

ANCOM BERHAD :

Acquisition of Shares in Redberry Solutions Sdn Bhd by Redberry Sdn Bhd

1. INTRODUCTION

Ancom Berhad (“Ancom” or “Company”) wishes to announce that its wholly-owned subsidiary, Redberry Sdn Bhd (“RSB”), has on 11 August 2015 entered into a share sale agreement (“Agreement”) with Ng How Han (“NHH”) for the acquisition of 654,330 ordinary shares of RM1.00 each representing 51% equity interest in Redberry Solutions Sdn Bhd (“RSSB” - formerly known as Will & Henry Marketing Sdn Bhd) for a total cash consideration of RM650,000.00.

(The share purchase hereinafter referred to as “Transaction”).

2. BACKGROUND INFORMATION

2.1 Details of the Transaction

The Transaction involved RSB purchasing 654,330 shares (51% equity interest) of RSSB from NHH for cash consideration of RM650,000.00. The consideration was negotiated on a willing buyer willing seller basis.

2.2 Information on RSSB

RSSB was incorporated in Malaysia on 6 September 2012 in Malaysia under the Companies Act, 1965 as HenryWill Marketing Sdn Bhd. It later changed its name to MY E.G. Marketing Sdn Bhd on 16 July 2014. On 9 March 2015, its name was changed to Will & Henry Marketing Sdn Bhd. It assumed its present name on 10 June 2015.

RSSB has an authorised share capital of RM5,000,000.00 made up of 5,000,000 shares of RM1.00 each, and its issued and paid-up share capital is RM1,283,000.00 made up of 1,283,000 shares of RM1.00 each. It is principally involved in the marketing of all kinds of credit cards and as commission agents, event organizer and other related activities.

Upon completion of the Transaction, the shareholders of RSSB are RSB (51%), NHH (29%) and Chai Hann Lin (20%).

3. CONDITIONS PRECEDENT

The completion of the Transaction is subject to the following conditions precedent :

- i. RSB having completed a legal, financial and operation due diligence audit on RSSB ; and
- ii. Approval of any parties / government authorities for change of controlling shareholder, if any.

Completion of the Transaction will take place within one (1) month from the date of fulfillment of all conditions precedent.

4. EFFECTS OF THE TRANSACTION

4.1 Share Capital and Shareholding Structure

The Transaction will have no impact on the share capital and shareholding structure of Ancom. RSSB will become a 51%-owned subsidiary of RSB and Ancom.

4.2 Earnings

The Transaction is not expected to have any material effects on the earnings to the Ancom Group for the financial year ending 31 May 2016.

4.3 Net Tangible Assets (“NTA”)

There will be no material change in the Ancom Group’s NTA per share after the Transaction.

5. RATIONALE OF THE TRANSACTION

The principal business of RSSB is synergistic to that of RSB's subsidiary which operates a financial comparison website named RinggitPlus.com. RSB will gain wider market niche with RSSB's capability in reaching their potential customers via on-ground approaches through roadshows and sales agents.

6. PERCENTAGE RATIO

The highest percentage ratio applicable to the Transaction under Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 0.23%.

7. APPROVALS REQUIRED

The Transaction is not subject to the approval of the shareholders of Ancom or any regulatory authorities.

8. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the Directors, and/or major shareholders of Ancom and/or persons connected to them, has any interest, directly or indirectly, in the Transaction.

9. STATEMENT BY THE DIRECTORS

The Directors had considered all aspects of the Transaction and is of the opinion that the Transaction is in the best interest of the Group and is not to the detriment of the minority shareholders of the Company.

10. DOCUMENTS FOR INSPECTION

A copy of the Agreement is available for inspection at the Company's registered office at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 12 August 2015.