

ANCOM BERHAD
- PRELIMINARY AGREEMENT

1. INTRODUCTION

Ancom Berhad (“Ancom” or the “Company”) wishes to announce that Puncak Berlian Sdn. Bhd. (“PBSB”), an indirect wholly-owned subsidiary of the Company through Redberry Sdn. Bhd., had on 11 May 2017 in Jakarta entered into a Preliminary Agreement with PT. Alternatif Media Group (“PTAM”), PT. Avabanindo Perkasa (“PTAP”) and VGI Global Media Public Company Limited (“VGI”) to establish an operational cooperation consortium (“Consortium”) in order to secure the tender of consulting services and the provision of advertising media within PT. MRT Jakarta (“Project”).

(PBSB, PTAM, PTAP and VGI shall collectively referred to as the “Parties”)

2. THE PROJECT

The Mass Rapid Transit in Jakarta (“MRT Jakarta”) is an infrastructure project that aims to relieve great traffic congestion in Indonesia’s capital city. Currently, the North-South line of the MRT Jakarta is being constructed, while an East-West line is being studied. The main owner of the MRT Jakarta is the local Jakarta government.

3. RATIONALE OF THE CONSORTIUM

The purpose and objective for the establishment of the Consortium are to unite and synergize the human resources, creative ideas from both parties, and financial structures, so that the Project tender within PT. MRT Jakarta can be submitted and carried out by the established Consortium.

4. DETAILS OF THE CONSORTIUM

The Parties have expressed their agreement to establish mutually beneficial cooperation with the preliminary points of agreements and the salient points are as follows:-

1. From the date of the signing of the Preliminary Agreement, the Consortium is deemed to have been *de facto* established, and each party has been able to carry out its rights, duties and obligations as set out in the Preliminary Agreement.
2. The Consortium shall be *de jure* established with the signing of the Consortium Agreement that regulates the rights and obligations of each party in detail, if it has been ascertained that the Consortium has secured all or part of the Project tender of PT. MRT Jakarta.
3. The Parties agree to jointly draft a work plan and time frame for the implementation of the cooperation, together with the required budget plan before the implementation of the project tender of PT. MRT Jakarta.
4. The Parties agreed that when the Consortium is successfully being awarded with the Project tendered by PT. MRT Jakarta, the Parties agree to sign and execute a Consortium Cooperation Agreement (“Cooperation Agreement”). All points constitute in the Preliminary Agreement shall be deemed as reference in determining the contents of the Cooperation Agreement between the Parties.
5. The Parties agree that if the Consortium fails to secure all or any part of the Project in question, the Parties shall terminate the Preliminary Agreement, thus the Preliminary Agreement shall be considered null and void.
6. The Parties shall jointly draft and prepare the Request for Proposal or any other similar document required by PT. MRT Jakarta in order to become a participant of the Project tender.

5. INFORMATION ON THE PARTIES

(a) Information on PBSB

PBSB is a private limited company incorporated in Malaysia in year 2013 under the Companies Act, 2016, and it is focusing on providing advertising and management services to its subsidiaries.

(b) Information on PTAM

PTAM is a company incorporated and subject to the laws of the Republic of Indonesia, domiciled in Jakarta.

PTAM is a digital advertising company in Indonesia which focuses on indoor LCD media in commercial places or locations from office buildings, apartments to mini markets and airports.

(c) Information on PTAP

PTAP is a company incorporated and subject to the laws of the Republic of Indonesia, domiciled in Jakarta.

PTAP is an outdoor advertising company based in Indonesia and PTAP operates as Mahaka Media business unit in outdoor media division. PTAP operates under the brand name of Mahaka advertising, and their agencies specialize in various products and services of outdoor advertising including Billboard and LED screens.

(d) Information on VGI

VGI was incorporated in Thailand in year 1995 as a private company limited. VGI was converted into a public company limited in year 2012, and is listed on the Stock Exchange of Thailand. VGI is an indirect subsidiary of BTS Group Holdings Public Company Limited, a company listed on the Stock Exchange of Thailand.

VGI is principally engaged in the arrangement and provision of advertising services in BTS stations, insider BTS trains, on BTS train bodies, and in office buildings, and the rental of retail space at BTS station.

6. OTHERS

The Consortium is expected to expand the earning base of Ancom Media division should the Consortium be successful in securing the Project.

None of the directors and/or major shareholders of the Company or persons connected to them have any interest, direct or indirect, in the Consortium.

The Company will make further announcement(s) to Bursa Malaysia Securities Berhad ("Bursa Securities") in a timely manner in accordance with the Main Market Listing Requirements of Bursa Securities, as and when necessary.

The Preliminary Agreement is available for inspection at the registered office of Unit 30-1, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, during office 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 May 2017.