

ANCOM BERHAD

- ACQUISITION OF SHARES BY ENTOPEST ENVIRONMENTAL SERVICES SDN. BHD. IN ECOGREEN PEST MANAGEMENT SDN. BHD.

1. INTRODUCTION

Ancom Berhad (“Ancom” or the “Company”) wishes to announce that Entopest Environmental Services Sdn. Bhd. (“Entopest”), a 90%-owned subsidiary of Ancom Crop Care Sdn. Bhd. (“ACC”), which in turn is a wholly-owned subsidiary of the Company, had on 3 October 2017 acquired sixty-five (65) ordinary shares, representing 65% of the issued and paid-up share capital in Ecogreen Pest Management Sdn. Bhd. (Company no. 878557-P) (“Ecogreen”) from Lee Tee Siong (“LTS”) and Tan Jee Hong (“TJH”) at a total purchase consideration of RM106,600.00 (“the Acquisition”).

Ecogreen is a subsidiary of Entopest and an indirect subsidiary of ACC and Ancom with effect from 3 October 2017.

2. INFORMATION ON ECOGREEN AND ENTOPEST

(a) Information on Ecogreen

Ecogreen is a private company incorporated on 10 November 2009 under the laws of Malaysia, with its business address located in Penang. The issued and paid-up share capital of Ecogreen is RM100.00 comprising 100 ordinary shares.

Ecogreen is principally involved in the business of pest control.

(b) Information on Entopest

Entopest is a private company incorporated on 12 September 2003 under the laws of Malaysia. The issued and paid-up share capital of Entopest is RM20,000.00 comprising 20,000 ordinary shares. Entopest is 90% owned by ACC, which in turn is a wholly-owned subsidiary of the Company.

The principal activities of Entopest are provision of pest control, hygiene and sanitation services.

3. BASIS OF DETERMINING THE CONSIDERATION

The said purchase consideration for the Acquisition was determined on a willing-buyer-willing-seller basis after taking into consideration the potential future earnings contribution from Ecogreen.

The said purchase consideration shall be satisfied entirely by cash and will be financed via internally generated funds.

4. RATIONALE FOR AND BENEFITS OF THE ACQUISITION

Entopest seized the opportunity to expand its business coverage and enhance its customer service in the northern region of Peninsular Malaysia as Ecogreen has been in the pest control business in Penang for some years and with reasonable operational arrangement in place.

5. FINANCIAL EFFECTS

(a) Share Capital

The Acquisition will not have any effect on the issued and paid-up share capital of the Company as it does not involve the issuance of the Company’s shares.

(b) Earnings and Net Assets

The Acquisition will not have any material effect on the earnings and net assets of the Company for the financial year ending 31 May 2018.

(c) Substantial Shareholders' Shareholdings

The Acquisition will not have any effect on the shareholdings of the substantial shareholders of the Company and will not result in a change in the controlling or dominant shareholder of the Company.

6. HIGHEST PERCENTAGE RATIO APPLICABLE TO THE TRANSACTIONS PURSUANT TO PARAGRAPH 10.02(g) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")

The highest percentage ratio applicable to the Acquisition is approximately 0.04% based on the audited consolidated financial statements of Ancom as at 31 May 2017.

7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

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

8. APPROVALS REQUIRED

The Acquisition is not subject to the approval of the shareholders of the Company or any other regulatory authorities.

9. DIRECTORS' STATEMENT

The Board, having considered all the relevant factors in respect of the Acquisition, is of the opinion that the Acquisition is in the best interest of the Company and not to the detriment of the minority shareholders.

This announcement is dated 3 October 2017.