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ANCOM NYLEX BERHAD

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

**PART A :
CIRCULAR TO SHAREHOLDERS**

in relation to

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

**PART B :
STATEMENT**

in relation to

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

THIS CIRCULAR / STATEMENT IS ISSUED IN CONJUNCTION WITH THE RELEVANT RESOLUTIONS TO BE TABLED AT THE 55TH ANNUAL GENERAL MEETING ("AGM") OF THE COMPANY.

The relevant resolutions will be tabled as Special Businesses at the Company's **55th AGM**, which will be conducted entirely through live streaming from the broadcast venue at No. 2A, Jalan 13/2, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia ("**Broadcast Venue**") on **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 its TIIH Online website at <https://tiih.online>. The Notice of the 55th AGM together with the Proxy Form are enclosed in the Company's Annual Report 2024 which are available on the Company's website at <http://www.ancomnylex.com.my/agm.php>

If you are unable to participate, speak and vote at the Company's 55th AGM, you may appoint a proxy(ies) to do so by completing and depositing the Proxy Form in accordance with the instructions therein at the Company's Share Registrar's office at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time appointed for holding the 55th AGM. You can also lodge the Proxy Form electronically via TIIH Online website at <https://tiih.online> before the proxy appointment cut-off time as mentioned below:

Last date and time for lodging the Proxy Form : Sunday, 27 October 2024 at 3.00 p.m.

Date and time of 55th AGM : Tuesday, 29 October 2024 at 3.00 p.m.

This Circular / Statement is dated 30 September 2024

DEFINITIONS

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

Act	:	Companies Act 2016 as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
ANB or Company	:	Ancom Nylex Berhad [Registration No : 196901000122 (8440-M)]
ANB Group or Group	:	ANB and its subsidiaries
ANB Share(s) or Share(s)	:	Ordinary share(s) of ANB
Board	:	Board of Directors of ANB
Bursa Securities	:	Bursa Malaysia Securities Berhad [Registration No : 200301033577 (635998-W)]
Code	:	Malaysian Code on Takeovers and Mergers, 2010, including any amendments thereto that may be made from time to time
Director(s)	:	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Director of ANB or any other company which is its subsidiary or holding company or a chief executive officer of ANB, its subsidiary or holding company
EPS	:	Earnings per share
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities including any amendments that may be made from time to time
LPD	:	Latest practicable date prior to the printing of this Circular / Statement, being 3 September 2024.
Major Shareholder(s)	:	A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is <ol style="list-style-type: none">ten percent (10%) or more of the total number of voting shares in the Company; orfive percent (5%) or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. <p>For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8 of the Act. It also includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company (as defined above) or any other company which is its subsidiary or holding company</p>
MMOSB	:	Malay Mail Online Sdn. Bhd. [Registration No : 202001023197 (1379517-W)]
NA	:	Net assets

DEFINITIONS (cont'd)

Person Connected	:	In relation to any person (referred to as "said Person") means such person who falls under any one of the following categories : (a) a family member of the said Person; (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary; (c) a partner of the said Person; (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person; (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act; (f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than twenty percent (20%) of the votes attached to voting shares in the body corporate; or (g) a body corporate which is a related corporation of the said Person.
Proposed Renewal of Shareholders' Mandate for RRPTs	:	Proposed renewal of shareholders' mandate for transactions of a revenue or trading nature with the existing transacting related party(ies)
Proposed Renewal of Share Buy-Back Mandate	:	Proposed renewal of shareholders' mandate for the purchase by ANB of its own shares not exceeding, in aggregate, ten percent (10%) of the total number of issued ANB Shares
Related Party(ies)	:	A Director, Major Shareholder or person connected with such director or Major Shareholder
RM	:	Ringgit Malaysia
RRPT(s)	:	Recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations and in the ordinary course of business of ANB Group
Share Buy-back	:	The purchases of Shares pursuant to the Proposed Renewal of Share Buy-Back Mandate
Treasury Share(s)	:	The purchased shares which are retained by the Company and shall have the meaning given under Section 127 of the Act

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

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

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PART A

Proposed Renewal of Shareholders' Mandate for RRPTs



ANCOM NYLEX BERHAD

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

Registered Office

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

30 September 2024

Board of Directors

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

To: **The Shareholders of ANB**

Dear Sir/Madam,

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

1. INTRODUCTION

At the 54th AGM held on 27 October 2023, the Company had obtained its shareholders' mandate in respect of RRPTs. The said mandate shall lapse at the conclusion of the forthcoming 55th AGM scheduled to be held on 29 October 2024.

On 13 September 2024, the Company announced its intention to seek shareholders' approval for the Proposed Renewal of Shareholders' Mandate for RRPTs at the 55th AGM.

The purpose of this circular is to provide the shareholders with the relevant information on the Proposed Renewal of Shareholders' Mandate for RRPTs, sets out the views and recommendations of the Board and to seek the approval of the shareholders for the resolution to be tabled at the 55th AGM of the Company.

2. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPTS

2.1 Introduction

Pursuant to Paragraph 10.09(2) of the Listing Requirements and Practice Note No. 12, the Company may seek a mandate from shareholders in respect of RRPT subject to, inter-alia, the following:

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

2.2 Transaction Details

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

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

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

In this regard, the Board proposes to seek a mandate from the shareholders for the Group, in its ordinary course of business, to continue to enter into such RRPTs provided that such RRPTs are necessary for the day-to-day operations of ANB Group and are made at arm's length, based on normal commercial terms that are not more favourable to the Related Party(ies) than those generally available to the public and are not to the detriment of minority shareholders of the Company.

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

<i>Related Party</i>	<i>Transacting Party</i>	<i>Nature of Transactions</i>	<i>Relationship between ANB Group and the Related Party</i>	<i>Estimated Value for Previous Mandate</i> <i>(RM'000)</i>	<i>Actual Value Transacted from Previous Mandate Obtained up to LPD</i> <i>(RM'000)</i>	<i>Deviation of Actual Value against Estimated Value for Previous Mandate</i> <i>(RM'000) / (%)</i>	<i>Estimated Value for Current Mandate</i> <i>(RM'000)</i>
MMOSB	ANB Group	Provision of advertising space in the media channels by MMOSB to ANB Group	(Note 1)	4,000	2,467	1,533 / 38.3%	4,000 (Note 2)

Note 1

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

Note 2

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

2.3 Amount Due and Owing to ANB Group

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

2.4 Rationale and Benefits

The RRPTs to be entered into by the Group are all in the ordinary course of business and reflect the long-term commercial relationship between the parties. The RRPTs are conducted on an "arm's length basis and undertaken on terms that are not more favourable to the Related Party than those generally available to the public and are not detriment to the interest of minority shareholders.

It is envisaged that in the normal course of the Group's business, the RRPTs between the Group and the Related Party are likely to occur from time to time and it may be impractical to seek Shareholders' approval on a case-to-case basis before entering into such RRPTs. The Proposed Renewal of Shareholders' Mandate for RRPTs would avoid the necessity to convene separate general meetings from time to time. This would substantially reduce administrative time, inconvenience and expenses associated with the convening of such general meetings on an ad-hoc basis and allow manpower resources and time to be channelled towards attaining other corporate objectives.

2.5 Review Procedures

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

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

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

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

2.6 Statement by Audit Committee

The Audit Committee has reviewed the procedures as stated in Section 2.5 above and is satisfied that the procedures are sufficient to ensure that the RRPTs are monitored, tracked and identified in a timely and orderly manner. The RRPTs will be undertaken on terms which are not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

It is the view of the Audit Committee that the review procedures are sufficient to ensure that the transactions are conducted on arm's length basis. The Audit Committee shall have the discretion to request for additional procedure to be followed if it considers such a request to be appropriate. The RRPTs are presented to the Audit Committee on a quarterly basis whereas the RRPT procedures are reviewed annually by the Audit Committee.

2.7 Validity

The authority to be conferred pursuant to the Proposed Renewal of Shareholders' Mandate for RRPTs, if approved at the 55th AGM, will continue to be in force until:

- the conclusion of the next AGM of the Company following the forthcoming 50th AGM at which the Proposed Renewal of Shareholders' Mandate for RRPTs is approved, at which time it will lapse unless the authority is renewed by a resolution passed at a general meeting of the Company; or
- the expiration of the period within which the next AGM of the Company after the forthcoming 55th AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- revoked or varied by resolution passed by the shareholders at a general meeting; whichever is the earlier.

2.8 Effects

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

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

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

	As at LPD			
	Direct Interest		Indirect Interest	
	No. of Shares	%*	No. of Shares	%*
<u>Interested Directors</u>				
DSKW	129,062,745	13.845	28,223,398	3.027
SKK	15,780,454	1.693	9,557,119	1.025
<u>Interested Major Shareholder</u>				
DSKW	129,062,745	13.844	28,223,398	3.027
<u>Persons Connected with the Interested Directors / Major Shareholder</u>				
DYKM	1,499,574	0.161	-	-
QLY	9,557,119	1.025	-	-
SYT	1,386,251	0.149	-	-

* Based on total issued number of 932,246,983 Shares (excludes 80,141,677 Treasury Shares)

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

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

The abovementioned interested Directors, Major Shareholder and Persons Connected to them will abstain from voting on the resolution approving the Proposed Renewal of Shareholders' Mandate for RRPTs at the 55th AGM in respect of their direct and/or indirect shareholdings.

DSKW and his alternate, SKK, being the Directors interested in the Proposed Renewal of Shareholders' Mandate for RRPTs, have abstained and will continue to abstain from the Board's deliberations on the resolution approving the Proposed Renewal of Shareholders' Mandate for RRPTs and will abstain from voting in respect of his direct and/or indirect shareholdings in ANB on the resolution approving the Proposed Renewal of Shareholders' Mandate for RRPTs at the 55th AGM.

DSKW, being the Major Shareholder interested in the Proposed Renewal of Shareholders' Mandate for RRPTs, will abstain from voting in respect of his direct and/or indirect shareholdings in ANB on the resolution approving the Proposed Renewal of Shareholders' Mandate for RRPTs at the 55th AGM.

DYKM, QLK and SYT, being the persons connected to DSKW and SKK, will abstain from voting in respect of their direct and/or indirect shareholdings in ANB on the resolution approving the Proposed Renewal of Shareholders' Mandate for RRPTs at the 55th AGM.

DSKW and SKK, being the interested Directors and DSKW, being the Major Shareholder, have undertaken that they will ensure that the persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings in ANB on the resolution approving the Proposed Renewal of Shareholders' Mandate for RRPTs at the 55th AGM.

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

3. DIRECTORS' RECOMMENDATION

The Directors (with the exception of DSKW and SKK), having considered all aspects of the Proposed Renewal of Shareholders' Mandate for RRPTs, is of the opinion that it is in the best interest of shareholders and the Company. Accordingly, the Directors, with the exception of DSKW and SKK, who have abstained from giving an opinion and making a recommendation on the Proposed Renewal of Shareholders' Mandate for RRPTs, recommend that the shareholders vote in favour of the resolution pertaining to the Proposed Renewal of Shareholders' Mandate for RRPTs to be tabled at the forthcoming 55th AGM.

4. SHAREHOLDERS' APPROVAL AND 55TH AGM

The Proposed Renewal of Shareholders' Mandate for RRPTs is subject to the approval of the shareholders at the forthcoming 55th AGM.

The 55th AGM, the Notice of which is enclosed in the Company's Annual Report 2024 and is also available on the Company's website at <http://www.ancomnylex.com.my/agm.php>, will be conducted entirely through live streaming from the Broadcast Venue at No. 2A, Jalan 13/2, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia using the remote participation and voting facilities provided by the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tiih.online> on Tuesday, 29 October 2024 at 3.00 p.m.

If you are unable to participate, speak and vote at the 55th AGM, you may appoint a proxy(ies) to do so by completing and depositing the Proxy Form in accordance with the instructions therein at the Company's Share Registrar's office at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time for holding the 55th AGM. You can also lodge the Proxy Form electronically via TIIH Online website at <https://tiih.online>. The last day and time for lodging the Proxy Form is Sunday, 27 October 2024 at 3.00 p.m.

5. FURTHER INFORMATION

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

Yours faithfully
For and on behalf of the Board
ANCOM NYLEX BERHAD

Christina Foo
Chairman of the Audit Committee

PART B

Proposed Renewal of Share Buy-Back Mandate



ANCOM NYLEX BERHAD

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

STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK ("PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE")

The purpose of this Statement is to provide the shareholders with details of the Proposed Renewal of Share Buy-Back Mandate, and to seek the approval of the shareholders for the resolution relating thereto to be tabled at the 55th AGM of the Company.

1. INTRODUCTION

At the 54th AGM of the ANB held on 27 October 2023, the Company had obtained its shareholders' approval to continue the share buy-back exercise to purchase up to 10% of the total number of issued shares of the Company at any point of time through Bursa Securities. The aforesaid approval shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 55th AGM, unless a new mandate is obtained from its shareholders.

In connection thereto, the Company had on 13 September 2024 announced that it is proposing to seek approval of its shareholders for the resolution in respect of the Proposed Renewal of Share Buy-Back Mandate at the forthcoming 55th AGM.

2. PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

2.1 Validity

The Proposed Renewal of Share Buy-Back Mandate shall be effective upon the passing of the resolution at the forthcoming 55th AGM of the Company and shall continue to remain in force until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which such resolution is passed, at which time it will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

2.2 Rationale

The Proposed Renewal of Share Buy-Back Mandate, will enable the Company to utilise any of its surplus financial resources, which is not immediately required for other uses, to purchase its own Shares from the market. It is expected to stabilise the supply and demand of ANB Shares in the market, as well as the market price of the Shares.

If the Purchased Shares are maintained as Treasury Shares or cancelled, it will result in a lower number of ANB Shares and may improve the consolidated EPS of the Company, other things being equal.

If the Purchased Shares are held as Treasury Shares and subsequently resold on Bursa Securities at a higher price, the Company would realise a gain without affecting the total number of issued shares of the Company. If the Treasury Shares are distributed as share dividends, this would serve to reward the shareholders of the Company

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

2.3 Treatment of Purchased Shares

In accordance with Section 127(4) of the Act, the Board may, at its discretion, deal with the purchased Shares in the following manner:-

- (i) to cancel the purchased Shares; or
- (ii) to retain the purchased Shares as Treasury Shares ; or
- (iii) to retain part of the purchased Shares as Treasury Shares and cancel the remainder.

The Treasury Shares may be distributed as share dividends, resold on Bursa Securities in accordance with the relevant rules of Bursa Securities or transfer for the purposes of an employees' share scheme or as purchase consideration or such other purposes in accordance with Section 127(7) of the Act.

In considering how the Purchased Shares will be dealt with, the Directors will take into consideration the effect of such treatment to the Group in arriving at its decision. In addition, an immediate announcement will be made to Bursa Securities upon each purchase, cancellation and or resell of shares pursuant to the Share Buy-back.

2.4 Ranking

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

2.5 Funding

A sum of not exceeding the Company's audited retained profits will be allocated for the Share Buy-back. Based on the latest audited financial statements as at 31 May 2024, the Company's retained profits amounted to RM39,073,000.

The Share Buy-back will be funded through internally generated funds and/or bank borrowings, the breakdown of which will be determined later depending on the actual number of Shares purchased, the purchase price(s) and other relevant cost at the time of purchase(s), and availability of funds. Should the purchase of ANB Shares be financed through bank borrowings, the Board will ensure that there are sufficient funds to repay such borrowings and that the repayment will not have any material adverse effect on the cash flows of ANB Group.

2.6 Potential Advantages and Disadvantages

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

The potential disadvantages to the Company and its shareholders are as follows:

- (i) Reduce the financial resources which may result in the Company foregoing better investment opportunities that may emerge in the future; and/or
- (ii) Reduce the financial resources which may result in the Company foregoing interest income that may be derived from depositing such funds with interest bearing instruments ; and/or
- (iii) Reduce the financial resources available for distribution to shareholders as the funds to be allocated for the Share Buy-Back can only be made out of retained profits of the Company

The Proposed Renewal of Share Buy-Back is not expected to cause any potential material disadvantage to our Company or our shareholders as our Directors will only implement it after due consideration of the financial resources of our Group and the resultant impact to our shareholders.

2.7 Effects

(a) On Share Capital

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

2.7 Effects (cont'd)

(b) On NA and EPS

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

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

(c) On Working Capital

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

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

(d) On Dividend

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

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

The following table illustrates the effects of the Proposed Renewal of Share Buy-Back Mandate on the shareholding of Directors, Major Shareholders and persons connected with Directors and/or Major Shareholders of ANB as at LPD, assuming ANB purchases 21,097,189 Shares which together with the 80,141,677 Treasury Shares remaining, represents 10% of the total number of issued Shares :

	As at LPD				After share buy-back of maximum 10% ANB Shares are	
	Direct	No. of Shares Held Indirect	Total	%*	cancelled %**	resold %***
Directors						
Dato' Siew Ka Wei ("DSKW")	129,062,745	28,223,398 ⁽¹⁾	157,286,143	16.872	17.262	15.536
Datuk Lee Cheun Wei ("DLCW")	81,595,485	18,387,500 ⁽²⁾	99,982,985	10.725	10.973	9.876
Siew Ka Kheong ("SKK") [alternate to DSKW]	15,780,454	9,557,119 ⁽³⁾	25,337,573	2.718	2.781	2.503
Major Shareholders						
DSKW	129,062,745	28,223,398 ⁽¹⁾	157,286,143	16.872	17.262	15.536
DLCW	81,595,485	18,387,500 ⁽²⁾	99,982,985	10.725	10.973	9.876
Persons connected with the Directors / Major Shareholders						
Datin Young Ka Mun ("DYKM" – wife of DSKW)	1,499,574	-	1,499,574	0.161	0.165	0.148
Quek Lay Kheng ("QLK" – wife of SKK)	9,557,119	-	9,557,119	1.025	1.049	0.944
Siew Yuen Tuck ("SYT" – son of DSKW)	1,386,251	-	1,386,251	0.149	0.152	0.137
QuantumVerse Sdn. Bhd. ("QVSB" – a company which is 50% owned by LCW)	18,387,500	-	18,387,500	1.972	2.018	1.816

Notes: * Based on 932,246,983 Shares (excludes the existing 80,141,677 Treasury Shares)
 ** Based on 911,149,794 Shares (excluding 101,238,866 Treasury Shares)
 *** Based on 1,012,388,660 Shares

(1) Deem interested by virtue of his interest held through DYKM, SKK, QLK and SYT.
 (2) Deem interested by virtue of his interest held through QVSB.
 (3) Deem interested by virtue of his interest held through QLK.

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

4. IMPLICATION UNDER THE CODE

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

5. DETAILS OF TRANSACTIONS

During the past twelve (12) months,

- i. a total of 9,378,600 Treasury Shares were distributed to the entitled shareholders of the Company as share dividend on 1 March 2024;
- ii. there was no cancellation of Treasury Shares;
- iii. there were purchases of Treasury Shares, detailed as below:

Month	No. of Shares Purchased	Highest (RM)	Lowest (RM)	Average (RM)	*Consideration Paid (RM'000)
September 2023	943,300	1.230	1.040	1.100	1,037,632.89
October 2023	2,379,000	1.230	1.160	1.195	2,842,163.41
November 2023	2,311,500	1.190	1.110	1.151	2,660,677.86
December 2023	2,367,200	1.160	1.090	1.124	2,660,212.91
January 2024	2,409,600	1.130	1.060	1.107	2,666,476.19
February 2024	1,346,600	1.100	1.060	1.084	1,459,560.11
March 2024	6,284,500	1.060	0.995	1.023	6,429,274.73
April 2024	4,186,000	1.090	0.970	1.012	4,238,197.01
May 2024	2,021,000	1.060	1.010	1.038	2,097,112.44
June 2024	8,880,300	1.100	1.040	1.086	9,642,653.91
July 2024	12,219,700	1.110	1.030	1.042	12,736,564.60
August 2024	7,993,000	1.060	0.920	1.002	8,011,749.08

* Inclusive of brokerage, contract stamp and clearing fees.

As at LPD, a total of 80,141,677 Treasury Shares were held by the Company.

6. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of ANB Shares as traded on Bursa Securities for the past twelve (12) months from September 2023 to August 2024 are set out below:

	Highest (RM)	Lowest (RM)
September 2023	1.2277	1.0198
October 2023	1.2277	1.1188
November 2023	1.1881	1.0990
December 2023	1.1485	1.0792
January 2024	1.1287	1.0495
February 2024	1.1000	1.0495
March 2024	1.0700	0.9900
April 2024	1.1100	0.9650
May 2024	1.0800	1.0000
June 2024	1.1800	1.0400
July 2024	1.1500	1.0200
August 2024	1.0600	0.9200
Last transacted market price on the LPD		1.0300

7. PUBLIC SHAREHOLDING SPREAD

As at LPD, the public shareholding spread of the Company stood at 72.40% excluding Treasury Shares held. The Board is mindful of the requirement to maintain the public shareholdings spread of at least 25% when implementing the Share Buy-Back.

8. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Mandate, is of the opinion that the proposal is in the best interest of the Shareholders and the Company. The Board recommends that the Shareholders vote in favour of the resolution pertaining to the Proposed Renewal of Share Buy-Back Mandate to be tabled at the forthcoming 55th AGM.

9. SHAREHOLDERS' APPROVAL AND 55TH AGM

The Proposed Renewal of Share Buy-Back Mandate is subject to the approval of the shareholders of ANB at the forthcoming 55th AGM.

The 55th AGM, the Notice of which is enclosed in the Company's Annual Report 2024 and is also available on the Company's website at <http://www.ancomnylex.com.my/agm.php>, will be conducted entirely through live streaming from the Broadcast Venue at No. 2A, Jalan 13/2, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia using the remote participation and voting facilities provided by the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tiih.online> on Tuesday, 29 October 2024 at 3.00 p.m.

If you are unable to participate, speak and vote at the 55th AGM, you may appoint a proxy(ies) to do so by completing and depositing the Proxy Form in accordance with the instructions therein at the Company's Share Registrar's office at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time for holding the 55th AGM. You can also lodge the Proxy Form electronically via TIIH Online website at <https://tiih.online>. The last day and time for lodging the Proxy Form is Sunday, 27 October 2024 at 3.00 p.m.

This Statement is dated 30 September 2024.

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

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

2. MATERIAL CONTRACTS

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

- (a) Heads of Agreement dated 21 March 2022 between ANB, Nylex (Malaysia) Berhad, Sinar Bina Infra Sdn. Bhd., LBS Bina Group Berhad and BTS Group Holdings Public Company Limited for the collaboration to build and operate a light rail transport system. This transaction has yet to be completed.
- (b) Share Sale Agreements dated 12 April 2023 entered into between Ancom Crop Care Sdn. Bhd. ("ACC", a subsidiary of the Company) and several persons namely H.J.Unkel (M) Sdn. Bhd., Chong Sau Kin and Ye Suping in respect of the proposed acquisition of 70% equity interest in H.J.Unkel Chemicals Sdn. Bhd. by ACC for a total consideration of RM9,000,000. These transactions have been completed.
- (c) Heads of Agreement dated 22 April 2024 between ANB, Ancom Logistics Berhad ("ALB", a subsidiary of the Company), Greenheart Sdn. Bhd., Choong Wee Keong and How Yoon For for several proposed corporate proposals. These transactions have yet to be completed.
- (d) Share Sale Agreement dated 19 September 2024 entered into between Nylex Holdings Sdn. Bhd. ("NHSB", a subsidiary of the Company), Loke Yeak Thong and Lim Tiak Cheong in respect of the proposed acquisition of 70% equity interest in Colorex Sdn. Bhd. by NHSB for a total consideration of RM14,000,000. This transaction has yet to be completed.
- (e) Placement Agreement dated 23 September 2024 between ANB and HELM AG for the subscription of 96,220,000 new ANB shares by HELM AG at a price of RM1.00 per share. This transaction has yet to be completed.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

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

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

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

On 21 May 2019, the plaintiffs filed the Substantive Application for Contempt against the directors of Logix World (M) Sdn. Bhd. The court had on 13 July 2020 found the directors of Logix World (M) Sdn. Bhd. guilty of contempt and that the plaintiffs have proven their case against the aforesaid directors for interference with the administration of justice beyond reasonable doubt. The court has on 15 October 2021, sentenced the directors and awarded costs of RM15,000 and imposed a fine of RM10,000 per person.

The matter is not expected to have a material impact on the earnings, net assets and gearing of the Group as the principal sum of RM2,702,500 has been fully provided and accounted for in prior years.

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

On 14 October 2021, Fermpro Sdn. Bhd. (“Fermpro”, a subsidiary of the Company) submitted an application for Judicial Review to High Court of Malaya at Kuala Lumpur as Applicant against Royal Malaysian Customs Department (“Customs”) as Respondent, in regard to a Customs decision dated 3 August 2021 that affirmed Customs earlier decisions dated 15 June 2020 to issue four Bills of Demand (“BODs”) for indirect taxes totalling RM7.8 million, comprising import duty, excise duty, Goods and Services Tax (“GST”) and sales tax (collectively referred to as “the indirect taxes”).

The BODs were issued by Customs due to the alleged liability of Fermpro for the indirect taxes in the removal of goods from Westport Free Commercial Zone (“FCZ”) to Licensed Manufacturing Warehouse (“LMW”) for the period January 2017 to August 2019.

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

The High Court had on 25 August 2023 dismissed Fermpro’s application. The Group has filed an appeal with Court of Appeal to against the judgement of the High Court.

The Group has not recognized any potential liability in respect of the claims in the financial statements as the Group believes that there are strong grounds to argue the case.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming 55th AGM:

- i. Constitution of ANB;
- ii. audited consolidated financial statements of ANB for the past two (2) financial years up to the FYE 31 May 2024 and the latest unaudited results since the last audited financial statements (if any); and
- iii. cause papers for the material litigations referred to in Section 3 above.

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