
STATEMENT

BURSA SUSTAINABILITY DISCLOSURE INDEX

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Board Directors	Percentage	62.50 *
Management	Percentage	38.69 *
Non-Management	Percentage	24.17 *
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	22.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	549,476.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	44 *
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Board Directors 18 - 25	Percentage	0.00
Board Directors Between 26 - 35	Percentage	0.00
Board Directors 36 - 45	Percentage	0.00
Board Directors 46-60	Percentage	12.50 *
Board Directors > 60	Percentage	87.50 *
Management 18 - 25	Percentage	1.19
Management Between 26 - 35	Percentage	10.12
Management 36 - 45	Percentage	23.81
Management 46-60	Percentage	47.62 *
Management > 60	Percentage	17.26
Non-Management 18 - 25	Percentage	12.49
Non-Management Between 26 - 35	Percentage	42.70
Non-Management 36 - 45	Percentage	22.16 *
Non-Management 46-60	Percentage	20.54 *
Non-Management > 60	Percentage	2.11
Gender Group by Employee Category		
Board Directors Male	Percentage	85.71 *
Board Directors Female	Percentage	14.29 *
Management Male	Percentage	61.31
Management Female	Percentage	38.69
Non-Management Male	Percentage	73.92
Non-Management Female	Percentage	26.08
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	87.50 *
Female	Percentage	12.50 *
Between 46-60	Percentage	12.50 *
> 60	Percentage	87.50 *

SUSTAINABILITY STATEMENT

Indicator	Measurement Unit	2024
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	15,693.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	5
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.02
Bursa C5(c) Number of employees trained on health and safety standards	Number	294
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	3,855 *
Non-Management	Hours	4,020 *
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	7.06
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	13 *
Non - Management	Number	126 *
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	58.07 *
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	463.160000
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	113,701.00 *
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	53,085.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	280,000.00
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	28,706.30 *
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	9,105.20
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	21,328.45 *

Note: * Bursa C10(a)(i) Total waste diverted from disposal: 53,085 pieces

SUSTAINABILITY STATEMENT

GLOBAL REPORTING INITIATIVES (GRI) INDEX

STATEMENT OF USE : Ancom Nylex Berhad has reported the information cited in this GRI content index for the period 1st June 2023 to 31st May 2024 with reference to the GRI Standards.

GRI 1 USED : GRI 1: Foundation 2021

SASB STANDARDS USED : Chemicals

	Pillar	GRI Disclosure	SASB Alignment	UNSDG Alignment	Page Reference & Reasons for Omission (if applicable)
Organisational Overview	GRI 2: General Disclosures 2021				
		2-1 Organisational details			34
		2-2 Entities included in the organisation’s sustainability reporting			
		2-3 Reporting period, frequency, and contact point			35
		2-4 Restatements of information			68
		2-5 External Assurance			NA
		2-6 Activities, value chain, and other business relationships			34
		2-7 Employees		 	69-70
		2-8 Workers who are not employees			
Sustainability Governance		2-9 Governance structure and composition			48-49
		2-10 Nomination and selection of the highest governance body			Refer to Annual Report FY2024
		2-11 Chair of the highest governance body			
		2-12 Role of the highest governance body in overseeing the management of impacts		 	48-49
		2-13 Delegation of responsibility for managing impacts			
		2-14 Role of the highest governance body in sustainability reporting			
		2-15 Conflicts of interest			
				Refer to Annual Report FY2024	

SUSTAINABILITY STATEMENT

	Pillar	GRI Disclosure	SASB Alignment	UNSDG Alignment	Page Reference & Reasons for Omission (if applicable)
		GRI 2: General Disclosures 2021			
Sustainability Governance		2-16 Communication of critical concerns		 	48-49
		2-17 Collective knowledge of the highest governance body			Refer to Annual Report FY2024
		2-18 Evaluation of the performance of the highest governance body			
		2-19 Remuneration policies			
		2-20 Process to determine remuneration			
		2-21 Annual total compensation ratio			
		2-22 Statement on sustainable development strategy			
		2-23 Policy commitments			49-52
		2-24 Embedding policy commitments			
		2-25 Processes to remediate negative impacts			
		2-26 Mechanisms for seeking advice and raising concerns			52
	2-27 Compliance with laws and regulations		49-53		
Stakeholder		2-28 Membership associations		38	
		2-29 Approach to stakeholder engagement		44-47	
		2-30 Collective bargaining agreements		52; 67	
		GRI 3: Material Topics 2021			
Materiality		3-1 Process to determine material topics			40
		3-2 List of material topics			41; 43
		3-3 Management of material topics			42-43

SUSTAINABILITY STATEMENT

	Pillar	GRI Disclosure	SASB Alignment	UNSDG Alignment	Page Reference & Reasons for Omission (if applicable)
Economic	GRI 201: Economic Performance 2016				
		201-1 Direct economic value generated and distributed		 	53-54
		201-3 Defined benefit plan obligations and other retirement plans		 	70
	GRI 203: Indirect Economic Impacts 2016				
		203-1 Infrastructure investments and services supported		 	76-77
		203-2 Significant indirect economic impacts			54
	GRI 204: Procurement Practices 2016				
	GRI 205: Anti-Corruption 2016		 	51-52	
Governance	GRI 205: Anti-Corruption 2016				
		205-1 Operations assessed for risks related to corruption			50
		205-2 Communication and training about anti-corruption policies and procedures		 	
	205-3 Confirmed incidents of corruption and actions taken				
Environmental	GRI 301: Materials 2016				
		301-1 Materials used by weight or volume			66
	GRI 302: Energy 2016				
		302-1 Energy consumption within the organisation	RT-CH-130a.1	 	57-58
	302-3 Energy intensity			54	
	302-4 Reduction of energy consumption			57-58	

SUSTAINABILITY STATEMENT

Pillar	GRI Disclosure	SASB Alignment	UNSDG Alignment	Page Reference & Reasons for Omission (if applicable)
Environmental	GRI 303: Water and Effluents 2018			
	303-1 Interactions with water as a shared resource			61
	303-2 Management of water discharge-related impacts	RT-CH-140a.3		65
	303-3 Water withdrawal	RT-CH-140a.1	 	61-62
	303-4 Water discharge			65
	303-5 Water consumption	RT-CH-140a.1		61-62
	GRI 101: Biodiversity 2024			
	101-2 Management of biodiversity impacts		 	66-67
	101-4 Identification of biodiversity impacts			
	GRI 305: Emissions 2016			
	305-1 Direct (Scope 1) GHG emissions	RT-CH-110a.1		60
	305-2 Energy indirect (Scope 2) GHG emissions		 	
	305-3 Other indirect (Scope 3) GHG emissions			61
	305-4 GHG emissions intensity			55
	305-5 Reduction of GHG emissions			58-60
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	RT-CH-120a.1		63
	GRI 306: Waste 2020			
	306-1 Waste generation and significant waste-related impacts			64-65
	306-2 Management of significant waste-related impacts		 	
	306-3 Waste generated	RT-CH-150a.1		
	306-4 Waste diverted from disposal			
	306-5 Waste directed to disposal			

SUSTAINABILITY STATEMENT

Pillar	GRI Disclosure	SASB Alignment	UNSDG Alignment	Page Reference & Reasons for Omission (if applicable)	
Social	GRI 401: Employment 2016				
	401-1 New employee hires and employee turnover		 	68	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees			70	
	401-3 Parental leave				
	GRI 403: Occupational Health and Safety 2018				
	403-1 Occupational health and safety management system	RT-CH-320a.2	  	75	
	403-2 Hazard identification, risk assessment, and incident investigation				
	403-3 Occupational health services				
	403-4 Worker participation, consultation, and communication on occupational health and safety			75-76	
	403-5 Worker training on occupational health and safety				
	403-6 Promotion of worker health			75	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				
	403-8 Workers covered by an occupational health and safety management system				
	403-9 Work-related injuries	RT-CH-320a.1		76	
	403-10 Work-related ill health				

SUSTAINABILITY STATEMENT

Pillar	GRI Disclosure	SASB Alignment	UNSDG Alignment	Page Reference & Reasons for Omission (if applicable)	
Social	GRI 404: Training and Education 2016				
	404-1	Average hours of training per year per employee		 	73
	404-2	Programmes for upgrading employee skills and transition assistance programmes			74
	GRI 405: Diversity and Equal Opportunity 2016				
	405-1	Diversity of governance bodies and employees		  	49; 69-70
	GRI 406: Non-discrimination 2016				
	406-1	Incidents of discrimination and corrective actions taken		  	51
	GRI 413: Local Communities 2016				
	413-1	Operations with local community engagement, impact assessments, and development programmes	RT-CH-210a.1	 	76-77
	413-2	Operations with significant actual and potential negative impacts on local communities			
	GRI 417: Marketing and Labelling 2016				
	417-1	Requirements for product and service information and labelling			56
GRI 418: Customer Privacy 2016					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data			52	

SUSTAINABILITY STATEMENT

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Recommended Disclosures	Location/ Explanation
Governance Disclose the company's governance around climate-related risks and opportunities	
a) Describe the Board's oversight of climate-related risks and opportunities.	
b) Describe management's role in assessing and managing climate-related risks and opportunities.	Refer to pages 48-49
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the company's businesses, strategy, and financial planning where such information is material	
a) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Refer to page 58
Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks	
a) Describe the organisation's processes for identifying and assessing climate-related risks.	Refer to page 58
b) Describe the organisation's processes for managing climate-related risks.	
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Refer to pages 59-61
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and the related risks.	
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Refer to pages 55 and 59

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

INTRODUCTION

THE BOARD OF DIRECTORS (“BOARD”) OF ANCOM NYLEX BERHAD (“COMPANY”) IS PLEASED TO PRESENT THE CORPORATE GOVERNANCE OVERVIEW STATEMENT (“STATEMENT”) FOR THE FINANCIAL YEAR ENDED 31 MAY 2024.

This Statement aims to provide shareholders and investors with an overview of the corporate governance (“CG”) practices of the Company. The Statement is guided by the three key CG principles and practices as set out in the Malaysian Code on Corporate Governance (“MCCG”) (updated on 28 April 2021) issued by Securities Commission Malaysia (“SC”).

PRINCIPLE A:



BOARD LEADERSHIP AND EFFECTIVENESS

PRINCIPLE B:



EFFECTIVE AUDIT AND RISK MANAGEMENT

PRINCIPLE C:



INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

This Statement is prepared in compliance with the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). It should be read alongside the Company’s Corporate Governance Report (“CG Report”) for the financial year ended 31 May 2024, available on the Company’s website at www.ancomnylex.com.

The CG Report provides details on how the Company has applied each of the practices as set out in the MCCG during the financial year ended 31 May 2024.

PRINCIPLE A:



BOARD LEADERSHIP AND EFFECTIVENESS

BOARD ROLES AND RESPONSIBILITIES

The Board holds ultimate responsibility for the successful operation of the Company and its subsidiaries (collectively the “Group”). The key focus of the Board is on achieving the Group’s business objectives and setting strategic direction. The Board provides clear and effective leadership to management, oversees their performance, and ensures the implementation of achievable strategic plans. In addition, they allocate sufficient resources for risk assessment and management, as well as internal controls for achieving objectives.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board operates under a formal Board Charter which outlines its strategic intent, roles, and responsibilities. This document clearly defines the Board's primary duties regarding the Group's direction, financial performance, risk management, information systems, and investor relations. Key responsibilities include:

- Formulating and charting the strategic direction and setting out the Group's short-term and long-term plans and objectives;
- Overseeing the governance of sustainability and in setting up the Group's sustainability strategies;
- Reviewing and approving the Group's key operational policies and initiatives and major investments in new business/ projects and funding decisions of the Group;
- Overseeing and reviewing the Group's business operations and financial performances;
- Ensuring the Company's strategic plan supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- Overseeing the development, implementation and review of the succession plan for the Directors and key senior management;
- Overseeing the development, implementation and reviewing/monitoring of the Group's risk management framework in managing the business, operational, financial, compliance and ESG risks as well as bribery and corruption risks faced by the Group;
- Ensuring the Group has in place adequate and effective internal control system and management information system to ensure compliance with the relevant laws, rules, regulations, directives, guidelines and the business objectives of the Group;
- Ensuring the Company has in place procedures to enable effective communication with stakeholders;
- Ensuring the integrity of the Company's financial and non-financial reporting; and
- Formulating and promoting ethical and good corporate governance within the Group which reinforces ethical, prudent and professional behaviour.

The Board Charter was last reviewed on 13 September 2024. It is subject to periodic review and is accessible on the Company website at www.ancomnylex.com.

SEPARATION OF FUNCTIONS BETWEEN THE CHAIRMAN, THE EXECUTIVE VICE CHAIRMAN AND THE MANAGING DIRECTOR/ GROUP CHIEF EXECUTIVE OFFICER

The positions of Independent Non-Executive Chairman, Executive Vice Chairman ("EVC") and Managing Director/Group Chief Executive Officer ("MD/GCEO") are held by separate individuals, each with distinct responsibilities. This separation of roles, as outlined in the Board Charter, ensures a robust system of checks and balances within the organisation.

The Independent Non-Executive Chairman, appointed on 30 November 2023, provides oversight and ensures that the Board upholds strong corporate governance and ethical standards. His role includes guiding the Board's overall direction, ensuring its effective functioning, and maintaining high standards of governance, independence, and objectivity. The Independent Non-Executive Chairman also oversees the Board's activities, ensuring that it functions effectively and independently of executive management.

The EVC, re-designated from Executive Chairman ("EC") on 30 November 2023, works closely with the Independent Non-Executive Chairman and the MD/GCEO. The EVC is involved in implementing the Board's strategies and overseeing the operational aspects of the Group. In addition, the EVC fosters leadership within the Group and supports the Board in its governance responsibilities.

The MD/GCEO reports to the EVC. The MD/GCEO manages the day-to-day operations of the Group's business, aligning with the strategic direction set by the Board. He is also responsible for executing business plans and strategies to achieve the Group's objectives.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

QUALIFIED AND COMPETENT COMPANY SECRETARIES

The Board is supported by two qualified Company Secretaries, both holding the requisite qualifications under Section 235(2) of the Companies Act 2016. Both Company Secretaries have more than 20 years of experience in board administration and company secretarial practices.

The key responsibilities of the Company Secretaries are as follows:

- formulating and administering the Company's Constitution and Board policies and procedures;
- ensuring compliance with statutory and regulatory requirements;
- providing timely updates to the Board on new regulations and corporate governance practices;
- coordinating Board, Board Committee, and shareholder meetings;
- maintaining statutory records and filing necessary documents with regulatory authorities;
- facilitating the onboarding of new Directors and providing ongoing support; and
- monitoring and implementing governance practices aligned with the Board's needs and stakeholder expectations.

The Company Secretaries work closely with the Chairman, EVC and the MD/CEO to ensure effective communication and information flow within the organisation. They also serve as the primary point of contact for stakeholder engagement.

STRATEGICALLY PROMOTING SUSTAINABILITY

The Board is committed to good corporate governance by integrating sustainability practices throughout the Group, which are believed to enhance corporate performance and create value for shareholders.

During the financial year ended 31 May 2024, the Group continued to engage in activities that reflect its commitment to achieving better environmental, social, and governance outcomes in line with its sustainability agenda. These activities are detailed in the Sustainability Statement in this Annual Report.

ACCESS TO INFORMATION AND ADVICE

All Directors have unrestricted access to the Group's information and are free to interact with Management on an ongoing basis to obtain updates or explanations on any aspect of the Group's operations or business. The Directors also have unrestricted access to the services and advice of the Company Secretaries. They may obtain independent professional advice on specific matters relevant to the furtherance of their duties, when necessary, at the Company's expense and without the need for specific approval by the EVC.

Prior to Board/Board Committee meetings, all Directors are provided with an agenda on matters to be discussed, along with meeting papers, which include minutes of meetings, operational and financial performance reports, details of corporate proposals, quarterly interim financial reports or the annual audited financial statements, reports of the Board/Board Committees, internal audit reports, and other matters.

Members of the Senior Management team are invited to attend the Board/Board Committee meetings to provide insights and clarification on issues that may be raised by the Directors. Whenever required, professional advisers appointed by the Company are invited to attend the Board/Board Committee meetings to provide explanations or clarification to facilitate the Board's decision-making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CODE OF CONDUCT AND ETHICS

All Directors of the Group are required to maintain the highest degree of integrity and professionalism while promoting transparency and accountability in their actions.

The Company has implemented a Code of Conduct and Ethics to enhance the standard of corporate governance and corporate behaviour by:

- establishing a standard of ethical behaviour within the Group based on trustworthiness and values that can be accepted and upheld by any one person;
- upholding the spirit of professionalism, objectivity, transparency, and responsibility in line with the legislation, regulations and environmental and social responsibility governing the Group; and
- managing conflicts of interest, and preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics, which was last reviewed by the Board on 13 September 2024, is available on the Company's website www.ancomnylex.com.

ANTI-BRIBERY AND ANTI-CORRUPTION/WHISTLE-BLOWING

In support of ethical business practices, the Group takes a strong stance against all forms of bribery and corruption, as outlined in its Anti-Bribery & Anti-Corruption Policy ("ABAC Policy").

The ABAC Policy applies to all individuals working within the Group, including Directors (both executive and non-executive), Management, employees (permanent, contract, and temporary), business partners, contractors, other contracting parties, and any other person associated with the Group.

The Group is also committed to the values of transparency, integrity, impartiality, and accountability in conducting its business. To this end, the Board has established a Whistle-Blowing Policy to provide a safe and confidential avenue for the Directors, Management, employees and the public to report genuine concerns about wrongdoing or improper conduct involving the Group, its Directors, Management, or employees.

The Board holds overall responsibility for the Whistle-Blowing Policy and oversees its implementation.

Both the ABAC Policy and Whistle-Blowing Policy were last reviewed by the Board on 13 September 2024, and are available on the Company's website www.ancomnylex.com.

BOARD COMPOSITION

The Board comprised one (1) Independent Non-Executive Chairman (appointed on 30 November 2023), one (1) EVC (who was re-designated from EC on 30 November 2023), one (1) MD/GCEO, and five (5) Independent Non-Executive Directors during the financial year.

This composition adheres to Bursa Securities' Listing Requirements, mandating at least one-third of the Board to be Independent Non-Executive Directors. It also aligns with Practice 5.2 of the MCGG requiring at least 50% Independent Non-Executive Director representation.

The significant majority of Independent Non-Executive Directors on the Board ensures robust oversight and decision-making. These Directors maintain independence from the Company's day-to-day operations, enabling objective judgement in fulfilling their duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD COMMITTEES

The Board is assisted by the following Board Committees to ensure an orderly and effective discharge of its responsibilities:

- Audit Committee (“AC”)
- Risk Management Committee (“RMC”)
- Remuneration & Nomination Committee (“R&NC”)

All Board Committees comprise a majority of Independent Non-Executive Directors. These Committees are delegated certain responsibilities and the authority to examine specific issues. They are entrusted to act on behalf of the Board in accordance with their respective Terms of Reference (“TOR”) as approved by the Board. Each Board Committee reports to the Board with their proceedings, deliberations, and recommendations. However, the ultimate responsibility for decision-making lies with the Board.

For further details, please refer to the respective reports of the Board Committees in this Annual Report.

ASSESSMENT OF INDEPENDENCE

The Board, through the R&NC, has rigorously assessed the independence of the Independent Directors. Details of this assessment are provided in the Remuneration & Nomination Committee Report included in this Annual Report.

This assessment is conducted in line with corporate governance guidelines to ensure that each Independent Director remains free from any business or other relationships that could materially interfere with their independent judgement. The Board is committed to upholding the highest standards of independence to foster transparent and effective governance.

SENIOR INDEPENDENT DIRECTOR

The Board has not appointed a Senior Independent Non-Executive Director as a designated recipient for concerns. Instead, the Board operates in an open environment where opinions and information are freely exchanged. In this setting, there is no necessity to direct concerns towards a specific Director, as all Board members collectively and individually undertake this responsibility.

BOARD DIVERSITY POLICY

The Group follows a policy of impartiality in selecting its Directors, refraining from any form of discrimination based on age, gender, ethnicity, or religion. This commitment is outlined in the Board Diversity Policy, which is accessible on the Company’s website www.ancomnylex.com. The Board Diversity Policy was last reviewed by the Board on 15 September 2023.

The Group emphasises the importance of having a Board comprised of the most skilled individuals who possess the necessary knowledge, expertise, experience, independence, forward-thinking, and prudent decision-making abilities. This ensures the Board operates efficiently and can fulfil its responsibilities in the best interest of the Company and shareholders.

The Board endorses the promotion of gender diversity in the boardroom as recommended by the MCCG. Gender is considered during the nomination and selection of new Directors. Currently, one (1) out of the eight (8) Board members is female. The Board also strives to achieve at least 20% female representation in Senior Management positions to ensure a healthy representation of women in leadership roles.

The selection of new Directors is guided by the required skills, knowledge, experience, and qualifications of candidates, rather than being solely determined by their gender or ethnicity. This approach aligns with the Diversity Policy’s objective of building a workplace culture that prioritises individual merit regardless of social constructs.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

To further support this policy, the Group has implemented several measures:

- the R&NC and Management may draw from various sources for recruiting, including independent recruiters, public vacancy advertisements, industry and professional associations, and recommendations from the Board and existing employees;
- the R&NC and Management review and update succession plans to ensure that candidates are not denied opportunities based on unfair considerations;
- the R&NC considers the benefits of all aspects of diversity in reviewing Board composition and succession planning, striving for an optimum balance in the Board and workforce composition, including gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service; and
- the R&NC ensures that female candidates are considered for Board appointments and that female representation on the Board is continually improved over time. At least one female Director must be appointed to the Board.

Management is responsible for developing programmes to create a broader pool of skilled and experienced candidates for Senior Management such as workplace development programmes, mentoring programmes, and targeted training and development.

APPOINTMENT OF NEW DIRECTORS

The nomination and appointment of Directors are crucial processes as they determine the Board's composition, the quality of its members, and their competency. The R&NC is responsible for reviewing candidates for Board appointments and determining the criteria for selecting new Directors. When making its recommendations, the R&NC considers the following criteria:

- skills, knowledge, competencies, expertise, and experience;
- professionalism, integrity, and diversity;
- commitment, contribution, and performance; and
- for Independent Non-Executive Directors, the candidates' ability to fulfil the responsibilities and functions expected of them, in accordance with the criteria set out in paragraph 1.01 of the Listing Requirements.

Datuk Anuar Bin Ahmad, who fulfilled the criteria mentioned above, was appointed as Independent Non-Executive Chairman during the financial year.

The R&NC does not use external sources to identify qualified candidates, as it possesses a thorough understanding of the specialised industries in which the Group operates and the type of candidates whose backgrounds meet the criteria set by the R&N Committee.

ANNUAL ASSESSMENT

Please refer to the Remuneration & Nomination Committee Report in this Annual Report for more details.

REMUNERATION OF DIRECTORS

Details of the Directors' remuneration received and receivable by the Directors of the Company for the financial year ended 31 May 2024 are disclosed in the Remuneration & Nomination Committee Report in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

TIME COMMITMENT

Each Director dedicated sufficient time to fulfil their obligations throughout the financial year. To enable Directors to effectively focus on and carry out their duties, they are restricted to holding a maximum of five (5) directorships in publicly listed companies, in accordance with the Listing Requirements.

At the end of each calendar year, the Company Secretaries prepare a timetable outlining all upcoming Board and Board Committee meetings, as well as the annual general meeting for the following year. This facilitates Directors in organising their schedules and attending these meetings.

During the financial year, the Board held four (4) meetings, while the AC convened six (6) times, the RMC met four (4) times, and the R&NC held one (1) meeting. Detailed attendance records for each Director at the Board and Board Committee meetings for the financial year ended 31 May 2024 are as follows:

Board Meetings

Name of Directors	No. of Meetings Attended
Datuk Anuar Bin Ahmad (appointed on 30 November 2023)	2/2*
Dato' Siew Ka Wei	4/4
Datuk Lee Cheun Wei	4/4
Tan Sri Dato' Seri Abdull Hamid Bin Embong	4/4
Datuk Dr. Abd Hapiz Bin Abdullah	4/4
Maliki Kamal Bin Yasin	4/4
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	4/4
Christina Foo	4/4
Chan Thye Seng (retired on 27 October 2023)	2/2**

AC Meetings

Name of Directors	No. of Meetings Attended
Christina Foo	6/6
Tan Sri Dato' Seri Abdull Hamid Bin Embong	6/6
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	6/6

RMC Meetings

Name of Directors	No. of Meetings Attended
Datuk Dr. Abd Hapiz Bin Abdullah	4/4
Christina Foo	4/4
Datuk Lee Cheun Wei	4/4

CORPORATE GOVERNANCE OVERVIEW STATEMENT

R&NC Meeting

Name of Directors	No. of Meetings Attended
Datuk Dr. Abd Hapiz Bin Abdullah	1/1
Tan Sri Dato' Seri Abdull Hamid Bin Embong	1/1
Maliki Kamal Bin Mohd Yasin	1/1

Note:

- * Board meetings held after appointment
- ** Board meetings held before retirement

All the Directors fulfilled the requirement for attendance of Board meetings during the financial year as prescribed under the Listing Requirements.

All the Directors (other than Datuk Anuar Bin Ahmad who was appointed on 30 November 2023) have attended the Company's Annual General Meeting on 27 October 2023.

CONTINUING EDUCATION PROGRAMME AND TRAINING

The Board recognises the importance of continuous training and education for directors to maintain the necessary skills and knowledge to assist them in discharging their duties as Directors.

All Directors have completed the Directors' Mandatory Accreditation Programme ("MAP") Part I in relation to a Director's roles, duties and liabilities as prescribed by Bursa Securities.

Seven (7) of the Directors have attended MAP Part II in relation to sustainability and the related roles of a Director. The other one (1) Director will attend the MAP Part II by 1 August 2025.

The Board has assumed the responsibility for determining the training needs of the Directors and filling any gaps identified. The Directors are mindful of the need for continuous training to keep abreast of the relevant changes in laws, regulations and the business environment to discharge their duties and responsibilities effectively. The Board has also been regularly updated and advised by the Company Secretaries along with other independent professionals on regulatory changes and matters on governance, to enable the Directors to discharge their responsibilities effectively.

During the financial year, the Directors of the Company attended an in-house training facilitated by a firm of professional trainers on Transparency matters: A director's approach to integrity, handling conflicts of interest, and abuse of power.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B:



EFFECTIVE AUDIT AND RISK MANAGEMENT

THE AC

As of the date of this Statement, the AC comprises three (3) Independent Non-Executive Directors. All members possess the necessary financial knowledge and understanding of the Group's business to effectively review, analyse, challenge, and make recommendations on matters under the purview of the AC including the financial reporting process. The AC Chairman is not the Chairman of the Board. No AC member is a former audit partner requiring a cooling-off period of at least three (3) years before being appointed.

The AC's composition and responsibilities are detailed in the Audit Committee Report in this Annual Report. The Board, via the R&N Committee, has evaluated the AC's performance for FY2024 and is satisfied that the AC members have been able to discharge their functions, duties and responsibilities in accordance with the AC's TOR during the financial year.

Please refer to the Audit Committee Report in this Annual Report for more details.

THE RMC

As of the date of this statement, the RMC comprises three (3) members, two (2) of them being Independent Non-Executive Directors. The RMC's objective is to assist the Board in establishing and overseeing a sound and robust risk management framework. This framework is designed to enhance the Group's ability to achieve strategic objectives, particularly in pursuing its growth agenda.

The RMC's composition and responsibilities are detailed in the Risk Management Committee Report in this Annual Report. The Board, via the R&NC, has evaluated the RMC's performance and is satisfied that the RMC members have been able to discharge their functions, duties and responsibilities in accordance with the RMC's TOR during the financial year.

Please refer to the Risk Management Committee Report in this Annual Report for more details.

COMPLIANCE WITH APPLICABLE FINANCIAL REPORTING STANDARDS

The Board strives to present true and fair, comprehensive, balanced and meaningful evaluation and assessment of the financial performance, financial position and future prospects of the Group in the Annual Audited Financial Statements and the Quarterly Interim Financial Reports (collectively referred to as "Financial Statements") of the Company and of the Group.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Company and of the Group, ensuring that the Financial Statements are prepared in accordance with the Companies Act 2016, the Malaysian Financial Reporting Standards, the IFRS Accounting Standards, the Listing Requirements and other statutory and regulatory requirements.

The Statement by the Directors in relation to the preparation of the Group's financial statements is set out in the Financial Statements section of this Annual Report.

RISK MANAGEMENT & INTERNAL CONTROL

The Board acknowledges its responsibility to maintain a sound risk management and internal control system covering not only financial controls but also operational and compliance controls to identify risks in operations and finance, and to design measures to manage those risks. This system is intended to manage, rather than eliminate, the risk of failure to achieve the Group's corporate objectives, as well as to safeguard the shareholders' investments and Group's assets.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The RMC is responsible for assisting the Board in ensuring the Group has in place a sound and robust risk management framework and policies. This is to ensure that the risk management framework is implemented effectively to enhance the Group's ability to achieve its strategic objectives especially in pursuing its growth agenda. The RMC is also responsible for overseeing business continuity management, compliance, integrity and governance functions of the Group.

The AC is responsible for assisting the Board in ensuring the Group's adequacy and effectiveness of internal controls. The Board is of the view that the system of internal control and risk management put in place during the financial year, is sound and sufficient to safeguard the Group's assets, as well as shareholders' investments, and the interests of customers, regulators, employees and other stakeholders.

Please refer to the Statement on Risk Management and Internal Control in this Annual Report which provide an overview of the risk management and internal controls within the Group for further details.

INTERNAL AUDIT FUNCTION

The AC is responsible for assisting the Board in maintaining a sound system of internal control hence eliminate the risk of failure to achieve the Group's corporate objectives, as well as to safeguard the shareholders' investments and Group's assets.

Consistent with prior years, the internal audit function has been outsourced to an independent firm of consultants, Sterling Business Alignment Consulting Sdn. Bhd. ("SBAC"), a corporate member of the Institute of Internal Auditors, Malaysia. During the financial year, SBAC conducted regular audits to review the adequacy and effectiveness of the Group's risk management and internal control system in identifying and managing principal risks, ensuring compliance with the law and regulations, and preserving the quality of assets and the integrity of the management information system.

Please refer to the Audit Committee Report in this Annual Report for more details.

PRINCIPLE C:



INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

CORPORATE DISCLOSURE POLICY

The Board acknowledges the importance of timely and thorough dissemination of material information about the Group's business to its shareholders and investors to enable informed investment decisions. The Board considers consistent communication with the public through different notifications and the distribution of Annual Reports, circulars, and press releases crucial for fostering positive engagements with shareholders and investors. Briefing to investors were held regularly by the Senior Management of the Company.

The Board strives to disclose such information to the public as soon as practicable through Bursa Securities, the media and the Company's website www.ancomnylex.com, and to ensure that such information is managed properly to avoid leakage or improper use. The Board takes reasonable steps to ensure all investors have equal access to material information.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

SHAREHOLDERS' PARTICIPATION AT GENERAL MEETINGS

General meetings continue to serve as the primary platform for communication between the Company and its shareholders, offering a channel for interaction and information exchange.

In order to promote increased shareholder involvement during the Company's general meetings, any eligible member has the option to designate a proxy for attendance and voting if they are unable to personally attend the meetings. The proxy may, but need not be, a member of the Company and need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. The Company's Constitution explicitly allows a proxy to speak at general meetings. Notices of the general meetings and related circulars are sent to the shareholders in accordance with the regulatory and statutory provisions. All notices are advertised in a national English newspaper within the prescribed deadlines.

Minutes of the proceedings at the general meetings are recorded by the Company Secretaries, and made available for inspection by shareholders at the Company's registered office. The minutes of general meetings and a summary of key matters discussed at the general meetings are also posted on the Company's website www.ancomnylex.com.

LEVERAGING INFORMATION TECHNOLOGY

The Board leverages information technology to hold virtual shareholder meetings in order to facilitate the participation of remote shareholders and voting in absentia.

The Company successfully conducted a fully virtual annual general meeting on 27 October 2023.

The Company releases all material information publicly through Bursa Securities' website www.bursamalaysia.com and via the Company's website www.ancomnylex.com.

POLL VOTING

As provided in the Company's Constitution, all resolutions at the shareholder meetings are decided via poll voting.

EFFECTIVE COMMUNICATION AND PROACTIVE ENGAGEMENT WITH STAKEHOLDERS

Shareholders and investors are encouraged to submit their queries and concerns to the Company through the Company's website at www.ancomnylex.com or by e-mail to companysecretary@ancomnylex.com. Their queries will be attended by the Company Secretaries, the Board or Senior Management, as the case may be.

LOOKING AHEAD

The Board has deliberated, reviewed and approved this Statement and is satisfied that the Group has fulfilled its obligations under the relevant paragraphs of the Listing Requirements, Companies Act 2016, MCGG, Corporate Governance Guide (4th edition) issued by Bursa Malaysia Berhad and other applicable laws and regulations throughout the financial year ended 31 May 2024. The Board is also satisfied that the Company has adopted the practices and applied the key Principles of the MCGG for the financial year under review.

The Board will continue to ensure the Group maintains a robust governance framework and embraces an ethical corporate culture by strengthening its sustainability governance whilst ensuring all material risks are managed appropriately to deliver sustainable growth and performance for the Group.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board.

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") is pleased to present the Audit Committee Report which provides insights into the manner in which the Audit Committee ("AC") discharged its functions during the financial year ended 31 May 2024 ("FY2024").

COMPOSITION OF THE AC

The AC comprises the following Independent Non-Executive Directors:

Christina Foo - Chairman

Tan Sri Dato' Seri Abdull Hamid Bin Embong - Member

Tan Sri Dato' Sri Mohamad Fuzi Bin Harun - Member

The composition of the AC complies with the requirements of paragraphs 15.09(1)(a), (b), and (c) and 15.10 of the Main Market Listing Requirements ("Listing Requirements") issued by Bursa Malaysia Securities Berhad ("Bursa Securities") and Practices 9.1 and 9.4 of the Malaysian Code on Corporate Governance (updated on 28 April 2021) issued by Securities Commission Malaysia.

The Chairman of the AC, Christina Foo, is a Chartered Accountant and a member of the Malaysian Institute of Accountants.

The positions of Chairman of the AC and Chairman of the Board are held by different individuals to prevent any potential impairment of objectivity in the Board's review of the AC's findings and recommendations.

The Chairman of the Board is not a member of the AC.

MEETINGS OF THE AC

During FY2024, the AC had six (6) meetings (including one (1) special meeting). The attendance of each member of the AC at those meetings is as follows:

Name of Directors	No. of Meetings Attended
Christina Foo	6/6
Tan Sri Dato' Seri Abdull Hamid Bin Embong	6/6
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	6/6

Web and teleconferencing were the primary tools used to facilitate the AC meetings during the financial year. All meetings were held in person, but some members participated virtually. Agendas and relevant meeting papers were distributed electronically to the AC members in advance to ensure effective participation, regardless of location. The meetings were of sufficient length to allow for a comprehensive discussion of the agenda and emerging issues.

The meetings were conducted in an open and constructive manner, encouraging focussed discussions, questioning, and expressions of differing opinions. The Managing Director/Group Chief Executive Officer ("MD/GCEO"), the Chief Financial Officer ("CFO") and Senior Management, if required, were invited to attend all meetings with the Company Secretary in attendance to record the minutes of the meetings.

The Internal Auditors attended four (4) of the six (6) AC meetings during the year, while the External Auditors attended three (3) of the six (6) meetings during FY2024.

TERMS OF REFERENCE

The AC is governed by its Terms of Reference ("TOR") which is established pursuant to the Listing Requirements. There is a term in the TOR of the AC which requires a former key audit partner of the Company's External Auditors to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. None of the members of the AC was a former partner of the Company's External Auditors.

The AC's TOR was last reviewed by the Board on 13 September 2024. The AC's TOR is subject to review as and when necessary and is accessible on the Company's website www.ancommylex.com.

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES

The AC effectively discharged its duties as outlined in its TOR during FY2024 as follows:

FINANCIAL REPORTING

- a) reviewed four (4) quarterly Interim Financial Reports presented by Management to ensure compliance with disclosure requirements of approved Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards, the Companies Act 2016, the Listing Requirements, and other statutory and regulatory requirements. The AC then recommended the reports to the Board for consideration, approval, and subsequent announcement to Bursa Securities. The AC also sought clarifications from Management on the Group's performance as needed.
- b) reviewed annual Audited Financial Statements presented by Management in the presence of the External Auditors to ensure compliance with disclosure requirements of MFRSs, IFRS Accounting Standards, the Companies Act 2016, Listing Requirements, and other statutory and regulatory requirements. The AC also resolved any contentious issues before recommending the Audited Financial Statements to the Board for consideration, approval, and subsequent announcement to Bursa Securities and distribution to shareholders.

During the reviews, the CFO assured the AC that all quarterly Interim Financial Reports and the Audited Financial Statements (collectively "Financial Statements") were prepared based on consistently applied generally accepted accounting policies and standards. The CFO further confirmed the absence of material misstatements and that the Financial Statements presented a true and fair view of the Company's and Group's financial positions, performances, and cash flows for the respective reporting periods.

EXTERNAL AUDIT

- a) Reviewed with the External Auditors, Messrs. BDO PLT, covering:
 - audit strategy and approach for FY2024, new audit emphasis due to emerging events and recent accounting/regulatory changes, multi-location audit scope and timelines, significant audit areas for potential key audit matters, and proposed statutory audit fees which was subsequently recommended to the Board for approval;
 - results of the audits, including significant audit findings and accounting matters; and
 - management letter responses.
- b) Reviewed the External Audit Reports and the results of the External Auditors' examination of the Company's and of the Group's annual Audited Financial Statements.
- c) Reviewed the suitability of the External Auditors for re-appointment, taking into consideration their independence, performance, competence, experience, provision of non-audit services and audit fees.
- d) Assessed the independence and objectivity of the External Auditors in carrying out statutory audit for the Group and prior to the engagement of the External Auditors for ad-hoc non-audit services.
- e) Reviewed and approved, in accordance with the International Ethics Standards Board for Accountants standards, the provision of non-audit services related to the income tax submissions to the Inland Revenue Board and the e-invoicing consultancy project for the Group by an associate firm of the External Auditors.

The AC received confirmation from the External Auditors regarding their adherence to the ethical codes governing auditor independence. These codes include the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants. The External Auditors confirmed they identified no threat of breaches of independence and complied with the relevant requirements. Based on this confirmation, the AC was satisfied that no conflicts of interest were likely to arise, and the External Auditors' independence and objectivity remained unimpaired.

AUDIT COMMITTEE REPORT

INTERNAL AUDIT

- a) reviewed and approved the Internal Audit Plan for FY2024, ensuring coverage of all major and high-risk activities;
- b) reviewed quarterly Internal Audit Reports, including observations, recommendations, and management responses. The AC also deliberated on weaknesses identified and non-compliance incidents, along with corresponding management actions. The Internal Auditors monitored implementation of action plans through follow-up reports, ensuring all key risks and control weaknesses are addressed;
- c) conducted a review and selection process for a new internal audit firm for the financial year ending 31 May 2025. The review focussed on factors such as independence, performance history, competence, qualifications, relevant experience, and fee structure; and
- d) reviewed and approved the Internal Audit Plan presented by the incoming internal audit firm for the financial year ending 31 May 2025, ensuring coverage of all major and high-risk activities.

INTERNAL AUDIT FUNCTION

ORGANISATIONAL INDEPENDENCE, RESPONSIBILITY, SCOPE AND RESOURCING

The Internal Audit function plays a vital role within the Group's assurance framework. It conducts independent and systematic reviews of the internal control system to provide reasonable assurance regarding the adequacy, integrity, and effectiveness of the Group's overall controls, risk management, and governance processes.

The AC is supported by an outsourced internal audit function in discharging its duties and responsibilities. Sterling Business Alignment Consulting Sdn. Bhd. ("SBAC"), a corporate member of the Institute of Internal Auditors, Malaysia, served as the Group's outsourced internal audit function for FY2024, operating independently of Management and reporting directly to the AC.

The AC reviewed the adequacy and effectiveness of SBAC, encompassing its scope, functions, competency, and resources, prior to recommending for SBAC's continuing serving as the Group Internal Auditors for FY2024.

In assessing the independence and performance of SBAC, the AC was satisfied with SBAC's competency, independence and quality of Internal Audit Reports delivered. SBAC has given written assurance to the AC that it has complied with all relevant ethical requirements with regards to their professional independence. The AC was satisfied for SBAC to continue serving as the Group's Internal Auditors for FY2024 and this was concurred by the Board.

AUDIT COMMITTEE REPORT

SUMMARY OF INTERNAL AUDIT ACTIVITIES

For FY2024, the Internal Auditors conducted the following activities:

- developed and presented the Internal Audit Plan for review and approval by the AC. This plan guided the execution of internal audit activities throughout the financial year;
- conducted internal audits based on the approved plan, assessing the effectiveness of internal controls of critical business processes and assessed the effectiveness and adequacy of the existing state of internal control of the major subsidiaries, identified risks and internal control gaps, and recommended possible improvements to the internal control process;
- performed follow-up reviews on previously identified issues, ensuring that management addressed outstanding recommendations;
- issued comprehensive Internal Audit Reports to the AC. These reports detailed audit findings, weaknesses identified in systems and controls, and corresponding management responses; and
- presented the Internal Audit Reports to the AC for review and discussion. Internal Audit Reports were reviewed and adopted by the AC on a quarterly basis.

Total cost incurred by the Group in respect of internal audit services rendered by SBAC for the financial year ended 31 May 2024 was RM85,000 (2023: RM58,900).

SELECTION AND OVERSIGHT OF THE INTERNAL AUDIT FUNCTION

To ensure the continued effectiveness and independence of the internal audit function, the AC undertook a comprehensive review and selection process for a new internal audit firm for the financial year ending 31 May 2025. This process focussed on identifying qualified firms with a strong track record of providing internal audit services. Key factors considered during the selection included:

- Independence: The firm's ability to maintain objectivity and freedom from undue influence.
- Performance history: Proven experience in delivering high-quality internal audit services for similar publicly listed companies.
- Competence and qualifications: The team's expertise and professional certifications relevant to the Group's industry and risks.
- Relevant experience: A demonstrated understanding of the Group's business model and key internal control considerations.
- Fee structure: Competitive pricing that aligns with the scope and complexity of the required services.

Following a thorough evaluation, the AC appointed Crowe Governance Sdn. Bhd., a member firm of Crowe Malaysia PLT, as the Group's new internal audit firm for the financial year ending 31 May 2025. This selection ensures the continued effectiveness of the internal audit function in supporting the Group's evolving governance and risk management needs.

RELATED PARTY TRANSACTIONS AND CONFLICT-OF-INTEREST

The AC annually reviews procedures for identifying, monitoring, reporting, and reviewing related party transactions ("RPTs"), recurrent RPTs ("RRPTs"), and potential conflict-of-interest ("COI") situations. On a quarterly basis, the AC reviews RPTs that occurred within the Company and the Group during the financial year, including revenue and trading-related RRPTs. It also assessed potential COI situations.

AUDIT COMMITTEE REPORT

The AC is satisfied that:

- procedures are sufficient to ensure RPTs are conducted at arm's length, on terms no more favourable to related parties than those available to the public, and not detrimental to minority shareholders;
- the Group has adequate procedures for timely and orderly identification, monitoring, tracking, and reporting of RPTs and RRPTs;
- no COI situations arose, persisted, or may have arisen during the financial year that required resolution, elimination, or mitigation measures; and
- the Directors and Senior Management have given declarations to the Company that they are not involved in any COI situations, actual and potential, during the financial year.

SITE VISITS

During FY2024, the AC made two (2) site visits, one (1) to the polymer manufacturing plant in Surabaya, Indonesia of PT Nylex Indonesia, a wholly-owned subsidiary of the Group, and one (1) to the agricultural chemicals manufacturing plant in Shah Alam, Malaysia of Ancom Crop Care Sdn. Bhd., a wholly-owned subsidiary of the Group. The plant visits enabled the AC members to assess the quality and have a better understanding of the plant operations through direct observation and in addition, allowed the AC members to help identify operational issues or areas for improvement.

ANTI-BRIBERY AND ANTI-CORRUPTION MANAGEMENT/WHISTLE-BLOWING

During FY2024, the Company conducted a refresher course on Subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission Act 2009 for the Directors, Management and employees of the Group.

No corruption and bribery incidences involving the Group and its Directors, Management and employees were reported during FY2024.

The Group has not received any reports in the Whistle-Blowing channel (available on the Company's website www.ancomnylex.com) of any wrongdoings or improper conducts involving the Group and its Directors, Management and employees during FY2024.

REPORTING TO THE BOARD

The AC's Chairman reported formally to the Board on the proceedings of each of the AC meetings and all matters within the AC's duties and responsibilities at the Board's quarterly meetings. Minutes of the AC meetings were also been presented to the Board for notation.

ANNUAL REPORT

The AC reviewed and recommended the following for Board approval and inclusion in this Annual Report for the financial year ended 31 May 2024:

- Statement on Risk Management and Internal Control; and
- Audit Committee Report

CONCLUSION

The AC is of the opinion that it has fulfilled its duties and responsibilities as outlined in its TOR throughout FY2024.

This Audit Committee Report is made in accordance with a resolution of the Board.

REMUNERATION & NOMINATION COMMITTEE REPORT

The Board of Directors (“Board”) is pleased to present the Remuneration & Nomination Committee (“R&NC”) Report for the financial year ended 31 May 2024 (“FY2024”).

COMPOSITION OF THE R&NC

The R&NC comprises three (3) Independent Non-Executive Directors (“INEDs”) as follows:

Datuk Dr. Abd Hapiz Bin Abdullah - Chairman

Tan Sri Dato’ Seri Abdull Hamid Bin Embong - Member

Maliki Kamal Bin Mohd Yasin - Member

The Chairman of the Board is not a member of the R&NC.

TERMS OF REFERENCE

The R&NC is governed by its Terms of Reference (“TOR”) which is established pursuant to the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The R&NC’s TOR is subject to review as and when necessary and is accessible from on the Company’s website www.ancomnylex.com.

MEETINGS

During FY2024, the R&NC had one (1) meeting and the attendance of each member of the R&NC is as follows:

Name of Directors	No. of Meeting Attended
Datuk Dr. Abd Hapiz Bin Abdullah	1/1
Tan Sri Dato’ Seri Abdull Hamid Bin Embong	1/1
Maliki Kamal Bin Mohd Yasin	1/1

The R&NC meeting was held in a hybrid format, combining in-person and virtual participation. An agenda and relevant meeting papers were distributed electronically to all members in advance to ensure effective participation, regardless of location. The meeting was of sufficient length to allow for a comprehensive discussion of the agenda and emerging issues.

The meeting was conducted in an open and constructive manner, encouraging focused discussions, questions, and diverse viewpoints. The Executive Vice Chairman (“EVC”), Managing Director/Group Chief Executive Officer (“MD/GCEO”) and the Chief Financial Officer were invited to attend the meeting with the Company Secretary in attendance to record the minutes of the meeting.

REMUNERATION & NOMINATION COMMITTEE REPORT

SUMMARY OF ACTIVITIES

During FY2024, the R&NC carried out its duties as set out in its TOR and undertook the following activities:

ASSESSMENT OF DIRECTORS

Fit and Proper Assessment

The R&NC has conducted an assessment on all the Board members in accordance with the assessment criteria in the Directors' Fit and Proper Policy, which is available on the Company's website www.ancomnylex.com, and are satisfied that all the Directors fulfilled the criteria as set out in the Directors' Fit and Proper Policy.

Taking into consideration the Board's structure, size, composition and the required mix of expertise and experience which the Directors should bring to the Board, the R&NC is satisfied that with each of the Board member's qualifications, skills, knowledge, expertise and experience, time availability, professionalism, integrity and their ability to discharge such responsibilities and functions as expected of them, the current size and composition of the Board are appropriate and well-balanced, with members comprising individuals of high calibre, credibility and with the necessary skills and qualifications to enable the Board to discharge its responsibility effectively.

During FY2024, the R&NC did not perform any evaluation on the individual Director's performance. The R&NC is of the view that the individual Director performance evaluations performed in the previous financial year was adequate and remained relevant.

The R&NC did not engage an independent consultant for the annual assessment as recommended by Practice 6.1 of the Malaysian Code on Corporate Governance (updated on 28 April 2021) ("MCCG"). However, it has taken note that an independent expert or party would lend greater objectivity to the assessment by providing an unbiased perspective on a Director's performance and his ability to contribute effectively to the Board.

The Board will consider engaging an independent consultant to perform the assessment as recommended by MCCG in the future.

APPOINTMENT OF NEW DIRECTORS

The nomination and appointment of Directors is a vital process as it will ensure that the Board composition is refreshed and the quality of Board members is maintained at all times. The R&NC is entrusted by the Board to review candidates for new appointments to the Board and determine the criteria for the selection of new Directors. The R&NC in making its recommendation, will consider the following criteria in the selection of candidates:

- skills, knowledge, competencies, expertise, and experience;
- professionalism, integrity, diversity;
- commitment, contribution and performance; and
- in the case of candidates for INEDs, the candidates' ability to discharge such responsibilities or functions as expected of INEDs and they having met the criteria as set out in paragraph 1.01 of the Listing Requirements and also the criteria as in the Directors' Fit and Proper Policy.

Datuk Anuar Bin Ahmad, having fulfilled all the above criteria, was appointed during FY2024 as an Independent Non-Executive Chairman of the Board.

REMUNERATION & NOMINATION COMMITTEE REPORT

INDEPENDENCE ASSESSMENT OF THE INDEPENDENT DIRECTORS

The R&NC assessed the independence of the Independent Directors using the following criteria:

- The Independent Director is neither an employee nor related to any major shareholder/Management of the Group and does not participate in the day-to-day operations of the Group;
- The Independent Director has fulfilled the definition of “Independent Directors” in the Listing Requirements;
- He/She is free from any business or other relationships with the Group which would materially interfere with the exercise of his/her independent judgement on matters at hand;
- He/she is a person of calibre and credibility, and has the necessary skills and experience to bring independent judgement on issues of strategy, business performance, resources and standards of conduct; and
- He/she is able to provide independent views in the Board’s discussions and has not acted in any way that would compromise his/her independent judgement.

The Independent Directors have also given declarations to the Board confirming their compliance with the definition of “Independent Directors” in the Listing Requirements.

From the results of the evaluation performed, the R&NC is satisfied that the Independent Directors have conducted themselves in a manner that indicates independence, providing the necessary checks and balances in the best interest of the Company and its shareholders.

RE-ELECTION OF DIRECTORS

The performance of those Directors who are subject to re-election at the forthcoming 55th Annual General Meeting (“AGM”) was assessed by the R&NC. The Company has received confirmations from the following retiring Directors that they are willing to seek re-election at the forthcoming AGM:

Directors	Designation
Datuk Anuar Bin Ahmad	Independent Non-Executive Director
Datuk Lee Cheun Wei	Managing Director/Group Chief Executive Officer
Christina Foo	Independent Non-Executive Director

Based on the evaluation carried out, these Directors meet the criteria outlined in Paragraph 2.20A of the Listing Requirements. As all the retiring Directors have fulfilled the criteria for appointment as stipulated in the Company’s Directors’ Fit and Proper Policy, and they have confirmed that there were no incidence of conflict-of-interests (actual or potential) existing between them and the Company, the R&NC has recommended to the Board the re-election of the above retiring Directors pursuant to Clauses 125 and 130 of the Company’s Constitution at the Company’s forthcoming AGM.

REMUNERATION OF DIRECTORS

The R&NC is responsible for recommending the remuneration of the Non-Executive Directors, including Directors’ fees and benefits as per the Board’s Remuneration Policy. The Remuneration Policy sets out the remuneration principles and guidelines for the Board and the R&NC in reviewing and/or determining the remuneration package of Non-Executive Directors and Executive Directors (i.e. the EVC and the MD/GCEO). The Remuneration Policy is available on the Company’s website www.ancomnylex.com.

REMUNERATION & NOMINATION COMMITTEE REPORT

The R&NC engaged a firm of independent consultants to conduct a Directors' Remuneration Benchmarking study in the financial year ended 31 May 2023 ("FY2023"). The R&NC is of the view that the findings from the FY2023 study remain relevant for FY2024.

Based on the results of the study, the R&NC has recommended to the Board and the Board has approved the following remuneration structure for Directors for FY2024:

Directors	Annual fee per Director (RM)
Board	
- Non-Executive Chairman	100,000
- Non-Executive Director	70,000
Audit Committee	
- Chairman	45,000
- Member	30,000
R&NC & Risk Management Committee	
- Chairman	25,000
- Member	20,000

Non-Executive Directors also received an attendance allowance of RM500.00 for each Board and Board Committee meeting attended during the financial year. Consistent with previous years, the EVC and the MD/GCEO did not receive any meeting allowance for attendance at those meetings.

The R&NC also assumes the task of recommending to the Board the remuneration package for the EVC and MD/GCEO. The remuneration of the EVC and MD/GCEO comprises a monthly salary, bonuses, benefits-in-kind ("BIK") and other benefits that the Board approves from time to time. The EVC and MD/GCEO are not paid any Director's fee.

Details of remuneration received and receivable by the Directors of the Company for FY2024, including remuneration for services rendered to the Company and to the subsidiaries, are as follows:

REMUNERATION & NOMINATION COMMITTEE REPORT

Company	Directors' fee (RM'000)	Salaries & bonus (RM'000)	Other emoluments (RM'000)	Meeting allowances (RM'000)	BIK (RM'000)	Total (RM'000)
Executive Directors						
Dato' Siew Ka Wei	-	275.9	-	-	40.2	316.10
Datuk Lee Cheun Wei	-	-	-	-	-	-
Non-Executive Directors						
Datuk Anuar Bin Ahmad	50.3	-	-	1.0	-	51.3
Tan Sri Dato' Seri Abdull Hamid Bin Embong	120.0	-	-	5.0	18.3	143.3
Chan Thye Seng	28.5	-	-	1.5	-	30.0
Datuk Dr. Abdul Hapiz Bin Abdullah	120.0	-	-	5.0	-	125.0
Maliki Kamal Bin Mohd Yasin	90.0	-	-	3.0	-	93.0
Christina Foo	135.0	-	-	7.0	-	142.0
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	100.0	-	-	5.0	-	105.0
Total	643.8	275.9	-	27.5	58.5	1,005.70

Group	Directors' fee (RM'000)	Salaries & bonus (RM'000)	Other emoluments (RM'000)	Meeting allowances (RM'000)	BIK (RM'000)	Total (RM'000)
Executive Directors						
Dato' Siew Ka Wei	-	5,379.50	-	-	74.3	5,453.8
Datuk Lee Cheun Wei	-	2,459.8	600.0	-	13.3	3,073.1
Non-Executive Directors						
Datuk Anuar Bin Ahmad	188.8	-	-	6.4	15.0	210.2
Tan Sri Dato' Seri Abdull Hamid Bin Embong	120.0	-	-	5.0	18.3	143.3
Chan Thye Seng	28.5	-	-	1.5	-	30.0
Datuk Dr. Abd Hapiz Bin Abdullah	120.0	-	650.5	5.0	-	775.5
Maliki Kamal Bin Mohd Yasin	90.0	-	-	3.0	-	93.0
Christina Foo	135.0	-	-	7.0	-	142.0
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	100.0	-	-	5.0	-	105.0
Total	782.3	7,839.3	1,250.5	32.9	120.9	10,025.9

In addition to the above, the Company has taken up Directors' and Officers' Liability (D&O) insurance to cover Directors' defence costs and legal representation expenses incurred if any action is brought against a Director for actions undertaken as a Director of the Company and/or its subsidiaries. However, the D&O insurance does not indemnify a Director if he is proven to have acted fraudulently, dishonestly, or to have intentionally breached the law.

CONCLUSION

The R&NC is of the opinion that it has discharged its duties and responsibilities in accordance with its TOR during the financial year.

This Remuneration & Nomination Committee Report is made in accordance with a resolution of the Board.

RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("Board") is pleased to present the Risk Management Committee Report which provides insights into the manner in which the Risk Management Committee ("RMC") discharged its functions during the financial year ended 31 May 2024 ("FY2024").

COMPOSITION

The RMC's objective is to assist the Board in establishing and overseeing a sound and robust risk management framework. This framework is designed to enhance the Group's ability to achieve strategic objectives, particularly in pursuing its growth agenda.

The RMC comprises Board members, with a majority being Independent Non-Executive Directors ("INED"), who provide independent perspectives to the RMC's fact-finding, analysis, and decision-making processes, leveraging their expertise, experience, and industry knowledge:

The composition of the RMC during FY2024 was as follows:

Datuk Dr. Abd Hapiz Bin Abdullah - Chairman

(Independent Non-Executive Director)

Christina Foo - Member

(Independent Non-Executive Director)

Datuk Lee Cheun Wei - Member

(Managing Director/Group Chief Executive Officer)

The RMC's composition complies with the recommendation provided in Step-up Practice 10.3 of the Malaysian Code on Corporate Governance (updated on 28 April 2021).

MEETINGS

During FY2024, the RMC had four (4) meetings. The attendance of each member of the RMC at those meetings is as follows:

Name of Directors	No. of Meetings Attended
Datuk Dr. Abd Hapiz Bin Abdullah	4/4
Christina Foo	4/4
Datuk Lee Cheun Wei	4/4

All meetings were held in person. Agendas and relevant meeting papers were distributed electronically to the RMC members in advance to ensure effective participation. The meetings were of sufficient length to allow for a comprehensive discussion of the agenda and emerging issues.

The meetings were conducted in an open and constructive manner, encouraging focussed discussions, questioning, and expressions of differing opinions. The Chief Financial Officer ("CFO"), Risk Management Secretariat and the Senior Management, if required, were invited to attend the meetings with the Company Secretary in attendance to record the minutes of the meetings.

RISK MANAGEMENT COMMITTEE REPORT

TERMS OF REFERENCE

The RMC's Terms of Reference ("TOR") was approved by the Board on 26 April 2023. The TOR is subject to periodic review as deemed necessary. The RMC's TOR can be accessed on the Company's website www.ancommylex.com.

SUMMARY OF ACTIVITIES

The RMC had four (4) meetings and undertook the following activities during FY2024:

CORPORATE RISK PROFILE

- reviewed and endorsed the Corporate Risk Profile for Board approval. Following an initial quarterly review in the first year, the RMC will transition to bi-annual reviews to assess the adequacy and effectiveness of risk mitigation efforts and key risk indicators.

RISK MANAGEMENT FRAMEWORK AND REGISTRY OF RISKS

- reviewed the Group's Risk Management Framework, Risk Registry, and the ongoing identification, evaluation, and management of significant risks as reported in the Statement on Risk Management and Internal Control;
- reviewed the progress of work done by the Management level Risk Management Working Group ("RMWG") and its work on;
 - the criteria for maintaining the Risk Registry;
 - the current Risk Registry; and
- reviewed and guided Management on the Group's sustainability initiatives, including those relating to environment, social and governance ("ESG").

ESG INTEGRATION TO THE GROUP'S RISK MANAGEMENT FRAMEWORK

- reviewed and discussed the Group's current 2-star ESG rating and its long-term plan to achieve a 3-star rating within 2-3 years, ultimately aiming for 4-star rating;
- actively participated in selecting the ESG theme "Embracing Chemistry for a Sustainable Tomorrow" to ensure alignment with the Group's long-term ESG plan and risk management strategies; and
- reviewed and provided feedback on the expanded ESG framework, including materiality topics and key indicators.

OVERSIGHT OF ESG INITIATIVES

- recommended to the Board for approval of the ESG Plans, which will provide a clear framework for managing ESG-related risks and opportunities.

RISK MANAGEMENT COMMITTEE REPORT

MITIGATING CORPORATE LIABILITY

The RMC reviewed and is satisfied that the following measures to mitigate corporate liability has taken place during FY2024:

a) **Anti-Bribery & Anti-Corruption Policy**

The Group has developed an Anti-Bribery & Anti-Corruption Policy based on the principles of T.R.U.S.T per the Guideline on Adequate Procedures issued by the Prime Minister's Department. A Chief Integrity Officer ("CIO") has also been appointed to oversee and administer the Group's Anti-Bribery and Anti-Corruption initiatives and activities in the Group.

b) **Directors' and employees' trainings**

The Group has conducted training for all Directors, Management and employees regarding Section 17A of the Malaysian Anti-Corruption Commission Act, 2019 ("MACC Act"). This training helps ensure awareness of potential liabilities that may arise. The Directors, Management and employees had signed the Anti-Corruption Declarations to indicate their understanding of the implications of Section 17A of the MACC Act. Such trainings will be conducted on a yearly basis.

c) **Anti-bribery clauses**

Anti-bribery clauses have been incorporated into the Group's employment letters for new employees, purchase orders, and agreements with third parties. These clauses help to deter corrupt practices.

REPORTING TO THE BOARD

The RMC's Chairman reported formally to the Board on the proceedings of each of the RMC meetings and all matters within the RMC's duties and responsibilities at the Board's quarterly meetings. Minutes of the RMC meetings were also presented to the Board for notation.

CONCLUSION

The RMC is of the opinion that it has fulfilled its duties and responsibilities as outlined in its TOR throughout FY2024.

This Risk Management Committee Report is made in accordance with a resolution of the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

PURSUANT TO PARAGRAPH 15.26(b) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

INTRODUCTION

THE BOARD OF DIRECTORS (“BOARD”) OF ANCOM NYLEX BERHAD (“COMPANY”) IS PLEASED TO PRESENT THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (“STATEMENT”) FOR THE FINANCIAL YEAR ENDED 31 MAY 2024 (“FY2024”). THIS STATEMENT OUTLINES THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS OF THE COMPANY AND ITS SUBSIDIARIES (COLLECTIVELY THE “GROUP”), PREPARED IN ACCORDANCE WITH RULE 15.26(B) OF THE MAIN MARKET LISTING REQUIREMENTS (“LISTING REQUIREMENTS”) OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”), AND GUIDED BY THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (UPDATED ON 28 APRIL 2021), AS WELL AS THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL: GUIDELINES FOR DIRECTORS OF LISTED ISSUERS ISSUED BY BURSA SECURITIES.

BOARD'S RESPONSIBILITY

The Board acknowledges its overall responsibility for overseeing and ensuring the effectiveness of the Group's risk management and internal control systems. The Board is dedicated to continuously reviewing the adequacy, integrity, and effectiveness of these systems to safeguard the interests of shareholders and stakeholders. Central to its oversight role, the Board approves and closely monitors the implementation of comprehensive risk management strategies and policies across the Group. The Board also acknowledges the important role of internal controls in fostering sound corporate governance. Recognising the inherent limitations of any internal control system, the Board ensures these systems are designed to manage, rather than eliminate, risks associated with potential failure to achieve the Group's business objectives and strategies. Accordingly, they provide reasonable, though not absolute, assurance against material misstatement of financial information, loss, or fraud.

The Board, on a quarterly basis, receives and reviews the reports on the effectiveness of the risk management and internal control from the Risk Management Committee (“RMC”) and the Audit Committee (“AC”), respectively. Acknowledging the significance of identifying and addressing risks affecting the business, and ensuring transparent disclosure to shareholders, the Board views these practices as fundamental to upholding strong governance standards.

In FY2024, the RMC conducted reviews and assessments of the effectiveness of risk treatment and mitigation plans implemented to oversee and manage the Group's overall risk exposure. The RMC also monitored the progress and status of risk management initiatives, and addressed significant issues, providing actionable feedback to Management. Concurrently, the AC assessed the adequacy and effectiveness of internal controls in light of audits performed by the internal auditors. Discussions during AC meetings focused on audit findings and the subsequent actions taken by Management to resolve identified issues. Detailed minutes capturing these deliberations were presented to the Board for review and notation.

The Board is satisfied with the Group's implementation of an ongoing process to identify, evaluate, monitor, manage, and respond to significant risks impacting its achievement of business goals and objectives. This process has been effectively in place throughout the financial year under review and remains so as of the approval date of this Statement for the Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

MANAGEMENT'S RESPONSIBILITY

Management is responsible for implementing all policies and procedures approved by the Board in relation to risk management and internal control. These responsibilities include:

- identifying and evaluating risks relevant to the Group's business, and those that could hinder the achievement of its business objectives and strategies;
- formulating relevant policies and procedures to manage these risks, ensuring alignment with the Group's strategic vision and overall risk appetite;
- designing and implementing a risk management and internal control system, followed by ongoing monitoring to ensure its effectiveness;
- implementing remedial actions to address any compliance deficiencies identified by the Board; and
- reporting to the Board in a timely manner on any changes to existing risks, emerging risks, and the mitigation actions taken.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

RISK MANAGEMENT

The Group maintains a Risk Management Handbook, Registry of Risks, and a Board-adopted Risk Management Policy as part of its comprehensive risk management process. The Risk Management Handbook summarises the risk management methodology, approach and processes, roles and responsibilities, and various risk management concepts. The Registry of Risks is maintained to evaluate principal business risks and risk profiles which identify the risk factors, statement of risks, risk owners, likelihood, impacts, and proposed risk mitigation actions. The Risk Management Policy, which was reviewed and approved by the Board on 13 September 2024, is available on the Company's website at www.ancomnylex.com.

The risk identification process includes reviewing and identifying issues arising from changes in both the external business environment and internal operating conditions. The risk measurement guidelines comprise both financial and non-financial measures of risk consequences. These guidelines are used to assign a risk likelihood rating and a risk impact rating to each identified risk. Risk control actions are designed and implemented based on prioritisation of risks.

The respective risk owners are entrusted to identify risks and to ensure that adequate control systems are implemented to mitigate risks faced by the Group. The process of identifying, evaluating, monitoring and managing significant risks is embedded in the various work processes and procedures of the respective operational functions and the Management team. The key risks categories of the Group encompass business and strategic risks, financial risks, operational risks and regulatory or compliance risks.

A Risk Management Working Group ("RMWG"), comprising the Managing Director/Group Chief Executive Officer ("MD/GCEO"), Chief Financial Officer ("CFO"), and members of Senior Management, reports on matters relating to risk management to the RMC. The RMWG considers all matters relating to the identification, assessment, monitoring and management of risks associated with the Group that it deems to be appropriate. The RMWG's responsibilities in risk management include:

- assessment and monitoring of risks associated with the Group's operations;
- development and implementation of internal compliance and control systems and procedures to manage risks;
- assessment and monitoring of the effectiveness of controls instituted;
- reviewing and making recommendations to the RMC in relation to risk management;
- making recommendations to the RMC on compliance matters by the Group with its risk management strategy;
- reporting on material changes to the risk profile of the Group to the RMC;
- monitoring and referring to the RMC any instances involving material breaches or potential breaches of the Group's risk management strategy;
- reporting to the RMC on the Group's risk management; and
- undertaking annual reviews in accordance with the Group's risk management framework, and making recommendations to the RMC in connection with changes required to be made to the Group's risk management strategy.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL SYSTEM

The Board has established a robust internal control system to provide effective governance and oversight. This system incorporates several key elements:

- Organisational structure

The Board has defined clear lines of responsibility, authority limits, and accountability across the organisation, aligning them with business and operational needs. This structure promotes a strong control environment by ensuring proper segregation of duties. No single employee has complete control over a business process.

The Board entrusts the Executive Vice Chairman (“EVC”), Managing Director/Group Chief Executive Officer (“MD/GCEO”), and the Management team to run the Group’s businesses. Divisional Heads/Managing Directors and the CFO actively manage their respective divisions, and reporting to MD/GCEO. The Group strategically places experienced and competent employees in key positions to ensure the success of the risk management and internal control system.

- Reporting and review

The MD/GCEO regularly convenes meetings with Divisional Heads/Managing Directors and Senior Management to discuss and resolve operational, corporate, financial, and key management issues. The Board receives performance reviews comparing actual results with targets, previous years’ performance, and explanations for significant variances.

The Group’s quarterly Interim Financial Reports and Annual Audited Financial Statements are reviewed by the AC and approved by the Board before being released to Bursa Securities.

- Policies and procedures

Policies and standard operating procedures (“SOPs”) consist of elements of internal control in the day-to-day operations of the Group. These policies and SOPs are aimed at promoting accountability, efficiencies, and responsibilities within the Group. Relevant policies and SOPs have been approved by the Board and relevant authorities to ensure that the Group’s values and adequate control mechanisms are embedded in business operations. The Group conducts periodic reviews to ensure the relevance and effectiveness of its policies and SOPs. These are updated as needed to reflect changes in the business environment or regulatory guidelines.

The Group’s policies and SOPs cover the following core areas: authority limits and authorisation mandates, protection and maintenance of assets, human resources management, sales, finance, procurement and operations. The Limits of Authority established in the Group’s policies and SOPs delineate authority limits to the appropriate persons to ensure accountability and segregation of duties.

- Compliance management

The Group’s compliance management covers both regulatory and operational compliance. Regulatory compliance includes all relevant legal obligations imposed, in particular laws, regulations, rules and major identified guidelines or legal requirements. Operational compliance covers compliance to internal policies and procedures, code of ethics and business conduct.

The Board is assisted by the RMC in assessing compliance risks. The overall objective is to prioritise compliance risk management and ensure regulatory compliance effectively supports business growth within the Group’s risk appetite. The RMC reviews and assesses the adequacy of infrastructure, resources, and systems for managing compliance risk across the Group, recommending improvements to enhance effectiveness.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- Code of Conduct and Ethics

A Code of Conduct and Ethics sets out the policy stand on the conduct of business and the standards of behaviour/ethical conduct expected of the Group's employees. The policy sets out sound principles and standards of good practice to be observed by all employees.

- Anti-Bribery & Anti-Corruption Policy

The Group has an Anti-Bribery & Anti-Corruption Policy that sets out the Group's commitments and requirements regarding ethical business practices and personal conduct. It also outlines the behaviour the Group expects of its employees as well as what the Group's employees and business partners can expect from the Group. All the Group's employees and persons associated with the Group are expected to act in accordance with corporate values and ethics as set out in the Group's Anti-Bribery & Anti-Corruption Policy.

- Whistle-Blowing Policy

The Group has a Whistle-Blowing Policy and a whistle-blowing channel www.ancomnylex.com that provides an avenue for any persons, namely, directors, managers, employees or external parties to report of any improper conduct against any directors, managers or employees, in a safe and confidential manner. An employee who makes a report of improper conduct in good faith shall not be subject to unfair dismissal, victimisation, demotion, suspension, intimidation or harassment, discrimination, any action causing injury, loss or damage or any other retaliatory actions by the Group.

- Insurance

Sufficient insurance coverage and physical safeguards on major assets are in place to ensure that the Group's assets are adequately covered against any mishap that could result in material loss. Management conducts an annual policy renewal exercise to review the coverage of assets recorded in the current fixed asset register, ensuring alignment with their net book values and, where applicable, replacement values (prevailing market prices for similar items).

- Internal Audit Reviews

Internal audit reviews are focused on achieving effective and efficient operations, reliability of reporting, compliance with applicable laws and regulations as well as safeguarding of assets. The system of internal control covers governance, risk management, financial, strategy, organisational, operational, regulatory and compliance control matters. The Board recognises that this system is designed to manage, rather than eliminate the risks of not adhering to the Group's policies and achieving goals and objectives within the risk tolerance established by the Board and Management. The system provides reasonable, not absolute, assurance against material misstatements, losses, or fraud.

The adequacy and effectiveness of internal controls were reviewed by the AC in relation to the audits conducted by the Internal Auditors during the financial year. Audit issues and actions taken by Management to address the issues tabled by Internal Auditors were deliberated on during the AC meetings where the matters are reported to the Board by the AC Chairman at the Board meetings.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT

INTERNAL AUDIT FUNCTION

The Group utilises an independent consulting company to conduct its internal audit function. For FY2024, Sterling Business Alignment Consulting Sdn. Bhd. ("SBAC") was appointed in this role. SBAC continuously tests and assesses the effectiveness and efficiency of the internal control systems, providing reasonable assurance of their efficient and effective operation. They offer risk-based and objective assurance, advice, and insights aimed at enhancing and safeguarding organisational values, ultimately supporting the Group in achieving its strategic goals.

SBAC, a corporate member of The Institute of Internal Auditors Malaysia, confirmed that it is free from any relationships or conflicts of interest which could impair their objectivity and independence of the internal audit function. SBAC holds no direct operational responsibility or authority over any audited activities and reports directly to the AC. SBAC conducts independent reviews of key activities within the Group's operating units based on a detailed internal audit plan approved by the AC. Quarterly internal audit reports and status reports on follow-up actions are presented to the AC during its meetings.

SBAC adopts the Internal Control-Integrated Framework established by the Committee of Sponsoring Organizations of the Treadway Commission as the basis for evaluating the effectiveness of the internal control systems. They carry out review procedures in accordance with applicable standards of the International Professional Practices Framework as adopted and recommended by The Institute of Internal Auditors, Malaysia.

Based on the internal audit reviews, observations were presented by SBAC, along with Management's response and proposed action plans to the AC for review during the quarterly AC meetings. In addition, SBAC followed up on the implementation of recommendations from previous cycles of internal audit and updated the AC on the status of management-agreed action plans.

Looking forward, Crowe Governance Sdn. Bhd. ("Crowe Governance"), a member firm of Crowe Malaysia PLT, has been appointed as the Group's independent internal auditors for the financial year ending 31 May 2025. This selection reflects the Group's commitment to continuous improvement in its risk management and internal control framework. Crowe Governance brings a wealth of experience and expertise in serving companies within the Group's industry sectors. Crowe Governance's deep understanding of the Group's specific risks and challenges will allow them to provide even more targeted and insightful audits, further strengthening the Group's internal control environment. The focus on a rotating selection of qualified internal audit firms fosters the exchange of best practices and fresh perspectives. This ultimately enhances the effectiveness and value of the internal audit function for the Group.

AC OF THE BOARD

The AC is a board-level committee established by the Board to assist in the execution of its governance and oversight responsibilities. The AC is responsible for assessing the adequacy and effectiveness of the Group's governance, risk management, and internal control systems, leveraging the outsourced internal audit function. The AC has active oversight over SBAC's independence, scope of work and resources. The AC meets on a scheduled basis to review audit and investigation reports prepared by SBAC.

The AC escalates significant control lapses to the Board for further deliberation. The AC deliberates on the outstanding audit findings to ensure that Management undertakes the necessary remedial actions within the committed timeline. Where necessary, representatives from the audited units are requested to attend the AC meeting to facilitate the deliberation of the audit reports. Minutes of the AC meetings are then tabled to the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

This Statement has been reviewed by external auditors pursuant to paragraph 15.23 of the Listing Requirements of Bursa Securities for inclusion in the Annual Report of the Group for the financial year ended 31 May 2024. The limited assurance review was conducted in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants. AAPG 3 does not require external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on the limited assurance procedures performed and evidence obtained, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers; nor is the Statement factually inaccurate.

CONCLUSION

The EVC, MD/GCEO and CFO have provided written assurance to the Board that the Group's risk management and internal control system operated adequately and effectively, in all material aspects, throughout the financial year under review and up to the date of approval of this Statement for inclusion in the annual report.

Considering this assurance from Management and input from relevant assurance providers, the Board is of the view that the Group's risk management and internal control system operates adequately and effectively to safeguard the interests of the Group's shareholders and assets. The Board is also satisfied that the Group has an ongoing process in place to identify, evaluate, monitor, manage, and respond to significant risks faced in achieving its business and strategic objectives. This process has been effective in the dynamic and challenging business environment with increasing regulatory scrutiny, particularly relevant in these times of uncertainty and crisis. The process has been operational throughout the entire financial year under review and remains in place as of the date of approval of this Statement for inclusion in the annual report.

DIRECTORS' RESPONSIBILITIES STATEMENT

In accordance with the Companies Act 2016, the Directors of the Company are required to prepare Audited Financial Statements for a financial year to give a true and fair view of the financial positions of the Company and of the subsidiaries (collectively "Group") as at the end of the financial year and of the financial performances and cash flows of the Company and of the Group for the financial year.

The Directors hereby state that they are responsible for ensuring that the Company and the Group keep proper accounting records to enable the Company to disclose, with reasonable accuracy and without any material misstatement, the financial positions of the Company and of the Group as at 31 May 2024 and of the financial performances and cash flows of the Company and of the Group for the financial year ended 31 May 2024. They are also responsible for safeguarding the assets of the Company and of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for ensuring that the Audited Financial Statements comply with the provisions of the Companies Act 2016, the Malaysian Financial Reporting Standards, the IFRS Accounting Standards, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other statutory and regulatory requirements.

In preparing the Audited Financial Statements, the Directors have:

- adopted accounting policies which are appropriate and which have been consistently applied;
- made judgments and estimates which are reasonable and prudent;
- prepared the Audited Financial Statements on the assumption that the Company and the Group will operate as a going concern; and
- ensured that all applicable approved accounting standards have been followed, subject to any material departure being disclosed and explained in the Audited Financial Statements.

The Directors have also provided the Auditors with every opportunity to take all steps, undertake all inspections and seek all explanations they consider appropriate to enable them to audit and report on the Audited Financial Statements.

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 May 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are mainly provision of management services, manufacturing and trading of agricultural chemical products and related business, trading of petrochemical and industrial chemicals, manufacturing, trading and sale of polymer products, ship-owning, ship-operating, land transportation, container haulage, bulk cargo handling, chemicals warehousing and related services, providing IT related consultancy services, provision of media marketing, cinema and digital advertising and media related services. Further details of the subsidiaries are set out in Note 41 to the financial statements. There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	80,845	18,398
Attributable to:		
Owners of the parent	81,474	18,398
Non-controlling interests	(629)	-
	80,845	18,398

DIVIDENDS

Dividends paid, declared or proposed by the Company since the end of the previous financial year were as follows:

	RM'000
In respect of financial year ended 31 May 2023	
First interim single tier dividend of 1.0 sen per ordinary share, paid on 30 August 2023	9,493
In respect of financial year ended 31 May 2024	
First interim single tier dividend by way of dividend-in-specie*	7,604

* The dividend-in-specie was completed on 1 March 2024 by crediting 9,378,600 treasury shares of the Company to the Central Depository System account of the Company's shareholders.

On 18 July 2024, the Directors proposed a second interim single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 May 2024, with the payment date to be determined and announced at a later date. The financial statements of the current financial year do not reflect this proposed dividend.

The Directors do not recommend the payment of any other dividend in respect of the current financial year.

DIRECTORS' REPORT

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up ordinary shares of the Company was increased from 972,776,411 to 1,008,597,360 by way of issuance of 35,820,949 new ordinary shares pursuant to the following:

- i. 15,165,186 options exercised under the Employees' Share Option Scheme ("ESOS") at an exercise price of RM0.255 per ordinary share; and
- ii. 20,655,763 new ordinary shares arising from the exercise of Warrants B at RM0.28 per ordinary share.

The newly issued ordinary shares of the Company rank pari passu in all respects with the existing ordinary shares of the Company.

The Company did not issue any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year apart from the issuance of options pursuant to the ESOS.

At an extraordinary general meeting of the Company held on 18 October 2018, the Company's shareholders approved the establishment of an ESOS of up to ten per centum (10%) of the issued and paid-up share capital (excluding treasury shares) of the Company for the eligible Executive Directors and employees of the Group ("Scheme"). The ESOS shall be in force for a period of five (5) years commencing from 6 March 2019 ("Duration of the Scheme").

The salient features of the Scheme are as follows:

- i. The maximum number of new ordinary shares in the Company which may be available under the Scheme shall not be more than ten per centum (10%) of the issued and fully paid-up share capital (excluding treasury shares) of the Company at any point in time during the Duration of the Scheme;
- ii. Eligible Executive Directors and employees of the Group (excluding Nylex (Malaysia) Berhad ("Nylex"), Ancom Logistics Berhad ("ALB") and dormant subsidiaries) are those who have been confirmed in service on the date of the offer and has attained eighteen (18) years of age or above; and are employed on a continuous full time basis (either permanent or on contract);
- iii. The option price shall be determined by the ESOS Committee of the Company at a discount of not more than ten per centum (10%) from the volume weighted average market price of the Company's shares as quoted on Bursa Malaysia Securities Berhad ("Bursa Securities") for the five (5) market days immediately preceding the date of the offer; and
- iv. The options granted are not entitled to dividends or voting rights. Upon exercise of the options, the ordinary shares issued shall rank pari passu in all respects with the existing ordinary shares of the Company.

DIRECTORS' REPORT

OPTIONS GRANTED OVER UNISSUED SHARES (CONTINUED)

Details of the ESOS options granted are as follows:

Date of offer	Number of options over ordinary shares ('000)			Balance as at 31.5.2024
	Balance as at 1.6.2023	Movement for the financial year		
		Exercised	Expired	
18 December 2020	13,281	(12,856)	(425)	-
14 September 2021	2,048	(1,742)	(306)	-
25 January 2022	597	(567)	(30)	-
	15,926	(15,165)	(761)	-

WARRANTS B (2020/2025)

The Warrants B are constituted by the deed poll dated 21 August 2020.

The Company issued 59,878,790 free Warrants B on the basis of one (1) Warrant for every four (4) existing ordinary shares held, which were listed and quoted on the Main Market of Bursa Securities on 18 September 2020.

The salient terms of the Warrants B are as follows:

- i. Each Warrant B entitles the registered holder to subscribe for one (1) new ordinary share in the Company at any time on or before the maturity date, 9 September 2025, falling five (5) years from the date of issue of the Warrants B. Unexercised Warrants B after the exercise period will thereafter lapse and cease to be valid;
- ii. The exercise price of the Warrants B is fixed at RM0.84 per Warrant B; and
- iii. The new ordinary shares to be issued upon the exercise of the Warrants B shall rank pari passu in all respects with the existing ordinary shares of the Company.

On 7 June 2022, a total of 105,908,882 additional Warrants B have been issued and the exercise price of Warrants B is adjusted to RM0.28 per Warrant B.

During the financial year, 20,655,763 (2023: 47,093,974) Warrants B were exercised.

As at 31 May 2024, 91,113,586 Warrants B remained unexercised.

DIRECTORS' REPORT

REPURCHASE OF SHARES

At the 54th Annual General Meeting held on 27 October 2023, the Company's shareholders approved the proposed renewal of shareholders' mandate for the Company to repurchase up to ten percent (10%) of its own ordinary shares.

During the financial year:

- i. the Company repurchased 26,833,200 of its issued ordinary shares from the open market of Bursa Securities at an average price of RM1.07 per share;
- ii. the Company resold 4,684,600 of its treasury shares with price ranging from RM0.93 to RM1.01; and
- iii. the Company distributed 9,378,000 treasury shares on 1 March 2024 on the basis of one (1) treasury share for every one hundred (100) existing ordinary shares held in the Company in respect of financial year ended 31 May 2024.

As at 31 May 2024, a total of 51,038,677 (2023: 38,268,677) treasury shares at a total cost of RM43,194,555 (2023: RM25,122,936) are held by the Company. The shares repurchased are being held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016 and the Main Market Listing Requirements and applicable guideline of Bursa Securities.

The number of ordinary shares as at 31 May 2024 net of treasury shares is 957,558,683 (2023: 934,507,734).

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Datuk Anuar Bin Ahmad	(Non-executive Chairman) (Appointed on 30 November 2023)
Dato' Siew Ka Wei	(Executive Vice Chairman)
Siew Ka Kheong	(Alternate to Dato' Siew Ka Wei)
Datuk Lee Cheun Wei	(Managing Director)
Tan Sri Dato' Sri Abdull Hamid Bin Embong	
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	
Datuk Dr. Abd Hapiz Bin Abdullah	
Chan Thye Seng	(Retired on 27 October 2023)
Christina Foo	
Maliki Kamal Bin Mohd Yasin	

Subsidiaries of Ancom Nylex Berhad (excluding those Directors listed above)

Abdul Latif Bin Mahamud	
Akio Hatakeyama	
Andrew Leong	
Anthony Tan Swee Hock	
Aznur Bin Azizuddin	(Resigned on 20 May 2024)
Asmariah Binti Ismail	
Carina Lee Ling Tze	
Chai Hann Lin	
Chen Tai Ngoh	
Chua Choo Oon	
Datin Joanne Marie Lopez	
Dato' Abdul Latif Bin Abdullah	
Dato' Mohammad Medan Bin Abdullah	
Dato' Ng How Hon	
Datuk Abdul Rashid Bin Hashim	
Datuk Hasnul Bin Hassan	
Datuk Mohd Farid Bin Mohd Adnan	

DIRECTORS' REPORT

DIRECTORS (CONTINUED)

Subsidiaries of Ancom Nylex Berhad (excluding those Directors listed above) (continued)

Edmond Cheah Swee Leng

Gan Kian Chong

Hasdi Bin Husain

Idris Bin Pilus

Joe Pramesh Ganesaguru

Khamis Bin Awal

Kong Hwai Ming

Lee Nan Phin

Liew Tet Seng

Lim Chang Meng

Lim Lay Chin

Lim Liang Tan

Lim Wee Beng

(Resigned on 31 July 2024)

Loh Chian Hong

(Appointed on 30 April 2024)

Looi Seng Chong

Low Huoi Seong

Masahiko Otomo

Mohamad Ruslan Bin Ali

Mohd Azlan Bin Mohammed

Norzain Bin Abdul Wahab

Raja Mazhar Mohar Bin Raja Mohar

Robin Ling Seng Chiong

Sabli Bin Sibil

S.Mareshvaran A/L S.Starling

Shamsudin Bin Basri

Shigeo Fuji

Suzuki Masayuki

Tan Sri Dato' Dr. Lin See Yan

Tan Sri Datuk Dr. Ampikaipakan A/L S.Kandiah

Tan Wee Lian

Tan Yeow Heng

Winraswathy Riny Surakhmad

Wong Jun-Pin

Wong Kah Pun

Wong Siut Yin

Wong Yew Mun

Yim Suet Lai

(Resigned on 15 September 2023)

YM Datin Paduka Raja Nor Mazli Binti Raja Mohar

YM Dato' Paduka Tengku Shaharin Abu Bakar Tengku Suleiman

Yuliues Hidajat

DIRECTORS' REPORT

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares, options over ordinary shares and warrants of the Company and of its related corporations during the financial year ended 31 May 2024 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	← Number of ordinary shares →			As at 31.5.2024
	As at 1.6.2023	Additions	Sold	
The Company				
<u>Direct interests:</u>				
Dato' Siew Ka Wei	148,439,116	18,544,229	(40,398,400)	126,584,945
Siew Ka Kheong	847,539	29,503,608	(14,570,693)	15,780,454
Datuk Lee Cheun Wei	67,592,440	14,003,045	-	81,595,485
<u>Indirect interests:</u>				
Dato' Siew Ka Wei	50,103,386	45,101,825	(64,981,813)	30,223,398
Siew Ka Kheong	45,821,643	14,197,119	(48,461,643)	11,557,119
Datuk Lee Cheun Wei	5,600,000	9,182,500	-	14,782,500
Subsidiary, Nylex				
<u>Direct interests:</u>				
Dato' Siew Ka Wei	899,646	324,192	(200,000)	1,023,838
Siew Ka Kheong	-	173,408	(80,035)	93,373
<u>Indirect interests:</u>				
Dato' Siew Ka Wei	76,475,892	266,782	(590,974)	76,151,700
Siew Ka Kheong	266,782	80,035	(266,782)	80,035
Subsidiary, ALB				
<u>Direct interest:</u>				
Dato' Siew Ka Wei	6	-	-	6
<u>Indirect interests:</u>				
Dato' Siew Ka Wei	160,779,900	-	(33,609)	160,746,291
Siew Ka Kheong	33,609	-	(33,609)	-

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONTINUED)

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares, options over ordinary shares and warrants of the Company and of its related corporations during the financial year ended 31 May 2024 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows: (continued)

	← Number of Warrants B (2020/2025) →			As at 31.5.2024
	As at 1.6.2023	Additions	Converted/ Sold	
The Company				
<u>Direct interests:</u>				
Dato' Siew Ka Wei	21,477,931	3,449,300	(7,000,000)	17,927,231
Datuk Lee Cheun Wei	10,790,010	8,489,473	(2,000,000)	17,279,483
<u>Indirect interests:</u>				
Dato' Siew Ka Wei	2,400,000	-	(2,400,000)	-
Datuk Lee Cheun Wei	2,800,000	500,000	-	3,300,000

	← Number of options over ordinary shares →			As at 31.5.2024
	As at 1.6.2023	Addition	Exercised	
The Company				
<u>Direct interest:</u>				
Datuk Lee Cheun Wei	1,620,000	-	(1,620,000)	-

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares, options over ordinary shares and warrants of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received and receivable by the Directors) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the following:

- (a) certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests; and
- (b) certain Directors who received remuneration from the subsidiaries as Directors of the subsidiaries.

The details of the above transactions are disclosed in Note 36 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

DIRECTORS' REMUNERATION

Fees and other benefits of the Directors of the Company who held office during the financial year ended 31 May 2024 were as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Executive Directors				
- salaries, bonus and allowances	7,666	7,079	265	265
- defined contribution plan	173	157	11	11
- others	600	-	-	-
- share options granted under ESOS	-	71	-	34
	8,439	7,307	276	310
Non-Executive Directors				
- fees	782	1,044	644	615
- other emoluments	683	396	28	27
	1,465	1,440	672	642
Total remuneration of Directors	9,904	8,747	948	952

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group and the Company amounted to RM121,000 (2023: RM94,000) and RM58,000 (2023: RM52,000) respectively.

INDEMNITY AND INSURANCE FOR OFFICERS, DIRECTORS AND AUDITORS

The Group and the Company effected Directors' and officers' liability insurance during the financial year to protect the Directors and officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and officers. The total amount of insurance premium effected for any Director and officer of the Group and of the Company was RM14,000.

No indemnity was given to or insurance effected for the auditors of the Group and of the Company.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) The Company and Nylex, had on 21 March 2022 entered into a Heads of Agreement (“HOA”) with Sinar Bina Infra Sdn. Bhd., LBS Bina Group Berhad and BTS Group Holdings Public Company Limited (collectively referred to as “Parties”) for the collaboration 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”). The Parties are working together exclusively to agree on the terms of the definitive agreements to effect the proposals stipulated in the HOA (“Proposed Project”). The LRT Project is subject to the feasibility study as defined in the HOA being completed and the grant of the concession award for the LRT Project by the state government of Johor. The Proposed Project will form part of the regularisation plan to be undertaken by Nylex to regularise its affected listed issuer status.

Nylex had on 13 December 2022, signed a letter of Intent (“LOI”) with CRRC Changchun Railway Vehicles Co., Ltd for the purposes of entering into good faith discussions and negotiations with regards to the construction, commissioning, installation and testing of the LRT Project. The LOI is entered by Nylex as apart of its efforts to complete the feasibility study for the LRT Project.

Bursa Securities had via its letter dated 30 January 2023, granted Nylex an extension of time of six (6) months up to 26 July 2023 for Nylex to submit its regularisation plan to the regulatory authorities.

On 22 March 2023, the Parties have agreed to extend the long stop date of the HOA by another three (3) months to 21 June 2023. On 21 June 2023, the Parties have further agreed to extend the long stop date of the HOA to 31 January 2024.

On 16 August 2023, Bursa Securities has rejected Nylex’s extension of time application as Nylex has not demonstrated to the satisfaction of Bursa Securities any material development towards the finalisation and submission of the regularisation plan to the regulatory authorities. On the same day, Nylex has received a notice to show cause on commencement of suspension and de-listing procedures pursuant to Paragraph 8.03a(3)(b) of the Listing Requirements from Bursa Securities (“Notice”).

Nylex had on 23 August 2023 submitted the written representations to Bursa Securities in relation to why a suspension should not be imposed on the trading of the securities of Nylex; and why the securities of Nylex should not be de-listed from the Official List of Bursa Securities.

On 13 October 2023, Bursa Securities had decided to grant Nylex a further extension of time until 26 January 2024 to submit the regularisation plan to the relevant authorities for approval (“Extended Timeframe”), failing which the securities of Nylex will be suspended and de-listed from the Official List of Bursa Securities. As Nylex had failed to submit the proposed regularisation plan within the Extended Timeframe, the Company has on 26 January 2024 appealed/applied for a further extension of time (“Appeal”).

On 29 January 2024, Bursa Securities had decided to suspend the securities of Nylex with effect from 7 February 2024 as Nylex had failed to submit the proposed regularisation plan and the de-listing of the securities of Nylex is deferred pending the decision on the Appeal by Bursa Securities.

Bursa Securities has via its letter dated 4 March 2024, allowed Nylex’s appeal against the de-listing of Nylex and granted Nylex a further extension of time until 26 July 2024 to submit the regularisation plan to the relevant authorities for approval (“Extended Timeframe II”); failing which the securities of the Company shall be removed from the Official List of Bursa Securities upon expiry of two (2) market days from the date the Company is notified by Bursa Securities or on such date as may be specified by Bursa Securities. As Nylex is unable to submit the proposed regularisation plan within the Extended Timeframe II, the Company has on 19 July 2024 appealed/applied for a further extension of time (“Appeal 2”).

As at the date of this report, the Proposed Project is yet to be completed.

DIRECTORS' REPORT

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONTINUED)

- (b) The Group via its wholly-owned subsidiary, Ancom Crop Care Sdn. Bhd. had on 12 April 2023 entered into Share Sale Agreements to acquire 70% equity interest each in H.J.Unkel Chemicals Sdn. Bhd. ("Unkel") and Novelty Chemicals Sdn. Bhd. ("Novelty") for a cash consideration of RM9,700,000.

The acquisition of Unkel and Novelty was completed on 10 January 2024.

- (c) The Company and its 33.96% owned subsidiary, ALB had entered into a Heads of Agreement ("HOA 2") with Greenheart Sdn. Bhd. ("GSB"), Choong Wee Keong ("CWK") and How Yoon For ("HYF") for the following:

(GSB, CWK and HYF shall be collectively referred to as "Vendors" and the Company, ALB, and Vendors shall be collectively referred to as "Parties")

- (i) proposed acquisition by ALB of the entire share capital of Green Lagoon Technology Sdn. Bhd. ("GLTSB") from the Vendors for total consideration of RM120,000,000, subject to an independent valuation to be conducted on GLTSB during the due diligence and in return ALB shall issue 1,000,000,000 new ordinary shares in ALB ("ALB Share(s)") at an issue price of RM0.12 per ALB Share, that will be listed and tradeable in the ACE Market to the GLTSB shareholders ("Consideration Shares") ("Proposed Acquisition");
- (ii) proposed exemption under subparagraph 4.08(1)(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions to the Vendors, other shareholders of GLTSB and their person(s) acting in concert (collectively "PAC(s)") under Sections 216(2) and 216(3) of the Capital Markets and Services Act 2007 from the obligation to undertake a mandatory offer for the remaining ALB Shares not already owned by them pursuant to the Proposed Acquisition ("Proposed Exemption");
- (iii) proposed private placement of up to 183,333,334 new ALB Shares (or such other number of new ALB Shares as may be applicable) to the Company for the total sum of up to RM22,000,000.08 at an issue price of RM0.12 per ALB Share (or such other amount corresponding to such number of new ALB Shares to be issued) and to be settled in cash at the issue price of RM0.12 per ALB Share provided that the total percentage of shareholding held by the Company directly and indirectly in the share capital of ALB on completion of the Proposed Acquisition shall not exceed such number of ALB Shares representing 21% of the entire issued and paid-up share capital of ALB ("Proposed Private Placement"); and
- (iv) proposed disposal by ALB all of its subsidiaries (i.e., Synergy Trans-Link Sdn. Bhd. and its subsidiaries, Pengangkutan Cogent Sdn. Bhd. and Ancom Nylex Terminals Sdn. Bhd.) to the Company at an independent valuation to be conducted and agreed by the Company and ALB and upon such terms and conditions to be determined later. The consideration is to be satisfied in cash ("Proposed Disposal").

(The Proposed Acquisition, Proposed Exemption, Proposed Private Placement and Proposed Disposal shall be collectively referred to as "Proposals")

Upon completion of the Proposals, ALB will cease to be a subsidiary of the Company and will become an associate of the Company.

The Proposals have not been completed as at the date of this report.

DIRECTORS' REPORT

AUDITORS

The auditors, BDO PLT [201906000013(LLP0018825-LCA) & AF 0206], have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 May 2024 were as follows:

	Group RM'000	Company RM'000
Statutory audit	1,077	132
Assurance related services	21	12
	1,098	144

Signed on behalf of the Board in accordance with a resolution of the Directors.

Dato' Siew Ka Wei

Director

Kuala Lumpur
30 August 2024

Datuk Lee Cheun Wei

Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 138 to 222 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Dato' Siew Ka Wei

Director

Kuala Lumpur
30 August 2024

Datuk Lee Cheun Wei

Director

STATUTORY DECLARATION

I, Lim Chang Meng (CA 15594), being the officer primarily responsible for the financial management of Ancom Nylex Berhad, do solemnly and sincerely declare that the financial statements set out on pages 138 to 222 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared by the abovenamed
at Kuala Lumpur this
30 August 2024

Lim Chang Meng
Chief Financial Officer

Before me:

Mardhiyyah Abdul Wahab

Commissioner for Oaths (No. W729)

INDEPENDENT AUDITORS' REPORT

To the Members of Ancom Nylex Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ancom Nylex Berhad, which comprise the statements of financial position as at 31 May 2024 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 138 to 222.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 May 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter of the Group

1. Annual impairment assessment on goodwill on consolidation

The carrying amount of goodwill on consolidation as at 31 May 2024 amounted to RM87,100,000, as disclosed in Note 13 to the financial statements.

We determined the annual impairment assessment on goodwill on consolidation to be a key audit matter because of its significance to the consolidated financial position of the Group and it requires significant management judgement and key assumptions in determining the value-in-use of the Cash Generating Units ("CGUs") using cash flow projections. These judgements and key assumptions include projected growth in future revenues and profit margins, as well as determining appropriate pre-tax discount rates and terminal values.

INDEPENDENT AUDITORS' REPORT

To the Members of Ancom Nylex Berhad (Incorporated in Malaysia)

Key Audit Matters (continued)

Key Audit Matter of the Group (continued)

1. Annual impairment assessment on goodwill on consolidation (continued)

Our audit procedures included the following:

- a. Compared prior period projections to historical performance to assess the reliability of management's projections;
- b. Compared cash flow projections against the CGUs' approved one-year financial budget and future projections;
- c. Assessed the reasonableness of the key assumptions applied in the value-in-use calculations through discussions with management to understand and evaluate their basis in determining the key assumptions and compared them to available external market information;
- d. Assessed the reasonableness of the pre-tax discount rate applied by management for the CGUs by comparing the discount rates used to entities with similar risk profiles and relevant market information and other risk factors; and
- e. Performed sensitivity analysis of our own to stress test the key assumptions in the impairment model.

2. Recognition and recoverability of deferred tax assets

The carrying amount of deferred tax assets in a subsidiary of the Group as at 31 May 2024 amounted to RM7,785,000, as disclosed in Note 14 to the financial statements.

We determined the recognition and recoverability of deferred tax assets to be a key audit matter because it requires significant management judgement and key assumptions in determining the future taxable profits necessary to utilise the deferred tax assets. These judgements and key assumptions include proposed business plans of the subsidiary as well as profit projections and growth rates.

Our audit procedures included the following :

- a. Discussed with management on the proposed business plans to utilise the deferred tax assets;
- b. Evaluated the reasonableness of the key assumptions applied by management in estimating future taxable profits necessary to utilise the deferred tax assets; and
- c. Discussed with tax specialists and assessed the reasonableness of the amounts to be utilised in the estimated period of time in accordance with the tax legislation.

INDEPENDENT AUDITORS' REPORT

To the Members of Ancom Nylex Berhad (Incorporated in Malaysia)

Key Audit Matters (continued)

Key Audit Matters of the Company

3. Impairment assessment of the carrying amounts of costs of investments in subsidiaries

As at 31 May 2024, the carrying amount of costs of investments in subsidiaries amounted to RM498,824,000 as disclosed in Note 8 to the financial statements. Impairment losses on costs of investments in subsidiaries of the Company amounted to RM130,395,000 as at 31 May 2024.

We determined the impairment assessment of the carrying amounts of the costs of investments in subsidiaries to be a key audit matter as it requires significant management judgement and key assumptions in determining the value-in-use of the subsidiaries. These judgements and key assumptions include projected growth in future revenues and profit margins, as well as determining appropriate pre-tax discount rates and terminal values.

Our audit procedures included the following:

- a. Compared prior period projections to historical performance to assess the reliability of management's projections;
- b. Compared cash flow projections against the subsidiaries' approved one-year financial budget and future projections;
- c. Assessed the reasonableness of the key assumptions applied in the value-in-use calculations through discussions with management to understand and evaluate their basis in determining the key assumptions and compared them to available external market information;
- d. Assessed the reasonableness of the pre-tax discount rate applied by management for the subsidiaries by comparing the discount rates used to entities with similar risk profiles and relevant market information and other risk factors; and
- e. Performed sensitivity analysis of our own to stress test the key assumptions in the impairment model.

4. Impairment assessment on amounts owing by subsidiaries

As at 31 May 2024, the amounts owing by subsidiaries amounted to RM27,618,000 as disclosed in Note 17 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by subsidiaries, appropriate forward-looking information and significant increase in credit risk.

Our audit procedures included the following:

- a. Recomputed probability of default using historical data and forward-looking information adjustment, applied by the Company;
- b. Assessed the appropriateness of the indicators of significant increase in credit risk applied by management and the resultant basis for classification of exposure into respective stages; and
- c. Evaluated management's basis for determining recoverable cash flows, where applicable.

INDEPENDENT AUDITORS' REPORT

To the Members of Ancom Nylex Berhad (Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

INDEPENDENT AUDITORS' REPORT

To the Members of Ancom Nylex Berhad (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 41(a) to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT

201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
30 August 2024

Rejeesh A/L Balasubramaniam

02895/08/2026 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

As at 31 May 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	246,513	221,289	6,236	6,103
Right-of-use assets	6	87,915	98,424	20,611	20,894
Investment properties	7	7,496	2,287	-	-
Investments in subsidiaries	8	-	-	498,824	508,111
Investments in associates	9	1,514	1,586	-	-
Investment in a joint venture	10	-	-	-	-
Other investments	11	7,399	3,165	7,228	2,493
Intangible assets	12	4,253	4,504	-	-
Goodwill on consolidation	13	87,100	86,010	-	-
Deferred tax assets	14	14,767	22,614	-	-
Trade and other receivables	16	3,449	-	-	-
		460,406	439,879	532,899	537,601
Current assets					
Inventories	15	218,857	211,097	-	-
Trade and other receivables	16	382,896	369,479	7,421	3,029
Amounts owing by subsidiaries	17	-	-	27,618	47,814
Amounts owing by associates	18	14,899	5,080	3,170	3,500
Amount owing by a joint venture	19	-	-	-	-
Current tax assets		12,422	9,875	469	469
Other investments	11	1,175	1,101	-	-
Cash and bank balances	20	137,312	168,211	2,668	2,657
		767,561	764,843	41,346	57,469
TOTAL ASSETS		1,227,967	1,204,722	574,245	595,070

STATEMENTS OF FINANCIAL POSITION

As at 31 May 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
EQUITY AND LIABILITIES					
Equity attributable to the owners of the parent					
Share capital	21	408,707	397,624	408,707	397,624
Treasury shares	21(c)	(43,195)	(25,123)	(43,195)	(25,123)
Reserves	22	182,577	119,007	39,073	37,712
		548,089	491,508	404,585	410,213
Non-controlling interests	8(e)	34,061	32,423	-	-
TOTAL EQUITY		582,150	523,931	404,585	410,213
LIABILITIES					
Non-current liabilities					
Borrowings	23	47,671	70,989	10,100	24,200
Lease liabilities	6	4,242	6,768	116	152
Deferred tax liabilities	14	22,730	19,525	267	267
Provision for retirement benefits	25	4,661	5,143	-	-
		79,304	102,425	10,483	24,619
Current liabilities					
Borrowings	23	299,941	312,921	48,529	53,347
Lease liabilities	6	6,448	17,077	36	35
Trade and other payables	26	246,792	237,729	3,835	5,142
Amounts owing to subsidiaries	27	-	-	106,777	101,714
Amounts owing to associates	18	1,592	694	-	-
Contract liabilities	28	7,398	4,666	-	-
Current tax liabilities		4,342	5,279	-	-
		566,513	578,366	159,177	160,238
TOTAL LIABILITIES		645,817	680,791	169,660	184,857
TOTAL EQUITY AND LIABILITIES		1,227,967	1,204,722	574,245	595,070

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS

For the Financial Year ended 31 May 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	29	1,996,536	2,043,253	41,586	26,927
Cost of sales		(1,683,697)	(1,746,902)	-	-
Gross profit		312,839	296,351	41,586	26,927
Other operating income		15,566	13,427	38	2,149
Distribution costs		(102,624)	(105,523)	-	-
Administrative expenses		(84,675)	(81,439)	(6,275)	(5,309)
Other operating expenses		(6,176)	(8,313)	(10,067)	(14,763)
Finance costs	30	(20,584)	(20,216)	(6,666)	(6,971)
Net (losses)/gain on impairment of financial assets		(3,835)	1,542	-	2,900
Share of results of associates, net of tax	9(g)	(32)	(19)	-	-
Profit before tax		110,479	95,810	18,616	4,933
Tax expense	31	(29,634)	(18,983)	(218)	(186)
Profit for the financial year		80,845	76,827	18,398	4,747
Profit/(Loss) attributable to:					
Owners of the parent		81,474	75,127	18,398	4,747
Non-controlling interests	8(e)	(629)	1,700	-	-
		80,845	76,827	18,398	4,747

	Note	Group	
		2024 Sen	2023 Sen
Earnings per ordinary share			
- Basic	32(a)	8.58	8.43
- Diluted	32(b)	8.02	7.64

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year ended 31 May 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit for the financial year		80,845	76,827	18,398	4,747
Other comprehensive income, net of tax					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translations		(861)	8,220	-	-
Item not to be reclassified subsequently to profit or loss					
Re-measurement of defined benefit liability	25	555	254	-	-
Other comprehensive (loss)/income, net of tax		(306)	8,474	-	-
Total comprehensive income		80,539	85,301	18,398	4,747
Total comprehensive income/(loss) attributable to:					
Owners of the parent		81,168	83,601	18,398	4,747
Non-controlling interests	8(e)	(629)	1,700	-	-
		80,539	85,301	18,398	4,747

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year ended 31 May 2024

Group	Share capital RM'000	Capital reserve RM'000	Exchange translation reserve RM'000	Share options reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 June 2023	397,624	273	28,360	1,224	(25,123)	89,150	491,508	32,423	523,931
Profit/(Loss) for the financial year	-	-	-	-	-	81,474	81,474	(629)	80,845
Other comprehensive (loss)/income, net of tax	-	-	(861)	-	-	555	(306)	-	(306)
Total comprehensive (loss)/income	-	-	(861)	-	-	82,029	81,168	(629)	80,539
Transactions with owners									
Ordinary shares issued pursuant to:									
- Employees' Share Option Scheme ("ESOS")	5,299	-	-	(1,432)	-	-	3,867	-	3,867
- Warrants B	5,784	-	-	-	-	-	5,784	-	5,784
ESOS lapsed	-	-	-	208	-	(208)	-	-	-
Net repurchased of treasury shares of the Company	-	-	-	-	(25,487)	1,492	(23,995)	-	(23,995)
Acquisition of subsidiaries	-	-	-	-	-	-	-	4,240	4,240
Dividend-in-specie	-	-	-	-	7,415	(7,604)	(189)	-	(189)
Dividends paid	-	-	-	-	-	(9,493)	(9,493)	-	(9,493)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	(561)	(561)	(2,612)	(3,173)
Disposal of subsidiaries	-	-	-	-	-	-	-	639	639
Total transactions with owners	11,083	-	-	(1,224)	(18,072)	(16,374)	(24,587)	2,267	(22,320)
Balance as at 31 May 2024	408,707	273	27,499	-	(43,195)	154,805	548,089	34,061	582,150

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year ended 31 May 2024

Group	Share capital	Capital reserve	Exchange translation reserve	Share options reserve	Treasury shares	Retained earnings	Total attributable to owners of the parent	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 June 2022	377,892	273	13,232	2,509	(30,711)	24,392	387,587	40,674	428,261
Profit for the financial year	-	-	-	-	-	75,127	75,127	1,700	76,827
Other comprehensive income/(loss), net of tax	-	-	15,128	-	-	(6,654)	8,474	-	8,474
Total comprehensive income	-	-	15,128	-	-	68,473	83,601	1,700	85,301
Transactions with owners									
Ordinary shares issued pursuant to:									
- ESOS	6,546	-	-	(1,900)	-	-	4,646	-	4,646
- Warrants B	13,186	-	-	-	-	-	13,186	-	13,186
Share options granted under ESOS	-	-	-	615	-	-	615	-	615
Net resold of treasury shares of the Company	-	-	-	-	5,588	6,032	11,620	-	11,620
Acquisition of subsidiaries	-	-	-	-	-	-	-	3,302	3,302
Acquisition of additional interests in subsidiaries	-	-	-	-	-	(5,650)	(5,650)	(11,325)	(16,975)
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	(4,240)	(4,240)	(1,060)	(5,300)
Disposal of a subsidiary	-	-	-	-	-	-	-	(725)	(725)
Disposal of equity interest of a subsidiary	-	-	-	-	-	143	143	(143)	-
Total transactions with owners	19,732	-	-	(1,285)	5,588	(3,715)	20,320	(9,951)	10,369
Balance as at 31 May 2023	397,624	273	28,360	1,224	(25,123)	89,150	491,508	32,423	523,931

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the Financial Year ended 31 May 2024

Company	Share capital RM'000	Treasury shares RM'000	Share options reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 June 2022	377,892	(30,711)	2,658	25,560	375,399
Profit for the financial year	-	-	-	4,747	4,747
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	4,747	4,747
Transactions with owners					
Ordinary shares issued pursuant to:					
- ESOS	6,546	-	(1,900)	-	4,646
- Warrants B	13,186	-	-	-	13,186
Share options granted under ESOS	-	-	615	-	615
Net resold of treasury shares of the Company	-	5,588	-	6,032	11,620
Total transactions with owners	19,732	5,588	(1,285)	6,032	30,067
Balance as at 31 May 2023/1 June 2023	397,624	(25,123)	1,373	36,339	410,213
Profit for the financial year	-	-	-	18,398	18,398
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	18,398	18,398
Transactions with owners					
Ordinary shares issued pursuant to:					
- ESOS	5,299	-	(1,432)	-	3,867
- Warrants B	5,784	-	-	-	5,784
Dividends paid	-	-	-	(9,493)	(9,493)
Dividend-in-specie	-	7,415	-	(7,604)	(189)
ESOS lapsed	-	-	59	(59)	-
Net repurchased of treasury shares of the Company	-	(25,487)	-	1,492	(23,995)
Total transactions with owners	11,083	(18,072)	(1,373)	(15,664)	(24,026)
Balance as at 31 May 2024	408,707	(43,195)	-	39,073	404,585

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the Financial Year ended 31 May 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		110,479	95,810	18,616	4,933
Adjustments for:					
Amortisation of intangible assets	12	508	557	-	-
Bad debts written off - third parties		78	438	-	-
Deposits written off		3	367	-	-
Depreciation of investment properties	7	67	61	-	-
Depreciation of property, plant and equipment	5	22,613	21,059	454	435
Depreciation of right-of-use assets	6	17,911	17,305	283	248
Dividend income	29	-	-	(39,663)	(25,182)
Fair value (gain)/loss on other investments		(73)	205	-	-
Gain on disposal of property, plant and equipment		(1,038)	(915)	(38)	(41)
Gain on disposal of right-of-use assets	6(e)	(38)	(117)	-	-
Impairment loss on amounts owing by associates	18(e)	-	910	-	-
Impairment loss on investments in associates	9(b)	40	555	-	-
Impairment loss on investments in subsidiaries	8(b)	-	-	9,287	2,392
Impairment loss on other investments		500	-	-	-
Impairment loss on trade and other receivables		6,231	3,143	-	-
Intangible assets written off	12	223	-	-	-
Interest expense	30	20,584	20,216	6,666	6,971
Interest income		(1,418)	(1,098)	(112)	(243)
Inventories written (back)/down	15	(2,264)	396	-	-
Inventories written off		26	107	-	-
Loss/(Gain) on reassessments and modifications of leases	6(e)	12	(35)	-	-
Loss/(Gain) on termination of leases	6(e)	17	(3)	-	-
Loss on disposal of investment properties		97	-	-	-
Loss on disposal of subsidiaries		48	100	-	9,250
Loss on liquidation of an associate	9(c)	-	998	-	-
Negative goodwill		(4,034)	-	-	-
Net unrealised (gain)/loss on foreign exchange		(21)	525	-	-
Property, plant and equipment written off	5	105	285	-	22
Provision for retirement benefits	25	625	634	-	-
Provision for slow moving inventories		16	-	-	-
Reversal of impairment loss on trade and other receivables		(2,396)	(5,595)	-	(2,900)
Reversal of impairment loss on investments in associates	9(c)	-	(2,069)	-	-
Share of results of associates	9(g)	32	19	-	-
Share options granted under ESOS		-	615	-	46
Operating profit/(loss) before working capital changes		168,933	154,473	(4,507)	(4,069)

STATEMENTS OF CASH FLOWS

For the Financial Year ended 31 May 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Operating profit/(loss) before working capital changes (continued)		168,933	154,473	(4,507)	(4,069)
Working capital changes:					
Inventories		(2,060)	(27,956)	-	-
Trade and other receivables		(15,447)	1,787	(4,392)	(1,918)
Trade and other payables		4,998	5,440	(1,307)	(125)
Contract liabilities		2,732	797	-	-
Amounts owing by associates		(7,819)	(1,006)	330	524
Amounts owing to associates		898	682	-	-
Cash generated from/(used in) operations		152,235	134,217	(9,876)	(5,588)
Dividend received		-	-	39,663	25,182
Retirement benefits paid	25	(368)	(228)	-	-
Tax paid		(21,110)	(27,416)	(218)	(246)
Net cash from operating activities		130,757	106,573	29,569	19,348
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of additional interests in subsidiaries		-	(8,867)	-	(3,925)
Acquisition of associates		-	(450)	-	-
Additions of right-of-use assets		(3,970)	(3,360)	-	(23)
Interest received		1,418	1,098	112	243
Liquidation distribution received from an associate	9(c)	-	3,290	-	-
Net cash (outflow)/inflow on acquisition of subsidiaries		(1,457)	4,995	-	-
Net cash (outflow)/inflow on disposal of subsidiaries		(5)	3,975	-	-
Repayments from/(Advances to) subsidiaries		-	-	25,259	(19,326)
Proceeds from disposal of a subsidiary		-	-	-	4,000
Proceeds from disposal of investment properties		249	-	-	-
Proceeds from disposal of property, plant and equipment		1,146	6,143	38	41
Proceeds from disposal of right-of-use assets		60	175	-	-
(Purchase)/Proceed from sale of other investments		(4,735)	1,099	(4,735)	-
Purchase of intangible assets	12	(480)	(130)	-	-
Purchase of property, plant and equipment	5	(48,219)	(19,756)	(587)	(119)
Withdrawal/(Placement) of short term deposits:					
- pledged with licensed banks		464	21	-	-
- with maturity period more than three (3) months		(3,431)	(1,420)	-	-
Net cash (used in)/from investing activities		(58,960)	(13,187)	20,087	(19,109)

STATEMENTS OF CASH FLOWS

For the Financial Year ended 31 May 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend-in-specie		(189)	-	(189)	-
Dividends paid		(9,493)	-	(9,493)	-
Dividends paid to non-controlling interests of subsidiaries		(3,173)	(5,300)	-	-
Drawdown of term loans		18,704	27,458	-	20,000
Interest paid		(19,811)	(19,043)	(6,658)	(6,970)
Net repayments of other short term borrowings		(3,602)	(14,422)	(3,750)	(9,160)
Net (repurchased)/resold of treasury shares of the Company		(23,995)	11,620	(23,995)	11,620
Payment of lease liabilities	6	(18,456)	(17,571)	(43)	(4)
Proceeds from issuance of ordinary shares pursuant to:					
- ESOS		3,867	4,646	3,867	4,646
- Warrants B	21	5,784	13,186	5,784	13,186
Repayments of term loans		(52,741)	(50,374)	(15,200)	(30,600)
Net cash (used in)/from financing activities		(103,105)	(49,800)	(49,677)	2,718
Net (decrease)/increase in cash and cash equivalents		(31,308)	43,586	(21)	2,957
Cash and cash equivalents at beginning of financial year		150,476	106,820	(3,775)	(6,732)
Effects of exchange rate changes on cash and cash equivalents		8	70	-	-
		150,484	106,890	(3,775)	(6,732)
Cash and cash equivalents at end of financial year	20(c)	119,176	150,476	(3,796)	(3,775)

STATEMENTS OF CASH FLOWS

For the Financial Year ended 31 May 2024

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Borrowings*					
Balance as at 1 June 2023/2022		371,159	398,643	71,115	90,875
Cash flows					
- Drawdown of term loans		18,704	27,458	-	20,000
- Repayments of term loans		(52,741)	(50,374)	(15,200)	(30,600)
- Net repayments of other short term borrowings		(3,602)	(14,422)	(3,750)	(9,160)
Non-cash flows:					
- Acquisition of subsidiaries		1,920	4,660	-	-
- Unrealised loss on foreign exchange		511	808	-	-
- Effect of foreign exchange		1,476	4,386	-	-
Balance as at 31 May 2024/2023		337,427	371,159	52,165	71,115
Lease liabilities					
Balance as at 1 June 2023/2022		23,845	32,192	187	-
Cash flows		(18,456)	(17,571)	(43)	(4)
Non-cash flows:					
- Additions		4,212	6,980	-	190
- Effect of foreign exchange		273	1,404	-	-
- Reassessments/Modifications		134	(39)	-	-
- Termination		(398)	(429)	-	-
- Unwinding of interest		773	1,173	8	1
- Disposal of a subsidiary		-	(6)	-	-
- Acquisition of subsidiaries		307	141	-	-
Balance as at 31 May 2024/2023	6	10,690	23,845	152	187

* Excluding bank overdrafts of the Group and of the Company of RM10,185,000 (2023: RM12,751,000) and RM6,464,000 (2023: RM6,432,000) respectively.

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

1. CORPORATE INFORMATION

Ancom Nylex Berhad (“ANB” or “the Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

The principal place of business of the Company is located at No. 2A, Jalan 13/2, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The consolidated financial statements for the financial year ended 31 May 2024 comprise the Company and its subsidiaries and the interests of the Group in associates and a joint venture. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 30 August 2024.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and the details of the subsidiaries are disclosed in Note 41 to the financial statements. There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 42.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

4. OPERATING SEGMENTS

The Group's operations comprise the following main operating segments:

Investment holding : Investment holding

Agricultural chemicals : Manufacture, trading and sale of agricultural chemical products

Industrial chemicals : Manufacture, trading and sale of industrial chemical products

Logistics : Ship-owning, ship-operating, land transportation, container haulage, bulk cargo handling, chemicals warehousing and related services

Polymer : Manufacturing and marketing of polymer products

Others mainly comprise media, education, information technology, manufacturing, sales of electrical component products and property development.

The accounting policies of operating segments are the same as those described in the respective notes to the financial statements. The Group evaluates performance on the basis of profit or loss from operations before tax. These policies have been applied consistently throughout the current and previous financial years.

The Group's chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions on resource allocation and performance assessment.

The inter-segment assets are adjusted against the segment assets to arrive at total assets reported in the consolidated statement of financial position.

The inter-segment liabilities are adjusted against the segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

4. OPERATING SEGMENTS (CONTINUED)

(a) Operating segment

2024	Investment holding and others RM'000	Agricultural chemicals RM'000	Industrial chemicals RM'000	Logistics RM'000	Polymer RM'000	Elimination and adjustments RM'000	Total RM'000
Revenue							
External sales	56,897	521,235	1,292,232	48,542	77,630	-	1,996,536
Inter-segment sales	50,191	144,150	578	7,332	126	(202,377)	-
Total revenue	107,088	665,385	1,292,810	55,874	77,756	(202,377)	1,996,536
Segment (loss)/profit before tax							
Interest income	(26,688)	103,436	14,517	7,938	8,526	(2,750)	110,479
Depreciation and amortisation	2,591	1,159	738	102	140	(3,312)	1,418
Share of results of associates	(3,225)	(8,289)	(18,152)	(10,251)	(4,020)	2,838	(41,099)
Interest expense	(32)	-	-	-	-	-	(32)
Other material non-cash items:	(10,332)	(3,038)	(7,456)	(3,104)	(31)	3,377	(20,584)
Impairment loss on other investments	(500)	-	-	-	-	-	(500)
Inventories written (down)/back	-	(147)	-	-	2,411	-	2,264
Net (losses)/gain on impairment of financial assets	(1,639)	(2,294)	454	(134)	(222)	-	(3,835)
Net unrealised gain/(loss) on foreign exchange	679	(272)	3	208	(597)	-	21
Property, plant and equipment written off	(6)	(99)	-	-	-	-	(105)
Segment assets							
Investments in associates	205,359	393,821	407,594	114,953	85,723	20,517	1,227,967
Goodwill on consolidation	251	757	7,869	-	-	(7,363)	1,514
Additions to property, plant and equipment and intangible assets	1,916	17,941	67,149	-	94	-	87,100
	3,531	27,568	1,191	16,097	312	-	48,699
Segment liabilities							
	166,884	139,341	263,563	56,578	16,590	2,861	645,817

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

4. OPERATING SEGMENTS (CONTINUED)

(a) Operating segment (continued)

	Investment holding and others RM'000	Agricultural chemicals RM'000	Industrial chemicals RM'000	Logistics RM'000	Polymer RM'000	Elimination and adjustments RM'000	Total RM'000
2023							
Revenue							
External sales	51,241	549,339	1,304,586	52,472	85,615	-	2,043,253
Inter-segment sales	34,878	177,188	273	7,412	5	(219,756)	-
Total revenue	86,119	726,527	1,304,859	59,884	85,620	(219,756)	2,043,253
Segment (loss)/profit before tax							
Interest income	(23,533)	81,753	15,167	9,744	7,256	5,453	95,810
Depreciation and amortisation	2,132	900	644	54	102	(2,734)	1,098
Share of results of associates	(3,303)	(8,446)	(19,696)	(10,532)	(4,123)	7,118	(38,982)
Interest expense	(19)	-	-	-	-	-	(19)
Other material non-cash items:	(10,180)	(3,235)	(7,301)	(2,525)	(45)	3,070	(20,216)
Loss on liquidation of an associate	(998)	-	-	-	-	-	(998)
Reversal of impairment loss on investments in associates	2,069	-	-	-	-	-	2,069
Net gain/(losses) on impairment of financial assets	908	220	267	(75)	222	-	1,542
Inventories written down	-	(321)	(225)	-	150	-	(396)
Net unrealised (loss)/gain on foreign exchange	(30)	650	(1,236)	(898)	356	633	(525)
Property, plant and equipment written off	(25)	(260)	-	-	-	-	(285)
Segment assets	158,484	347,270	440,997	132,592	91,197	34,182	1,204,722
Investments in associates	845	757	-	-	-	(16)	1,586
Goodwill on consolidation	1,916	17,941	66,053	-	100	-	86,010
Additions to property, plant and equipment and intangible assets	1,156	13,638	1,191	3,589	312	-	19,886
Segment liabilities	175,973	138,828	285,135	62,145	20,479	(1,769)	680,791

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

4. OPERATING SEGMENTS (CONTINUED)

(b) Geographical segment

In determining the geographical segment of the Group, revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Revenue		Segment assets	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Malaysia	1,274,273	1,283,628	1,032,739	988,863
Singapore	149,587	164,186	106,356	110,410
Indonesia	108,282	130,256	56,743	68,651
Other Southeast Asian countries	176,432	182,993	18,803	25,497
Other Asian countries	61,066	75,612	13,326	11,301
Australia and New Zealand	38,040	36,303	-	-
North and South America	148,139	127,568	-	-
Africa	40,295	42,332	-	-
Europe	422	375	-	-
	1,996,536	2,043,253	1,227,967	1,204,722

(c) Major customers

There are no major customers with revenue equal or more than ten percent (10%) of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Balance as at 1.6.2023 RM'000	Additions RM'000	Depreciation charge for the financial year RM'000	Balance as at 31.5.2024 RM'000
2024				
Carrying amount				
Building	4,846	-	(126)	4,720
Furniture, fittings and office equipment	138	369	(50)	457
Renovation	1,119	218	(278)	1,059
	6,103	587	(454)	6,236

	← At 31.5.2024 →		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Building	6,327	(1,607)	4,720
Motor vehicles	1,632	(1,632)	-
Furniture, fittings and office equipment	1,744	(1,287)	457
Renovation	5,692	(4,633)	1,059
	15,395	(9,159)	6,236

Company	Balance as at 1.6.2022 RM'000	Additions RM'000	Written off RM'000	Depreciation charge for the financial year RM'000	Balance as at 31.5.2023 RM'000
2023					
Carrying amount					
Building	4,972	-	-	(126)	4,846
Motor vehicles	14	-	-	(14)	-
Furniture, fittings and office equipment	135	53	(22)	(28)	138
Renovation	1,320	66	-	(267)	1,119
	6,441	119	(22)	(435)	6,103

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	← At 31.5.2023 →		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Building	6,327	(1,481)	4,846
Motor vehicles	1,632	(1,632)	-
Furniture, fittings and office equipment	1,375	(1,237)	138
Renovation	5,474	(4,355)	1,119
	14,808	(8,705)	6,103

- (a) Property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

All costs directly related to bearer plant are capitalised until such time as the bearer plant reach maturity, at which point all further costs are expensed and depreciation commences. Such costs include planting, cultivating and other upkeep costs and an allocation of overhead costs.

Assets under construction mainly comprised building and plant under construction or installation for intended use as production facilities.

- (b) Freehold land has unlimited useful life and is not depreciated. The immature bearer plant and assets under construction are not depreciated until such time when the asset is available for use.

Depreciation on other property, plant and equipment is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Buildings	1.0% - 8.0%
Plant and machinery	5.0% - 33.3%
Vessel and equipment	3.8% - 50.0%
Motor vehicles	10.0% - 25.0%
Furniture, fittings and office equipment	7.0% - 33.3%
Renovation	2.0% - 33.3%

- (c) As at 31 May 2024, certain buildings of the Group and of the Company with a total carrying amount of RM9,957,000 (2023: RM10,464,000) and RM4,720,000 (2023: RM4,846,000) respectively have been charged to licensed banks for banking facilities granted to the Company and subsidiaries as disclosed in Note 23 to the financial statements.
- (d) As at 31 May 2024, vessel and equipment of the Group with carrying amount of RM52,961,000 (2023: RM55,929,000) have been charged to a licensed bank for banking facilities granted to a subsidiary as disclosed in Note 23 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

2024 Group	Balance as at 1.6.2023 RM'000	Additions RM'000	Disposal RM'000	Reassess- ments/ Modifications RM'000	Depreciation charge for the financial year RM'000	Exchange differences RM'000	Reclassi- fication* RM'000	Termination of subsidiaries RM'000	Acquisition of RM'000	Balance as at 31.5.2024 RM'000
Leasehold land	74,581	4,021	-	-	(2,024)	(317)	-	(106)	-	76,155
Buildings	2,502	2,109	-	92	(1,649)	7	-	(259)	-	2,802
Storage tanks	14,630	41	-	-	(12,643)	184	-	-	-	2,212
Motor vehicles	5,350	1,945	(22)	-	(1,389)	-	(709)	-	328	5,503
Plant and machinery	1,186	-	-	-	(81)	-	-	-	-	1,105
Office equipment	175	66	-	30	(125)	-	-	(8)	-	138
	98,424	8,182	(22)	122	(17,911)	(126)	(709)	(373)	328	87,915
Company										
Carrying amount										
Leasehold land							20,688		(241)	20,447
Motor vehicle							206		(42)	164
							20,894		(283)	20,611

* The assets previously acquired under hire purchase arrangements were reclassified to property, plant and equipment as the lease liabilities for those assets have been fully settled during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Right-of-use assets (continued)

2023 Group	Balance as at 1.6.2022 RM'000	Additions RM'000	Disposal RM'000	Reassess- ments/ Modifications RM'000	Depreciation charge for the financial year RM'000	Exchange differences RM'000	Reclassi- fication* RM'000	Termination RM'000	Acquisition of subsidiaries RM'000	Disposal of a subsidiary RM'000	Balance as at 31.5.2023 RM'000
Leasehold land	71,253	2,996	-	-	(2,070)	265	-	-	2,137	-	74,581
Buildings	2,474	1,442	-	(4)	(1,446)	36	-	-	-	-	2,502
Storage tanks	25,885	306	-	-	(12,207)	1,012	-	(366)	-	-	14,630
Motor vehicles	3,904	4,237	(58)	-	(1,265)	2	(1,528)	(58)	116	-	5,350
Plant and machinery	155	1,320	-	-	(166)	-	(123)	-	-	-	1,186
Office equipment	193	39	-	-	(151)	-	-	(2)	101	(5)	175
	103,864	10,340	(58)	(4)	(17,305)	1,315	(1,651)	(426)	2,354	(5)	98,424

Company	Carrying amount	Balance as at 1.6.2022 RM'000	Addition RM'000	Depreciation charge for the financial year RM'000	Balance as at 31.5.2023 RM'000
Leasehold land	20,929	-	(241)	20,688	
Motor vehicle	-	213	(7)	206	
	20,929	213	(248)	20,894	

* The assets previously acquired under hire purchase arrangements were reclassified to property, plant and equipment as the lease liabilities for those assets have been fully settled during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)**Lease liabilities**

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Balance as at 1 June 2023/2022	23,845	32,192	187	-
Additions	4,212	6,980	-	190
Exchange differences	273	1,404	-	-
Reassessments/Modifications	134	(39)	-	-
Termination	(398)	(429)	-	-
Lease payments	(18,456)	(17,571)	(43)	(4)
Acquisition of subsidiaries	307	141	-	-
Disposal of a subsidiary	-	(6)	-	-
Interest expense	773	1,173	8	1
Balance as at 31 May 2024/2023	10,690	23,845	152	187
Represented by:				
Current liabilities	6,448	17,077	36	35
Non-current liabilities	4,242	6,768	116	152
	10,690	23,845	152	187
Lease liabilities owing to financial institutions	5,454	4,663	152	187
Lease liabilities owing to non-financial institutions	5,236	19,182	-	-
	10,690	23,845	152	187

- (a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities.

- (b) The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	5 to 99 years
Buildings	2 to 5 years
Storage tanks	2 to 8 years
Motor vehicles	2 to 5 years
Plant and machinery	2 to 5 years
Office equipment	2 to 5 years

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

- (c) As at 31 May 2024, certain lands of the Group and of the Company with a total carrying amount of RM30,644,000 (2023: RM31,465,000) and RM20,447,000 (2023: RM20,688,000) respectively have been charged to licensed banks for banking facilities granted to the Company and subsidiaries as disclosed in Note 23 to the financial statements.
- (d) The Group has certain leases of assets with lease term of twelve (12) months or less and low value leases of RM20,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.
- (e) The following are the amounts recognised in profit or loss:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Represented by:				
Depreciation charge on right-of-use assets (included in cost of sales, distribution costs and administrative expenses)	17,911	17,305	283	248
Interest expense on lease liabilities (included in finance costs)	773	1,173	8	1
Gain on disposal of right-of-use assets (included in other operating income)	(38)	(117)	-	-
Loss/(Gain) on termination of leases (included in other operating expenses/income)	17	(3)	-	-
Loss/(Gain) on reassessments and modifications of leases (included in other operating expenses/income)	12	(35)	-	-
Expense relating to short-term leases and leases of low-value assets (included in administrative expenses)	1,053	848	-	-
	19,728	19,171	291	249

- (f) At the end of the financial year, the Group and the Company had total cash outflows for leases of RM19,509,000 (2023: RM18,419,000) and RM43,000 (2023: RM4,000) respectively.

7. INVESTMENT PROPERTIES**Group**

	Balance as at 1.6.2023 RM'000	Depreciation charge for the financial year RM'000	Acquisition of subsidiaries RM'000	Disposal RM'000	Balance as at 31.5.2024 RM'000
2024					
Carrying amount					
Freehold land at cost	408	(2)	-	-	406
Leasehold land at cost	208	(3)	-	(104)	101
Buildings at cost	1,671	(62)	5,622	(242)	6,989
	2,287	(67)	5,622	(346)	7,496

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

7. INVESTMENT PROPERTIES (CONTINUED)**Group**

2023	Balance as at 1.6.2022 RM'000	Depreciation charge for the financial year RM'000	Acquisition of subsidiaries RM'000	Balance as at 31.5.2023 RM'000
Carrying amount				
Freehold land at cost	20	(9)	397	408
Leasehold land at cost	-	(6)	214	208
Buildings at cost	283	(46)	1,434	1,671
	303	(61)	2,045	2,287

	Group	
	2024 RM'000	2023 RM'000
Fair value	8,560	2,960

- (a) Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties are initially measured at cost, including transaction costs. After initial recognition, investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses.
- (b) Depreciation is calculated to write off the cost or valuation of the investment properties to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods for the investments properties are fifty (50) years.
- (c) Rental income generated from rental of investment properties of the Group during the financial year amounted to RM152,000 (2023: RM98,000). Direct operating expenses from investment properties which generated rental income to the Group during the financial year amounted to RM125,000 (2023: RM68,000).
- (d) The fair value of investment properties for disclosure purposes, which are at Level 3 fair value, was recommended by the Directors as at the end of reporting period based on indicative market value of similar properties in the vicinity on a price per square foot basis.
- (e) The investment properties of the Group are mainly used to generate rental income. However, the fair value of the investment properties reflects the highest and best use of the said properties should the investment properties be disposed. Currently, management does not intend to dispose off the investment properties and the existing use of the investment properties remains for rental purposes.
- (f) As at 31 May 2024, certain land and buildings of the Group with a total carrying amount of RM6,879,000 (2023: RM1,302,000) have been charged to licensed banks for banking facilities granted a subsidiary as disclosed in Note 23 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024	2023
	RM'000	RM'000
Quoted shares in Malaysia, at cost	4,106	4,106
Unquoted shares, at cost	498,600	498,600
Equity loans	120,000	120,000
Equity contributions in subsidiaries in respect of ESOS	6,513	6,513
	629,219	629,219
Less: Impairment losses	(130,395)	(121,108)
	498,824	508,111

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

All components of non-controlling interests shall be initially measured at fair value on the acquisition date, unless another measurement basis is required by MFRS. The choice of the measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of the non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

- (b) Management reviews the investments in subsidiaries for impairment when there is an indication of impairment. The recoverable amounts of the investments in subsidiaries are assessed by reference to the higher of fair value less cost to sell of the underlying assets or the value-in-use of the respective subsidiaries. The value-in-use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries discounted at an appropriate pre-tax discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to support their income and cash flows. Significant judgements and estimates are applied to determine the key assumptions applied to the cash flow projections, which includes the profit margins, growth rates, and the appropriate pre-tax discount rates used for each of the subsidiary. Impairment losses are made when the carrying amount of the investments in subsidiaries exceed its recoverable amount.

During the financial year, an impairment loss of RM9,287,000 (2023: RM2,392,000) was recognised within the other operating expenses in statement of profit or loss to bring the carrying amount to their recoverable amount due to decline in operations of certain subsidiaries of the Company. The net assets of these subsidiaries were used as a proxy of their recoverable amount based on fair value less cost to sell method.

- (c) The details of the subsidiaries are disclosed in Note 41(a) to the financial statements.
- (d) Quoted investments in subsidiaries with a carrying amount of RM1,840,000 (2023: RM1,840,000) and quoted investments held by subsidiaries with a carrying amount of RM20,553,000 (2023: RM20,553,000) have been charged to licensed banks for credit facilities granted to the Company and a subsidiary as disclosed in Note 23 to the financial statements.

Unquoted investments in subsidiaries held by subsidiaries with total carrying amounts of RM124,712,000 (2023: RM115,012,000) have been charged to licensed banks for credit facilities granted to the Company and a subsidiary as disclosed in Note 23 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(e) The subsidiaries of the Group that have material non-controlling interests ("NCI") are as follows:

	Nylex (Malaysia) Berhad RM'000	Ancom Logistics Berhad RM'000	Others* RM'000	Total RM'000
2024				
NCI percentage of ownership interest and voting interest (%)	57.8%	66.0%		
Carrying amount of NCI	10,996	11,778	11,287	34,061
(Loss)/Profit allocated to NCI	(1,455)	(2,470)	3,296	(629)
Other comprehensive income allocated to NCI	-	-	-	-
Total comprehensive (loss)/ income allocated to NCI	(1,455)	(2,470)	3,296	(629)
2023				
NCI percentage of ownership interest and voting interest (%)	57.8%	66.0%		
Carrying amount of NCI	12,451	14,248	5,724	32,423
(Loss)/Profit allocated to NCI	(750)	32	2,418	1,700
Other comprehensive income allocated to NCI	-	-	-	-
Total comprehensive (loss)/ income allocated to NCI	(750)	32	2,418	1,700

* The NCI of all other subsidiaries that are not wholly-owned by the Group are deemed to be immaterial.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

- (f) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows:

	Nylex (Malaysia) Berhad RM'000	Ancom Logistics Berhad RM'000
2024		
Assets and liabilities		
Non-current assets	7,785	39,106
Current assets	11,485	14,665
Non-current liabilities	-	(15,985)
Current liabilities	(858)	(12,334)
Net assets	18,412	25,452
Results		
Revenue	114	31,442
Loss for the financial year	(2,926)	(2,942)
Total comprehensive loss	(2,926)	(2,942)
Cash flows (used in)/from operating activities	(2,330)	5,219
Cash flows from/(used in) investing activities	299	(15,679)
Cash flows from financing activities	-	9,102
Net decrease in cash and cash equivalents	(2,031)	(1,358)
2023		
Assets and liabilities		
Non-current assets	7,785	23,283
Current assets	14,211	20,890
Non-current liabilities	-	(4,233)
Current liabilities	(658)	(11,154)
Net assets	21,338	28,786
Results		
Revenue	211	30,564
(Loss)/Profit for the financial year	(1,508)	502
Total comprehensive (loss)/income	(1,508)	502
Cash flows (used in)/from operating activities	(1,704)	5,141
Cash flows from/(used in) investing activities	256	(2,137)
Cash flows used in financing activities	-	(2,876)
Net (decrease)/increase in cash and cash equivalents	(1,448)	128

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

8.1 Acquisition of subsidiaries

- (a) The Group via its wholly-owned subsidiary, Ancom Crop Care Sdn. Bhd. ("ACC") had on 12 April 2023 entered into Share Sale Agreements to acquire 70% equity interest each in H.J. Unkel Chemicals Sdn. Bhd. ("Unkel") and Novelty Chemicals Sdn. Bhd. ("Novelty") for a cash consideration of RM9,700,000.

The acquisitions of Unkel and Novelty were completed on 10 January 2024.

The fair values of the identifiable assets and liabilities acquired and the effects on cash flows arising from the acquisition were as follows:

	RM'000
Property, plant and equipment	82
Right-of-use assets	328
Investment properties	5,622
Current tax assets	505
Trade and other receivables	3,674
Inventories	3,478
Cash and bank balances	8,243
Borrowings	(1,920)
Deferred tax liabilities	(12)
Lease liabilities	(307)
Trade and other payables	(2,263)
Net assets	17,430
NCI at the date of acquisition	(4,240)
Negative goodwill	(3,490)
Cost of acquisition	9,700
Cash outflow on acquisition:	
Cash and bank balances of a subsidiary acquired	1,457

For the financial year ended 31 May 2024, the acquisition contributed revenue of RM8,502,000 and profit after tax of RM861,000.

- (b) The Group via its wholly-owned subsidiary, Ancom Management Services Sdn. Bhd. ("AMS") acquired 100,001 ordinary shares, representing 100% equity interest in Trinity Diligent Sdn. Bhd. for a cash consideration of RM1. The acquisition did not have any material impact to the Group.
- (c) The Group via its wholly-owned subsidiary, ACC acquired 1,000,000 ordinary shares, representing 100% equity interest in Decom Limited for a cash consideration of RM1. The acquisition did not have any material impact to the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)**8.1 Acquisition of subsidiaries (continued)**

- (d) The Group via its wholly-owned subsidiary, ACC had on 28 December 2021 entered into several Share Sale Agreements to acquire 80% equity interest each in Shennong Animal Health (Malaysia) Sdn. Bhd. ("Shennong") and Vemedim Sdn. Bhd. ("Vemedim") for a cash consideration of RM23,920,000.

The acquisition of Shennong and Vemedim was completed on 22 June 2022.

The fair values of the identifiable assets and liabilities acquired and the effects on cash flows arising from the acquisition were as follows:

	RM'000
Property, plant and equipment	9,709
Right-of-use assets	2,354
Investment properties	2,045
Trade and other receivables	6,535
Inventories	4,510
Cash and bank balances	4,995
Borrowings	(4,660)
Deferred tax liabilities	(1,244)
Lease liabilities	(141)
Current tax liabilities	(111)
Trade and other payables	(7,483)
Net assets	16,509
NCI at the date of acquisition	(3,302)
Goodwill on consolidation	10,713
Cost of acquisition	23,920
Cash inflow on acquisition:	
Cash and bank balances of a subsidiary acquired	4,995

For the financial year ended 31 May 2023, the acquisition contributed revenue of RM31,209,000 and profit after tax of RM7,566,000.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

8.2 Acquisition of additional interest in subsidiaries

- (a) In the previous financial year, the equity interest in ATG Avionix Sdn. Bhd. (formerly known as Redberry Ambient Sdn. Bhd.) increased from 70.2% to 100.0% via the following transactions:
- (i) acquisition of 723,800 ordinary shares from Sixth Media Sdn. Bhd. for a cash consideration of RM634,000;
 - (ii) acquisition of 448,380 ordinary shares from Wong Yuet Cheng for a cash consideration of RM393,000; and
 - (iii) acquisition of 3,311,620 ordinary shares from its 95% owned subsidiary, Digital Showcase Sdn. Bhd., for a cash consideration of RM2,898,000.
- (b) The Group via its wholly-owned subsidiary, Synergy Tanker Sdn. Bhd., (“STSB”) had on 5 October 2022 completed the acquisition of 25% equity interest in Ancom Nylex Terminals Sdn. Bhd. (“ANT”), a 51% owned subsidiary of Synergy Trans-Link Sdn. Bhd., which in turn is a wholly-owned subsidiary of Ancom Logistics Berhad (“ALB”), from Chemquest Sdn. Bhd. for a cash consideration of RM4,000,000. STSB has also completed the acquisition of 24% equity interest in ANT held by a Thai national, Mr. Surasak Suwanapasri for a cash consideration of RM3,840,000 on 15 November 2022.

Upon completion of both acquisitions above, ANT became a 66.3% owned subsidiary of the Group.

8.3 Dilution of equity interests in subsidiaries

In the previous financial year, the Company disposed of 2,000,000 ordinary shares, representing 25% equity interests in Ancom Truelife Sdn. Bhd. (“ATL”) for cash consideration of RM1. Upon completion of the disposal, ATL became a 75% owned subsidiary of the Group.

8.4 Disposal of subsidiaries

- (a) During the financial year, the Group disposed of its entire equity interest of the following subsidiaries for cash consideration of RM1 each.
- Ancom Academy Sdn. Bhd. (“Academy”);
 - Hikmat Ikhlas Sdn. Bhd. (“HISB”);
 - HSO Business Systems Sdn. Bhd. (“HSO”);
 - Redberry Events Sdn. Bhd. (“RESB”);
 - Redberry Screens Sdn. Bhd. (“RSSB”); and
 - Syarikat Wandeerfull (Kg Attap) Sdn. Bhd. (“Attap”).

Academy, HISB, HSO, RESB, RSSB and Attap ceased to be subsidiaries of the Group upon completion of the disposal. The disposals did not have any material impact to the Group.

- (b) In the previous financial year, the Company together with Datuk Hasnul Bin Hassan and Kamalia Binti Kasmaruddin have collectively disposed of 11,250,000 ordinary shares, representing 75% equity interest in Genovasi Malaysia Sdn. Bhd. (“Genovasi”) to Splendour Education Sdn. Bhd. and Sharifah Fazlina Binti Syed Jaafar for a cash consideration of RM4,000,000.

The transaction was completed on 15 June 2022 and Genovasi ceased to be a subsidiary of the Group on the same date. Total cash and bank balances of Genovasi being disposed amounted to RM25,000. Net cash inflow on the disposal was RM3,975,000.

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8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)**8.5 Common control transactions**

During the financial year, STSB disposed of its entire equity interest in ANT to CKG Chemicals Pte Ltd for a cash consideration of RM7,418,000.

8.6 Equity loans

Equity loans to subsidiaries, which are unsecured, interest-free and settlement is neither planned nor likely to occur in the foreseeable future, and are considered to be part of the investments of the Company in providing the subsidiaries with a long term source of additional capital.

Impairment for equity loans to subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 16(e) to the financial statements.

9. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unquoted shares, at cost	20,260	20,260	9,149	9,149
Share of post-acquisition reserves	(11,371)	(11,339)	-	-
	8,889	8,921	9,149	9,149
Less: Impairment losses	(7,375)	(7,335)	(9,149)	(9,149)
	1,514	1,586	-	-

- (a) Investments in associates are measured at cost less impairment losses in the separate financial statements of the Company and accounted for using the equity method in the consolidated financial statements.
- (b) During the financial year, an impairment loss of RM40,000 (2023: RM555,000) was recognised within the other operating expenses in statements of profit or loss to bring the carrying amount to their recoverable amount due to decline in operations of certain associates of the Group. The net assets of these associates were used as a proxy for their recoverable amount based on fair value less cost to sell method.
- (c) In the previous financial year:
- the liquidation of Tamco Chongqing Switchgear Company Limited was completed. The Group received a cash liquidation distribution of RM3,290,000 and reversed an impairment loss of RM2,069,000 and recognised a loss on liquidation of RM998,000.
 - the Group via its wholly-owned subsidiary, ACC had on 28 February 2023 entered into a share sale agreement with Seicom System Sdn. Bhd. to acquire 250,000 ordinary shares, representing 25% equity interest in Trevi Properties Sdn. Bhd. ("Trevi") for a cash consideration of RM250,000.
 - the Group via its wholly-owned subsidiary, Ancom Power Solutions Sdn. Bhd. acquired 40% of equity interest in Trilogy Renewables Sdn. Bhd. for a cash consideration of RM200,000.

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9. INVESTMENTS IN ASSOCIATES (CONTINUED)

- (d) DJ Money Matters Sdn. Bhd. ("DJ Money") and Trevi have a financial year end of 30 April and 30 June respectively. Therefore, the financial statements of DJ Money and Trevi are not coterminous with the Group. In applying the equity method of accounting, the unaudited financial statements of DJ Money and Trevi for financial period ended 31 May 2024 have been used. The use of the unaudited financial statements is not expected to have any significant effects on the consolidated financial statements of the Group.
- (e) The details of the associates are disclosed in Note 41(b) to the financial statements.
- (f) Summarised financial information of the associates are not disclosed as it is immaterial to the Group.
- (g) The aggregate amount of the associates results shared by the Group during the financial year are as follows:

	Group	
	2024	2023
	RM'000	RM'000
Share of loss	(32)	(19)
Share of other comprehensive income	-	-
Share of total comprehensive loss	(32)	(19)

10. INVESTMENTS IN JOINT VENTURES

	Group	
	2024	2023
	RM'000	RM'000
Unquoted shares, at cost	540	540
Share of post-acquisition reserves	(540)	(540)
	-	-

- (a) Investment in a joint venture is stated at cost in the separate financial statements. The Group recognises its interest in a joint venture as an investment and accounts for that investment using the equity method.
- (b) The details of the joint venture are disclosed in Note 41(c) to the financial statements.
- (c) Senandung Sonik Sdn. Bhd. ("SSSB") is unlisted separate entity whose quoted market prices are not available. The contractual arrangement provides the Group with only the rights to the net assets of the joint arrangement, with the rights to assets and obligation for liabilities of the joint arrangement resting primarily with SSSB.
- (d) SSSB is not allowed to distribute their profits prior to the consent of the venture partners.
- (e) Summarised financial information of SSSB is not disclosed as it is immaterial to the Group.

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11. OTHER INVESTMENTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
<i>Fair value through profit or loss</i>				
Quoted shares in Malaysia	4,881	147	4,735	-
Unquoted shares in Malaysia	2,250	2,750	2,250	2,250
Club memberships	268	268	243	243
	7,399	3,165	7,228	2,493
Current				
<i>Fair value through profit or loss</i>				
Quoted shares in Malaysia	487	435	-	-
Unit trusts	688	666	-	-
	1,175	1,101	-	-

- (a) Quoted shares in Malaysia of the Group and of the Company are categorised as Level 1 in fair value hierarchy. Fair values of quoted shares in Malaysia is determined by reference to exchange quoted market prices at the end of the reporting period.
- (b) Unquoted shares in Malaysia of the Group and of the Company are categorised as Level 3 in the fair value hierarchy. Fair values of unquoted shares in Malaysia are estimated by discounting expected future cash flows at market incremental lending rates for similar types of lending or borrowing arrangements at the end of the reporting period.
- (c) Unit trusts of the Group are categorised as Level 1 in the fair value hierarchy. Fair values of unit trusts is determined by reference to closing price at the end of the reporting period.
- (d) Club memberships of the Group and of the Company are categorised as Level 3 in the fair value hierarchy. Fair values of club memberships is determined by reference to club memberships price.
- (e) Sensitivity analysis for other investments is not disclosed as it is immaterial to the Group.
- (f) There is no transfer between levels in the fair value hierarchy during the financial year.

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12. INTANGIBLE ASSETS**Group**

	Balance as at 1.6.2023 RM'000	Additions RM'000	Written off RM'000	Amortisation during the financial year RM'000	Balance as at 31.5.2024 RM'000
2024					
Carrying amount					
Intellectual property	1,133	42	-	(110)	1,065
Rights	757	-	-	(298)	459
Development expenditure	2,389	277	(223)	-	2,443
Computer software	225	161	-	(100)	286
	4,504	480	(223)	(508)	4,253

	Balance as at 1.6.2022 RM'000	Additions RM'000	Amortisation during the financial year RM'000	Balance as at 31.5.2023 RM'000
2023				
Carrying amount				
Intellectual property	1,133	-	-	1,133
Rights	1,056	-	(299)	757
Development expenditure	2,325	64	-	2,389
Computer software	417	66	(258)	225
	4,931	130	(557)	4,504

- (a) Intellectual property is capitalised on the basis of the costs incurred to develop, formulate and market a wide range of chemical products.
- (b) Rights represent audio and visual advertising network distributions secured by the Group for media sales. These are recognised as assets at the acquisition date and initially measured at cost. After initial recognition, the rights are carried at cost less accumulated amortisation and accumulated impairment losses, if any.
- (c) Development expenditure comprise salaries of personnel involved in the development and design of products prior to commencement of commercial production.
- (d) Computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software.
- (e) Amortisation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal amortisation periods are as follows:

Intellectual property	5 to 10 years
Rights	15 years
Development expenditure	10 years
Computer software	3 to 5 years

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13. GOODWILL ON CONSOLIDATION

	Group	
	2024	2023
	RM'000	RM'000
Balance as at 1 June 2023/2022	86,010	72,158
Acquisition of subsidiaries	-	10,713
Foreign exchange differences	1,090	3,139
Balance as at 31 May 2024/2023	87,100	86,010

Goodwill is initially measured at cost. Following the initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy for foreign currencies.

(a) Allocation of goodwill

Goodwill has been allocated to the Group's cash generating units ("CGUs") which has been identified according to business segments as follows:

	Group	
	2024	2023
	RM'000	RM'000
Industrial chemicals	67,149	66,053
Agricultural chemicals	17,941	17,941
Others	2,010	2,016
	87,100	86,010

(b) Recognition and measurement of impairment loss

For the purpose of impairment testing, goodwill is allocated from the acquisition date, to each of the Group's CGU that are expected to benefit from the synergies of the combination.

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount. As the Directors are of the opinion that all the CGUs are held on a long-term basis, the value-in-use would best reflect their recoverable amount. The value-in-use is determined by discounting future cash flows over a relevant period. The future cash flows are based on management's business plans, which is the best estimate of future performance. The ability to achieve the business plan targets is a key assumption in determining the recoverable amount for each CGU.

There remains a risk that the ability to achieve management's business plans may be adversely affected due to unforeseen changes in the respective economies in which the CGUs operate and/or global economic conditions.

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13. GOODWILL ON CONSOLIDATION (CONTINUED)

- (b) Recognition and measurement of impairment loss (continued)

Industrial chemicals CGU

The key assumptions on which management has based its cash flow projections for the purposes of the impairment test for goodwill are as follows:

- (i) Revenue growth rate used is based on historical trends of each CGU taking into account the industry outlook. The average revenue growth rate and terminal growth rate are 2.50% (2023: 3.10%) and 2.14% (2023: 2.50%) per annum respectively.
- (ii) The profit margin applied to the projections are the average gross margins achieved in the year immediately before the budgeted year adjusted for expected efficiency improvements or deficiency.
- (iii) Discount rates used for cash flows discounting purpose is the pre-tax discount rate of the Group plus a reasonable risk premium at the date of assessment of the CGU. The average discount rate applied on the cash flow projections is 7.38% (2023: 5.65%).

The sensitivity analysis of each of these key assumptions assuming all other variables are held constant are as follows:

Key assumptions applied	Changes in key assumptions	Potential impairment (RM'000)
Terminal growth rate	Decrease by 1.25%	Breakeven
Discount rate	Increase by 1.00%	Breakeven
Other operating expenses	Increase by 10.00%	6,311
Production cost growth rate	Increase by 2.00%	25,217

Agricultural chemicals CGU

The key assumptions on which management has based its cash flow projections for the purposes of the impairment test for goodwill are as follows:

- (i) Revenue growth rate used is based on the historical trends of the CGU. The average revenue growth rate and terminal growth rate are 10.00% (2023: 7.70%) and 2.11% (2023: 1.0%) per annum respectively.
- (ii) Discount rates used for cash flows discounting purpose is the pre-tax discount rate of the Group plus a reasonable risk premium at the date of assessment of the CGU. The average discount rate applied on the cash flow projections is 11.10% (2023: 6.17%).

Management is not aware of any reasonable possible changes in the key assumptions, which would cause the carrying amount of the agricultural chemicals CGU to materially exceed its recoverable amount.

Other CGUs

The management is not aware of any reasonable possible changes which would cause the carrying amount of the other CGUs to materially exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

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14. DEFERRED TAX (ASSETS)/LIABILITIES

(a) The deferred tax (assets)/liabilities are made up of the following:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Balance as at 1 June 2023/2022	(3,089)	1,224	267	267
Recognised in profit or loss (Note 31)	11,503	(5,445)	-	-
Acquisition of subsidiaries	(587)	1,244	-	-
Foreign exchange differences	136	(112)	-	-
	11,052	(4,313)	-	-
Balance as at 31 May 2024/2023	7,963	(3,089)	267	267
Presented after appropriate offsetting as follows:				
Deferred tax assets, net*	(14,767)	(22,614)	-	-
Deferred tax liabilities, net*	22,730	19,525	267	267
	7,963	(3,089)	267	267

* The amount of set-off between deferred tax assets and deferred tax liabilities was RM6,458,000 (2023: RM8,015,000) for the Group.

(b) The components and movements of deferred tax liabilities and assets of the Group and of the Company during the financial year prior to offsetting are as follows:

Deferred tax liabilities

Property, plant and equipment	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Balance as at 1 June 2023/2022	27,540	14,155	267	267
Recognised in profit or loss	1,585	12,161	-	-
Acquisition of subsidiaries	12	1,244	-	-
Foreign exchange differences	51	(20)	-	-
Balance as at 31 May 2024/2023	29,188	27,540	267	267

NOTES TO THE FINANCIAL STATEMENTS

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14. DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

- (b) The components and movements of deferred tax liabilities and assets of the Group and of the Company during the financial year prior to offsetting are as follows: (continued)

Deferred tax assets of the Group

	Provision for liabilities RM'000	Unutilised tax losses and unabsorbed capital allowances RM'000	Others RM'000	Total RM'000
2024				
Balance as at 1 June 2023	(2,350)	(27,043)	(1,236)	(30,629)
Acquisition of subsidiaries	-	(599)	-	(599)
Recognised in profit or loss	923	9,086	(91)	9,918
Foreign exchange differences	(78)	-	163	85
Balance as at 31 May 2024	(1,505)	(18,556)	(1,164)	(21,225)
2023				
Balance as at 1 June 2022	(2,820)	(8,875)	(1,236)	(12,931)
Recognised in profit or loss	539	(18,145)	-	(17,606)
Foreign exchange differences	(69)	(23)	-	(92)
Balance as at 31 May 2023	(2,350)	(27,043)	(1,236)	(30,629)

Included in the deferred tax assets of the Group is deferred tax assets recognised by a subsidiary which amounting to RM7,785,000 (2023: RM7,785,000) to the extent that it is probable that future taxable profits will be available to offset the unutilised tax losses. The estimation of future taxable profits involved significant assumptions in respect of the proposed business plans of the subsidiary.

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the consolidated statement of financial position are as follows:

	Group	
	2024 RM'000	2023 RM'000
Unutilised tax losses	151,873	131,364
Unabsorbed capital allowances	10,564	9,797
Others	(49)	750
	162,388	141,911

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not certain that these subsidiaries will have future taxable profits to offset the unutilised tax losses and unabsorbed capital allowances.

NOTES TO THE FINANCIAL STATEMENTS

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14. DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

(c) (continued)

The availability of unutilised tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to guidelines issued by tax authority. The use of tax losses of subsidiaries in other countries is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.

Unutilised tax losses of subsidiaries incorporated in Malaysia can be carried forward up to ten (10) consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

Unutilised tax losses	Group	
	2024 RM'000	2023 RM'000
No expiry date	51,104	43,590
Expires by year of assessment 2028	48,559	44,738
Expires by year of assessment 2029	13,088	17,088
Expires by year of assessment 2030	6,564	4,460
Expires by year of assessment 2031	2,362	2,892
Expires by year of assessment 2032	9,761	8,112
Expires by year of assessment 2033	7,864	10,484
Expires by year of assessment 2034	12,571	-
	151,873	131,364

15. INVENTORIES

	Group	
	2024 RM'000	2023 RM'000
At cost		
Raw materials and consumables	55,003	43,275
Packing materials	580	783
Work-in-progress	3,542	1,131
Finished goods	88,364	84,171
Inventory-in-transit	2,286	5,932
	149,775	135,292
At net realisable value		
Raw materials and consumables	5,888	9,325
Work-in-progress	-	2,753
Finished goods	63,194	63,727
	69,082	75,805
	218,857	211,097

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15. INVENTORIES (CONTINUED)

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first-in, first-out formula and weighted average method. Cost comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present condition and location. Cost of finished goods and work-in-progress include the cost of raw materials, direct labour, other direct cost and an appropriate portion of production overheads based on normal operating capacity of the production facilities.

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group amounted to RM1,575,286,000 (2023: RM1,641,425,000). The Group has also written back/(down) inventories by RM2,264,000 (2023: (RM396,000)) to their net realisable value.

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
Other receivables				
Deposits	4,958	-	-	-
Less: Impairment losses	(1,509)	-	-	-
Total non-current receivables	3,449	-	-	-
Current				
Trade receivables				
Third parties	334,488	312,130	-	-
Less: Impairment losses	(19,005)	(16,860)	-	-
	315,483	295,270	-	-
Other receivables				
Third parties	32,883	31,681	5,324	2,752
Deposits	21,248	34,523	1,629	15
	54,131	66,204	6,953	2,767
Less: Impairment losses	(14,362)	(15,200)	(101)	(101)
	39,769	51,004	6,852	2,666
Total current receivables	355,252	346,274	6,852	2,666
Other assets				
Deferred expenditure	4,653	3,515	-	-
Prepayments	22,991	19,690	569	363
	27,644	23,205	569	363
Total current receivables and other assets	382,896	369,479	7,421	3,029
Total non-current and current receivables	358,701	346,274	6,852	2,666

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16. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (a) Total non-current and current receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranged from one (1) month to four (4) months (2023: one (1) month to four (4) months). They are recognised at their original invoiced amounts, which represent their fair values on initial recognition.
- (c) The currency exposure profile of trade and other receivables are disclosed in Note 35(i) to the financial statements.
- (d) Included in deposits of the Group is refundable deposits owing by a third party amounting to RM6,500,000 (2023: RM7,000,000), which the Group have recognised impairment losses of RM1,872,000 (2023: RM171,000) during the financial year. The carrying amount of the non-current other receivables is reasonable approximation of fair value due to insignificant impact of discounting.
- (e) Recognition and measurement of impairment loss

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve (12) months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group uses an allowance matrix to measure the expected credit loss of trade receivables based on grouping of customer sharing the same credit risk characteristics and past due days. Expected loss rates are calculated using the roll rate method separately for exposures in different segments based on geographic region.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information on macroeconomic factors, which the Group has identified as consumer price index, gross domestic product growth rate, unemployment rate, inflation rate, producer price index and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss. On confirmation that the trade receivable would not be collectable, the gross carrying amount of the asset would be written off against the associated impairment.

The individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full. It requires management to exercise significant judgement in determining the probability of default by trade receivables, and the appropriate forward looking information.

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16. TRADE AND OTHER RECEIVABLES (CONTINUED)

(e) Recognition and measurement of impairment loss (continued)

Lifetime expected loss provision for trade receivables of the Group are as follows:

	Gross carrying amount RM'000	Lifetime expected loss RM'000	Net carrying amount RM'000
2024			
Collective assessment			
Not past due	245,868	(958)	244,910
Past due			
1 to 30 days	53,169	(679)	52,490
31 to 60 days	11,368	(655)	10,713
Over 60 days	14,984	(8,749)	6,235
	79,521	(10,083)	69,438
Individual assessment	9,099	(7,964)	1,135
	334,488	(19,005)	315,483
2023			
Collective assessment			
Not past due	221,544	(923)	220,621
Past due			
1 to 30 days	45,762	(796)	44,966
31 to 60 days	18,203	(652)	17,551
Over 60 days	18,014	(6,290)	11,724
	81,979	(7,738)	74,241
Individual assessment	8,607	(8,199)	408
	312,130	(16,860)	295,270

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16. TRADE AND OTHER RECEIVABLES (CONTINUED)

(e) Recognition and measurement of impairment loss (continued)

Trade receivables are not secured by any collateral or credit enhancement.

During the financial year, the Group did not renegotiate the terms of any trade receivables.

Impairment for other receivables and inter-company balances are recognised based on the 3 stages general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group defined significant increase in credit risk as twenty percent (20%) on relative basis and including operating performance of the receivables, payment trends and past due information.

The probability of non-payment by other receivables and inter-company balances are adjusted by forward-looking information on macroeconomic factors, which the Group has identified as unemployment rate, gross domestic product growth rate and inflation rate and multiplied by the amount of the expected loss arising from default to determine the 12-month or lifetime expected credit loss for other receivables and inter-company balances.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of the impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

(f) Movement in impairment loss are as follows:

	Group	
	2024	2023
Trade receivables	RM'000	RM'000
Balance as at 1 June 2023/2022	16,860	16,610
Charge for the financial year	4,081	926
Reversal of impairment loss	(930)	(2,191)
Written off	(868)	(8)
Exchange differences	(29)	(35)
Disposal of subsidiaries	(171)	(118)
Acquisition of subsidiaries	62	1,676
Balance as at 31 May 2024/2023	19,005	16,860

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16. TRADE AND OTHER RECEIVABLES (CONTINUED)

(f) Movement in impairment loss are as follows: (continued)

Other receivables	12-month ECL RM'000	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Group				
Balance as at 1 June 2023	2,285	-	12,915	15,200
Charge for the financial year	42	1,872	236	2,150
Disposal of a subsidiary	-	-	(2)	(2)
Reversal of impairment loss	(936)	-	(530)	(1,466)
Transferred to lifetime ECL	(171)	171	-	-
Written off	(11)	-	-	(11)
Balance as at 31 May 2024	1,209	2,043	12,619	15,871
Balance as at 1 June 2022	94	-	23,712	23,806
Charge for the financial year	2,216	-	1	2,217
Reversal of impairment loss	(15)	-	(3,389)	(3,404)
Written off	(9)	-	(7,409)	(7,418)
Disposal of a subsidiary	(1)	-	-	(1)
Balance as at 31 May 2023	2,285	-	12,915	15,200

* Expected credit losses

Other receivables	12-month ECL RM'000	Credit impaired RM'000	Total RM'000
Company			
Balance as at 1 June 2023/31 May 2024	-	101	101
Balance as at 1 June 2022	-	3,001	3,001
Reversal of impairment loss	-	(2,900)	(2,900)
Balance as at 31 May 2023	-	101	101

(g) Information on financial risks of trade and other receivables are disclosed in Note 35 to the financial statements.

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17. AMOUNTS OWING BY SUBSIDIARIES

	Company	
	2024	2023
	RM'000	RM'000
Amounts owing by subsidiaries	33,156	53,352
Less: Impairment losses	(5,538)	(5,538)
	27,618	47,814

- (a) Amounts owing by subsidiaries are classified as financial assets measured at amortised cost.
- (b) The amounts owing by subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and payable within next twelve (12) months or upon demand in cash and cash equivalents except for an amount of RM2,838,000 (2023: RM4,168,000), which bears interest at 4.5% (2023: 4.5%) per annum.
- (c) Amounts owing by subsidiaries are denominated in RM.
- (d) Recognition and measurement of impairment loss

Impairment for amounts owing by subsidiaries is recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 16(e) to the financial statements. Significant judgement is required in determining the probabilities of default by subsidiaries and appropriate forward looking information in assessing the expected credit loss allowance.

Movements in the impairment allowance for amounts owing by subsidiaries are as follows:

Company	12-month ECL RM'000	Credit impaired RM'000	Total RM'000
Balance as at 1 June 2022/31 May 2023/31 May 2024	2,979	2,559	5,538

- (e) Information on financial risks of amounts owing by subsidiaries are disclosed in Note 35 to the financial statements.

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18. AMOUNT OWING BY/(TO) ASSOCIATES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Amounts owing by associates	27,940	18,121	3,308	3,638
Less: Impairment losses	(13,041)	(13,041)	(138)	(138)
	14,899	5,080	3,170	3,500
Amounts owing to associates	(1,592)	(694)	-	-

- (a) Amounts owing by associates are classified as financial assets measured at amortised cost.
- (b) Amounts owing to associates are classified as financial liabilities measured at amortised cost.
- (c) The amounts owing by/(to) associates represent balances arising from trade transactions, advances and payments made on behalf, which are unsecured, interest-free and payable within next twelve (12) months or upon demand in cash and cash equivalents. The trade transactions are carried out based on normal trade terms as disclosed in Notes 16(b) and 26(b) to the financial statements.
- (d) Amounts owing by/(to) associates are denominated in RM.
- (e) Recognition and measurement of impairment loss

Impairment for amounts owing by associates is recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 16(e) to the financial statements.

Movements in the impairment allowance for amounts owing by associates are as follows:

Group	12-month ECL RM'000	Credit impaired RM'000	Total RM'000
Balance as at 1 June 2023/31 May 2024	75	12,966	13,041
Balance as at 1 June 2022	75	12,056	12,131
Charge for the financial year	-	910	910
Balance as at 31 May 2023	75	12,966	13,041

- (f) Information on financial risks of amounts owing by/(to) associates are disclosed in Note 35 to the financial statements.

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19. AMOUNT OWING BY A JOINT VENTURE

	Group	
	2024 RM'000	2023 RM'000
Amount owing by a joint venture	93	93
Less: Impairment losses	(93)	(93)
	-	-

- (a) Amount owing by a joint venture is classified as financial assets measured at amortised cost.
- (b) The amount owing by a joint venture represents advances and payments made on behalf, which are unsecured, interest-free and payable within next twelve (12) months or upon demand in cash and cash equivalents.
- (c) Amount owing by a joint venture is denominated in RM.
- (d) Recognition and measurement of impairment loss

Impairment for amount owing by a joint venture is recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 16(e) to the financial statements.

The amount owing by a joint venture of RM93,000 (2023: RM93,000) was classified as credit impaired.

20. CASH AND BANK BALANCES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Short term deposits with licensed banks	31,384	62,520	-	-
Cash and bank balances	105,928	105,691	2,668	2,657
	137,312	168,211	2,668	2,657

- (a) Short term deposits of the Group amounting to RM136,000 (2023: RM600,000) have been pledged to licensed banks for banking facilities granted to certain subsidiaries of the Group as disclosed in Note 23 to the financial statements.
- (b) The currency exposure profiles of cash and bank balances are disclosed in Note 35(i) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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20. CASH AND BANK BALANCES (CONTINUED)

- (c) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	137,312	168,211	2,668	2,657
Less:				
Short term deposits with maturity period more than three (3) months	(7,815)	(4,384)	-	-
Short term deposits pledged with licensed banks	(136)	(600)	-	-
Bank overdrafts (Note 23)	(10,185)	(12,751)	(6,464)	(6,432)
As reported in statements of cash flows	119,176	150,476	(3,796)	(3,775)

- (d) Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one (1) day and twelve (12) months, depending on the immediate cash requirements of the Group, and earn interest at respective short term deposits rates.
- (e) No expected credit losses were recognised arising from the short term deposits with licensed banks and cash at bank because the probability of default by these financial institutions were negligible.
- (f) Information on financial risks of cash and bank balances are disclosed in Note 35 to the financial statements.

21. SHARE CAPITAL

	Group and Company			
	2024		2023	
	Number of shares	RM'000	Number of shares	RM'000
Issued and fully paid with no par value:				
Balance as at 1 June 2023/2022	972,776,411	397,624	302,487,849	377,892
Ordinary shares issued pursuant to:				
- ESOS	15,165,186	5,299	18,218,890	6,546
- Warrants B	20,655,763	5,784	47,093,974	13,186
- Share Split	-	-	604,975,698	-
Balance as at 31 May 2024/2023	1,008,597,360	408,707	972,776,411	397,624

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21. SHARE CAPITAL (CONTINUED)

- (a) During the financial year, the issued and fully paid-up ordinary shares of the Company was increased from 972,776,411 to 1,008,597,360 by way of issuance of 35,820,949 new ordinary shares pursuant to the following:
- i. 15,165,186 options exercised under the ESOS at an exercise price of RM0.255 per ordinary share; and
 - ii. 20,655,763 new ordinary shares arising from the exercise of Warrants B at RM0.28 per ordinary share.

The newly issued ordinary shares of the Company rank pari passu in all respects with the existing ordinary shares of the Company.

- (b) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.
- (c) Treasury shares

During the financial year:

- i. the Company repurchased 26,833,200 of its issued ordinary shares from the open market of Bursa Securities at an average price of RM1.07 per share;
- ii. the Company resold 4,684,600 of its treasury shares with price ranging from RM0.93 to RM1.01; and
- iii. the Company distributed 9,378,000 treasury shares on 1 March 2024 on the basis of one (1) treasury share for every one hundred (100) existing ordinary shares held in the Company in respect of financial year ended 31 May 2024.

As at 31 May 2024, a total of 51,038,677 (2023: 38,268,677) treasury shares at a total cost of RM43,195,000 (2023: RM25,123,000) are held by the Company. The shares repurchased are being held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016 and the Main Market Listing Requirements and applicable guideline of Bursa Securities.

The number of ordinary shares as at 31 May 2024 net of treasury shares is 957,558,683 (2023: 934,507,734).

22. RESERVES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-distributable				
Capital reserve	273	273	-	-
Exchange translation reserve	27,499	28,360	-	-
Share options reserve	-	1,224	-	1,373
Distributable				
Retained earnings	154,805	89,150	39,073	36,339
	182,577	119,007	39,073	37,712

NOTES TO THE FINANCIAL STATEMENTS

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22. RESERVES (CONTINUED)

Exchange translation reserve

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operations.

Share options reserve

The share options reserve represents the effect of equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees for the issue of share options. When options are exercised, the amount from the share options reserve is transferred to share capital. When the share options expire, the amount from the share options reserve is transferred to retained earnings.

23. BORROWINGS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
Unsecured				
Term loans	11,955	-	-	-
Secured				
Term loans	35,716	70,989	10,100	24,200
	47,671	70,989	10,100	24,200
Current				
Unsecured				
Bankers' acceptances	72,150	96,515	-	-
Bank overdrafts	4,717	3,131	996	747
Revolving credits	89,050	60,000	5,000	5,000
Trust receipts	54,020	48,754	-	-
Trade financing	15,420	12,991	-	-
	235,357	221,391	5,996	5,747
Secured				
Bank overdrafts	5,468	9,620	5,468	5,685
Revolving credits	22,966	31,715	22,965	26,715
Trust receipts	10,045	13,885	-	-
Term loans	24,429	32,582	14,100	15,200
Trade financing	1,676	3,728	-	-
	64,584	91,530	42,533	47,600
	299,941	312,921	48,529	53,347

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23. BORROWINGS (CONTINUED)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Total borrowings					
Bankers' acceptances		72,150	96,515	-	-
Bank overdrafts	20	10,185	12,751	6,464	6,432
Revolving credits		112,016	91,715	27,965	31,715
Trust receipts		64,065	62,639	-	-
Term loans	24	72,100	103,571	24,200	39,400
Trade financing		17,096	16,719	-	-
		347,612	383,910	58,629	77,547

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) The secured borrowings of the Group are secured by the following:
- (i) a fixed charge over certain land and buildings of the Group as disclosed in Notes 5, 6 and 7 to the financial statements;
 - (ii) a fixed charge over the vessel and equipment of the Group as disclosed in Note 5 to the financial statements;
 - (iii) certain quoted shares of quoted subsidiaries and shares of unquoted subsidiaries as disclosed in Note 8 to the financial statements;
 - (iv) pledge of short term deposits of the Group with licensed banks as disclosed in Note 20 to the financial statements; and
 - (v) assignment of insurance policies covering stock in trade in favour of the bank of certain subsidiaries.
- (c) The secured borrowings of the Company are secured by the following:
- (i) a fixed charge over the land and buildings of the Company and a subsidiary; and
 - (ii) certain quoted shares of a quoted subsidiary and shares of unquoted subsidiaries.
- (d) The currency exposure profiles of borrowings are disclosed in Note 35(i) to the financial statements.
- (e) Information on financial risks of borrowings are disclosed in Note 35 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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24. TERM LOANS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current				
- not later than one (1) year	24,429	32,582	14,100	15,200
Non-current				
- later than one (1) year and not later than five (5) years	39,033	70,989	10,100	24,200
- more than five (5) years	8,638	-	-	-
	47,671	70,989	10,100	24,200
	72,100	103,571	24,200	39,400

25. PROVISION FOR RETIREMENT BENEFITS

	Group	
	2024 RM'000	2023 RM'000
Balance as at 1 June 2023/2022	5,143	5,131
Actuarial gain from re-measurement	(555)	(254)
Expense recognised in profit or loss	625	634
Benefits paid	(368)	(228)
Foreign exchange differences	(184)	(140)
Balance as at 31 May 2024/2023	4,661	5,143

The retirement benefit obligation is a post-employment benefit plan under which the Group is obligated to pay eligible employees a fixed percentage on the average annual salary for each completed year of service.

- (a) The Group provides retirement benefit obligations for qualifying employees of its overseas subsidiaries, PT Nylex Indonesia and PT PKG Lautan Indonesia, in accordance with the legislations established in Indonesia.

The principal actuarial assumptions used are as follows:

Indonesia	2024 %	2023 %
Discount rate	6.7 - 7.1	5.7 - 7.1
Rates of mortality	TM1 - 2019	TM1 - 2019
Annual salary increment	8.0 - 10.0	8.0 - 10.0
Normal pension age	55 - 57	55 - 57

The management believes that no reasonably possible changes in any of the above key assumptions would lead to significant changes to the present value of the retirement obligations.

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25. PROVISION FOR RETIREMENT BENEFITS (CONTINUED)

(b) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the retirement benefit obligation by the amounts shown below:

	2024 RM'000	2023 RM'000
Discount rate		
- if increase 1%	(4,276)	(789)
- if decrease 1%	5,471	948
Annual salary increment		
- if increase 1%	5,428	1,009
- if decrease 1%	(4,251)	(817)

26. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade payables	169,906	146,938	-	-
Other payables	34,866	35,189	3,120	3,748
Deposits	298	147	147	120
Accruals	41,722	55,455	568	1,274
	246,792	237,729	3,835	5,142

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) The normal credit terms available to the Group in respect of trade payables ranged from 30 to 90 days (2023: 30 to 90 days) from date of invoice.
- (c) The currency exposure profiles of trade and other payables are disclosed in Note 35(i) to the financial statements.
- (d) Information on financial risks of trade and other payables are disclosed in Note 35 to the financial statements.

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27. AMOUNTS OWING TO SUBSIDIARIES

- (a) Amounts owing to subsidiaries are classified as financial liabilities measured at amortised cost.
- (b) The amounts owing to subsidiaries represent advances and payments made on the Company's behalf by the subsidiaries, which are unsecured, interest-free and payable within next twelve (12) months or upon demand in cash and cash equivalents, except for an amount of RM54,470,000 (2023: RM52,937,000), which is subject to interest ranging from 4.50% - 5.60% (2023: 4.50% - 5.20%) per annum.
- (c) Amounts owing to subsidiaries are denominated in RM.
- (d) Information on financial risks of amounts owing to subsidiaries are disclosed in Note 35 to the financial statements.

28. CONTRACT LIABILITIES

	Group	
	2024 RM'000	2023 RM'000
Deferred revenue	7,398	4,666

Deferred revenue is recognised as revenue when performance obligations are satisfied.

The amount of RM3,432,000 (2023: RM2,864,000) of the Group recognised in contract liabilities at the beginning of the financial year have been recognised as revenue for current financial year.

29. REVENUE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<i>Revenue from contracts with customers</i>				
Recognised at point in time:				
Sale of goods	1,884,032	1,958,311	-	-
Services rendered	51,552	30,796	-	-
Recognised over time:				
Services rendered	53,136	47,402	-	-
	1,988,720	2,036,509	-	-
<i>Other revenue</i>				
Rental income	7,816	6,744	1,811	1,502
Interest income	-	-	112	243
Dividend income:				
- Unquoted investments in Malaysia	-	-	5	4
- Unquoted subsidiaries	-	-	39,658	25,178
	-	-	39,663	25,182
	1,996,536	2,043,253	41,586	26,927

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29. REVENUE (CONTINUED)

(a) Revenue from contracts with customers is disaggregated in Note 4 to the financial statements by geographical area.

(b) Sale of goods

Revenue from the sale of goods is recognised when the goods has been transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when selling the goods and bears the risks of obsolescence and loss in relation to the goods.

(c) Services rendered

Revenue in respect of the rendering of services is recognised when performance obligation is satisfied.

(d) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease.

(e) Interest income

Interest income is recognised as on a time proportion basis that reflects the effective yield on assets.

(f) Dividend income

Dividend income is recognised when the right to receive payment is established.

30. FINANCE COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expense on:				
- amounts owing to subsidiaries	-	-	2,949	2,372
- bank overdrafts	621	648	385	476
- term loans, revolving credits and bankers' acceptances	17,961	17,287	3,302	4,096
- lease liabilities	773	1,173	8	1
- others	1,229	1,108	22	26
	20,584	20,216	6,666	6,971

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31. TAX EXPENSE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current tax				
- Malaysian income tax	20,433	21,108	179	186
- Foreign income tax	1,614	1,651	-	-
	22,047	22,759	179	186
(Over)/Under provision in prior years				
- Malaysian income tax	(51)	1,469	39	-
- Foreign income tax	(3,865)	200	-	-
	(3,916)	1,669	39	-
	18,131	24,428	218	186
Deferred tax (Note 14)				
Relating to origination and reversal of temporary differences	11,000	(8,985)	-	-
Under provision in prior years	503	3,540	-	-
	11,503	(5,445)	-	-
	29,634	18,983	218	186

- (a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated taxable profit for the fiscal year.
- (b) Tax expense for other taxation authorities are calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

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31. TAX EXPENSE (CONTINUED)

- (c) The numerical reconciliations between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax	110,479	95,810	18,616	4,933
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	26,515	22,994	4,468	1,184
Tax effects in respect of:				
Non-allowable expenses	6,790	12,192	5,230	6,248
Non-taxable income	(5,007)	(8,288)	(9,519)	(7,246)
Tax incentives and allowances	(28)	(136)	-	-
Deferred tax assets not recognised	4,857	4,083	-	-
Share of results of associates	8	5	-	-
Utilisation of unrecognised tax losses and capital allowances	(557)	(17,366)	-	-
Different tax rates in foreign jurisdictions	469	290	-	-
	33,047	13,774	179	186
(Over)/Under provision in prior years:				
- income tax	(3,916)	1,669	39	-
- deferred tax	503	3,540	-	-
	(3,413)	5,209	39	-
	29,634	18,983	218	186

- (d) Tax savings of the Group are as follows:

	Group	
	2024 RM'000	2023 RM'000
Utilisation of unrecognised tax losses and capital allowances	557	17,366
Utilisation of tax incentives and allowances	28	136

NOTES TO THE FINANCIAL STATEMENTS

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32. EARNINGS PER ORDINARY SHARE

(a) Basic

The basic earnings per ordinary share for the financial year has been calculated based on the consolidated profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue (excluding treasury shares) during the financial year.

	Group	
	2024	2023
Profit attributable to owners of the parent (RM'000)	81,474	75,127
Weighted average number of ordinary shares in issue ('000)	949,731	891,036
Basic earnings per ordinary share for the financial year (sen)	8.58	8.43

(b) Diluted

The diluted earnings per ordinary share for the financial year has been calculated based on the consolidated profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue (excluding treasury shares) during the financial year adjusted for the effects of dilutive potential ordinary shares.

	Group	
	2024	2023
Profit attributable to owners of the parent (RM'000)	81,474	75,127
Weighted average number of ordinary shares in issue ('000)	949,731	891,036
Effects of dilution:		
- ESOS	-	11,913
- Warrants B	66,630	80,845
Adjusted weighted average number of ordinary shares in issue ('000)	1,016,361	983,794
Diluted earnings per ordinary share for the financial year (sen)	8.02	7.64

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33. DIVIDENDS

	Company			
	2024		2023	
	Dividend per share sen	Amount of dividend RM'000	Dividend per share sen	Amount of dividend RM'000
In respect of financial year ended 31 May 2024				
First interim single tier dividend by way of dividend-in-specie*	0.81	7,604	-	-
In respect of financial year ended 31 May 2023				
First interim single tier dividend, paid on 30 August 2023	1.00	9,493	-	-

* The dividend-in-specie was completed on 1 March 2024 by crediting 9,378,600 treasury shares of the Company to the Central Depository System account of the Company's shareholders.

On 18 July 2024, the Directors proposed a second interim single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 May 2024, with the payment date to be determined and announced at a later date. The financial statements of the current financial year do not reflect this proposed dividend.

The Directors do not recommend the payment of any other dividend in respect of the current financial year.

34. CAPITAL MANAGEMENT

The primary objective of capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns while it maintains acceptable capital ratios in order to support its business and maximise shareholder value. The overall strategy of the Group remains unchanged from that in financial year ended 31 May 2023.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 May 2024 and 31 May 2023.

The Group monitors capital using a gearing ratio. This ratio is calculated as net debt divided by total equity attributable to owners of the parent. Net debt are calculated as total borrowings net of cash and bank balances.

NOTES TO THE FINANCIAL STATEMENTS

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34. CAPITAL MANAGEMENT (CONTINUED)

	Note	Group	
		2024 RM'000	2023 RM'000
Borrowings	23	347,612	383,910
Short term deposits with licensed banks	20	(31,384)	(62,520)
Cash and bank balances	20	(105,928)	(105,691)
Net debt		210,300	215,699
Total equity attributable to owners of the parent		548,089	491,508
Gearing ratio		0.38	0.44

Pursuant to the requirements of Practice Note No. 17/2005, of the Bursa Securities, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement during the financial year ended 31 May 2024.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies.

The main risk arising from the Group's financial instruments are foreign currency risk, interest rate risk, liquidity risk and credit risk. Management reviews and agrees policies for managing each of these risks and these are summarised below:

(i) Foreign currency risk

The Group is exposed to foreign currency risk as a result of its net investments in overseas subsidiaries and normal trading activities, both external and intra-group, where the currency denomination differs from the functional currency, Ringgit Malaysia. The Group's policy is to minimise the exposure of overseas operating subsidiaries to transaction risk by matching local currency income against local currency costs.

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(i) Foreign currency risk (continued)**

The net financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows:

31 May 2024	Ringgit Malaysia ("RM") RM'000	Indonesian Rupiah ("IDR") RM'000	Hong Kong Dollar ("HKD") RM'000	United States Dollar ("USD") RM'000	Total RM'000
Functional currency					
Trade and other receivables					
United States Dollar	61,358	-	-	-	61,358
Singapore Dollar	884	-	-	2,206	3,090
Japanese Yen	312	-	-	-	312
Indonesian Rupiah	-	-	-	3,465	3,465
Euro	214	-	-	-	214
	62,768	-	-	5,671	68,439
Cash and bank balances					
Ringgit Malaysia	-	-	-	11	11
United States Dollar	26,459	4,305	8,238	-	39,002
Indonesian Rupiah	2	-	-	2,241	2,243
Japanese Yen	638	-	-	1	639
Euro	316	-	-	-	316
Singapore Dollar	1,853	-	-	1,616	3,469
	29,268	4,305	8,238	3,869	45,680
Borrowings					
Euro					
Trade and other payables					
United States Dollar	17,323	1	15,761	-	33,085
Singapore Dollar	27	-	-	3,976	4,003
Euro	890	-	-	-	890
Indonesian Rupiah	-	-	-	1,271	1,271
Ringgit Malaysia	-	-	-	513	513
Chinese Renminbi	606	-	-	-	606
	18,846	1	15,761	5,760	40,368
Lease liabilities					
Singapore Dollar	-	-	-	1,516	1,516
Ringgit Malaysia	-	-	-	1,280	1,280
	-	-	-	2,796	2,796

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(i) Foreign currency risk (continued)**

The net financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows: (continued)

31 May 2023	Ringgit Malaysia ("RM") RM'000	Indonesian Rupiah ("IDR") RM'000	Hong Kong Dollar ("HKD") RM'000	United States Dollar ("USD") RM'000	Vietnamese Dong ("VND") RM'000	Total RM'000
Functional currency						
Trade and other receivables						
United States Dollar	91,920	-	-	-	-	91,920
Singapore Dollar	1,052	-	-	3,113	-	4,165
Chinese Renminbi	790	-	-	-	-	790
Japanese Yen	344	-	-	-	-	344
Indonesian Rupiah	-	-	-	5,697	-	5,697
Brunei Dollar	10	-	-	-	-	10
	94,116	-	-	8,810	-	102,926
Cash and bank balances						
Ringgit Malaysia	-	-	-	27	-	27
United States Dollar	23,695	3,681	5,541	-	15	32,932
Indonesian Rupiah	-	-	-	2,500	-	2,500
Japanese Yen	373	-	-	1	-	374
Singapore Dollar	805	-	-	589	-	1,394
	24,873	3,681	5,541	3,117	15	37,227
Borrowings						
United States Dollar	24,503	-	-	-	-	24,503
Trade and other payables						
United States Dollar	38,098	-	13,871	-	-	51,969
Singapore Dollar	78	-	-	2,907	-	2,985
New Zealand Dollar	37	-	-	-	-	37
Indonesian Rupiah	-	-	-	1,320	-	1,320
Ringgit Malaysia	-	-	-	446	-	446
	38,213	-	13,871	4,673	-	56,757
Lease liabilities						
Singapore Dollar	-	-	-	11,692	-	11,692
Ringgit Malaysia	-	-	-	3,454	-	3,454
	-	-	-	15,146	-	15,146

NOTES TO THE FINANCIAL STATEMENTS

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(i) Foreign currency risk (continued)**Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit after tax and equity to a reasonably possible change in the foreign currencies strengthened or weakened by 5% (2023: 8%) and exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Group	
	2024	2023
	RM'000	RM'000
	Increase/ (Decrease)	Increase/ (Decrease)
Profit after tax and equity		
RM/USD - strengthen by 5% (2023: 8%)	2,679	3,223
- weaken by 5% (2023: 8%)	(2,679)	(3,223)
IDR/USD - strengthen by 5% (2023: 8%)	164	224
- weaken by 5% (2023: 8%)	(164)	(224)
HKD/USD - strengthen by 5% (2023: 8%)	(286)	(506)
- weaken by 5% (2023: 8%)	286	506
USD/SGD - strengthen by 5% (2023: 8%)	(63)	(663)
- weaken by 5% (2023: 8%)	63	663
RM/SGD - strengthen by 5% (2023: 8%)	103	108
- weaken by 5% (2023: 8%)	(103)	(108)
USD/IDR - strengthen by 5% (2023: 8%)	169	418
- weaken by 5% (2023: 8%)	(169)	(418)
USD/RM - strengthen by 5% (2023: 8%)	(68)	(235)
- weaken by 5% (2023: 8%)	68	235
RM/EURO - strengthen by 5% (2023: 8%)	(59)	-
- weaken by 5% (2023: 8%)	59	-

The Group's profit after tax and equity is not sensitive to other foreign currencies.

NOTES TO THE FINANCIAL STATEMENTS

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(ii) Interest rate risk**

The Group's exposure to interest rate risk arises mainly from the Group's borrowings and is managed through the use of fixed and floating rate borrowings and deposits.

The following tables set out the carrying amounts, the effective annual interest rates as at the end of reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

Group	Effective annual interest rate %	Within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 31 May 2024					
Fixed rates					
Short term deposits with licensed banks	2.10 - 4.10	31,384	-	-	31,384
Lease liabilities	2.31 - 6.91	6,448	3,759	483	10,690
Floating rates					
Bankers' acceptances	3.71 - 4.49	72,150	-	-	72,150
Bank overdrafts	7.20 - 7.90	10,185	-	-	10,185
Revolving credits	4.76 - 5.29	112,016	-	-	112,016
Trust receipts	6.43 - 7.99	64,065	-	-	64,065
Term loans	1.47 - 11.70	24,429	39,033	8,638	72,100
Trade financing	4.87 - 5.93	17,096	-	-	17,096
As at 31 May 2023					
Fixed rates					
Short term deposits with licensed banks	2.00 - 2.84	62,520	-	-	62,520
Lease liabilities	2.31 - 6.72	17,077	6,587	181	23,845
Floating rates					
Bankers' acceptances	3.31 - 4.46	96,515	-	-	96,515
Bank overdrafts	6.30 - 8.65	12,751	-	-	12,751
Revolving credits	4.07 - 7.15	91,715	-	-	91,715
Trust receipts	6.83 - 8.00	62,639	-	-	62,639
Term loans	4.28 - 7.84	32,582	70,989	-	103,571
Trade financing	2.57 - 7.50	16,719	-	-	16,719

NOTES TO THE FINANCIAL STATEMENTS

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(ii) Interest rate risk (continued)**

The following tables set out the carrying amounts, the effective annual interest rates as at the end of reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk: (continued)

Company	Effective annual interest rate %	Within one year RM'000	One to five years RM'000	Total RM'000
As at 31 May 2024				
Fixed rates				
Amounts owing by subsidiaries	4.50	2,838	-	2,838
Amounts owing to subsidiaries	4.50 - 5.60	54,470	-	54,470
Lease liabilities	2.31	36	116	152
Floating rates				
Bank overdrafts	7.20	6,464	-	6,464
Revolving credits	5.31	27,965	-	27,965
Term loans	5.74	14,100	10,100	24,200
As at 31 May 2023				
Fixed rates				
Amounts owing by subsidiaries	4.50	4,168	-	4,168
Amounts owing to subsidiaries	4.50 - 5.20	52,937	-	52,937
Lease liabilities	2.31	35	152	187
Floating rates				
Bank overdrafts	7.20	6,432	-	6,432
Revolving credits	5.01	31,715	-	31,715
Term loans	5.04	15,200	24,200	39,400

Sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial instruments at fair value through profit or loss, and the carrying amount of fixed rate financial instruments of the Group and of the Company are measured at amortised cost. Therefore, no sensitivity analysis for fixed rate instruments was prepared as the change in market interest rate at the end of the reporting period would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(ii) Interest rate risk (continued)**Sensitivity analysis for floating rate instruments

As at 31 May 2024, if there was a variation in interest rates by 100 basis points with all other variables held constant, the Group's and the Company's profit after tax and equity for the financial year, arising mainly as a result of higher or lower interest expense on variable borrowings, would have been:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit after tax and equity				
100 basis point higher	(2,642)	(2,918)	(446)	(589)
100 basis point lower	2,642	2,918	446	589

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(iii) Liquidity risk

It is the Group's policy to ensure continuity in servicing its cash obligations in the future by way of measuring and forecasting its cash commitments, monitoring and maintaining a level of cash and cash equivalents deemed adequate for the Group's operations.

As at 31 May 2024, the current liabilities of the Company exceeded its current assets by RM117.8 million. The Company has sufficient cash flows from its business activities and the Company has been provided with undertakings not to demand repayment by the subsidiaries which amounted to RM106.8 million unless the Company has sufficient funds to permit repayments. Therefore, the Directors are confident that the Company is able to meet its obligations as and when they fall due.

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
2024				
Group				
Financial liabilities				
Trade and other payables	246,792	-	-	246,792
Amounts owing to associates	1,592	-	-	1,592
Lease liabilities	6,589	4,271	627	11,487
Borrowings	307,797	43,665	9,946	361,408
Total undiscounted financial liabilities	562,770	47,936	10,573	621,279

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(iii) Liquidity risk (continued)**

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations. (continued)

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
2024				
Company				
Financial liabilities				
Trade and other payables	3,835	-	-	3,835
Lease liabilities	42	124	-	166
Amounts owing to subsidiaries	106,777	-	-	106,777
Borrowings	50,641	10,609	-	61,250
Total undiscounted financial liabilities	161,295	10,733	-	172,028
2023				
Group				
Financial liabilities				
Trade and other payables	237,729	-	-	237,729
Amounts owing to associates	694	-	-	694
Lease liabilities	17,511	7,079	340	24,930
Borrowings	319,547	74,812	-	394,359
Total undiscounted financial liabilities	575,481	81,891	340	657,712
Company				
Financial liabilities				
Trade and other payables	5,142	-	-	5,142
Lease liabilities	42	166	-	208
Amounts owing to subsidiaries	101,714	-	-	101,714
Borrowings	55,702	25,420	-	81,122
Total undiscounted financial liabilities	162,600	25,586	-	188,186

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31 May 2024

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iv) Credit risk

Cash deposits and receivables may give rise to credit risk, which requires the loss to be recognised if a counter party failed to perform as contracted. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period granted by the Group ranged from one (1) month to four (4) months (2023: one (1) month to four (4) months). Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management.

In respect of the cash and bank balances placed with major financial institutions in Malaysia, the Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

Exposure to credit risk

At the end of the reporting period, the maximum exposures to credit risk of the Group and of the Company are represented by the carrying amounts of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

At the end of the reporting period, the Group did not have any significant exposure to any individual customer or counter party nor did it have any major concentration of credit risk related to any financial instruments.

At the end of the reporting period, the Company did not have any significant exposure to any individual customer or counter party nor did it have any major concentration of credit risk related to any financial instruments other than the amounts owing by subsidiaries of RM27,618,000 (2023: RM47,814,000).

36. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

The Group has related party relationship with its subsidiaries, associates and joint ventures as disclosed in Note 41 to the financial statements, and which Directors have substantial direct/indirect shareholding.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

36. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Significant related parties transactions

In addition to the related parties information detailed elsewhere in the financial statements, the Group and the Company had the following significant transactions with related parties during the financial year:

	Group	
	2024	2023
	RM'000	RM'000
Purchases from:		
- companies in which certain Directors of the Company have substantial indirect shareholding	3,230	2,070
- subsidiaries of associates	-	264
Rental income from:		
- company in which a Director of the Company has substantial indirect shareholding	244	252
- a subsidiary of an associate	92	82
Rental paid to a subsidiary of an associate	28	23
Sales to a subsidiary of an associate	-	36

	Company	
	2024	2023
	RM'000	RM'000
Purchases from:		
- a subsidiary of an associate	-	16
- company in which a Director of the Company has substantial indirect shareholding	-	16
Rental income from:		
- a subsidiary of an associate	92	82
- company in which a Director of the Company has substantial indirect shareholding	244	252

The Directors of the Group and of the Company are of the opinion that the above transactions were carried out based on negotiated terms and conditions and mutually agreed with the related parties.

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36. RELATED PARTY DISCLOSURES (CONTINUED)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group.

The remuneration of Directors and other key management personnel of the Group and of the Company during the financial year was as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fees	1,469	1,651	644	615
Short term employee benefits	22,367	19,960	265	265
Defined contribution plan	1,372	1,179	11	11
Share options granted under ESOS	-	152	-	34
Other emoluments	2,239	1,006	28	27
	27,447	23,948	948	952

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group and the Company amounted to RM238,000 (2023: RM229,000) and RM58,000 (2023: RM52,000) respectively.

37. CAPITAL COMMITMENTS

Capital commitments not provided for in the financial statements are as follows:

	Group	
	2024 RM'000	2023 RM'000
In respect of purchase of property, plant and equipment:		
Contracted but not provided for	8,934	22,309
Approved but not contracted for	58,035	34,951
	66,969	57,260

NOTES TO THE FINANCIAL STATEMENTS

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38. FINANCIAL GUARANTEES

	Company	
	2024 RM'000	2023 RM'000
Secured		
Bank guarantees given by financial institutions for trade performance of certain subsidiaries and working capital purpose	4,649	4,649
Unsecured		
Financial guarantees given to financial institutions in respect of credit facilities granted to certain subsidiaries	68,388	59,670
	73,037	64,319

The Company has financial guarantee contracts of RM68,388,000 (2023: RM59,670,000) in respect of financial guarantees given to financial institutions for credit facilities granted to subsidiaries. The Company monitors the ability of the subsidiaries to service their loans regularly.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of the amount of the loss allowance; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contract with Customers*.

The Company assumes that there is significant increase in credit risk when the subsidiaries' financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when the subsidiaries are unlikely to repay its credit obligation to the bank in full or the subsidiaries are continuously loss making and are having a deficit shareholders' fund. The Company determines the probability of default of the guaranteed loans individually using internal information available.

Financial guarantees have not been recognised since the fair value was not material on initial recognition. As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

39. EMPLOYEE BENEFITS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Salaries and wages	92,370	89,819	265	265
Defined contribution plan	9,228	8,603	11	11
Provision for retirement benefits	625	634	-	-
Other benefits	3,761	3,749	-	-
Share options granted under ESOS	-	615	-	34
	105,984	103,420	276	310

Included in the employee benefits of the Group and of the Company are Executive Directors remuneration and other emoluments amounting to RM13,532,000 (2023: RM19,429,000) and RM276,000 (2023: RM310,000) respectively.

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40. EMPLOYEES' SHARE OPTION SCHEME

At an extraordinary general meeting of the Company held on 18 October 2018, the Company's shareholders approved the establishment of an ESOS of up to ten per centum (10%) of the issued and paid-up share capital (excluding treasury shares) of the Company for the eligible Executive Directors and employees of the Group ("Scheme"). The ESOS shall be in force for a period of five (5) years commencing from 6 March 2019 ("Duration of the Scheme").

The salient features of the Scheme are as follows:

- i. The maximum number of new ordinary shares in the Company which may be available under the Scheme shall not be more than ten per centum (10%) of the issued and fully paid-up share capital (excluding treasury shares) of the Company at any point in time during the Duration of the Scheme;
- ii. Eligible Executive Directors and employees of the Group (excluding Nylex (Malaysia) Berhad ("Nylex"), ALB and dormant subsidiaries) are those who have been confirmed in service on the date of the offer and has attained eighteen (18) years of age or above; and are employed on a continuous full time basis (either permanent or on contract);
- iii. The option price shall be determined by the ESOS Committee of the Company at a discount of not more than ten per centum (10%) from the volume weighted average market price of the Company's shares as quoted on Bursa Securities for the five (5) market days immediately preceding the date of the offer; and
- iv. The options granted are not entitled to dividends or voting rights. Upon exercise of the options, the ordinary shares issued shall rank pari passu in all respects with the existing ordinary shares of the Company.

Details of the ESOS options granted are as follows:

Date of offer	Number of options over ordinary shares ('000)			Balance as at 31.5.2024
	Balance as at 1.6.2023	Movement for the financial year		
		Exercised	Expired	
18 December 2020	13,281	(12,856)	(425)	-
14 September 2021	2,048	(1,742)	(306)	-
25 January 2022	597	(567)	(30)	-
	15,926	(15,165)	(761)	-

NOTES TO THE FINANCIAL STATEMENTS

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40. EMPLOYEES' SHARE OPTION SCHEME (CONTINUED)

Fair value of share options was estimated by the Group using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and assumptions used are as follows:

Fair value of share options granted on 18 December 2020 based on vesting date (RM)

- 18 December 2020	0.34
- 14 September 2021	0.32
- 18 December 2021	0.31
- 25 January 2022	0.31
- 18 December 2022	0.28
Expected volatility of Company's share price (%)	38.39
Option term (years)	5
Risk free rate of interest per annum (%)	2.11
Expected dividend yield per annum (%)	-

41. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

(a) Details of subsidiaries are as follows:

Company	Principal place of business/ Country of incorporation	Group's effective equity interest		Principal activities
		2024 %	2023 %	
<i>Direct:</i>				
Ancom Properties Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding
Rhodemark Development Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding
Ancom Agrichemical Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding
@ HSO Business Systems Sdn. Bhd.	Malaysia	-	48.0	Dormant
Nylex Holdings Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding and manufacture and marketing of vinyl-coated fabrics, calendered film and sheeting and other polymer products, including geotextiles and prefabricated sub-soil drainage system and property development
ATG Nexus Sdn. Bhd. (Formerly known as iEnterprise Online Sdn. Bhd.)	Malaysia	97.3	97.3	Development of IT systems and providing IT related consultancy services

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

41. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Company	Principal place of business/ Country of incorporation	Group's effective equity interest		Principal activities
		2024 %	2023 %	
<i>Direct: (continued)</i>				
Ancom Truelife Sdn. Bhd.	Malaysia	75.0	75.0	Sale and trading of healthcare products
* Ancom Components Sdn. Bhd.	Malaysia	66.7	66.7	Manufacturing and marketing of low voltage switchgear
Redberry Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding and provision of media advertising
Redberry Holdings Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding
Ancom Management Services Sdn. Bhd.	Malaysia	100.0	100.0	Provision of management services
Synergy Tanker Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding
Ancom Power Solutions Sdn. Bhd.	Malaysia	100.0	100.0	Dormant
ATG Avionix Sdn. Bhd. (Formerly known as Redberry Ambient Sdn. Bhd.)	Malaysia	100.0	100.0	Development of IT systems and providing IT related consultancy services
<i>Indirect:</i>				
Ancom Crop Care Sdn. Bhd.	Malaysia	100.0	100.0	Manufacture and marketing of agricultural chemical products
Ancom Bioscience Sdn. Bhd.	Malaysia	100.0	100.0	Trading of agricultural chemical products
Polytensides Sdn. Bhd.	Malaysia	100.0	100.0	Manufacture and sale of agricultural chemical products
Ancom Energy & Services Sdn. Bhd.	Malaysia	100.0	100.0	Marketing of low voltage switchgear
Timber Preservatives Sdn. Bhd.	Malaysia	100.0	100.0	Manufacture and distribution of timber and preservatives related chemical products

NOTES TO THE FINANCIAL STATEMENTS

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41. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Company	Principal place of business/ Country of incorporation	Group's effective equity interest		Principal activities
		2024 %	2023 %	
<i>Indirect: (continued)</i>				
Timber Preservatives Industries Sdn. Bhd.	Malaysia	100.0	100.0	Manufacture and distribution of timber and preservatives related chemical products
Kemcom Sdn. Bhd.	Malaysia	100.0	100.0	Manufacture and sale of wood preservatives
Ancom Nutrifoods Sdn. Bhd.	Malaysia	100.0	100.0	Growing of banana and durian, general trading and investment holding
Shennong Animal Health (Malaysia) Sdn. Bhd.	Malaysia	80.0	80.0	Manufacturing of chemical and animal health products
Vemedim Sdn. Bhd.	Malaysia	80.0	80.0	Trading of chemical and animal health products
* Ancom do Brasil Ltda	Brazil	99.9	99.9	Dormant. Holder of licenses for certain agricultural chemical products
* Ancom Australia Pty. Ltd.	Australia	100.0	100.0	Dormant. Holder of licenses for certain agricultural chemical products
* Malancom Agrochemicals (Pte) Limited	South Africa	100.0	100.0	Dormant. Holder of licenses for certain agricultural chemical products
* ChemResources China (Agencies) Limited	Hong Kong	100.0	100.0	Trading of chemical products
* Decom Limited	Hong Kong	100.0	-	Trading of chemical products
Entopest Environmental Services Sdn. Bhd.	Malaysia	90.0	90.0	Provision of pest control, hygiene and sanitation services
Entopest Environmental Services (PG) Sdn. Bhd.	Malaysia	81.0	81.0	Provision of pest control, hygiene and sanitation services
* PT Entopest Environmental Services	Indonesia	60.3	60.3	Dormant
@ Airefresh Industries (M) Sdn. Bhd.	Malaysia	18.0	18.0	Manufacture, distribution, merchandise and sale of air fresh products
Airefresh Marketing Sdn. Bhd.	Malaysia	72.0	72.0	General trading

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41. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Company	Principal place of business/ Country of incorporation	Group's effective equity interest		Principal activities
		2024 %	2023 %	
<i>Indirect: (continued)</i>				
Common Feed Sdn. Bhd.	Malaysia	100.0	100.0	Trading of animal feed products
Vanguard Express Sdn. Bhd.	Malaysia	100.0	100.0	Freight and logistics services
H.J. Unkel Chemicals Sdn. Bhd.	Malaysia	70.0	-	Trading of industrial chemicals products
Novelty Chemicals Sdn. Bhd.	Malaysia	70.0	-	Trading of industrial chemicals products
Ⓓ Redberry Media Sdn. Bhd.	Malaysia	46.6	46.6	Provision of media related services
Redberry Solutions Sdn. Bhd.	Malaysia	51.0	51.0	Dormant
Wheel Sport Management Sdn. Bhd.	Malaysia	77.0	77.0	Promoters and organiser of motor sports and to buy, sell and deal in all kinds of motors
Redberry Contact Center Sdn. Bhd.	Malaysia	100.0	100.0	Providing call centre services
Redberry Events Sdn. Bhd.	Malaysia	-	90.0	Dormant
Redberry Screens Sdn. Bhd.	Malaysia	-	100.0	Provision of digital advertising
Digital Showcase Sdn. Bhd.	Malaysia	95.0	95.0	Investment holding
* Redberry Animation Sdn. Bhd.	Malaysia	51.0	51.0	Dormant
Redberry Advertising Sdn. Bhd.	Malaysia	95.0	95.0	Provision of digital advertising
Twinstar Synergy Sdn. Bhd.	Malaysia	100.0	100.0	Printing of newspapers, journals, magazines, books and other literary works
Redberry Retail Sdn. Bhd.	Malaysia	70.0	70.0	Provision of digital advertising
Ten Plus Resources Sdn. Bhd.	Malaysia	85.5	85.5	Dormant
Redberry Cinema and Digital Sdn. Bhd.	Malaysia	95.0	95.0	Provision of digital and cinema advertising
Ancom Academy Sdn. Bhd.	Malaysia	-	100.0	Provide training, advisory and consulting services
^# Nylex (Malaysia) Berhad	Malaysia	42.2	42.2	Investment holding and manufacture and marketing of vinyl-coated fabrics, calendered film and sheeting and other polymer products, including geotextiles and prefabricated sub-soil drainage system and property development

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

41. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Company	Principal place of business/ Country of incorporation	Group's effective equity interest		Principal activities
		2024 %	2023 %	
<i>Indirect: (continued)</i>				
Nylex Polymer Marketing Sdn. Bhd.	Malaysia	100.0	100.0	Marketing of polyurethane ("PU") and polyvinyl chloride ("PVC") synthetic leather, films and sheets, geosynthetic and general trading
PT Nylex Indonesia	Indonesia	100.0	100.0	Manufacture, marketing and distribution of PVC and PU leathercloth
Perusahaan Kimia Gemilang Sdn. Bhd.	Malaysia	100.0	100.0	Trading in petrochemicals and industrial chemicals
Fermpro Sdn. Bhd.	Malaysia	100.0	100.0	Manufacture and marketing of ethanol, carbon dioxide and other related chemical products
Kumpulan Kesuma Sdn. Bhd.	Malaysia	100.0	100.0	Manufacture and marketing of sealants and adhesive products
Wedon Sdn. Bhd.	Malaysia	100.0	100.0	Marketing of sealants and adhesive products
Speciality Phosphates (Malaysia) Sdn. Bhd.	Malaysia	51.0	51.0	Manufacture and sale of chemicals
Nycon Manufacturing Sdn. Bhd.	Malaysia	100.0	100.0	Dormant
* Dynamic Chemical Pte. Ltd.	Singapore	100.0	100.0	Blending, trading and distribution of industrial chemicals
ALB Marine Sdn. Bhd.	Malaysia	100.0	100.0	Carrying out business of ship owning, ship management and charter hire of tanker
Ancom Kimia Sdn. Bhd.	Malaysia	60.0	60.0	Distribution of petrochemicals and industrial chemicals
* CKG Chemicals Pte. Ltd.	Singapore	100.0	100.0	Trading and distribution of industrial chemicals and gasoline blending components

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

41. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Company	Principal place of business/ Country of incorporation	Group's effective equity interest		Principal activities
		2024 %	2023 %	
<i>Indirect: (continued)</i>				
Nylex Specialty Chemicals Sdn. Bhd.	Malaysia	100.0	100.0	Manufacture and sale of phosphoric acid
Perusahaan Kimia Gemilang (Vietnam) Company Ltd.	Vietnam	100.0	100.0	Building tank farms and other facilities for the storage of industrial chemicals, importation and distribution of industrial chemicals
PT PKG Lautan Indonesia	Indonesia	100.0	100.0	Importation and distribution of industrial chemicals
One Chem Terminal Sdn. Bhd.	Malaysia	51.0	51.0	Operate, lease and manage chemical tank farm and warehouse
## Ancom Logistics Berhad	Malaysia	34.0	34.0	Investment holding
@ Synergy Trans-Link Sdn. Bhd.	Malaysia	34.0	34.0	Investment holding
Ancom Nylex Terminals Sdn. Bhd.	Malaysia	66.3	66.3	Build, own, operate, lease and manage chemical tank farm and warehouse
@ Pengangkutan Cogent Sdn. Bhd.	Malaysia	34.0	34.0	Providing transportation and related services
@ Hikmat Ikhlas Sdn. Bhd.	Malaysia	-	35.0	Dormant
* Syarikat Wandeerfull Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding, dealing in and subletting of properties
* Wandeerfull Industries Sdn. Bhd.	Malaysia	100.0	100.0	Property investment
* Syarikat Wandeerfull (Kg Attap) Sdn. Bhd.	Malaysia	-	100.0	Property investment
* Pureplay Interactive Sdn. Bhd.	Malaysia	97.3	97.3	Dormant
* Trinity Diligent Sdn. Bhd.	Malaysia	100.0	-	Dormant

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

41. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONTINUED)

(b) Details of associates are as follows:

Company	Principal place of business/ Country of incorporation	Group's effective equity interest		Principal activities
		2024 %	2023 %	
<i>Direct:</i>				
* iSpring Capital Sdn. Bhd.	Malaysia	42.0	42.0	Dormant
* Jirnexu Pte. Ltd.	Singapore	22.4	22.4	Investment holding
MSTi Corporation Sdn. Bhd.	Malaysia	20.0	20.0	Trading of computer hardware and software and rendering of IT related consultancy services
<i>Indirect:</i>				
* Ancom Philippines Inc.	Philippines	39.6	39.6	Dormant. Holder of licenses for certain agricultural chemical products
* ActMedia (M) Sdn. Bhd.	Malaysia	30.0	30.0	Advertising media design and production
Puncak Berlian Sdn. Bhd.	Malaysia	30.0	30.0	Investment holding
* Trevi Properties Sdn. Bhd.	Malaysia	25.0	25.0	Property Development
* Advanced Technology Studies Centre Sdn. Bhd.	Malaysia	32.4	32.4	Promoting knowledge and skills development in IT
* DJ Money Matters Sdn. Bhd.	Malaysia	50.0	50.0	Money lending business
* PT Mynindo Acqua Pura	Indonesia	30.0	30.0	Developing high technology products, in particular micro water treatment and waste treatment
* Trilogy Renewables Sdn. Bhd.	Malaysia	40.0	40.0	Manufacture of gaseous fuels with a specified calorific value, by purification, blending and other processes from gases of various types including natural gas

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

41. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONTINUED)

(c) Details of the joint ventures are as follows:

Company	Principal place of business/ Country of incorporation	Group's effective equity interest		Principal activities
		2024 %	2023 %	
<i>Indirect:</i>				
* Senandung Sonik Sdn. Bhd.	Malaysia	24.5	24.5	Holder of radio license
* <i>Not audited by BDO PLT or BDO Member Firms.</i>				
^ <i>Percentage shareholding computed based on the number of ordinary shares in issue after deduction of the treasury shares of Nylex.</i>				
@ <i>The Group considers that it controls these subsidiaries even though it owns less than 50% of voting rights. This is because the Group is the single largest shareholder of these companies. Since the date of acquisition of these subsidiaries, there is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.</i>				
# <i>The financial statements of Nylex were consolidated as a subsidiary as the Group has control over the Board of Nylex.</i>				
## <i>The financial statements of ALB were consolidated as a subsidiary as the Group has power to govern the financial and operating policies of ALB under a statute and an agreement.</i>				

42. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

42.1 New MFRSs and Amendments to MFRSs adopted during the financial year

The Group and the Company adopted the following Standard and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	Refer paragraph 98M of MFRS 112

The adoption of the above Standard and Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

42. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONTINUED)**42.2 New MFRSs and Amendments to MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024**

The following are Standards and Amendments of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.

43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) The Company and Nylex, had on 21 March 2022 entered into a Heads of Agreement (“HOA”) with Sinar Bina Infra Sdn. Bhd., LBS Bina Group Berhad and BTS Group Holdings Public Company Limited (collectively referred to as “Parties”) for the collaboration 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”). The Parties are working together exclusively to agree on the terms of the definitive agreements to effect the proposals stipulated in the HOA (“Proposed Project”). The LRT Project is subject to the feasibility study as defined in the HOA being completed and the grant of the concession award for the LRT Project by the state government of Johor. The Proposed Project will form part of the regularisation plan to be undertaken by Nylex to regularise its affected listed issuer status.

Nylex had on 13 December 2022, signed a letter of Intent (“LOI”) with CRRC Changchun Railway Vehicles Co., Ltd for the purposes of entering into good faith discussions and negotiations with regards to the construction, commissioning, installation and testing of the LRT Project. The LOI is entered by Nylex as apart of its efforts to complete the feasibility study for the LRT Project.

Bursa Securities had via its letter dated 30 January 2023, granted Nylex an extension of time of six (6) months up to 26 July 2023 for Nylex to submit its regularisation plan to the regulatory authorities.

On 22 March 2023, the Parties have agreed to extend the long stop date of the HOA by another three (3) months to 21 June 2023. On 21 June 2023, the Parties have further agreed to extend the long stop date of the HOA to 31 January 2024.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONTINUED)

(a) (continued)

On 16 August 2023, Bursa Securities has rejected Nylex's extension of time application as Nylex has not demonstrated to the satisfaction of Bursa Securities any material development towards the finalisation and submission of the regularisation plan to the regulatory authorities. On the same day, Nylex has received a notice to show cause on commencement of suspension and de-listing procedures pursuant to Paragraph 8.03a(3)(b) of the Listing Requirements from Bursa Securities ("Notice").

Nylex had on 23 August 2023 submitted the written representations to Bursa Securities in relation to why a suspension should not be imposed on the trading of the securities of Nylex; and why the securities of Nylex should not be de-listed from the Official List of Bursa Securities.

On 13 October 2023, Bursa Securities had decided to grant Nylex a further extension of time until 26 January 2024 to submit the regularisation plan to the relevant authorities for approval ("Extended Timeframe"), failing which the securities of Nylex will be suspended and de-listed from the Official List of Bursa Securities. As Nylex had failed to submit the proposed regularisation plan within the Extended Timeframe, the Company has on 26 January 2024 appealed/applied for a further extension of time ("Appeal").

On 29 January 2024, Bursa Securities had decided to suspend the securities of Nylex with effect from 7 February 2024 as Nylex had failed to submit the proposed regularisation plan and the de-listing of the securities of Nylex is deferred pending the decision on the Appeal by Bursa Securities.

Bursa Securities has via its letter dated 4 March 2024, allowed Nylex's appeal against the de-listing of Nylex and granted Nylex a further extension of time until 26 July 2024 to submit the regularisation plan to the relevant authorities for approval ("Extended Timeframe II"); failing which the securities of the Company shall be removed from the Official List of Bursa Securities upon expiry of two (2) market days from the date the Company is notified by Bursa Securities or on such date as may be specified by Bursa Securities. As Nylex is unable to submit the proposed regularisation plan within the Extended Timeframe II, the Company has on 19 July 2024 appealed/applied for a further extension of time ("Appeal 2").

As at the date of this report, the Proposed Project is yet to be completed.

(b) The Group via its wholly-owned subsidiary, ACC had on 12 April 2023 entered into Share Sale Agreements to acquire 70% equity interest each in Unkel and Novelty for a cash consideration of RM9,700,000.

The acquisition of Unkel and Novelty was completed on 10 January 2024.

(c) The Company and its 33.96% owned subsidiary, ALB had entered into a Heads of Agreement ("HOA 2") with Greenheart Sdn. Bhd. ("GSB"), Choong Wee Keong ("CWK") and How Yoon For ("HYF") for the following:

(GSB, CWK and HYF shall be collectively referred to as "Vendors" and the Company, ALB, and Vendors shall be collectively referred to as "Parties")

(i) proposed acquisition by ALB of the entire share capital of Green Lagoon Technology Sdn. Bhd. ("GLTSB") from the Vendors for total consideration of RM120,000,000, subject to an independent valuation to be conducted on GLTSB during the due diligence and in return ALB shall issue 1,000,000,000 new ordinary shares in ALB ("ALB Share(s)") at an issue price of RM0.12 per ALB Share, that will be listed and tradeable in the ACE Market to the GLTSB shareholders ("Consideration Shares") ("Proposed Acquisition");

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONTINUED)

(c) (continued)

- (ii) proposed exemption under subparagraph 4.08(1)(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions to the Vendors, other shareholders of GLTSB and their person(s) acting in concert (collectively "PAC(s)") under Sections 216(2) and 216(3) of the Capital Markets and Services Act 2007 from the obligation to undertake a mandatory offer for the remaining ALB Shares not already owned by them pursuant to the Proposed Acquisition ("Proposed Exemption");
- (iii) proposed private placement of up to 183,333,334 new ALB Shares (or such other number of new ALB Shares as may be applicable) to the Company for the total sum of up to RM22,000,000.08 at an issue price of RM0.12 per ALB Share (or such other amount corresponding to such number of new ALB Shares to be issued) and to be settled in cash at the issue price of RM0.12 per ALB Share provided that the total percentage of shareholding held by the Company directly and indirectly in the share capital of ALB on completion of the Proposed Acquisition shall not exceed such number of ALB Shares representing 21% of the entire issued and paid-up share capital of ALB ("Proposed Private Placement"); and
- (iv) proposed disposal by ALB all of its subsidiaries (i.e., Synergy Trans-Link Sdn. Bhd. and its subsidiaries, Pengangkutan Cogent Sdn. Bhd. and ANT) to the Company at an independent valuation to be conducted and agreed by the Company and ALB and upon such terms and conditions to be determined later. The consideration is to be satisfied in cash ("Proposed Disposal").

(The Proposed Acquisition, Proposed Exemption, Proposed Private Placement and Proposed Disposal shall be collectively referred to as "Proposals")

Upon completion of the Proposals, ALB will cease to be a subsidiary of the Company and will become an associate of the Company.

The Proposals have not been completed as at the date of this report.

44. MATERIAL LITIGATION

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

On 12 February 2018, a wholly-owned subsidiary of the Group, ACC 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. ("Logix World") 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. The court had on 13 July 2020 found the directors of Logix World 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 had on 15 October 2021, sentenced the directors and awarded costs of RM15,000 and imposed a fine of RM10,000 per person.

This matter is not expected to have a material impact on the earnings, net assets and gearing of our Group as the principal sum of RM2,702,500 has been fully provided and accounted for in prior years.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

44. MATERIAL LITIGATION (CONTINUED)

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

On 14 October 2021, Fermpro Sdn. Bhd. ("Fermpro"), a wholly-owned subsidiary of Nylex Holdings, submitted an application for Judicial Review to High Court of Malaya at Kuala Lumpur ("High Court") as Applicant against Royal Malaysian Customs Department ("Customs") as Respondent, in regard to Customs decision dated 3 August 2021 that affirmed Customs earlier decisions dated 15 June 2020 to issue four Bills of Demand ("BODs") for indirect taxes totalling RM7.8 million, comprising import duty, excise duty, Goods and Services Tax ("GST") and sales tax (collectively referred to as "the indirect taxes").

The BODs were issued by Customs due to the alleged liability of Fermpro for the indirect taxes in the removal of goods from Westport Free Commercial Zone ("FCZ") to Licensed Manufacturing Warehouse ("LMW") for the period January 2017 to August 2019.

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

The High Court had on 25 August 2023 dismissed the BODs application.

The Group has filed an appeal with Court of Appeal to against the judgement of the High Court and the case management is fixed on 27 August 2024 and the hearing date on 10 September 2024.

The Group has not recognised any potential liability in respect of the claims in the financial statements of the Group up to the reporting date pending further developments at the Court of Appeal, as the Group believes that there are strong grounds to argue the case.

ADDITIONAL COMPLIANCE INFORMATION

Audit and Non-audit Fee

The disclosure on audit fee and non-audit fee paid or payable to Messrs BDO PLT, the external auditors of the Company, is in page 131 to the financial statements.

Utilisation of Proceeds

(a) Warrants B 2020/2025 (“WB(s)”)

The Company has completed bonus issue of 59,878,790 free WB on the basis of one (1) WB for every four (4) existing ordinary shares held, which were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 18 September 2020.

Pursuant to the Share Split exercise undertaken by the Company involving the subdivision of every one (1) existing ordinary share in the Company into three (3) ordinary shares which was completed on 7 June 2022 (“Share Split”), the number of unexercised WBs amounting to 52,954,441 WBs were adjusted to 158,863,323 WBs and the exercise price of RM0.84 per WB was adjusted to RM0.28 per WB as certified by Messrs BDO PLT.

During the financial year, a total of 20,655,763 WBs were exercised, raising a total of RM5,784,000 in proceeds which were used as working capital of the Group.

As at 31 May 2024, 91,113,586 WBs remained unexercised.

(b) Employee’s Share Options Scheme (“ESOS”)

At an extraordinary general meeting of the Company held on 18 October 2018, the Company’s shareholders approved the establishment of an ESOS of up to ten per centum (10%) of the issued and paid-up share capital (excluding treasury shares) of the Company for the eligible Executive Directors and employees of the Group. The ESOS shall be in force for a period of five (5) years commencing from 6 March 2019.

Pursuant to the Share Split, the number of unexercised ESOS Options (“Option(s)”) amounting to 11,452,492 Options were adjusted to 34,357,476 Options and the exercise price of RM0.765 per Option was adjusted to RM0.255 per Option as certified by Messrs BDO PLT.

During the financial year, no additional Options were granted and the ESOS has expired on 5 March 2024, details as below:

	Outstanding Options as at 1 June 2023 (‘000)	Options exercised (‘000)	Options lapsed as at 5 March 2024 (‘000)
All eligible Executive Directors and employees	15,926	(15,165)	761
Executive Directors	1,620	(1,620)	-

ADDITIONAL COMPLIANCE INFORMATION

Recurrent Related Party Transactions (“RRPTs”)

The aggregate value of RRPTs made during the financial year, pursuant to the shareholders’ mandate obtained at 54th Annual General Meeting of the Company, is as follows:

Related Party	Transacting Parties for RRPTs	Nature of RRPTs	Value of RRPTs (RM’000)	Interested Directors, major shareholders and connected persons
Malay Mail Online Sdn. Bhd. (“MMOSB”)	The Company and its subsidiaries (“ANB Group”)	Provision of advertising space in the media channels by MMOSB to ANB Group	3,230	<ul style="list-style-type: none"> • Dato’ Siew Ka Wei • Datin Young Ka Mun • Siew Ka Kheong • Quek Lay Kheng • Siew Nim Chee & Sons Sdn. Bhd. • Silver Dollars Sdn. Bhd.

Material Contracts Involving Directors’/Major Shareholders’ Interests

There were no material contracts (other than contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries which involves the interest of its Directors or major shareholders, either still subsisting at the end of the financial year ended 31 May 2024 or entered into since the end of the previous financial year.

LIST OF TOP TEN PROPERTIES

Owner	Location	Tenure	Land Area	Descriptions	Net Book Value As At 31 May 2024 (RM'000)	Date of Acquisition / Revaluation
1. Nylex Holdings Sdn. Bhd.	H.S.(D) 256546, Lot 16, Seksyen 15, Bandar Shah Alam, Selangor	Unexpired leasehold interest of 84 years <i>(Expiring on 29 June 2108)</i>	3.02 hectares	Office building and factory Age of buildings: approximately 53 years	29,186	5 May 2011
	H.S.(D) 256546, Lot 16, Seksyen 15, Bandar Shah Alam, Selangor	Unexpired leasehold interest of 84 years <i>(Expiring on 29 June 2108)</i>	1.21 hectares	Warehouse, factory and vacant land Age of buildings: approximately 44 years		
2. Ancom Nylex Berhad	H.S.(D) 259800, No. 2A, Jalan 13/2, Petaling Jaya, Selangor	Unexpired leasehold interest of 84 years <i>(Expiring on 21 October 2108)</i>	1.31 hectares	Office and factory buildings Age of buildings: approximately 38 to 49 years	25,167	7 April 2011
3. Ancom Crop Care Sdn. Bhd.	PN 77684, Lot 5, Seksyen 15, Bandar Shah Alam, Selangor	Unexpired leasehold interest of 84 years <i>(Expiring on 15 July 2108)</i>	2.22 hectares	Office and factory buildings Age of buildings: approximately 54 years	12,977	11 May 2011
4. PT Nylex Indonesia	HGB No. 82, Desa Sumengko Km31, Wringinanom, Gresik 61176 Indonesia	Unexpired leasehold interest of 5 years <i>(Expiring on 12 January 2029)</i>	0.64 hectares	Casting line factory and office Age of buildings: approximately 20 years	10,272	12 May 2011
	HGB No. 82, Desa Sumengko Km31, Wringinanom, Gresik 61176 Indonesia	Unexpired leasehold interest of 5 years <i>(Expiring on 12 January 2029)</i>	5.36 hectares	Calendar line factory and vacant land Age of buildings: approximately 10 years		

LIST OF TOP TEN PROPERTIES

	Owner	Location	Tenure	Land Area	Descriptions	Net Book Value As At 31 May 2024 (RM'000)	Date of Acquisition / Revaluation
5.	Perusahaan Kimia Gemilang Sdn. Bhd.	H.S.(M) 6259, PT 4228, Mukim of Kapar, Daerah Klang, Selangor	Unexpired leasehold interest of 62 years <i>(Expiring on 9 June 2086)</i>	2.85 hectares	Office building and factory Age of building: approximately 33 years	7,825	7 April 2011
6.	Ancom Crop Care Sdn. Bhd.	P.T. 4227, Mukim of Kapar, Daerah Klang, Selangor	Unexpired leasehold interest of 62 years <i>(Expiring on 9 June 2086)</i>	2.52 hectares	Office and factory buildings Age of buildings: approximately 33 years	7,444	30 March 2011
7.	Nylex Holdings Sdn. Bhd.	Unit No: 7-10, Wisma 730 (The Trax) No: 1, Jalan Lima, Off Jalan Chan Sow Lin, 54200 Kuala Lumpur	Unexpired leasehold interest of 91 years <i>(Expiring on 1 March 2115)</i>	0.10 hectares	Vacant	6,372	12 September 2019
8.	Ancom Nylex Terminals Sdn. Bhd.	Jeti Petrokimia, Pelabuhan Barat Pelabuhan Klang, Selangor	Unexpired lease period of 1 year <i>(Expiring on 31 August 2024)</i>	9.8 acres	Tank farm, office and warehouse Age of buildings: approximately 26 years	5,067	N/A
9.	Nylex Specialty Chemicals Sdn. Bhd.	H.S.(M) 5507, Lot 593, Persiaran Raja Lumu, Kawasan Perusahaan Pandamaran, 42000 Port Klang, Selangor Darul Ehsan	Unexpired leasehold interest of 98 years <i>(Expiring on 1 September 2122)</i>	0.81 hectares	Office building and factory Age of buildings: approximately 49 years	4,856	25 April 2011
10.	Nylex Specialty Chemicals Sdn. Bhd.	H.S.(M) 6588, Lot 624, Persiaran Raja Lumu, Kawasan Perusahaan Pandamaran, 42000 Port Klang, Selangor Darul Ehsan	Unexpired leasehold interest of 98 years <i>(Expiring on 19 February 2122)</i>	0.83 hectares	Office building and warehouse Age of buildings: approximately 47 years	4,615	25 April 2011

ANALYSIS OF SHAREHOLDINGS

As at 3 September 2024

NO. OF HOLDERS OF EACH CLASS OF EQUITY SECURITIES

Class of securities : Ordinary shares ("Shares")
 Total no. issued : 1,012,388,660
 No. of holders : 12,773
 Voting rights : One vote per Share on a poll

DISTRIBUTION SCHEDULE

Holdings	No. of Holders	Total Holdings	%
Less than 100	2,844	93,720	0.010
100 to 1,000	2,838	1,177,254	0.126
1,001 to 10,000	3,930	17,095,161	1.834
10,001 to 100,000	2,596	74,007,536	7.939
100,001 to less than 5% of issued Shares	564	767,639,221	82.342
5% and above of issued Shares	1	72,244,091	7.749
	12,773	932,256,983	100.000
Treasury shares	-	80,131,677	-
	12,773	1,012,388,660	100.000

SHAREHOLDINGS

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<u>Substantial Shareholders</u>				
Dato' Siew Ka Wei	129,062,745	13.844	28,223,398 ^(a)	3.027
Datuk Lee Cheun Wei	81,595,485	8.752	18,387,500 ^(b)	1.972
<u>Directors</u>				
Dato' Siew Ka Wei	129,062,745	13.844	28,223,398 ^(a)	3.027
Datuk Lee Cheun Wei	81,595,485	8.752	18,387,500 ^(b)	1.972
Siew Ka Kheong (alternate to Dato' Siew Ka Wei)	15,780,454	1.693	9,557,119 ^(c)	1.025

Notes:

- (a) Deemed interested by virtue of his interests held through Datin Young Ka Mun, Siew Ka Kheong, Quek Lay Kheng and Siew Yuen Tuck.
 (b) Deemed interested by virtue of his interests in QuantumVerse Sdn. Bhd..
 (c) Deemed interested by virtue of his interests held through Quek Lay Kheng.

ANALYSIS OF SHAREHOLDINGS

As at 3 September 2024

THIRTY LARGEST HOLDERS AS PER RECORD OF DEPOSITORS

(Without aggregating securities from different securities accounts belonging to the same person)

Name	No. of Shares	%
1. Kenanga Nominees (Tempatan) Sdn. Bhd. - Siew Ka Wei	72,244,091	7.749
2. Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Siew Ka Wei	37,769,111	4.052
3. CIMB Group Nominees (Tempatan) Sdn. Bhd. - CIMB Commerce Trustee Berhad – Kenanga Growth Fund	32,674,600	3.505
4. Maybank Nominees (Tempatan) Sdn Bhd - Lee Cheun Wei	29,816,864	3.198
5. Lim Chin Tong	23,716,849	2.544
6. Citigroup Nominees (Asing) Sdn. Bhd. - CBNY for Norges Bank (FI 17)	20,693,026	2.220
7. Maybank Nominees (Tempatan) Sdn. Bhd. - Siew Ka Wei	19,148,971	2.054
8. RHB Nominees (Tempatan) Sdn. Bhd. - Lee Cheun Wei	18,940,176	2.032
9. RHB Nominees (Tempatan) Sdn. Bhd. - QuantumVerse Sdn. Bhd.	18,387,500	1.972
10. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - Deutsche Trustees Malaysia Berhad – Eastspring Investmentssmall-Cap Fund	17,596,844	1.888
11. Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Lee Cheun Wei	17,384,423	1.865
12. Lee Cheun Wei	11,876,933	1.274
13. Citigroup Nominees (Tempatan) Sdn. Bhd. - Urusharta Jamaah Sdn. Bhd. (AHAM AM 2)	11,059,282	1.186
14. RHB Nominees (Tempatan) Sdn. Bhd. - Tai Mee Yin	10,760,238	1.154
15. HSBC Nominees (Tempatan) Sdn. Bhd. - HSBC (M) Trustee Bhd – Principal Dali Equity Fund	10,297,181	1.105
16. Quek Lay Kheng	9,557,119	1.025
17. HSBC Nominees (Tempatan) Sdn. Bhd. - HSBC (M) Trustee Bhd – Manulife Investment Shariah Progress Fund	9,144,737	0.981
18. Hasnul Bin Hassan	8,908,200	0.956
19. Cartaban Nominees (Tempatan) Sdn. Bhd. - CN CIMB Commerce Trustee Berhad - Kenanga Growth Fund Series 2	8,884,200	0.953
20. Siew Ka Kheong	8,738,898	0.937
21. Lembaga Tabung Angkatan Tentera	8,648,717	0.928
22. Yap Ai Toi	8,312,300	0.892
23. Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board	8,283,023	0.888
24. Leverage Success Sdn. Bhd.	8,080,000	0.867
25. Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board (Eastspringgesg)	7,976,429	0.855
26. Citigroup Nominees (Tempatan) Sdn. Bhd. - Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)	7,511,800	0.806
27. HSBC Nominees (Tempatan) Sdn. Bhd. - HSBC (M) Trustee Bhd – Allianz Life Insurance Malaysia Berhad (MEF)	7,188,591	0.771
28. RHB Nominees (Tempatan) Sdn. Bhd. - Gan Sook Peng	6,686,531	0.717
29. Citigroup Nominees (Tempatan) Sdn. Bhd. - Kumpulan Wang Persaraan (Diperbadankan) (AIIIMAN IS EQ)	6,614,187	0.709
30. RHB Nominees (Tempatan) Sdn. Bhd. - Nicholas Tan Jo-Han	6,274,634	0.673
Total	473,175,455	50.756

ANALYSIS OF WARRANT HOLDINGS

As at 3 September 2024

NO. OF HOLDERS OF EACH CLASS OF EQUITY SECURITIES

Class of securities : Warrants B ("WB")
 Total no. outstanding : 87,322,286
 Exercise price per WB : RM0.280

DISTRIBUTION SCHEDULE

Holdings	No. of Holders	Total Holdings	%
Less than 100	1,987	61,098	0.070
100 to 1,000	719	306,183	0.351
1,001 to 10,000	2,046	6,337,459	7.257
10,001 to 100,000	316	9,042,929	10.356
100,001 to less than 5% of issued WB	65	33,234,203	38.059
5% and above of issued WB	3	38,340,414	43.907
	5,136	87,322,286	100.000

WB HOLDINGS

	Direct		Indirect	
	No. of WB	%	No. of WB	%
<u>Directors</u>				
Dato' Siew Ka Wei	18,452,531	21.132	-	-
Datuk Lee Cheun Wei	17,279,483	19.788	3,268,000 ^(a)	3.742

Notes:

(a) Deemed interested by virtue of his interests in QuantumVerse Sdn. Bhd..

ANALYSIS OF WARRANT HOLDINGS

As at 3 September 2024

THIRTY LARGEST WB HOLDERS AS PER RECORD OF DEPOSITORS

(Without aggregating securities from different securities accounts belonging to the same person)

Name	No. of Shares	%
1. Kenanga Nominees (Tempatan) Sdn. Bhd. - Siew Ka Wei	18,452,531	21.132
2. RHB Nominees (Tempatan) Sdn. Bhd. - Lee Cheun Wei	14,112,883	16.162
3. Lim Chin Tong	5,775,000	6.614
4. RHB Nominees (Tempatan) Sdn. Bhd. - Tai Mee Yin	3,912,425	4.480
5. RHB Nominees (Tempatan) Sdn. Bhd. - QuantumVerse Sdn. Bhd.	3,268,000	3.743
6. Lee Kok Meng	3,150,575	3.608
7. Maybank Nominees (Tempatan) Sdn. Bhd. - Lee Cheun Wei	2,186,700	2.504
8. Yap Ai Toi	1,315,000	1.506
9. Yap Chee Hong	1,229,351	1.408
10. RHB Nominees (Tempatan) Sdn. Bhd. - Gan Sook Peng	1,087,950	1.246
11. Gan Sook Peng	953,500	1.092
12. Kanaheswari A/P P Yoganathan	934,200	1.070
13. Lee Soo Hong	874,500	1.001
14. Astro (M) Sdn. Bhd.	785,382	0.899
15. Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Lee Cheun Wei	687,000	0.787
16. Liew Sim Kien	589,795	0.676
17. Sivanesan A/L K Sivalingam	584,650	0.670
18. CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Lee Cheun Wei (MF00043)	542,500	0.621
19. Hong Peng Cheng	515,616	0.590
20. AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Meeta A/P Ravilal (7009447)	506,700	0.580
21. Chua Kwee Nam	457,830	0.524
22. Sabariah Binti Ahmad	423,861	0.485
23. Lee Peter	405,000	0.464
24. Siew Lee Ying @ Siew Lee Yong	387,900	0.444
25. Chan Bee Cheng	376,550	0.431
26. Lim Chang Meng	375,000	0.429
27. Maybank Nominees (Tempatan) Sdn. Bhd. - Sivaloganathan A/L Yoganathan	366,000	0.419
28. Lawrence Lim Swee Lin	363,750	0.417
29. Eu Sim Chuan @ Eu Sam Yan	362,733	0.415
30. Maybank Securities Nominees (Tempatan) Sdn. Bhd. - Chew Wan Kay (REM B57-STF)	322,700	0.370
Total	65,305,582	74.787

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 55th Annual General Meeting (“AGM”) of the Company will be conducted virtually 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 Tuesday, 29 October 2024 at 3.00 p.m. using remote participation and voting facilities provided by the Company’s Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd., via TIH Online website at <https://tiah.online>, to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|---|--|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 May 2024 together with the Reports of the Directors and Auditors thereon. | (Please refer to
Explanatory Note 1) |
| 2. | To re-elect the following Directors who are retiring by rotation pursuant to Clause 125 of the Company’s Constitution:
(i) Datuk Lee Cheun Wei
(ii) Christina Foo | [Ordinary Resolution 1]
[Ordinary Resolution 2] |
| 3. | To re-elect Datuk Anuar Bin Ahmad as Director of the Company pursuant to Clause 130 of the Company’s Constitution. | [Ordinary Resolution 3] |
| 4. | To approve the payment of Directors’ fees to the Non-Executive Directors for the financial year ending 31 May 2025, to be paid quarterly in arrears. | [Ordinary Resolution 4] |
| 5. | To approve the payment of Directors’ benefits to the Non-Executive Directors for the period from 29 October 2024 until the next AGM of the Company in 2025. | [Ordinary Resolution 5] |
| 6. | To re-appoint BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | [Ordinary Resolution 6] |

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions, with or without modification(s):

- | | | |
|----|--|--------------------------------|
| 7. | PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS (“RRPTs”) OF A REVENUE OR TRADING NATURE | [Ordinary Resolution 7] |
|----|--|--------------------------------|

“THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into the RRPTs of a revenue or trading nature with the related parties as specified in Section 2.2 of the Circular to Shareholders dated 30 September 2024, provided that such transactions are necessary for the Group’s day-to-day operations and carried out in the ordinary course of business at arm’s length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interest of the minority shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING

THAT the authority conferred by such mandate shall continue to be in force until:

- (i) the conclusion of the next annual general meeting of the Company, at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) revoked or varied by a resolution passed by the Company's shareholders in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents) as the Directors may consider expedient or necessary or in the best interest of the Company to give effect to this resolution."

8. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK**

[Ordinary Resolution 8]

"THAT subject to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, approval be and is hereby given for the Company to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company ("Share Buy-Back Mandate") provided that:

- (i) the aggregate number of ordinary shares in the Company purchased and/or held as treasury shares pursuant to the Share Buy-Back Mandate does not exceed ten percent (10%) of the total number of issued shares of the Company at any point in time;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase; and
- (iii) the Directors of the Company may decide either to retain the ordinary shares so purchased as treasury shares or cancel the ordinary shares so purchased or retain part of the ordinary shares so purchased and cancel the remainder or resell the treasury shares on Bursa Securities or distribute the treasury shares as dividends or transfer the treasury shares under an employees' share scheme or as purchase consideration or otherwise use the treasury shares for such other purpose in the manner as prescribed by the applicable laws, guidelines, rules and regulations.

NOTICE OF ANNUAL GENERAL MEETING

THAT the authority conferred by this resolution will be effective upon the passing of this resolution and will continue to be in force until:

- (a) the conclusion of the next annual general meeting of the Company, at which time it shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next annual general meeting of the Company after that date is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the Company's shareholders in a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and all other applicable laws, guidelines, rules and regulations issued by any relevant authorities.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps to implement, finalise and give full effect to the Share Buy-Back Mandate with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities or as the Directors deem fit and expedient at their discretion in the best interest of the Company."

9. **PROPOSED AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

[Ordinary Resolution 9]

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised, to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions, to such persons and for such purposes whomsoever as the Directors may in their absolute discretion deem fit PROVIDED THAT the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company AND THAT the Directors be authorised to do all such things as they deem fit and expedient in the best interest of the Company to give effect to the issuance of new shares under this resolution including making such applications to Bursa Securities for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company held after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is the earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting."

10. To transact any other business of which due notice shall have been given in accordance with the Constitution of the Company and the Companies Act 2016.

NOTICE OF ANNUAL GENERAL MEETING

By Order of the Board,
CHOO SE ENG (MIA 5876) (SSM PC No. 202208000036)
TE HOCK WEE (MAICSA 7054787) (SSM PC NO. 202008002124)
Company Secretaries

Petaling Jaya
30 September 2024

NOTES:

- (1) The Broadcast Venue is strictly for the purpose of complying Section 327(2) of the Companies Act 2016 ("Act") which requires the Chairman of the meeting to be present at the main venue of the meeting. Members will not be allowed to attend the 55th AGM in person at the Broadcast Venue on the day of the meeting. Members are to attend, speak (including posing questions to the Board via real time submission of typed texts only) and vote remotely at the 55th AGM via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd., via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guides for Shareholders available at <http://www.ancomnylex.com/agm.php> on registration, participation and voting at the 55th AGM.
- (2) In respect of deposited securities, only members whose names appear on the Record of Depositors as at 21 October 2024 shall be entitled to participate in the 55th AGM and appoint proxy(ies) to participate on his/her behalf at the 55th AGM.
- (3) A member, including an authorised nominee, who is entitled to attend, speak and vote at the 55th AGM may appoint not more than two (2) proxies to attend, speak and vote for him/her. A proxy need not be a member of the Company.
- (4) Where a member is an exempt authorised nominee as defined under 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/she specifies the proportion of his/her holding to be represented by each proxy in the Proxy Form.
- (6) The appointment of proxy(ies) may be made in the following manner and must be received by the Company's Share Registrar at least 48 hours before the time appointed for holding the 55th AGM or adjournment thereof:
 - (i) In hardcopy form
To be deposited with the Company's Share Registrar, 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, the 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 via TIIH Online website
Please refer to the Administrative Guides for Shareholders for further information on electronic submission of Proxy Form.
- (7) Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.
- (8) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at the address indicated in item (6)(i) above not less than 48 hours before the time appointed for holding the 55th AGM or adjourned general meeting 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.

NOTICE OF ANNUAL GENERAL MEETING

- (9) Last date and time for lodging the Proxy Form and the Power of Attorney is **Sunday, 27 October 2024 at 3.00 p.m.**
- (10) For a corporate member who has appointed an authorised representative, please deposit the original or duly certified certificate of appointment of authorised representative ("Certificate") with the Company's Share Registrar at its address indicated in item (6)(i) above before the time appointed for holding the 55th AGM or adjourned general meeting 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 (1) 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.
- (11) A member who has appointed a proxy or attorney or authorised representative to participate in the 55th AGM must request his/her proxy or attorney or authorised representative to register himself/herself for the RPV facility at the Share Registrar's TIIH Online website at <https://tiih.online>. Please read and follow the procedures provided in the Administrative Guides for Shareholders in order to participate remotely via the RPV facilities.
- (12) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 55th AGM will be put to vote by way of poll.

EXPLANATORY NOTES TO THE AGENDA:

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 May 2024

This agenda item is meant for discussion only. The provisions of Sections 248(2) and 340(1)(a) of the Companies Act 2016 do not require a formal approval of the shareholders for the Audited Financial Statements. As such, this agenda item is not a business which requires a motion to be put forward for voting.

2. Ordinary Resolutions 1, 2 and 3 – Re-election of Retiring Directors

Datuk Anuar Bin Ahmad, Datuk Lee Cheun Wei and Christina Foo are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 55th AGM.

Their profiles are disclosed in the Board of Directors' Profile of the Annual Report 2024.

Save as disclosed in the Annual Report 2024, the retiring Directors have no conflict of interest with the Company and have no family relationship with any Director and/or major shareholder of the Company. The Board had, through the Remuneration & Nomination Committee, assessed the performance and contribution of each of the retiring Directors including their personality, experience, integrity, competence, time commitment and fit and proper as enumerated in the Company's Directors' Fit and Proper Policy to effectively discharge their roles as Directors. Based on the assessment conducted, the Board is satisfied that the aforesaid Directors have devoted sufficient time to carry out their responsibilities throughout their tenure. They also possess relevant qualification, knowledge and experience which complement the Board's competencies.

NOTICE OF ANNUAL GENERAL MEETING

3. Ordinary Resolution 4 – Directors’ Fees payable to Non-Executive Directors (“NEDs”) for the financial year ending 31 May 2025

At the 54th AGM of the Company, the shareholders had approved the payment of Directors’ fees to the NEDs amounting to RM800,000 and RM1,100,000 for the Company and the Group respectively for the financial year ended 31 May 2024.

The actual amount of Directors’ fees paid to the NEDs were RM643,770 for the Company and RM782,295 for the Group.

For the financial year ending 31 May 2025, the Company proposed to pay the NEDs of the Company and the Group of up to RM1,000,000 and RM1,300,000 respectively. These amounts are calculated based on the memberships in the Board and Board Committees, and assuming that all NEDs will hold office until the next AGM and possible new additions to the Board in the financial year ending 31 May 2025. This resolution is to facilitate payment of Directors’ fees to the NEDs on current year basis. In the event the proposed amount is insufficient (due to more meetings/enlarged board size), approval will be sought at the next AGM for the shortfall.

The proposed fees payable by the Company to each of the NEDs is detailed below:

NEDs	Fee (RM)
<u>Board of Directors</u>	
- Chairman	100,000
- Member	70,000
<u>Audit Committee</u>	
- Chairman	45,000
- Member	30,000
<u>Risk Management Committee</u>	
- Chairman	25,000
- Member	20,000
<u>Remuneration & Nomination Committee</u>	
- Chairman	25,000
- Member	20,000

4. Ordinary Resolution 5 – Benefits payable to NEDs

The benefits payable to the NEDs comprise meeting attendance allowance and other benefits (car, fuel, driver, allowance and other emoluments).

In determining the estimated total amount of benefits (excluding Directors’ fees) for the NEDs, the Board considered various factors including the number of scheduled meetings for the Board, Board Committees as well as the number of Directors involved. The Board is recommending to the shareholders to approve the Directors’ benefits payable to the NEDs of up to RM120,000 from the date of the forthcoming AGM until the next AGM of the Company. In the event the proposed amount is insufficient (due to more meetings/enlarged board size), approval will be sought at the next AGM for the shortfall.

5. Ordinary Resolution 6 – Re-appointment of Auditors

The Audit Committee had evaluated the performance of BDO PLT, the External Auditors, as enumerated in the Audit Committee Report and had recommended the re-appointment of BDO PLT as the External Auditors of the Company. The Board concurred with the recommendation of the Audit Committee.

NOTICE OF ANNUAL GENERAL MEETING

6. Ordinary Resolution 7 – Proposed Renewal of Shareholders’ Mandate for RRPTs of a Revenue or Trading Nature

Ordinary Resolution 7, if passed, will allow the Group to enter into RRPTs with its related party(ies) in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad without the necessity to convene separate general meetings to seek shareholders’ approval as and when such RRPTs occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company and is subject to renewal on an annual basis.

Further details relating to this proposed resolution are set out in Part A of the Company’s Statement/Circular to Shareholders dated 30 September 2024.

7. Ordinary Resolution 8 – Proposed Renewal of Shareholders’ Mandate for Share Buy-Back

Ordinary Resolution 8, if passed, will empower the Directors of the Company to purchase its own shares up to ten percent (10%) of the total number of issued shares of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

For further information on Ordinary Resolution 8, please refer to Part B of the Company’s Statement/Circular to Shareholders dated 30 September 2024.

8. Ordinary Resolution 9 – Proposed Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

Ordinary Resolution 9, if passed, will empower the Directors to issue and allot up to an aggregate amount of not exceeding ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM of the Company.

This is a renewal of the mandate obtained from the shareholders at the last AGM held on 27 October 2023. The mandate is to provide flexibility to the Company for any possible fund-raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration or such other application as the Directors may deem fit and in the best interest of the Company, without the need to convene separate general meeting to obtain shareholders’ approval so as to avoid incurring additional costs and time.

As at the date of this Notice, the Company did not issue any new shares pursuant to the mandate granted by the shareholders at the last AGM.

On 23 September 2024, the Company announced that it is implementing a Private Placement of 96,220,000 new ordinary shares representing 9.9% equity of the Company’s total paid up share capital (excluding Treasury Shares) as at that date. As at the date of this Notice, the Private Placement has not been completed.

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ANCOM NYLEX BERHAD
[Registration No. 196901000122 (8440-M)]
 Incorporated in Malaysia

PROXY FORM

CDS A/C. 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, hereby appoint

Full Name in Block Letters		Proportion of shareholdings to be represented %
NRIC No.		
Full Address		
Full Name in Block Letters		Proportion of shareholdings to be represented %
NRIC No.		
Full Address		
		100 %

or failing *him/her, the Chairman of the Meeting as *my/our *proxy/proxies to participate and to vote for *me/us on *my/our behalf at the 55th Annual General Meeting of the Company which will be conducted virtually 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 Tuesday, 29 October 2024 at 3.00 p.m. and to vote as indicated below:-

ORDINARY RESOLUTIONS		FOR	AGAINST
1	To re-elect Datuk Lee Cheun Wei as a Director of the Company		
2	To re-elect Christina Foo as a Director of the Company		
3	To re-elect Datuk Anuar Bin Ahmad as a Director of the Company		
4	To approve the payment of Directors' fees to the Non-Executive Directors for the financial year ending 31 May 2025, to be paid quarterly in arrears		
5	To approve the payment of Directors' benefits to the Non-Executive Directors		
6	To re-appoint BDO PLT as Auditors of the Company		
7	To approve the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature		
8	To approve the proposed renewal of shareholders' mandate for share buy-back		
9	To approve the proposed authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		

(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 _____ 2024

Telephone no. during office hours:

--

 [Signature / Common Seal of shareholder(s)]

NOTES:

- (1) The Broadcast Venue is strictly for the purpose of complying Section 327(2) of the Companies Act 2016 ("Act") which requires the Chairman of the meeting to be present at the main venue of the meeting. Members will not be allowed to attend the 55th AGM in person at the Broadcast Venue on the day of the meeting. Members are to attend, speak (including posing questions to the Board via real time submission of typed texts only) and vote remotely at the 55th AGM via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd., via TIH Online website at <https://tiah.online>. Please refer to the Administrative Guides for Shareholders available at <http://www.ancomnylex.com/agm.php> on registration, participation and voting at the 55th AGM.
- (2) In respect of deposited securities, only members whose names appear on the Record of Depositors as at 21 October 2024 shall be entitled to participate in the 55th AGM and appoint proxy(ies) to participate on his/her behalf at the 55th AGM.
- (3) A member, including an authorised nominee, who is entitled to attend, speak and vote at the 55th AGM may appoint not more than two (2) proxies to attend, speak and vote for him/her. A proxy need not be a member of the Company.
- (4) Where a member is an exempt authorised nominee as defined under 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/she specifies the proportion of his/her holding to be represented by each proxy in the Proxy Form.
- (6) The appointment of proxy(ies) may be made in the following manner and must be received by the Company's Share Registrar at least 48 hours before the time appointed for holding the 55th AGM or adjournment thereof:
 - (i) In hardcopy form
To be deposited with the Company's Share Registrar, 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, the 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 via TIH Online website
Please refer to the Administrative Guides for Shareholders for the 55th AGM for further information on electronic submission of Proxy Form.
- (7) Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.
- (8) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at the address indicated in item (6)(i) above not less than 48 hours before the time appointed for holding the 55th AGM or adjourned general meeting 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.
- (9) Last date and time for lodging the Proxy Form and the Power of Attorney is **Sunday, 27 October 2024 at 3.00 p.m.**

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Affix
Stamp

ANCOM NYLEX BERHAD

[Registration No. 196901000122 (8440-M)]

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
Malaysia

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- (10) For a corporate member who has appointed an authorised representative, please deposit the original or duly certified certificate of appointment of authorised representative ("Certificate") with the Company's Share Registrar at its address indicated in item (6)(i) above before the time appointed for holding the 55th AGM or adjourned general meeting 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 (1) 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.
- (11) A member who has appointed a proxy or attorney or authorised representative to participate in the 55th AGM must request his/her proxy or attorney or authorised representative to register himself/herself for the RPV facility at the Share Registrar's TIH Online website at <https://tiah.online>. Please read and follow the procedures provided in the Administrative Guides for Shareholders for the 55th AGM in order to participate remotely via the RPV facilities.
- (12) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 55th AGM will be put to vote by way of poll.

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