

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

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

Bursa Malaysia Securities Berhad has not perused the contents of the Proposed SBB Mandate (as defined herein) prior to the issuance of this Circular/Statement, and takes no responsibility for the contents of this Circular/Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular/Statement.



ANCOM BERHAD

(Company No.: 8440-M)
(Incorporated in Malaysia)

**PART A :
CIRCULAR TO SHAREHOLDERS**

in relation to

**PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE
FOR RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE
("Proposed RRPT Mandate")**

**PART B :
STATEMENT**

in relation to

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE
TO PURCHASE ANCOM BERHAD'S OWN SHARES
("Proposed Renewal of SBB Mandate")**

THIS CIRCULAR/STATEMENT IS ISSUED IN CONJUNCTION WITH THE RELEVANT RESOLUTIONS TO BE TABLED AT THE 46TH ANNUAL GENERAL MEETING ("AGM") OF THE COMPANY.

The relevant resolutions will be tabled as Special Businesses at the Company's 46th AGM, which will be held at Selangor 1 Ballroom, Dorsett Grand Subang, Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 19 November 2015 at 2.30 p.m.

The Notice of AGM (together with the Proxy Form) is enclosed in the Company's 2015 Annual Report.

The Proxy Form should be completed and deposited at the Registered Office of the Company not later than forty-eight (48) hours before the time appointed for the holding of the 46th AGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM, should you subsequently wish to do so.

Last date and time for lodging the Proxy Form	: Tuesday, 17 November 2015 at 2.30 p.m.
Date and time of AGM	: Thursday, 19 November 2015 at 2.30 p.m.
Venue of AGM	: Selangor 1 Ballroom Dorsett Grand Subang Jalan SS12/1, 47500 Subang Jaya Selangor Darul Ehsan, Malaysia

This Circular/Statement is dated 28 October 2015

DEFINITIONS

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

Act	:	Companies Act, 1965 as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
Ancom or Company	:	Ancom Berhad (Co. No. 8440-M)
Ancom Group or Group	:	Ancom, its subsidiary companies and associated companies, collectively
Ancom Share(s) or Share(s)	:	Ordinary share(s) of RM1 each in Ancom
Board	:	Board of Directors of Ancom
Bursa Securities	:	Bursa Malaysia Securities Berhad (Co. No. 635998-W)
Code	:	Malaysian Code on Takeovers and Mergers, 1998
Director(s)	:	Shall have the meaning given in Section 4 of the Act and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of Ancom or any other company which is its subsidiary or holding company or a chief executive officer of Ancom, its subsidiary or holding company
EPS	:	Earnings per share
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities together with any Practice Note(s) issued in relation thereto and including any amendments that may be made from time to time
LPD	:	Latest practicable date prior to the printing of this Circular/Statement, being 30 September 2015
Major Shareholder(s)	:	A person who has an interest or interests in one or more voting shares in the Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the Company ; or (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company. For the purpose of this definition, "interest in shares" shall have the meaning given in Section 6A of the Act. It also includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction was agreed upon, a Major Shareholder of the Company (as defined above) or any other company which is its subsidiary or holding company
MMSB	:	Malay Mail Sdn Bhd (Co. No. 239512-V)
NA	:	Net assets
Proposed RRPT Mandate	:	Proposed new and renewal of shareholders' mandate for RRPT
Proposed Renewal of SBB Mandate	:	Proposed renewal of shareholders' mandate for the purchase by Ancom of its own shares

DEFINITIONS (cont'd)

Redberry	:	Redberry Sdn Bhd (Co. No. 720809-K), a wholly-owned subsidiary of Ancom
Related Party(ies)	:	Director, Major Shareholder or person connected with such Director or Major Shareholder of the Company
RM	:	Ringgit Malaysia
RRPT	:	Recurrent related party transaction(s) of a revenue or trading nature entered into in the ordinary course of business which is/are necessary for the Ancom Group's day to day operations on terms not more favourable to the Related Party(ies) than those generally available to the public and is/are not to the detriment of the minority shareholders which involves the interest, direct or indirect, of the Related Party(ies)
Share Buy-Back	:	The purchases of Shares pursuant to the Proposed Renewal of SBB Mandate
Treasury Share(s)	:	Ancom Share(s) purchased by Ancom that is/are retained in treasury as defined under Section 67A of the Act
TSSB	:	Twinstar Synergy Sdn Bhd (Co. No. 987235-X), a wholly-owned subsidiary of Redberry

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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TABLE OF CONTENT

	Page
PART A :	
CIRCULAR TO SHAREHOLDERS IN RELATION TO PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RRPT MANDATE")	
1. INTRODUCTION	1
2. PROPOSED RRPT MANDATE	
2.1 Introduction	1
2.2 Transaction Details	2
2.3 Rationale and Benefits	3
2.4 Review Procedures	3
2.5 Statement by Audit Committee	4
2.6 Validity	4
2.7 Effects	5
2.8 Directors' and Major Shareholders' Interests	5
3. DIRECTORS' RECOMMENDATION	6
4. SHAREHOLDERS' APPROVAL AND 46 TH AGM	6
5. FURTHER INFORMATION	6
PART B :	
STATEMENT IN RELATION TO PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO PURCHASE ANCOM BERHAD'S OWN SHARES ("PROPOSED RENEWAL OF SBB MANDATE")	
1. INTRODUCTION	7
2. PROPOSED RENEWAL OF SBB MANDATE	
2.1 Validity	7
2.2 Rationale	7
2.3 Ranking	8
2.4 Funding	8
2.5 Potential Advantages and Disadvantages	8
2.6 Effects	8
2.7 Implication Under the Code	10
2.8 Details of Share Buy-back Transactions Under the Previous Mandate	10
2.9 Public Shareholding Spread	10
3. DIRECTORS' RECOMMENDATION	10
4. SHAREHOLDERS' APPROVAL AND 46 TH AGM	11
APPENDICES :	
I. ADDITIONAL INFORMATION	Enclosed
II. EXTRACT OF NOTICE OF 46 TH ANNUAL GENERAL MEETING	Enclosed

ANCOM BERHAD
(Company No. 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

28 October 2015

Directors

Dato' Johari Razak	<i>(Non-Independent Non-Executive Chairman)</i>
Dato' (Dr) Siew Ka Wei	<i>(Group Managing Director)</i>
Tan Sri Dato' Dr Lin See Yan	<i>(Independent Non-Executive Director)</i>
Tan Sri Ir (Dr) Mohamed Al Amin Abdul Majid	<i>(Non-Independent Non-Executive Director)</i>
Chan Thye Seng	<i>(Non-Independent Non-Executive Director)</i>
Edmond Cheah Swee Leng	<i>(Independent Non-Executive Director)</i>
Lim Hock Chye	<i>(Independent Non-Executive Director)</i>

To: The Shareholders of Ancom

Dear Sir/Madam,

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

1. INTRODUCTION

At the 45th AGM of the Company held on 20 November 2014, the Shareholders approved the mandate in respect of RRPT. This mandate will expire upon the conclusion of the forthcoming 46th AGM of the Company.

On 16 October 2015, the Company announced its wishes to seek a new and renewal of mandate from the shareholders in respect of RRPT with existing transacting Related Party in accordance with Paragraph 10.09 of the Listing Requirements ("Proposed RRPT Mandate").

This circular serves to provide the shareholders with the relevant information on the Proposed RRPT Mandate, 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 46th AGM of the Company.

2. PROPOSED RRPT MANDATE

2.1 Introduction

Under Paragraph 10.09 of the Listing Requirements and Practice Note No. 12, the Company may seek a mandate from shareholders in respect of RRPT which are necessary for its day-to-day operations subject to 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 ;
- the Company's circular to shareholders shall include information as may be prescribed by Bursa Securities ;
- in a meeting to obtain the shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder must not vote on the resolution to approve the transactions. An interested director or interested major shareholder must ensure that persons connected with him would abstain from voting on the resolution approving the transactions ; and

- the Company immediately announces to Bursa Securities when the actual value of RRPT exceeds the estimated value of the RRPT disclosed in the Company's circular to shareholders by 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 holdings company with its subsidiary and associated companies involved in, inter alia, the following:

- Agricultural and industrial chemicals – Manufacturing and sale of agricultural and industrial chemical products ;
- Polymer – Manufacturing and marketing of polymer products ;
- Logistics – 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 and being general traders of media space in the airport, baggage trolleys and signages.

The company(ies) within the Group have entered into certain RRPT in the ordinary course of business and it is anticipated that they would, in the ordinary course of business, continue to enter into such RRPT. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

In view of the time-sensitive and frequent nature of such RRPT, the Company wishes to seek approval from its shareholders for the Group, in its ordinary course of business, to continue to enter into such RRPT provided such RRPT are made at arm's length, on the Groups normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of minority shareholders of the Company.

The Proposed RRPT Mandate will apply to transactions with the Related Party as detailed below :

<i>Related Party</i>	<i>Ancom Group</i>	<i>Nature of RRPT</i>	<i>Relationship between Ancom Group and the Related Party</i>	<i>Estimated Value for Previous Mandate</i> <i>(RM'000)</i>	<i>Actual Value Transacted from Previous Mandate Obtained up to LPD</i> <i>(RM'000)</i>	<i>Estimated Value for Current Mandate</i> <i>(RM'000)</i>
<u>New RRPT :</u>						
MMSB	Redberry	Provision of advertising space in the newspaper and other media channels by MMSB for Redberry	(Note 1)	Not Applicable	Not Applicable	5,000
<u>Existing RRPT :</u>						
MMSB	TSSB	Provision of printing services by TSSB to MMSB	(Note 1)	15,000	5,782	10,000 (Note 2)

As at LPD, there is no outstanding amount due to Ancom Group by MMSB which exceeded the credit term for the RRPT.

(Note 1)

TSSB is a wholly-owned subsidiary of Redberry Sdn Bhd, which in turn is a wholly-owned subsidiary of Ancom.

Dato' (Dr) Siew Ka Wei ("DSKW") is a Director and Major Shareholder of Ancom through his direct and indirect interest* in the Company.

Tan Sri Ir (Dr) Mohamed Al Amin Abdul Majid ("TSAA") is director of Ancom. He does not hold any shares in Ancom.

DSKW and TSAA are directors of Dahlia Megah Sdn Bhd ("DMSB") in which they each hold 50% equity interest respectively. DMSB holds 46.8% equity interest directly in MMSB while DSKW hold 26.2% equity interest directly in MMSB. DSKW and TSAA are also directors of MMSB.

** Includes interests of Datin Young Ka Mun ("DYKM"-wife), Siew Ka Kheong ("SKK"-brother), Quek Lay Kheng ("QLK"-sister-in-law), Silver Dollars Sdn Bhd ("SDSB"-family company) and Siew Nim Chee & Sons Sdn Bhd ("SNCS"-family company)*

By virtue of the above relationships, MMSB is deemed a related party to Ancom. DSKW and TSAA are the interested Directors. DSKW is the interested Major Shareholder whereas DYKM, SKK, QLK, SDSB and SNCS are the interested connected persons.

(Note 2)

This estimated value has been arrived at by the Ancom Group after taking into account the management's forecast on transaction values which have been undertaken and anticipated for the mandate period. The estimated value covers the period from current AGM to the next AGM.

2.3 Rationale and Benefits

The RRPT would give additional business volume to the Group thereby improving its turnover and profit. The RRPT also enhances the ability to explore business opportunities within the Group.

The RRPT may be constrained by the time-sensitive nature and it is impractical to seek shareholders' approval on a case by case basis before entering into such transactions. As such, the Proposed RRPT Mandate would eliminate the need to announce and to convene separate general meeting for approval of each transaction. It will therefore improve administrative efficiency and eliminate inconvenience and expenses associated with the convening of such meetings and allowing resources to be channeled towards achieving corporate objectives of the Group.

The Proposed RRPT Mandate would allow the Group to enter into RRPT which are made in the ordinary course of business undertaken at arm's length, on normal commercial terms which are not more favourable to the Related Party than those generally available to the public and are not detrimental to the interest of minority shareholders.

2.4 Review Procedures

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

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

The Group has set up its internal control systems which cover, amongst other things, the following procedures to ensure all RRPT are undertaken on an arm's length basis, on normal commercial terms for transactions prices and are on terms not more favourable to the Related Parties than those generally available to third parties or the public, and are not detrimental to the minority shareholders :

- (i) The relevant employees of the Group are notified of the identities of the Related Parties and will be required prior to entering into such transaction, to ensure that all the RRPT are consistent with the Group's normal business practices and policies, and on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to the minority shareholders.

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

2.5 Statement by Audit Committee

The Audit Committee has considered the procedures and guidelines as stated in Section 2.4 above and is of the view that the said procedures and guidelines are :

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

These procedures and guidelines are reviewed by the Audit Committee every quarterly.

2.6 Validity

The Proposed RRPT Mandate is subject to annual renewal. In this respect, the authority conferred by the Proposed RRPT Mandate shall continue to be in force until:

- the conclusion of the next AGM of the Company, at which time it will lapse, unless the authority is renewed by a resolution passed at the meeting ;
 - the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or
 - revoked or varied by resolution passed by the shareholders at a general meeting ;
- whichever is the earlier.

2.7 Effects

The Proposed RRPT Mandate will not have any effect on the issued and paid-up share capital and shareholding structure of the Company. It will not have any impact on the consolidated NA and EPS of the Company.

2.8 Interested Directors', Major Shareholders' and Persons Connected to them

DSKW and TSAA, being the interested Directors in the Proposed RRPT Mandate, have abstained and will abstain from board deliberations on the resolution approving the Proposed RRPT Mandate and will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution approving the Proposed RRPT Mandate at the 46th AGM.

DSKW, being the interested Major Shareholder in the Proposed RRPT Mandate, will abstain from voting in respect of his direct shareholdings on the resolution approving the Proposed RRPT Mandate at the 46th AGM.

DYKM, SKK, QLK, SDSB and SNCS, being the interested connected persons to DSKW, will abstain from voting in respect of their direct shareholdings on the resolution approving the Proposed RRPT Mandate at the 46th AGM.

DSKW, being the interested Director and Major Shareholder, has undertaken that he will ensure that DYKM, SKK, QLK, SDSB and SNCS, being the interested connected persons to him, will abstain from voting in respect of their direct shareholdings on the resolution approving the Proposed RRPT Mandate at the 46th AGM.

TSAA, being the interested Director, has undertaken that he will ensure that persons connected to him, if any, will abstain from voting in respect of their direct shareholdings on the resolution approving the Proposed RRPT Mandate at the 46th AGM.

The direct and indirect shareholding of the interested Directors, Major Shareholder and persons connected to them in the Proposed RRPT Mandate as at LPD are as follows:

	<i>As at LPD</i>			
	<i>←--Direct--→</i>		<i>←--Indirect--→</i>	
	<i>No. of shares</i>	<i>%*</i>	<i>No. of shares</i>	<i>%*</i>
<u>Interested Directors</u>				
DSKW	22,798,865	10.57	20,611,748 [#]	9.55
TSAA	-	-	-	-
<u>Interested Major Shareholder</u>				
DSKW	22,798,865	10.57	20,611,748 [#]	9.55
<u>Persons Connected with the Interested Directors / Major Shareholder</u>				
SDSB	4,727,683	2.19	-	-
SNCS	14,558,987	6.75	-	-
SKK	943	0.00	-	-
DYKM	435,078	0.20	-	-
QLK	912,057	0.42	-	-

Notes:

* Based on share capital of 215,785,115 (Excluding the existing 3,171,227 Treasury Shares)

Held by SDSB, SNCS, DYKM, SKK and QLK

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 RRPT Mandate.

3. DIRECTORS' RECOMMENDATION

The Board (save and except for DSKW and TSAA who are deemed to be interested in the Proposed RRPT Mandate), is of the opinion that the Proposed RRPT Mandate is in the best interest of shareholders and the Company. The Board, with the exception of DSKW and TSAA, who have abstained from giving an opinion and making any recommendation on the Proposed RRPT Mandate, recommends that the shareholders vote in favour of the resolution approving the Proposed RRPT Mandate to be tabled at the 46th AGM.

4. SHAREHOLDERS' APPROVAL AND 46TH AGM

The Proposed RRPT Mandate is subject to the approval of the shareholders of Ancom at the forthcoming 46th AGM.

The resolution in respect of the Proposed RRPT Mandate is set out in the Notice of 46th AGM which is enclosed in the Company's 2015 Annual Report, an extract of which is enclosed in this Circular/Statement. The 46th AGM will be held at Selangor 1 Ballroom, Dorsett Grand Subang, Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 19 November 2015 at 2.30 p.m.

If you are unable to attend and vote in person at the 46th AGM, please complete the Proxy Form (available in the Company's 2015 Annual Report) in accordance with the instructions therein and return it to 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, as soon as possible and in any event not less than 48 hours before the appointed time for the 46th AGM and any adjournment thereof.

The lodging of the Proxy Form does not preclude you from attending and voting in person at the 46th AGM should you subsequently wish to do so. If you do, your proxy shall be precluded from attending the 46th AGM.

5. FURTHER INFORMATION

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

Yours faithfully
For and on behalf of the Board
ANCOM BERHAD

Edmond Cheah Swee Leng
Chairman of the Audit Committee



ANCOM BERHAD

(Company No.: 8440-M)
(Incorporated in Malaysia)

PART B : STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO PURCHASE ANCOM BERHAD'S OWN SHARES ("PROPOSED RENEWAL OF SBB MANDATE")

The purpose of this Statement is to provide you with details of the Proposed Renewal of SBB Mandate and to seek your approval for the resolution relating thereto to be tabled at the 46th AGM of the Company.

1. INTRODUCTION

At the 45th AGM of the Company held on 20 November 2014, the Company had obtained its shareholders' approval to purchase from time to time through Bursa Securities, Ancom Shares not exceeding in aggregate, ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being in accordance with the provisions of Section 67A of the Act, the Company's Articles of Association and the Listing Requirements.

As the said approval will expire at the conclusion of the forthcoming 46th AGM, the Company had on 16 October 2015 announced its intention to seek the shareholders' approval for the Proposed Renewal of SBB Mandate at the forthcoming 46th AGM.

2. PROPOSED RENEWAL OF SBB MANDATE

2.1 Validity

The Proposed Renewal of SBB Mandate will take effect from the date of the 46th AGM until the conclusion of the next AGM of the Company, unless earlier revoked or varied by resolution passed by the shareholders in general meeting, or upon the expiration of the period within the next AGM after the date on which the authority conferred by the resolution is required by the law to be held, whichever occurs first.

2.2 Rationale

The Share Buy-Back will enable the Company to utilize its surplus financial resources not immediately required to purchase Ancom Shares. It may stabilize the supply and demand of Ancom Shares traded on Bursa Securities and thereby supports the fundamental values of the Shares.

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

All things being equal, whether the purchased Shares are held as Treasury Shares or cancelled, the Share Buy-Back will result in a lower number of Ancom Shares being taken into account for the purpose of computing the EPS and hence it will improve the consolidated EPS of the Company, which in turn is expected to have a positive impact on the share price of Ancom Shares. The consolidated NA of Ancom may also increase if the purchase price is less than the consolidated NA of Ancom at the time of purchase.

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.

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

2.3 Ranking

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

2.4 Funding

The Board proposes to allocate a sum not exceeding the share premium and retained profits of the Company in accordance with Paragraph 12.01(1) of the Listing Requirements. As at 31 May 2015, the audited share premium and retained profits of the Company were RM4,332,000 and RM30,584,000 respectively.

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

If the purchase of Ancom Shares is to be partly financed by external borrowings, the Company purchases and holds the Treasury Shares using bank borrowings, the Board will ensure that the Company will be capable of repaying such borrowings and that such borrowings are not expected to have any material effect on its cash flow and working capital.

2.5 Potential Advantages and Disadvantages

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

The Proposed Renewal of SBB Mandate, if implemented, will however, reduce the financial resources of the Company and may result in the Company foregoing any investment opportunities arising in the future or any interest income that may be derived from depositing such funds with interest bearing instruments. It may also reduce the financial resources available for distribution of cash dividend to the shareholders of the Company.

In any event, the Board will be mindful of the interests of the Company and its shareholders when implementing Share Buy-Back.

2.6 Effects

(a) Share Capital

It is the intention of the Company to retain the Shares so purchased as Treasury Shares. As such, the Share Buy-Back will not have any effect on the issued and paid-up share capital of Ancom. Nevertheless, certain rights attached to the Shares will be suspended while they are held as Treasury Shares.

(b) 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) Working Capital

The Share Buy-Back will reduce the working capital of the Company depending on the price paid for the Ancom Shares, the actual number of Ancom Shares purchased and any associated costs incurred in making the purchase.

The working capital of the Company will increase upon the resale of the Treasury Shares depending on the number of Treasury Shares resold, the selling prices and any associated costs incurred in making the sale.

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

- (e) Shareholding of the Directors, Major Shareholders and Persons Connected with Directors and/or Major Shareholders

The effects of the Proposed Renewal of SBB Mandate on the shareholding of Directors, Major Shareholders and persons connected with Directors and/or Major Shareholders of Ancom as at LPD, assuming Ancom purchases 18,724,407 Shares which together with the 3,171,227 Treasury Shares remaining, represents ten percent (10%) of the total issued and paid-up capital of the Company, are set out as follows:

	As at LPD				After Share Buy-Back of maximum 10%	
	←Direct→	←Indirect→	←-- Total --→		(Shares cancelled)	(Shares resold)
	No. of shares	No. of shares	No. of shares	%*	%**	%***
<u>Directors</u>						
Dato' Johari Razak	465,427	-	465,427	0.22	0.23	0.21
DSKW	22,798,865	20,611,748 ⁽¹⁾	43,410,613	20.12	21.68	19.83
Tan Sri Dato' Dr Lin See Yan	165,375	-	165,375	0.08	0.08	0.08
Chan Thye Seng ("CTS")	-	42,797,402 ⁽²⁾	42,797,402	19.83	21.37	19.55
<u>Major Shareholders</u>						
DSKW	22,798,865	20,611,748 ⁽¹⁾	43,410,613	20.12	21.68	19.83
Pacific & Orient Berhad ("P&O")	31,877,978	10,589,424 ⁽³⁾	42,467,402	19.68	21.21	19.40
CTS	-	42,797,402 ⁽²⁾	42,797,402	19.83	21.37	19.55
SNCS	14,558,987	-	14,558,987	6.75	7.27	6.65
<u>Persons Connected with the Directors / Major Shareholders</u>						
SNCS	14,558,987	-	14,558,987	6.75	7.27	6.65
<i>(Company in which DSKW, SKK and Siew Yuen Tuck 30%, 65% and 5% equity interests respectively)</i>						
SDSB	4,727,683	-	4,727,683	2.19	2.36	2.16
<i>(Company in which DSKW and DYKM have 85% and 15% equity interests respectively)</i>						
SKK	943	-	943	0.00	0.00	0.00
DYKM	435,078	-	435,078	0.20	0.22	0.20
QLK	912,057	-	912,057	0.42	0.46	0.42

	As at LPD				After Share Buy-Back of maximum 10%	
	←Direct→	←Indirect→	←-- Total --→		(Shares cancelled)	(Shares resold)
	No. of shares	No. of shares	No. of shares	%*	%**	%***
<u>Persons Connected with the Directors / Major Shareholders</u>						
Pacific & Orient Insurance Co. Berhad ("P&OI") <i>(Wholly-owned subsidiary of P&O)</i>	10,589,424	-	10,589,424	4.91	5.29	4.84
Tysim Holdings Sdn Bhd ("THSB") <i>(Company in which CTS has 25% equity interest)</i>	30,000	-	30,000	0.01	0.01	0.01
Tan Soo Leng ("TSL") <i>(Wife of CTS)</i>	300,000	-	300,000	0.14	0.15	0.14

Notes:

* Based on share capital of 215,785,115 (Excluding the existing 3,171,227 Treasury Shares)

** Based on share capital of 200,231,935 (Excluding 18,724,407 Treasury Shares)

*** Based on share capital of 218,956,342

(1) Held through SNCS, SDSB, SKK, DYKM and QLK.

(2) Held through P&O, P&OI, THSB and TSL.

(3) Held through P&OI, a wholly-owned subsidiary.

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 SBB Mandate and resale of Treasury Shares.

2.7 Implication Under the Code

Assuming Ancom purchases 18,724,407 Shares which together with the 3,171,227 Treasury Shares remaining, represents ten percent (10%) of the total issued and paid-up capital of the Company, the Proposed Renewal of SBB Mandate is not expected to trigger any obligation to undertake a mandatory general offer under the Code based on the current shareholdings of the Major Shareholders and/or parties acting in concert as at LPD.

2.8 Details of Share Buy-back Transactions Under the Previous Mandate

Details of the transactions during the financial year 2015 are disclosed in the Directors' Report in the Company's 2015 Annual Report.

2.9 Public Shareholding Spread

As at LPD, the public shareholding spread of the Company stood at 59.73% excluding Treasury Shares held. The Board is mindful of the requirement to maintain the public shareholdings spread of at least twenty-five percent (25%) when implementing the Share Buy-Back.

3. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal of SBB Mandate, is of the opinion that the Proposed Renewal of SBB Mandate is in the best interest of the Shareholders and the Company and accordingly, recommends that the Shareholders vote in favour of the resolution pertaining to the Proposed Renewal of SBB Mandate to be tabled at the forthcoming 46th AGM.

4. SHAREHOLDERS' APPROVAL AND 46TH AGM

The 46th AGM will be held at Selangor 1 Ballroom, Dorsett Grand Subang, Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 19 November 2015 at 2.30 p.m. for the purpose of considering and if thought fit, passing the resolution to give effect to the Proposed Renewal of SBB Mandate.

The relevant resolution is set out in the Notice of 46th AGM which is enclosed in the Company's 2015 Annual Report, an extract of which is enclosed in this Statement/Circular

If you are unable to attend and vote in person at the 46th AGM, please complete the Proxy Form (available in the Company's 2015 Annual Report) in accordance with the instructions therein and return it to 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, as soon as possible and in any event not less than 48 hours before the appointed time for the 46th AGM and any adjournment thereof.

The lodging of the Proxy Form does not preclude you from attending and voting in person at the 46th AGM should you subsequently wish to do so. If you do, your proxy shall be precluded from attending the 46th AGM.

This Statement is dated 28 October 2015.

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ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular/Statement 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/Statement 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 CONTRACT

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

3. MATERIAL LITIGATION

As at the date of this Circular/Statement, neither Ancom nor its subsidiaries are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which may have a material effect on the financial position of the Company and the Directors are not aware and do not have any knowledge of any proceedings, pending or threatened, against the Company and/or its subsidiaries or of any facts which is likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Company and/or its subsidiaries.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's registered office 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 Monday to Friday (except for public holidays) from the date of this Circular/Statement up to and including the date of the 46th AGM :

- (i) Ancom's Memorandum and Articles of Association ; and
- (ii) The audited consolidated financial statements of Ancom for the past two (2) financial years ended 31 May 2014 and 31 May 2015 and the latest unaudited first quarter results for the financial period ended 31 August 2015.

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EXTRACT OF NOTICE OF 46TH ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions as Ordinary Resolutions :

6. Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature ("Proposed RRPT Mandate") **[Resolution 6]**

"THAT approval be and is hereby given for the Proposed RRPT Mandate for the Company and its subsidiaries to enter into the categories of recurrent related party transactions of a revenue or trading nature falling within the nature of transactions set out in the table in Section 2.2 of the Company's Circular to Shareholders/Statement dated 28 October 2015 with the related party set out in Section 2.2 in the Circular, such transactions which are necessary for the Group's day-to-day operations and carried out in the ordinary course of business 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.

AND 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 resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within which the next Annual General Meeting is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
- (iii) revoked or varied by resolution passed by the shareholders in 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 as they may consider expedient or necessary to give effect to this Ordinary Resolution."

7. Proposed Renewal of Shareholders' Mandate to Purchase Ancom Berhad's Own Shares ("Proposed Renewal of SBB Mandate") **[Resolution 7]**

"THAT subject to the provisions of the Companies Act, 1965 ("Act"), the Articles of Association of the Company, the regulations and guidelines issued from time to time by Bursa Malaysia Securities Berhad ("Bursa Securities") or any other regulatory authorities, the Directors be and are hereby authorised to utilise an amount not exceeding the total audited share premium and retained profits of the Company as at 31 May 2015 of RM4,332,000 and RM30,584,000 respectively to purchase such number of ordinary shares of the Company PROVIDED THAT the ordinary shares so purchased shall, in aggregate with the treasury shares as defined under section 67A of the Act ("Treasury Shares") then still held by the Company, not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being AND THAT such authority shall unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting commence upon the passing of this resolution until the conclusion of the next annual general meeting of the Company AND THAT the Directors may retain the ordinary shares so purchased as Treasury Shares and may distribute the Treasury Shares as share dividend or may resell the Treasury Shares or may cancel the ordinary shares so purchased in a manner they deem fit and expedient as prescribed by the Act and the applicable regulations and guidelines of Bursa Securities and any other relevant authorities for the time being in force AND THAT authority be and is hereby given to the Directors to take all such steps to implement finalise and to give effect to the aforesaid transactions with full power to assent to any conditions modifications variations and amendments as may be imposed by the relevant authorities or as they deem fit and expedient at their discretion in the best interest of the Company in accordance with the aforesaid Act, regulations and guidelines."