

**THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.** If you have sold all of your Ancom Shares (as defined herein), you should at once hand this Abridged Prospectus together with the Notice of Provisional Allotment ("NPA") and the Rights Subscription Form ("RSF") to the agent/ broker through whom you have effected the sale for onward transmission to the purchaser/ transferee. You should address all your enquiries concerning this Rights Issue of Warrants (as defined herein) to our Share Registrars, PFA Registration Services Sdn Bhd, Level 13, Uptown 1, No.1 Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan.

A copy of this Abridged Prospectus, together with copies of the NPA and RSF, have been registered with the Securities Commission ("SC"). A copy of this Abridged Prospectus together with the accompanying NPA and RSF have also been lodged with the Registrar of Companies, who takes no responsibility for the contents.

Only our shareholders whose names appeared in our Record of Depositors maintained by Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") as at 5.00 p.m. on 12 May 2005 are entitled to the Rights Issue of Warrants ("Entitled Shareholders"). This Abridged Prospectus, together with the NPA and RSF, are not intended to be issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been taken to ensure that the Rights Issue of Warrants complies with the laws of any countries or jurisdiction other than the laws of Malaysia. You or your renounee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult your legal advisers as to whether the acceptance or renunciation (as the case may be) of your entitlement to the Rights Issue of Warrants would result in the contravention of any laws of such countries or jurisdictions. We and Hwang-DBS Securities Berhad ("Hwang-DBS") (14389-U) shall not accept any responsibility or liability whatsoever in the event any acceptance or renunciation of entitlement to the Rights Issue of Warrants by you or your renounee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

Approvals for the Rights Issue of Warrants have been obtained from the SC on 16 September 2004 and from our shareholders at the Annual General Meeting held on 30 November 2004. Approval-in-principle has been obtained from Bursa Malaysia Securities Berhad ("Bursa Securities") on 8 December 2004 for the admission of the Warrants (as defined herein) to the Official List of Bursa Securities and for the listing of and quotation for the Warrants and the Ancom Shares to be issued upon the exercise of the Warrants. The Warrants and the new Ancom Shares will be admitted to the Official List of the Main Board of Bursa Securities and the official quotation for our new securities will commence after receipt of confirmation from Bursa Depository that all the Central Depository System ("CDS") accounts of our Entitled Shareholders or their renounee(s) (if applicable) have been duly credited with the Warrants and notices of allotment have been despatched to them.

Neither Bursa Securities nor the SC takes any responsibility for the correctness or accuracy of any statements made or opinions expressed herein. Admission of the Warrants to the Official List and the listing of and quotation for the Warrants and new Ancom Shares to be issued upon the exercise of the Warrants on Bursa Securities are in no way reflective of the merits of this Rights Issue of Warrants.

All the documentation relating to the Rights Issue of Warrants has been seen and approved by our Directors and they, collectively and individually, accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in these documents false or misleading.

Hwang-DBS, being the Adviser for the Rights Issue of Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning this Rights Issue of Warrants.

**ANCOM BERHAD**

(Company No.: 8440-M)

(Incorporated in Malaysia under the Companies Act, 1965)

**RENOUNCEABLE RIGHTS ISSUE OF 97,771,983 THREE (3)-YEAR WARRANTS 2005/2008 ("WARRANTS") AT AN ISSUE PRICE OF RM0.02 PER WARRANT PAYABLE IN FULL UPON ACCEPTANCE ON THE BASIS OF ONE (1) WARRANT FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF RM1.00 EACH HELD BY THE SHAREHOLDERS AT 5.00 P.M. ON 12 MAY 2005**

*Adviser***HWANG-DBS SECURITIES BERHAD**

(Company No.: 14389-U)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

**IMPORTANT RELEVANT DATES**

Entitlement or record date .....	12 May 2005 at 5.00 p.m.
Last day and time for Sale of Provisional Allotment.....	2 June 2005 at 5.00 p.m.
Last day and time for Transfer of Provisional Allotment .....	7 June 2005 at 4.00 p.m.
Last day and time for Acceptance and Payment.....	15 June 2005 at 5.00 p.m *
Last day and time for Excess Warrants Application and Payment.....	15 June 2005 at 5.00 p.m *

\* or such later day and time as our Directors may decide and announce not less than two (2) market days before the stipulated times and dates, subject to Bursa Securities' approval

**THE SECURITIES COMMISSION ("SC") HAS APPROVED THE ISSUANCE AND LISTING OF THIS RIGHTS ISSUE OF WARRANTS. BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") HAS GRANTED ITS APPROVAL-IN-PRINCIPLE FOR THE ADMISSION OF THE WARRANTS TO THE OFFICIAL LIST OF BURSA SECURITIES AND FOR THE LISTING OF AND QUOTATION FOR THE WARRANTS AND THE NEW ANCOM SHARES TO BE ISSUED UPON THE EXERCISE OF THE WARRANTS. HOWEVER, THE APPROVALS SHALL NOT BE TAKEN TO INDICATE THAT THE SC AND BURSA SECURITIES RECOMMEND THE RIGHTS ISSUE OF WARRANTS.**

**THE SC AND BURSA SECURITIES SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKE NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.**

**YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

**Certain Defined Terms and Conventions**

All references to “our Company” and “Ancom” in this Prospectus are to “Ancom Berhad”, references to “our Group” is to our Company and our subsidiaries and references to “we”, “us”, “our” and “ourselves” are to our Company, and save where the context requires otherwise, and our subsidiaries.

References to “RM” and “sen” are to the lawful currency of Malaysia, references to “S\$” and “cent” are to the lawful currency of Singapore, references to “US\$” are to the lawful currency of The United States of America, references to “HK\$” are to the lawful currency of Hong Kong, references to “£” are to the lawful currency of the United Kingdom, references to “A\$” are to the lawful currency of Australia, references to “Yen” are to the lawful currency of Japan, references to “RMB” are to the lawful currency of the Republic of China and references to “Euro” and “€” are to the lawful currency of the European Union. Certain acronyms, technical terms and other abbreviations used are in “Definitions” appearing in the ensuing section. Words denoting singular only shall include plural and vice versa. Reference to persons shall include companies and corporations.

## DEFINITIONS

Unless the context otherwise requires, the following definitions (in alphabetical order) shall apply throughout this Abridged Prospectus, the NPA and the RSF:

“5-WAMP”	: Five (5)-day weighted average market price
“Act”	: Companies Act, 1965 and any amendments thereto from time to time
“AGM”	: Annual General Meeting
“Ancom” or “Company”	: Ancom Berhad (8440-M)
“Ancom Share(s)” or “Share(s)”	: Ordinary share(s) of RM1.00 each in Ancom
“BNM”	: Bank Negara Malaysia
“Board”	: Board of Directors
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (165570-D)
“Bursa Securities”	: Bursa Malaysia Securities Berhad (635998-W)
“CDS”	: Central Depository System
“Deed Poll”	: Deed Poll constituting the Warrants, dated 1 December 2004
“EBIDTA”	: Earnings before interest, depreciation, taxation and amortisation
“EPS”	: Earnings per share
“ESOS”	: Employees’ share option scheme
“Entitlement Date”	: 12 May 2005, the date on which our shareholders must be registered in the Record of Depositors by 5.00 p.m. in order to participate in the Rights Issue of Warrants
“Entitled Shareholders”	: Our shareholders whose names appeared in the Record of Depositors on the Entitlement Date and have a registered address in Malaysia
“FIC”	: Foreign Investment Committee
“Group”	: Ancom and its subsidiary companies and associated companies, collectively
“Hwang-DBS”	: Hwang-DBS Securities Berhad (14389-U)
“Market Day”	: Any day between Monday to Friday (both inclusive) which is not a market holiday or public holiday on which Bursa Securities is open for trading of securities
“MESDAQ Market”	: Malaysian Exchange of Securities Dealing & Automated Quotation Market of Bursa Securities
“MITI”	: Ministry of International Trade and Industry
“NPA”	: Notice of Provisional Allotment
“NTA”	: Net tangible assets
“PAT”	: Profit after taxation
“PATMI”	: Profit after taxation and minority interest
“PBT”	: Profit before taxation
“Record of Depositors”	: A record provided by Bursa Depository to the Company under Chapter 24 of the Rules of Bursa Depository

## DEFINITIONS (Cont'd)

“Rights Issue of Warrants”	: Renounceable rights issue of 97,771,983 Warrants at an issue price of RM0.02 per Warrant, payable in full upon acceptance on the basis of one (1) Warrant for every two (2) Ancom Shares held as at the Entitlement Date
“ROC”	: Registrar of Companies
“RSF”	: Rights Subscription Form
“Rules of Bursa Depository” or “Rules”	: The rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991, including any amendments thereof issued by Bursa Depository
“SC”	: Securities Commission
“SC Guidelines”	: Policies and Guidelines on the Issue/Offer of Securities issued by the SC
“SICD Act”	: The Securities Industry (Central Depositories) Act 1991 of Malaysia
“Tamco”	: Tamco Corporate Holdings Berhad (6614-W)
“Tamco Group”	: Tamco and its subsidiary companies and associated companies, collectively
“Treasury Shares”	: 6,312,800 of Ancom Shares purchased by us pursuant to the share buy-back under Section 67A of the Act between 10 May 2004 and 5 April 2005 and retained as treasury shares. These treasury shares are not entitled to the Rights Issue of Warrants
“Warrant(s)”	: 97,771,983 three (3)-year warrants 2005/2008 to be issued pursuant to the Rights Issue of Warrants

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## CORPORATE INFORMATION

**ANCOM BERHAD**

(Company No.: 8440-M)

(Incorporated in Malaysia under the Companies Act, 1965)

**DIRECTORS**

<b>Name/ Designation</b>	<b>Age</b>	<b>Address</b>	<b>Nationality</b>	<b>Occupation</b>
Dato' Johari Razak (Executive Chairman)	50	6, Jalan Eaton 50450 Kuala Lumpur	Malaysian	Company Director
Dato' Siew Ka Wei (Group Managing Director)	49	38, Jalan Jelutong Damansara Heights 50490 Kuala Lumpur	Malaysian	Company Director
Tan Sri Dato' Dr Lin See Yan (Independent Non-Executive Director)	65	21, Jalan Setiamurni 2 Bukit Damansara 50490 Kuala Lumpur	Malaysian	Company Director
Dato' Siew Nim Chee (Advisor/ Executive Director)	79	6-1B, Menara Bangsar 297 Jalan Maarof 59000 Kuala Lumpur	Malaysian	Company Director
Datuk Haji Mohamed Al Amin Bin Haji Abdul Majid, JP (Non-Independent Non-Executive Director)	49	No.5, Jalan 16/7B 46350 Petaling Jaya Selangor	Malaysian	Company Director
Dato' Mohd Ismail Bin Che Rus (Independent Non-Executive Director)	62	111, Jalan Merah Kesumba U9/18, Monterez Golf & Country Club 40150 Shah Alam, Selangor	Malaysian	Company Director
Chan Thye Seng (Non-Independent Non-Executive Director)	48	2, Cangkat Kia Peng 50450 Kuala Lumpur	Malaysian	Company Director
Chieng Ing Huong (Independent Non-Executive Director)	47	8, Jalan Deruman Damansara Heights 50490 Kuala Lumpur	Malaysian	Company Director



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**CORPORATE INFORMATION (CONT'D)**

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**AUDIT COMMITTEE**

<b>Name</b>	<b>Directorship</b>	<b>Designation</b>
Dato' Mohd Ismail Bin Che Rus	Independent Non-Executive Director	Chairman
Dato' Johari Razak	Executive Chairman	Member
Chieng Ing Huong	Independent Non-Executive Director	Member

**COMPANY SECRETARIES** : Wong Wei Fong (MAICSA 7006751)  
 Level 14, Uptown 1  
 No.1, Jalan SS21/58  
 Damansara Uptown  
 47400 Petaling Jaya  
 Selangor Darul Ehsan  
 Tel: 603-7725 2888  
 Fax: 603-7725 7791

Choo Se Eng (MICPA 2077)  
 102-1002 Blok A  
 Pusat Dagangan Phileo Damansara I  
 No.9, Jalan 16/11, Off Jalan Damansara  
 46350 Petaling Jaya  
 Selangor Darul Ehsan  
 Tel: 603-7660 0008  
 Fax: 603-7660 1151

**REGISTERED OFFICE** : Level 14, Uptown 1  
 No.1, Jalan SS21/58  
 Damansara Uptown  
 47400 Petaling Jaya  
 Selangor Darul Ehsan  
 Tel: 603-7725 2888  
 Fax: 603-7725 7791

**HEAD OFFICE /  
MANAGEMENT OFFICE** : 102-1002 Blok A  
 Pusat Dagangan Phileo Damansara I  
 No.9, Jalan 16/11, Off Jalan Damansara  
 46350 Petaling Jaya  
 Selangor Darul Ehsan  
 Tel: 603-7660 0008  
 Fax: 603-7660 1151  
 Website : [www.ancom.com.my](http://www.ancom.com.my)  
 E-mail : [cosec@ancom.com.my](mailto:cosec@ancom.com.my)

**SOLICITORS** : Shearn Delamore & Co  
 7<sup>th</sup> Floor, Wisma Hamzah-Kwong Hing  
 No.1, Leboh Ampang  
 50100 Kuala Lumpur  
 Tel: 603-2070 0644

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**CORPORATE INFORMATION (CONT'D)**

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<b>AUDITORS AND REPORTING ACCOUNTANTS</b>	: BDO Binder Chartered Accountants 12th Floor, Menara Uni.Asia 1008 Jalan Sultan Ismail 50250 Kuala Lumpur Tel: 603-2616 2888
<b>SHARE REGISTRARS</b>	: PFA Registration Services Sdn Bhd Level 13, Uptown 1 No.1, Jalan SS21/58 Damansara Uptown 47400 Petaling Jaya Selangor Darul Ehsan Tel: 603-7725 4888/ 7725 8046
<b>PRINCIPAL BANKERS</b>	: Bumiputera-Commerce Bank Berhad 7 <sup>th</sup> Floor, Wisma Bandar 18 Jalan Tuanku Abdul Rahman 50100 Kuala Lumpur Tel: 603-2697 9700  Malayan Banking Berhad Ground & Mezzanine Floors Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel: 603-2163 5129/ 2163 5130  OCBC Bank (Malaysia) Berhad KL Main Branch Wisma Lee Rubber Jalan Melaka 50100 Kuala Lumpur Tel: 603-2692 0344  United Overseas Bank (Malaysia) Berhad Medan Pasar Branch Bangunan UOB Medan Pasar 10-12 Medan Pasar 50050 Kuala Lumpur Tel: 603-2772 8145
<b>ADVISER</b>	: Hwang-DBS Securities Berhad Suite 23A-01, 23A Floor Menara Keck Seng 203, Jalan Bukit Bintang 55100 Kuala Lumpur Tel: 603-2143 7888
<b>STOCK EXCHANGE LISTING</b>	: Main Board of Bursa Securities
<b>LISTING SOUGHT FOR THE WARRANTS</b>	: Main Board of Bursa Securities



**ANCOM BERHAD**  
(Company No.: 8440-M)  
(Incorporated in Malaysia under the Companies Act, 1965)

**Registered Office:**

Level 14, Uptown 1  
No.1, Jalan SS21/58  
Damansara Uptown  
47400 Petaling Jaya  
Selangor Darul Ehsan

19 May 2005

**Board of Directors:**

Dato' Johari Razak (*Executive Chairman*)  
Dato' Siew Ka Wei (*Group Managing Director*)  
Tan Sri Dato' Dr Lin See Yan (*Independent Non-Executive Director*)  
Dato' Siew Nim Chee (*Advisor/ Executive Director*)  
Datuk Haji Mohamed Al Amin Bin Haji Abdul Majid, JP (*Non-Independent Non-Executive Director*)  
Dato' Mohd Ismail Bin Che Rus (*Independent Non-Executive Director*)  
Chan Thye Seng (*Non-Independent Non-Executive Director*)  
Chieng Ing Huang (*Independent Non-Executive Director*)

**To: The Shareholders of Ancom Berhad**

Dear Sir/Madam

**RENOUNCEABLE RIGHTS ISSUE OF 97,771,983 THREE (3)-YEAR WARRANTS 2005/2008 ("WARRANTS") AT AN ISSUE PRICE OF RM0.02 PER WARRANT PAYABLE IN FULL UPON ACCEPTANCE ON THE BASIS OF ONE (1) WARRANT FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF RM1.00 EACH HELD BY THE SHAREHOLDERS AS AT 5.00 P.M. ON 12 MAY 2005**

**1. INTRODUCTION**

This Abridged Prospectus contains details of our Rights Issue of Warrants, which the relevant approvals received are as follows:-

- (a) On 12 August 2004, Hwang-DBS, on behalf of our Board, announced that BNM had in its letter dated 11 August 2004 approved the issuance of Warrants to our foreign shareholders pursuant to the Rights Issue of Warrants, with no condition imposed.
- (b) On 21 September 2004, Hwang-DBS, on behalf of our Board, announced that the SC (approved under the Guidelines on the Acquisition of Interests, Mergers and Take-Overs By Local and Foreign Interests) had vide the SC's letter dated 16 September 2004, approved the renounceable rights issue of up to 100,928,383 Warrants at an issue price of RM0.02 per Warrant on the basis of one (1) Warrant for every two (2) existing Ancom Shares held, subject to the following conditions:

Details of conditions imposed	Status of compliance
(i) Ancom to disclose the status of the utilisation of the rights issue proceeds in its quarterly announcements and annual reports until such proceeds have been fully utilised;	To be complied

	<b>Details of conditions imposed</b>	<b>Status of compliance</b>
(ii)	Ancom should increase its Bumiputera equity by 2.87% of the enlarged issued and paid-up share capital within two (2) years from the date of the implementation of the rights issue of warrants;	To be complied
(iii)	Hwang-DBS/ Ancom is to inform the SC upon completion of the Rights Issue of Warrants;	To be complied
(iv)	Ancom to discuss with MITI the status of compliance of its subsidiary companies (i.e. Ancom Crop Care Sdn Bhd, Polytenesides Sdn Bhd, Fermpro Sdn Bhd, Nylex (Malaysia) Berhad, Malaysian Roofing Industries Sdn Bhd ("MRI"), Tamco and Nycon Manufacturing Sdn Bhd) and inform SC of the status; and	Complied. MITI had in its letters dated 8 February 2005 and 28 February 2005 confirmed that (save for MRI, which the assets business have been disposed of) the aforesaid subsidiary companies have complied with the equity condition as imposed by MITI. Hwang-DBS had informed the SC of the same on 2 March 2005.
(v)	Hwang-DBS/ Ancom to fully comply with all the relevant requirements pertaining to the implementation of the Rights Issue of Warrants as specified in the SC Guidelines.	Complied/ To be complied

In addition, the SC's letter dated 16 September 2004 also details the effect of the implementation of the rights issue of warrants on the equity structure of Ancom, as follows:

	Before implementation of the rights issue of warrants	After implementation of the rights issue of warrants
	%	%
Bumiputera	8.58	5.71
Non-bumiputera	81.83	87.90
Foreigners	9.59	6.39
	100.00	100.00

*Note:*

\* Assuming full exercise of warrants (with sale of treasury shares)

- (c) At the AGM held on 30 November 2004, our shareholders had approved, amongst others, the renounceable rights issue of up to 100,928,383 warrants at an issue price of RM0.02 per warrant on the basis of one (1) warrant for every two (2) existing Ancom Shares held. A certified true extract of the ordinary resolution passed at our AGM is set out in Appendix I of this Abridged Prospectus.

On behalf of our Board, on 22 March 2005, Hwang-DBS announced that the SC had vide its letter dated 21 March 2005, granted its approval to us for an extension of time of four (4) months until 15 July 2005 to implement and complete the Rights Issue of Warrants.

On 22 April 2005, Hwang-DBS, on behalf of our Board, announced that the Entitlement Date is fixed at 5.00 p.m. on 12 May 2005.

Details on the use of the proceeds raised from the Rights Issue of Warrants are set out in Section 4 of this Abridged Prospectus.

The approval of the SC shall not be taken to indicate that the SC recommends the Rights Issue of Warrants and you should rely on your own evaluation to assess the merits and risks of this investment.

Bursa Securities has granted its approval-in-principle on 8 December 2004 for the admission of the Warrants to the Official List of Bursa Securities and for the listing of and quotation for the Warrants and for the new Ancom Shares to be issued upon the exercise of the Warrants. The official listing of and quotation for the Warrants and the new Ancom Shares to be issued upon the exercise of the Warrants will commence two (2) clear Market Days after receipt of confirmation from Bursa Depository that all the CDS accounts of our Entitled Shareholders or their renounee(s) (if applicable) have been duly credited with the Warrants and notices of allotment have been despatched to them.

Bursa Securities is not responsible for the correctness or accuracy of statements made or opinions expressed or reported in this Abridged Prospectus. The dealing in and quotation for the Warrants on the Official List of Bursa Securities are not to be taken as an indication of the merits of the Rights Issue of Warrants.

**If you have any queries or doubts about this Abridged Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

## **2. DETAILS OF THE RIGHTS ISSUE OF WARRANTS**

### **2.1 Details of the Rights Issue of Warrants**

The Rights Issue of Warrants involves a renounceable rights issue of 97,771,983 Warrants at an issue price of RM0.02 per Warrant payable in full upon acceptance. The Warrants will be provisionally allotted to our Entitled Shareholders on the Entitlement Date on the basis of one (1) Warrant for every two (2) existing Ancom Shares held.

In determining the entitlements of our Entitled Shareholders, any fractional entitlements under the Rights Issue of Warrants shall be disregarded. Our Directors will deal with the aggregate of such fractions in such manner and on such terms that at their discretion may deem fit and expedient, and in our best interest so as to minimise the incidence of odd lots.

Any Warrants which are not taken up or allotted for any reasons, will be made available for application under the excess Warrants applications by our Entitled Shareholders and/ or their renounee(s) (if applicable).

Any dealings in the Warrants will be subject to the SICD Act, Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of Bursa Depository. Accordingly, the Warrants will be credited directly into the respective CDS accounts of our Entitled Shareholders.

If your application is successful, we will issue and allot the Warrants to you and despatch to you the notices of allotment by ordinary post at your own risk to the address shown on Bursa Depository's records within fifteen (15) market days from the last day for acceptance and payment in respect of the Rights Issue of Warrants or such other periods as may be required or approved by Bursa Securities. No physical warrant certificates will be issued to you. We will also apply to Bursa Securities for the admission of the Warrants to the Official List of Bursa Securities as well as the listing of and quotation for the Warrants on the Main Board of Bursa Securities within the abovementioned timeframe. The Warrants will be credited into your CDS accounts prior to the listing of the Warrants.

We will issue and allot to you the new Ancom Shares to be issued upon exercise of the Warrants and despatch to you the notices of allotment within ten (10) market days from the date of receipt of a validly completed subscription form together with the requisite payment or within such other period as may be agreed by Bursa Securities. We will not issue any physical share certificates to you upon the exercise of the Warrants for our new Ancom Shares. We will also apply to Bursa Securities for the listing of and quotation for the new Ancom Shares to be issued upon exercise of the Warrants on the Main Board of Bursa Securities within the abovementioned timeframe. The new Ancom Shares will be credited into your CDS accounts when you exercised your Warrants.

## 2.2 Salient terms of the Warrants

The indicative terms of the Warrants are set out below:

Number of Warrants	:	97,771,983 Warrants to be issued pursuant to the Rights Issue of Warrants
Form	:	The Warrants will be issued in registered form
Issue Price	:	The issue price of the Warrants has been fixed at RM0.02 per Warrant
Exercise Period	:	Three (3) years commencing from and inclusive of the date of issue of the Warrants and may be exercised at any time after the date of issue of the Warrants. Warrants not exercised during the exercise period will thereafter lapse and cease to be valid
Exercise Price	:	The exercise price of the Warrants is fixed at RM1.00, being the par value of our Shares
Exercise Rights	:	Each Warrant entitles the holder to subscribe for one (1) new Ancom Share at the Exercise Price at any time during the Exercise Period
Mode of Exercise	:	The registered holder of the Warrant shall pay cash for the Exercise Price when subscribing for our new Shares
Ranking of the new Ancom Shares	:	The new Ancom Shares to be issued upon the exercise of the Warrants, shall upon allotment and issue, rank equally in all respects with the existing Ancom Shares except that they shall not be entitled to any dividends, rights, allotments, and/or other distributions, the entitlement date of which precedes the allotment date of the new Ancom Shares arising from the exercise of the Warrants
Listing	:	Bursa Securities has granted its approval-in-principle on 8 December 2004 for the admission of the Warrants to the Official List of the Main Board of Bursa Securities, listing of and quotation for the Warrants and the listing of and quotation for the new Ancom Shares arising from the exercise of the Warrants
Board lot	:	The Warrants are tradable upon listing on Bursa Securities in board lots of 100 Warrants
Deed Poll	:	The Warrants are constituted by a Deed Poll executed by us on 1 December 2004
Governing law	:	The laws of Malaysia

Further details of the terms, conditions and provisions of the Warrants as contained in the Deed Poll are set out in Appendix VII of this Abridged Prospectus.

## 2.3 Pricing of the Warrants

The issue price of the Warrants has been fixed at RM0.02 per Warrant. The issue price of the Warrants is determined after taking into consideration of the following:

- (i) the 5-WAMP of our Shares as at 28 April 2004, being the latest practicable date prior to the date of the announcement of RM0.78; and
- (ii) the par value of our Shares of RM1.00.



Our Shares are currently trading below the par value of RM1.00. It is our Board's intention to have an attractive pricing of RM0.02 per Warrant to encourage our shareholders to subscribe for their respective entitlements under the Rights Issue of Warrants, and at the same time, maintain an appropriate capital structure while raising some proceeds for our working capital purposes. As at 29 April 2005, the market price of our Shares closed at RM0.65.

In addition, it is also the intention of our Board to provide an opportunity for our shareholders to increase their equity participation in us.

The exercise price of the Warrants is fixed at RM1.00, which represents:-

- (i) a premium of approximately 28.2% over the 5-WAMP of our Shares as at 28 April 2004, being the latest practicable date prior to the date of the announcement, of RM0.78; and
- (ii) a premium of approximately 53.8% over the 5-WAMP of our Shares as at 29 April 2005, of RM0.67.

As our share price is trading below the par value of RM1.00 and shares cannot be issued at a value lower than its par value, the exercise price is thus fixed at RM1.00, which represents the minimum value that our Shares can be issued. At the exercise price of RM1.00 per Share, the exercise of all the Warrants will raise gross proceeds of RM97.77 million, which will be used for our working capital requirements.

The price at which the Warrants will be traded on Bursa Securities upon or subsequent to their listing will be dependent upon market forces prevailing at that time.

#### **2.4 Ranking of the new Ancom Shares**

The new Ancom Shares to be issued upon the exercise of the Warrants, shall upon allotment and issue, rank equally in all respects with our existing Shares except that they shall not be entitled to any dividends, rights, allotments, and/or other distributions, the entitlement date of which precedes the allotment date of our new Shares arising from the exercise of the Warrants.

#### **2.5 Last date and time for acceptance and payment**

The last date and time for acceptance and payment for the Rights Issue of Warrants is 5.00 p.m. on 15 June 2005 or such extended date and time as our Directors may decide at their absolute discretion, subject to Bursa Securities' approval. An announcement of such extension will be made not less than two (2) Market Days prior to the original last date for acceptance and payment.

#### **2.6 Other corporate exercises**

We do not have any other corporate exercise which has been approved by the regulatory authorities/parties but not yet implemented prior to the printing of this Abridged Prospectus, except for this Rights Issue of Warrants.

### **3. PROCEDURES FOR APPLICATION AND PAYMENTS**

As you are an Entitled Shareholder, your CDS account will be duly credited with the number of provisionally allotted Warrants for which you are entitled to subscribe under the terms of the Rights Issue of Warrants. You will find enclosed together with this Abridged Prospectus, a NPA notifying you of the crediting of such provisionally allotted Warrants into your CDS account and a RSF to enable you to subscribe for such provisionally allotted Warrants.

The RSF sets out the full instructions on the acceptance and payment for the Warrants provisionally allotted to you and the procedures to be followed should you wish to dispose of all or part of your rights entitlements. You are advised to read this Abridged Prospectus, the RSF and the notes and instructions therein carefully.

### 3.1 RSF

The provisional allotment of Warrants is a prescribed security pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991, and therefore, all dealings in the provisional allotment of Warrants will be by book entry through CDS accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of Bursa Depository.

### 3.2 Procedures for your full acceptance

Acceptance of and payment for the Warrants provisionally allotted to you must be made on the RSF and must be completed in accordance with the notes and instructions printed therein. Acceptances which do not strictly conform to the terms of this Abridged Prospectus or RSF and notes and instructions printed therein or which are illegible may not be accepted at our absolute discretion.

**THE RSF SETS OUT FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE WARRANTS PROVISIONALLY ALLOTTED TO YOU AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL/ TRANSFER ALL OR ANY PART OF YOUR PROVISIONAL ENTITLEMENTS. YOU ARE ADVISED TO READ THE ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.**

As an Entitled Shareholder, if you wish to accept your provisional allotment in full, you are required to fill and complete Part I of the RSF by specifying the number of Warrants which you are accepting and Part III of the RSF, in accordance with the notes and instructions printed thereon. Each completed RSF, together with the relevant payment, must be despatched by ORDINARY POST or DELIVERED BY HAND in the envelope provided, to our Share Registrars at the following address entirely at your own risk:

PFA Registration Services Sdn Bhd  
Level 13, Uptown 1  
No.1, Jalan SS21/58  
Damansara Uptown  
47400 Petaling Jaya  
Selangor Darul Ehsan

so as to arrive not later than the last date and time for acceptance and payment as set out in Section 2.5 of this Abridged Prospectus.

If you have lost, misplaced or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbrokers, Bursa Securities' website (<http://www.bursamalaysia.com>), our Share Registrars, at address stated above, or our Registered Office at the following address:

Level 14, Uptown 1  
No.1, Jalan SS21/58  
Damansara Uptown  
47400 Petaling Jaya  
Selangor Darul Ehsan

One (1) RSF can only be used for acceptance of the provisionally allotted Warrants standing to the credit of one (1) CDS account belonging to you. The provisionally allotted Warrants successfully accepted/ applied for will be credited into your CDS account(s) as stated on the duly completed RSF. You are not allowed to instruct Warrants to be credited into any securities account other than the CDS accounts as stated in the completed RSF.

The minimum number of Warrants that can be accepted is one (1) Warrant. In determining your entitlements to the Rights Issue of Warrants, any fractional entitlements under the Rights Issue of Warrants will be disregarded. Our Directors reserve the right to deal with such fractions, in such manner and on such terms they deem fit or expedient and in the best of our interest so as to minimise the incidence of odd lots. You should take note that a trading board lot comprises one hundred (100) Warrants.

Our Directors reserve the right not to accept any application or to accept in part any application without assigning any reason thereof.

**EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RINGGIT MALAYSIA FOR THE FULL AMOUNT IN THE FORM OF:**

- **BANKER'S DRAFT(S);**
- **CASHIER'S ORDER(S);**
- **MONEY ORDER(S); OR**
- **POSTAL ORDER(S)**

**DRAWN ON A BANK OR POST OFFICE IN MALAYSIA AND MUST BE MADE OUT IN FAVOUR OF "ANCOM RIGHTS ISSUE ACCOUNT" CROSSED "ACCOUNT PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE, YOUR NAME, ADDRESS AND YOUR CDS ACCOUNT NUMBER IN BLOCK LETTERS.**

**WE OR OUR SHARE REGISTRARS WILL NOT ACKNOWLEDGE RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE OF WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, WE WILL DESPATCH TO YOU THE NOTICES OF ALLOTMENT BY ORDINARY POST AT YOUR OWN RISK TO YOUR ADDRESS AS SHOWN IN BURSA DEPOSITORY'S RECORDS WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT FOR THE WARRANTS.**

**YOU AND/ OR YOUR RENOUNCEE(S) (IF APPLICABLE) SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH THE SHARE REGISTRARS SHALL BE IRREVOCABLE AND CANNOT BE WITHDRAWN SUBSEQUENTLY.**

**WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO YOU WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE OF ACCEPTANCE AND PAYMENT FOR THE WARRANTS BY ORDINARY POST TO YOUR ADDRESS SHOWN ON THE RSF AT YOUR OWN RISK.**

**APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.**

If acceptance and payment for the Warrants provisionally allotted to you is not received by our Share Registrars by the last date and time for acceptance and payment as set out in Section 2.5 of this Abridged Prospectus, such provisional allotment of Warrants will be deemed to have been declined and will be cancelled. Our Directors will then have the right to allot such Warrants not taken up, first, to those applying for excess Warrants in a fair and equitable manner, and in our interest.

### **3.3 Procedures for your part acceptance**

You are entitled to accept part of your provisional allotment. The minimum number of Warrants that can be accepted is one (1) Warrant.

You have to complete Part I of the RSF by specifying the number of Warrants which you are accepting and Part III of the RSF and deliver the completed RSF together with the relevant payment to our Share Registrars in the same manner as set out in Section 3.2 of this Abridged Prospectus.

**YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.**

The portion of the provisional allotment of Warrants that has not been accepted will be allotted to any other persons allowed under any law, regulations or rules to accept the transfer of the provisional allotment of Warrants and the balance, if any, will first be allotted to those applying for excess Warrants.



### 3.4 Procedures for sale/ transfer of provisional allotment of Warrants

As the provisional allotment of Warrants is a prescribed security, if you wish to sell or transfer all or part of your provisional allotment of the Warrants to more than one (1) person, you may do so immediately through your stockbrokers without first having to request for a split of the provisional allotment of Warrants standing to the credit of your CDS accounts. To sell all or part of your provisional allotment of Warrants, you may sell such provisional allotment of Warrants on the open market of Bursa Securities or transfer such provisional allotment of Warrants to such persons as may be allowed pursuant to the Rules of Bursa Depository.

In selling all or part of your provisional allotment of Warrants, you and/ or your renouncee(s) (if applicable) need not deliver any document including the RSF to your and/ or your renouncee(s)' stockbrokers. **You and/ or your renouncee(s) (if applicable) are however advised to ensure that you and/or your renouncee(s) (if applicable) have sufficient provisional allotment of Warrants standing to the credit of your and/ or your renouncee(s)' (if applicable) CDS accounts that are available for settlement of the sale/ transfer.**

If you and/ or your renouncee(s) (if applicable) have sold or transferred (in accordance with the Rules of Bursa Depository) only part of the provisional allotment of Warrants, you and/ or your renouncee(s) (if applicable) may still accept the balance of the provisional allotment of Warrants by completing Parts I and III of the RSF and thereafter submit the same together with the relevant payment to our Share Registrars in the manner as set out in Section 3.2 of this Abridged Prospectus.

The purchaser(s)/ transferee(s)/ renouncee(s) of the provisional allotment of Warrants may obtain a copy of the RSF for the acceptance of his/ her/ its rights from his/ her/ its stockbrokers, our Share Registrars and our Registered Office, the addresses of which are set out under Corporate Information of this Abridged Prospectus. The Abridged Prospectus and the RSF are also available on Bursa Securities' website (<http://www.bursamalaysia.com>).

### 3.5 Procedures for acceptance by renouncees

A renouncee who wishes to accept the provisionally allotted Warrants must obtain a copy of the RSF from his/ her/ its stockbroker, our Share Registrars, Bursa Securities' website (<http://www.bursamalaysia.com>) or our Registered Office. The renouncee must complete the RSF and submit the same together with the remittance in accordance with the notes and instructions printed therein. The procedures and payment for the acceptance of the provisional allotment of Warrants by the renouncee are the same as that which are applicable to our Entitled Shareholders as described in Section 3.2 of this Abridged Prospectus.

**THE RENOUNCEES ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.**

### 3.6 Procedures for excess Warrants application

You and/ or your renouncee(s) (if applicable) who accept the provisionally allotted Warrants may apply for the excess Warrants by completing Part II of the RSF (in addition to Parts I and III) and forwarding it (together with a **separate remittance** for the full amount payable in respect of the excess Warrants applied for) to our Share Registrars at the following address:

PFA Registration Services Sdn Bhd  
Level 13, Uptown 1  
No.1, Jalan SS21/58  
Damansara Uptown  
47400 Petaling Jaya  
Selangor Darul Ehsan

so as to arrive not later than the last date and time for acceptance and payment as set out in Section 2.5 of this Abridged Prospectus.

**PAYMENT FOR THE EXCESS WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER DESCRIBED IN SECTION 3.2 OF THIS ABRIDGED PROSPECTUS, EXCEPT THAT:**

- **THE BANKER'S DRAFT(S);**
- **CASHIER'S ORDER(S);**
- **MONEY ORDER(S); OR**
- **POSTAL ORDER(S)**

**DRAWN ON A BANK OR POST OFFICE IN MALAYSIA SHOULD BE MADE PAYABLE TO "ANCOM EXCESS RIGHTS ACCOUNT" AND SHOULD BE CROSSED "ACCOUNT PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS IN BLOCK LETTERS AND YOUR CDS ACCOUNT NUMBER FOR THE FULL AMOUNT PAYABLE FOR THE EXCESS WARRANTS APPLIED FOR AND TO BE RECEIVED BY OUR SHARE REGISTRARS NOT LATER THAN THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT AS SET OUT IN SECTION 2.5 OF THIS ABRIDGED PROSPECTUS.**

**APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR DIRECTORS. DETAILS OF REMITTANCES MUST BE FILLED IN THE APPROPRIATE SPACE PROVIDED.**

Our Directors shall allot the excess Warrants not taken up by you and/ or your renouncee(s) in a fair and equitable manner. It is the intention of our Directors to allot excess Warrants in such a manner that the incidence of odd lots will be minimised.

**WE OR OUR SHARE REGISTRARS WILL NOT ACKNOWLEDGE RECEIPT OF RSF OR APPLICATION MONIES IN RESPECT OF THE EXCESS WARRANTS APPLICATIONS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, WE WILL DESPATCH TO YOU AND YOUR RENOUNCEE(S) (IF APPLICABLE) THE NOTICES OF ALLOTMENT BY ORDINARY POST AT YOUR AND/ OR YOUR RENOUNCEE(S)' (IF APPLICABLE) RISK TO YOUR AND/ OR YOUR RENOUNCEE(S)' (IF APPLICABLE) ADDRESS AS SHOWN IN BURSA DEPOSITORY'S RECORDS WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE AND TIME FOR APPLICATION AND PAYMENT FOR THE EXCESS WARRANTS.**

**YOU AND/ OR YOUR RENOUNCEE(S) (IF APPLICABLE) ARE NOT ALLOWED TO WITHDRAW THE RSF AND PAYMENT ONCE THEY HAVE BEEN LODGED WITH OUR SHARE REGISTRARS.**

In respect of unsuccessful or partially successful excess Warrants applications, the full amount or the surplus application monies (as the case may be) will be refunded without interest within fifteen (15) Market Days from the last date for application and payment for the excess Warrants by ordinary post to your and/ or your renouncee(s)' (if applicable) address shown in Bursa Depository's records at your own risk.

### **3.7 Application and Acceptance**

Our Directors reserve the right not to accept any application or to accept in part only any application for the Warrants or application for the excess Warrants without assigning any reason thereto.

**YOU AND/ OR YOUR RENOUNCEE(S) (IF APPLICABLE) SHOULD NOTE THAT ALL RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRARS, SHALL BE IRREVOCABLE AND CANNOT BE WITHDRAWN SUBSEQUENTLY.**

**IF YOUR AND/ OR YOUR RENOUNCEE(S)' (IF APPLICABLE) APPLICATION IS NOT ACCEPTED OR ACCEPTED IN PART ONLY, WE WILL REFUND THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WITHOUT INTEREST AND SHALL BE DESPATCHED THE SAME TO YOU AND/ OR YOUR RENOUNCEE(S) (IF APPLICABLE) AT YOUR AND/ OR YOUR RENOUNCEE(S)' (IF APPLICABLE) OWN RISK BY ORDINARY POST TO YOUR AND/ OR YOUR RENOUNCEE(S)' (IF APPLICABLE) ADDRESS AS SHOWN IN BURSA DEPOSITORY'S**

**RECORDS WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE OF ACCEPTANCE AND PAYMENT FOR THE WARRANTS.**

**YOUR AND/ OR YOUR RENOUNCEE(S)' (IF APPLICABLE) APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.**

**SECTION 2.5 OF THIS ABRIDGED PROSPECTUS SETS OUT THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT FOR THE WARRANTS OR SUCH EXTENDED DATE AND TIME AS MAY BE DETERMINED AND ANNOUNCED BY OUR DIRECTORS, SUBJECT TO BURSA SECURITIES' APPROVAL. WE WILL MAKE THE ANNOUNCEMENT OF SUCH EXTENSION NOT LESS THAN TWO (2) MARKET DAYS PRIOR TO THE ORIGINAL LAST DATE FOR ACCEPTANCE AND PAYMENT.**

Further instructions to complete the various parts of the RSF are set out therein.

### **3.8 Form of issuance**

Bursa Securities has prescribed our Shares listed on the Main Board of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Warrants to be issued pursuant to the Rights Issue of Warrants are prescribed securities and as such, the Securities Industry (Central Depositories) Act, 1991, Securities Industry (Central Depositories) Amendments Act, 1998 and the Rules of Bursa Depository shall apply in respect of the dealings in the Warrants.

Failure to comply with these specific instructions or inaccuracy in your CDS account number may result in your application being rejected.

The Warrants will be credited directly into your and/ or your renounee(s)' (if applicable) CDS accounts (as the case may be). We will despatch notices of allotment to you and/ or your renounee(s)' (if applicable) by ordinary post to your and/ or your renounee(s)' (if applicable) address shown in Bursa Depository's records at your and/ or your renounee(s)' (if applicable) own risk within fifteen (15) Market Days from the last date for acceptance and payment in respect of the Rights Issue of Warrants. No physical share and warrant certificates will be issued to you and/ or your renounee(s).

The Warrants, if allotted to you and/ or your renounee(s)' (if applicable) who apply for excess Warrants, will be credited directly into your and/ or your renounee(s)' (if applicable) CDS accounts.

### **3.9 Laws of foreign jurisdictions**

This Abridged Prospectus, the NPA and the RSF have not been and will not be made to comply with the laws of any foreign jurisdictions, and have not been and will not be lodged, registered or approved pursuant to or under any legislation of or with or by any regulatory authorities or other relevant bodies of any foreign jurisdictions. The Rights Issue of Warrants will not be made or offered in any foreign jurisdictions.

You and/or your renounee(s)' (if applicable) may only accept or renounce (as the case may be) all or any part of your respective entitlement and exercise any other rights in respect of the Rights Issue of Warrants to the extent that it would be lawful to do so, and we, our Directors and officers, and Hwang-DBS and other experts would not, in connection with the Rights Issue of Warrants, be in breach of the laws of any jurisdictions to which we are or may be subject to. We, our Directors and officers, Hwang-DBS and other experts shall not accept any responsibility or liability in the event that any acceptance or renunciation made by you and/or your renounee(s)' (if applicable) are or shall become unlawful, unenforceable, voidable or void in any such jurisdictions.

By signing the RSF, you and/or your renounee(s)' (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) us, our Directors and officers, Hwang-DBS and other experts that:



- (i) we would not, by acting on the acceptance or renunciation in connection with the Rights Issue of Warrants, be in breach of the laws of any jurisdiction to which you and/or your renounee(s) are or may be subject to;
- (ii) you and/or your renounee(s) have complied with the laws to which you and/or your renounee(s) are or may be subject to in connection with the acceptance or renunciation;
- (iii) you and/or your renounee(s) are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) you and/or your renounee(s) are aware that the Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) you and/or your renounee(s) have respectively received a copy of this Abridged Prospectus and have had access to such financial and other information and have been afforded the opportunity to pose such questions to our representatives and receive answers thereto as you and/or your renounee(s) deem necessary in connection with your respective decision to subscribe for or purchase the Warrants;
- (vi) you and/or your renounee(s) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Warrants; and
- (vii) you and/or your renounee(s) are accepting the Warrants for your respective own account and on your respective own free will.

#### 4. RATIONALE AND USE OF PROCEEDS

The Rights Issue of Warrants will provide you with the opportunity to further increase your equity participation in us at a predetermined price over the tenure of the Warrants.

The proceeds to be raised from the Rights Issue of Warrants after the payment of the estimated expenses for the Rights Issue of Warrants will be used for our working capital. Any amount of unused proceeds, which have been reserved for the estimated expenses, will be used for the working capital of our Group.

Details of the use of proceeds from the Rights Issue of Warrants, which are expected to be fully used within one (1) year from the date of receipt of the proceeds, are as follows:

	RM
Working capital*	1,495,440
Estimated expenses for the Rights Issue of Warrants	460,000
<b>TOTAL</b>	<b>1,955,440</b>

\* *The use of proceeds for our working capital will be adjusted in the event there is a variation to the actual expenses incurred for the Rights Issue Warrants undertaken by us. The fund raised will be used to finance our day-to-day operations.*

The proceeds from the exercise of the Warrants, if any, will also be used for working capital purpose of our Group.

## **5. RISK FACTORS**

You should carefully consider, in addition to the other information contained herein, the following risk factors (which may not be exhaustive) before subscribing for the Warrants:

### **5.1 Business risks**

Our Group is involved in, amongst others, industrial and agricultural chemicals, polymer, logistics and warehousing, oil and gas engineering services, information technology and engineering and is therefore subject to certain risks inherent in these industries. These include, inter alia, changes in general economic conditions including, but not limited to, governmental regulations, inflation, taxation, interest rates and exchange rates of foreign currencies, constraints in labour supply and changes in business conditions such as the deterioration in current market conditions, industrial disputes and raw material shortages.

We seek to limit these risks by undertaking several initiatives such as implementing strategic work methodology, active research and development, continued investment and upgrading of plant and facilities, and increasing product offerings. However, no assurance can be given that any change to these factors will not have a material adverse effect on our businesses.

### **5.2 Political and economic considerations**

We have business activities in various countries, such as Singapore, China, Hong Kong, Australia, Indonesia and Europe. Our Group's products are exported to countries in South East Asia, North Asia, South Africa, Middle East and Europe.

Any adverse development in the political situation and economic uncertainties in Malaysia and other countries in which we operate and have business links, directly or indirectly, could materially and adversely affect our financial performance. These include risks of war, global economic downturn, expropriation, nationalisation, unfavourable changes in the government policy and regulations such as foreign exchange rates and methods of taxation and currency exchange controls. There can be no assurance that any change to these factors will not have a material adverse effect on our business.

Over the years, we have diversified our market network, so there will be less dependency on a single economy.

In addition, we continue to take preventive measures such as prudent financial management and efficient operating procedures. However, there is no assurance that the adverse political, economic and regulatory conditions will not materially affect our Group.

### **5.3 Competition**

We face competition from both domestic and foreign companies engaged in similar principal activities.

In order to remain competitive, we place strong emphasis on quality and continuous evaluation and improvement in all aspects of the operation and products. We have good relationship and close rapport with our customers, both local and foreign. We are also looking at various new markets for opportunities to expand.

We are also looking into ways to improve our production process and the sourcing of raw materials with a view to cut down our production cost in order to remain competitive.

However, there is no assurance that we will not be affected by competitive strategies adopted by our competitors.

### **5.4 Dependence on skilled workforce and key personnel**

We recognise that the Group's continued growth was a result of the abilities and continued efforts of our existing Directors and senior management. The loss of any of our Directors or key members of the senior management may affect our Group's performance in the future.

Our Directors recognise the importance of the Group's ability to attract and retain skilled personnel to ensure that the Group's continued growth is not affected. We are continually sourcing for suitable new talent and grooming the younger members of our management to further support the senior management and/ or to fill in the positions in management arising from our growth.

However, there is no assurance that we will be successful in retaining these key personnel or ensuring a smooth transition should changes occur.

## **5.5 Foreign exchange fluctuation**

We are exposed to certain foreign exchange risks as some of the transactions are conducted in foreign currencies, such as US\$, A\$, RMB, HK\$, £, Japanese Yen and €. We are experiencing increasing costs of imported components and materials, caused by the weakness of the US\$ vis-à-vis other major foreign currencies.

Nonetheless, the risk of foreign exchange fluctuation is minimised by the exchange control rules implemented since 1 September 1998, which effectively pegged the RM against the US\$. We also take on hedging for transactions which are denominated in foreign currencies.

However, there is no assurance that the peg will be maintained in the future and if the peg is removed or revised, it will not have an adverse material effect on our performance.

## **5.6 Borrowings**

As at 28 February 2005, based on our latest unaudited quarterly results, we have borrowings amounting to RM328.5 million, of which 16.33% are foreign denominated borrowings undertaken for our overseas operations and transactions conducted in foreign currencies.

As with many loan facilities by financial institutions, there may be certain negative covenants, fixed assets charges, pledges and/ or liens imposed. Any failure by us to meet the timely repayment of such facilities may result in a default, which could materially affect the operating and financing capabilities of our Group. As at 28 February 2005, there has not been any default in repayment of either interests and/ or principal sums in respect of any bank borrowings throughout the past one (1) financial year preceding the date of this Abridged Prospectus.

We are not expecting or foreseeing, in the immediate future, any particular financial-related risks that may adversely impact our business operations and we do not anticipate any potential events of default to arise.

## **5.7 Fluctuation in prices and supply of global commodities**

We rely on the supply of various types of raw materials/ commodities for our business operations. For instance, our Industrial Chemical division distributes methanol, ethanol, solvents and other petrochemical products made from crude oil and natural gas, and hence is vulnerable to fluctuations in prices and supply of world crude oil and natural gas. In some situations, increases in the price of raw materials are not easily passed onto users. This could impact profit margin. If the increases in prices are passed onto users, the products may not be priced competitively against alternative solutions. As these raw materials are commodities, we are therefore subject to world prices and hence all manufacturers that use these materials are equally affected.

## **5.8 No prior market for the Warrants**

There is no established trading market for our Warrants. No assurance can be given that an active market for the Warrants will develop upon the listing of the Warrants on Bursa Securities, or if developed, that such market will be sustained.



## **5.9 Impact of ASEAN Free Trade Area (“AFTA”)**

The reduction of import duties to between 0% to 5% with the implementation of AFTA through common effective preferential tariff (“CEPT”) has made imports very competitive against locally manufactured products. CEPT is the mechanism by which tariffs of goods traded within the Asean region, which meet a 40% Asean content requirement, will be subjected to the reduced range of tariff by 2003 (2006 for Vietnam, 2008 for Laos and Myanmar). Thus, the implementation of AFTA has resulted in a wider variety of quality goods produced regionally at lower prices, which also means that there is increasing competition for domestic industries for certain products due to the liberalised Malaysian market.

Henceforth, the implementation of AFTA creates an alternative source of raw materials for us, which could potentially result in production cost savings. AFTA would also enable us to access a wider market in the Asean region for our products, which meet the 40% Asean content requirement at minimal tariff.

## **5.10 Adequacy of insurance coverage**

Our Directors are aware of the adverse consequences arising from inadequate insurance coverage. In line with our Group’s policy to minimise all risk, we are constantly reviewing the adequacy of insurance coverage for our assets. Currently, our Directors are of the opinion that we are adequately insured against any unforeseen events such as fire and lighting, malicious damage, theft and burglary.

Although necessary actions and steps have been taken to mitigate this risk, there is no assurance that the insurance coverage would be adequate for the replacement cost of our assets or any consequential loss arising as a result of any mishap.

## **5.11 Forward-looking statements**

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies. All forward-looking statements contained herein are based on our estimates and assumptions. Although our Directors believe that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other negative factors. Therefore, the inclusion of such forward-looking statements herein should not be regarded as a representation or warranty by us, our Directors or advisers that our plans will be achieved or materialised.

# **6. GENERAL OVERVIEW AND PROSPECTS OF OUR GROUP**

## **6.1 Overview of the Economy and Industry**

The Malaysian economy enters the year 2005 from a position of strength. The economic prospects for 2005 will continue to be favourable. The underlying conditions of the domestic economy continue to remain strong, with robust positive consumption and investment activity. While there are signs of slower global growth, there is uncertainty relating to the extent to which specific developments may moderate growth. In particular, these include the impact of higher oil prices, the extent to which interest rates will be raised and the depth and duration of the electronic downturn.

Despite these emerging trends, domestic economic growth in 2005 is projected to be sustained at 5% – 6%. This growth forecast takes into account the potential uncertainties related to the global developments. The more modest the impact of these developments on global growth, the more supportive will be external demand on the growth prospects of the domestic economy. While these uncertainties prevail in the external environment, the strong domestic demand projected for the year enhances the underlying potential for the favourable growth prospects in 2005.

In the domestic economy, the private sector would remain as the main driver of growth, as the Government remains committed to optimising expenditure in order to strengthen the fiscal position. With the core inflation projected to remain low in 2005 (1.8%), monetary policy is able to remain supportive of the further expansion in private sector activities.

*(Source: Bank Negara Malaysia Annual Report 2004)*

## 6.2 Prospects of our Group

Our Group's main engine of growth will be the Industrial and Agricultural Chemicals, Polymer, Logistics and Warehousing and Engineering divisions.

The Government of Malaysia's effort to develop and transform the agricultural sector into a more dynamic income-generating economic base will augur well for our Group's agricultural chemical products in the local market. At the export market front, the Industrial and Agricultural Chemicals division will continue to explore new markets in addition to intensify efforts to increase sales to the existing markets.

In light of the recovery and the projected growth of the manufacturing sector, demand for our Group's Industrial Chemicals products is expected to increase in tandem with the recovery and projected growth of the manufacturing sector.

Our Logistics and Warehousing division, which provides services mainly to customers in the petrochemicals industry, expect demands for logistics services to remain robust in view of the growth trends in the petrochemicals industry in Malaysia and Singapore and the strong support between the two governments in the petroleum and petrochemicals industry. Singapore is known as the global hub for oil refining and cost-competitive market for the high integrated and world-scale petrochemicals plant while Malaysia is determined to be the regional hub and base for petrochemicals industry for the Asian market. The growing investment commitments of the petrochemical plants in both Singapore and Malaysia will lead to a definite increase of throughput of these plants and would ultimately contribute to significant growth for the need of bulk liquid chemical logistics services.

Our Polymer division's joint venture in Indonesia will provide us with the opportunities to tap into the Indonesian market as well as other export markets. With its cheaper cost of production, our production facility in Indonesia will be tasked to produce the lower range of products leaving the Malaysian facilities to concentrate on the higher range of products with better margins. This segregation of production facilities will enable our Polymer division to maximise its production resources to increase returns.

Our Engineering division has recorded increasing sales in the current year-to-date over the same period in the previous year due to the increased demand from both the domestic and overseas customers. Based on the report by International Energy Outlook 2004 released in April 2004, world energy consumption is projected to increase by 54% over the 24-year forecast horizon from 2001 to 2025 worldwide. The fastest growth is projected for the nations of developing Asia, including China and India, where robust economic growth is expected to follow by the increase in energy consumption over the forecast period. The Engineering division is expected to capitalize on this development to further increase its sales.

We wish to highlight that the Engineering division consisting of the Tamco Group will not meet the forecast PATMI of RM16.6 million for the financial year ending 31 May 2005, as set out in the prospectus relating to Tamco's listing on the MESDAQ Market. It is unlikely that the Tamco Group will be profitable for the financial year ending 31 May 2005. This is principally attributable to unprecedented increases in raw material prices of copper and steel and the continuous weakening of the US\$ vis a vis the Euro and Yen, which resulted in the increase in the cost of imported components. In the nine (9)-month financial period ended 28 February 2005, the Tamco Group suffered a loss of RM8.9 million, despite achieving higher sales as compared with the corresponding period last year, mainly due to a one time write-off of RM5.6 million by its Australian operation for claims of variation orders from the Kowloon Canton Railway Corporation, which were less than the amount already recorded and the increase in raw material prices and higher costs of imported components as mentioned above.

Despite the above, the outlook of the power industry and that of our Engineering division continues to be positive.

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## 7. FINANCIAL EFFECTS

### 7.1 Share Capital

The effects of the Rights Issue of Warrants on our issued and paid-up share capital are as follows:

	No. of Ancom Shares	Share Capital RM
As at 11 April 2005	201,856,767	201,856,767
Less: Treasury Shares	6,312,800	6,312,800
	195,543,967	195,543,967
Upon full exercise of Warrants to be issued pursuant to the Rights Issue of Warrants	97,771,983	97,771,983
	293,315,950	293,315,950
Add: Treasury Shares	6,312,800	6,312,800
Total enlarged issued and paid-up share capital	299,628,750	299,628,750

### 7.2 NTA

Based on our audited consolidated financial statements as at 31 May 2004, the effects of the Rights Issue of Warrants on our proforma consolidated NTA per share, assuming that the transactions had been implemented on that date are as follows:

	(I) Audited As At 31 May 2004 RM '000	(II) Adjustments <sup>@</sup> RM '000	(III) After (I) and the Rights Issue of Warrants RM '000	(III) After (II) and Assuming Full Exercise of Warrants RM '000
Share capital	201,857	201,857	201,857	299,629
Treasury shares	(1,473)	(1,473)	(5,054)	(5,054)
Retained earnings	34,856	30,611	30,611	30,611
Share premium	9,116	9,116	9,116	9,116
Other reserves	21,881	21,881	23,376	23,376
Shareholders' funds	266,237	261,992	259,906	357,678
Less:				
Intangible assets	(11,341)	(11,341)	(11,341)	(11,341)
Goodwill on consolidation	(44,905)	(44,905)	(44,905)	(44,905)
NTA	209,991	205,746	203,660	301,432
Number of shares ('000)	200,008 <sup>#</sup>	200,008 <sup>#</sup>	195,544 <sup>^</sup>	293,316
NTA per share (RM)	1.05	1.03	1.04	1.03

Notes:

<sup>#</sup> Excluding 1,848,600 Treasury Shares.

<sup>^</sup> Excluding 6,312,800 Treasury Shares (based on Bursa Depository's record).

<sup>@</sup> Adjusted for the final dividend of 3 sen per share less tax for the financial year ended 31 May 2004, amounting to RM4,244,607 which had been approved by our shareholders in the 35<sup>th</sup> AGM and was paid on 30 December 2004.

Our proforma balance sheet as at 31 May 2004 together with the bases and assumptions and the Reporting Accountants' letter thereon are included herein as Appendix III of this Abridged Prospectus.



### 7.3 Earnings

The gross proceeds of RM1.96 million raised from the Rights Issue of Warrants would be used for our working capital requirements and to pay the estimated expenses to be incurred for the Rights Issue of Warrants. Thus, it would have no material effect on the earnings of our Group for the financial year ending 31 May 2005. The effect of any exercise of Warrants on our earnings per share would be dependent on the returns generated by us from the use of the proceeds arising from the exercise of the Warrants issued pursuant to the Rights Issues of Warrants.

### 7.4 Dividends

For the financial year ended 31 May 2004, our shareholders had approved a final gross dividend on ordinary shares of 3 sen per share, less income tax, amounting to RM4,244,607 at the AGM on 30 November 2004 and the said dividend was paid on 30 December 2004. The dividends to be declared in respect of the financial year ending 31 May 2005 would depend on amongst others, the profitability and cashflow requirements of our Group. Barring any unforeseen circumstances, we expect we will be in a position to pay the same quantum of the final dividend payment as that in the financial year ended 31 May 2004.

### 7.5 Gearing

For illustrative purposes, the proforma effects of the Rights Issue of Warrants on our gearing based on our audited financial statements as at 31 May 2004 assuming that the transactions had been implemented on that date are as follows:

	Audited as at 31 May 2004 RM '000	Adjustments @ RM '000	(I) After the Rights Issue of Warrants RM '000	(II) After (I) and upon full exercise of Warrants RM '000
Total borrowings (as at 31 May 2004)	304,636	304,636	304,636	304,636
Shareholders' funds	266,237	261,992	259,906	357,678
<b>Gearing</b>	<b>1.14</b>	<b>1.16</b>	<b>1.17</b>	<b>0.85</b>

Note:

@ Adjusted for the final dividend of 3 sen per share less tax for the financial year ended 31 May 2004, amounting to RM4,244,607 which had been approved by our shareholders in the 35<sup>th</sup> AGM and was paid on 30 December 2004.

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## 8. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

### 8.1 Working capital

Our Board is of the opinion that after taking into account the amount to be raised from the Rights Issue of Warrants, banking facilities available to us and the funds generated from our operations, the working capital available to us will be sufficient for a period of twelve (12) months from the date of this Abridged Prospectus.

### 8.2 Borrowings

As at 28 February 2005, being the latest available unaudited quarterly results of our Group, we have bank borrowings (all interest-bearing) amounting to approximately RM328.5 million comprising:

	RM'000
<b>Short Term Borrowings</b> (payable within 12 months)	
Ringgit Malaysia	153,431
United States Dollars	14,209
Australian Dollars	11,552
Singapore Dollars	10,510
HongKong Dollars	485
Euro Dollars	5,282
	<u>195,469</u>
<b>Long Term Borrowings</b> (payable in more than 12 months)	
Ringgit Malaysia	121,410
Singapore Dollars	11,614
	<u>133,024</u>
<b>Total Borrowings</b>	<u><u>328,493</u></u>

We do not have any non-interest bearing borrowings that are still outstanding.

There has not been any default of either interest and/ or principal sums in respect of any of our bank borrowings throughout the past one (1) financial year and subsequent financial periods preceding the date of this Abridged Prospectus.

### 8.3 Contingent liabilities

As at 28 February 2005, being the latest available unaudited quarterly results of our Group and save as disclosed below, there are no other contingent liabilities incurred by us which, in the opinion of our Board will or may substantially affect our ability or our obligations when they fall due:

	RM'000
<b>Unsecured:</b>	
Our corporate guarantees given to financial institutions for credit facilities granted to certain subsidiary companies	2,860

**8.4 Material commitments**

As at 28 February 2005, being the latest available unaudited quarterly results of our Group and save as disclosed below, there are no material commitments for capital expenditure incurred or known to be incurred by us which, in the opinion of our Board, will have a material impact on our financial position.

Details	
Acquisition of 100% equity interest in Rhodia Consumer Specialties Malaysia Sdn Bhd and 51% equity interest in Speciality Phosphates (Malaysia) Sdn Bhd by Nylex (Malaysia) Berhad for the purpose of business expansion. The acquisition were completed and funded by bank borrowings and internal generated funds.	US\$ 5.3 million
Balance of the purchase consideration for the acquisition of 60% equity interest in Decom Ltd by Tamco for the purpose of business expansion. The acquisition were completed and funded by bank borrowings and internal generated funds.	€ 3.6 million

**9. SUBSTANTIAL SHAREHOLDERS' UNDERTAKINGS**

Certain substantial shareholders, namely Dato' Siew Ka Wei and Pacific & Orient Berhad are holding directly in total 30,311,833 Ancom Shares representing 15.50% in us as at 11 April 2005 have given their written irrevocable undertakings to subscribe in full for their entitlements under the Rights Issue of Warrants as at the Entitlement Date, vide their letters dated 27 April 2005.

The details of the substantial shareholders' shareholding and their respective entitlements under the Rights Issue of Warrants are set out below:

Substantial Shareholder	As at 11 April 2005		No. of Warrants entitled	%
	No. of Shares	%		
Dato' Siew Ka Wei	13,062,600	6.68	6,531,300	6.68
Pacific & Orient Berhad	17,249,233	8.82	8,624,616	8.82

On 27 April 2005, Dato' Siew Ka Wei has further given his written irrevocable undertaking to subscribe for the remaining 82,616,067 Warrants representing 84.50% of the total Warrants which are not subscribed for by our minority shareholders.

Accordingly, the Rights Issue of Warrants is not underwritten.

**10. TERMS AND CONDITIONS**

The issue of the Warrants pursuant to the Rights Issue of Warrants is governed by the terms and conditions set out in this Abridged Prospectus and the accompanying RSF and NPA.

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**11. FURTHER INFORMATION**

You are requested to refer to the attached Appendices for further information.

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



**Dato' Johari Razak**  
Executive Chairman

**ANCOM BERHAD**  
(Company No. 8440-M)  
(Incorporated in Malaysia)

**CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE RIGHTS ISSUE OF WARRANTS PASSED AT OUR ANNUAL GENERAL MEETING HELD ON 30 NOVEMBER 2004**

**ORDINARY RESOLUTION 11**

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 100,928,383 THREE (3)-YEAR WARRANTS 2005/2008 AT AN ISSUE PRICE OF RM0.02 PER WARRANT ON THE BASIS OF ONE (1) WARRANT FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF RM1.00 EACH HELD**

"THAT, subject to the approvals of the relevant authorities, including without limitation the approval-in-principle of Bursa Malaysia Securities Berhad ("Bursa Securities") for the Warrants (as defined below) to be admitted to the Official List of Bursa Securities and for the listing of and quotation for the Warrants and new ordinary shares of RM1.00 each in the Company ("Share(s)") to be issued upon exercise of the said Warrants, approval be and is hereby given to the Directors of the Company to issue and allot by way of a renounceable rights issue of up to 100,928,383 three (3)-year warrants 2005/2008 ("Warrants") at an issue price of RM0.02 per Warrant on the basis of one (1) Warrant for every two (2) existing Shares held ("Proposed Rights Issue") in accordance with the terms and conditions of the deed poll constituting the Warrants to be executed by the Company (including any amendment or supplemental thereto) ("Deed Poll"), by way of provisional allotment to shareholders whose names appear on the Record of Depositors at the close of business on a date to be determined by the Directors, wherein each of the Warrants will carry the right to subscribe, at any time during the tenure of the Warrants from the date of issue of the Warrants and ending at 5.00 p.m. on the date falling 3 years from the date of the issue of the Warrants, for one (1) new Share at the exercise price of RM1.00 per Share payable in cash, subject to any adjustment of the exercise price and number of Warrants in accordance with the terms and conditions of the Deed Poll;

AND THAT the Directors be and are hereby authorised to deal with any fractional Warrants in such manner as the Directors may in their discretion deem fit and expedient;


AND THAT the Directors be and are hereby authorised to issue and allot such appropriate number of additional Warrants if any, as a consequence of the adjustment of the number of Warrants in accordance to the provisions of the Deed Poll and/or any amendments thereof or as may be imposed by the relevant authorities and to issue and allot such appropriate number of new Shares in connection with and arising from the exercise of the Warrants and/or any additional Warrants ("New Shares") AND THAT the New Shares shall, upon issue and allotment, rank pari passu in all respects with the existing Shares except that they shall not be entitled to any dividends, rights, allotment and/or other distributions, the entitlement date of which precedes the date of allotment of the New Shares;

AND THAT the Directors be and are hereby authorised to execute the Deed Poll and all other documents pertaining to the Proposed Rights Issue and to affix the Common Seal on any agreement or document executed in connection with the Proposed Rights Issue;

AND THAT the Directors be and are hereby further authorised to do all acts and things as they may consider necessary or expedient in the best interests of the Company to give effect to the Proposed Rights Issue with full power to assent to any modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to enter into all agreements and arrangements as they may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Rights Issue."

Dated this 29 April 2005

Certified true extract,

  
DATO' SIEW KA WEI  
Group Managing Director

  
CHOO SE ENG  
(MICPA 2077)  
Company Secretary

**INFORMATION ON ANCOM****1. HISTORY AND BUSINESS**

We were incorporated in Malaysia under the Act as a private limited company under the name of Ansul (Malaysia) Sdn. Bhd. on 3 March 1969. We then changed our name to Ancom Sdn Bhd on 15 May 1973. On 9 September 1989, we adopted our present name upon conversion into a public company and were listed on the Main Board of the Bursa Securities (known as Kuala Lumpur Stock Exchange as at the date of listing) on 29 March 1990.

We are principally a management and investment holdings company with our subsidiaries and associated companies involved in, inter alia, the following:

- manufacturing and distribution of agricultural and industrial chemical products;
- logistic and warehousing;
- provision of engineering services for the oil and gas industry;
- software development and provision of consultancy services in the area of information technology;
- manufacturing and marketing of vinyl-coated fabrics, calendared film and sheeting and other plastic products, including geo-textiles, pre-fabricated sub-soil drainage systems and rotomoulded bulk containers; and
- design, manufacture, installation, commissioning and maintenance of switchgear and other electrical engineering products and trading and contracting in electrical engineering products.

Further details on the principal activities of our subsidiary companies are set out in Section 6 herein.

**2. SHARE CAPITAL**

Our authorised and issued and paid-up share capital as at 11 April 2005 are as follows:

	<b>No. of Ordinary shares</b>	<b>Par value</b>	<b>Amount RM</b>
<b>Authorised</b>	500,000,000	1.00	500,000,000
<b>Issued and fully paid-up</b>	201,856,767	1.00	201,856,767

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**3. CHANGES IN THE ISSUED AND PAID-UP SHARE CAPITAL**

The changes in our issued and paid-up share capital since incorporation are as follows:

<b>Date of allotment</b>	<b>No. of our Shares allotted</b>	<b>Consideration</b>	<b>Resultant issued and paid-up capital</b>
03.03.1969	2	Cash subscribers' share	<b>RM</b> 2
07.05.1970	165,000	Cash	165,002
30.12.1970	1,088,042	Cash	1,253,044
30.12.1971	313,261	Bonus issue of 1 for 4	1,566,305
21.09.1972	633,695	Cash	2,220,000
29.10.1975	54,000	Cash	2,254,000
20.11.1975	563,500	Bonus issue of 1 for 4	2,817,500
15.07.1985	710,000	Special Bumiputera issue at an issue price of RM1.00 each	3,527,500
13.11.1986	7,055,000	Bonus issue of 2 for 1	10,582,500
12.01.1990	7,407,750	Bonus issue of 7 for 10	17,990,250
31.01.1990	5,140,071	Rights issue at par of 2 for 7 at an issue price of RM1.00 each	23,130,321
31.01.1990	500,679	Special issue to Bumiputera Directors at an issue price of RM1.00 each	23,631,000
14.03.1990	4,369,000	Public issue at an issue price of RM1.80 per share	28,000,000
28.08.1992	25,000,000	Issue of shares at an issue price of RM1.80 each in consideration for the acquisition of the entire issued and paid-up share capital of Fermpro Sdn Bhd	53,000,000
22.09.1992	3,780,000	Issue of shares at an issue price of RM1.80 in consideration for the acquisition of a landed property in Petaling Jaya	56,780,000

## APPENDIX II

<b>Date of allotment</b>	<b>No. of our Shares allotted</b>	<b>Consideration</b>	<b>Resultant issued and paid-up capital</b>
			<b>RM</b>
11.01.1996	4,939,329	Issue of shares at RM3.00 per share in consideration for the acquisition of 99.4% equity interest in Bullion Mining and Developments Sdn Bhd comprising 6,200,000 ordinary shares of RM1.00 each for a total purchase consideration of RM14,817,987	61,719,329
11.01.1996	11,513,000	Issue of shares at RM3.00 per share in consideration for the acquisition of the entire issued and paid-up share capital of Syarikat Wandeerfull Sdn Bhd, comprising 12,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM34,539,000	73,232,329
31.01.1996	20,000,000	Special issue to Bumiputera investors approved by the MITI at RM2.00 per share	93,232,329
28.03.1996	28,390,000	Rights issue of 1 for 2 at RM2.00 per share	121,622,329
06.08.1996	31,866	Issue of shares at RM3.00 per share in consideration for the acquisition of the remaining 0.6% equity interest in Bullion Mining and Developments Sdn Bhd comprising 40,000 ordinary shares of RM1.00 each at a purchase consideration of RM95,598	121,654,195
26.11.1997 to 09.09.1998	(4,917,000)	Share buy-back and cancellation	116,737,195
12.05.1999 to 15.08.2001	3,749,000	Issue of shares at RM1.476 per share pursuant to the exercise of options under the Employees' Share Option Scheme ("ESOS")	120,486,195
13.09.2001	2,000	Issue of shares at RM1.47 per share pursuant to the exercise of options under the ESOS	120,488,195
16.05.2002 to 18.06.2002	19,000	Issue of shares at RM1.29 per share pursuant to the exercise of options under the ESOS	120,507,195

## APPENDIX II

<b>Date of allotment</b>	<b>No. of our Shares allotted</b>	<b>Consideration</b>	<b>Resultant issued and paid-up capital</b>
			<b>RM</b>
04.07.2003 to 22.07.2003	15,000	Issue of shares at RM1.29 per share pursuant to the exercise of options under the ESOS	120,522,195
15.08.2003	11,700,000	Issue of shares at RM1.00 per share pursuant to private placement of shares	132,222,195
27.08.2003 to 10.09.2003	48,000	Issue of shares at RM1.00 per share pursuant to the exercise of options under the ESOS	132,270,195
10.09.2003	5,000	Issue of shares at RM1.29 per share pursuant to the exercise of options under the ESOS	132,275,195
12.09.2003	5,000	Issue of shares at RM1.29 per share pursuant to the exercise of options under the ESOS	132,280,195
12.09.2003 to 12.11.2003	210,000	Issue of shares at RM1.00 per share pursuant to the exercise of options under the ESOS	132,490,195
12.11.2003 and 13.11.2003	65,000	Issue of shares at RM1.29 per share pursuant to the exercise of options under the ESOS	132,555,195
13.11.2003 to 19.11.2003	40,000	Issue of shares at RM1.00 per share pursuant to the exercise of options under the ESOS	132,595,195
19.11.2003	40,000	Issue of shares at RM1.29 per share pursuant to the exercise of options under the ESOS	132,635,195
02.12.2003 to 08.12.2003	62,000	Issue of shares at RM1.00 per share pursuant to the exercise of options under the ESOS	132,697,195
08.12.2003	10,000	Issue of shares at RM1.29 per share pursuant to the exercise of options under the ESOS	132,707,195
12.12.2003 to 18.12.2003	19,000	Issue of shares at RM1.00 per share pursuant to the exercise of options under the ESOS	132,726,195
18.12.2003 to 24.12.2003	43,000	Issue of shares at RM1.29 per share pursuant to the exercise of options under the ESOS	132,769,195

## APPENDIX II

<b>Date of allotment</b>	<b>No. of our Shares allotted</b>	<b>Consideration</b>	<b>Resultant issued and paid-up capital</b>
30.12.2003 to 12.01.2004	3,000	Issue of shares at RM1.00 per share pursuant to the exercise of options under the ESOS	RM 132,772,195
12.01.2004 to 16.01.2004	74,000	Issue of shares at RM1.29 per share pursuant to the exercise of options under the ESOS	132,846,195
16.01.2004	34,000	Issue of shares at RM1.00 per share pursuant to the exercise of options under the ESOS	132,880,195
16.01.2004	6,000	Issue of shares at RM1.47 per share pursuant to the exercise of options under the ESOS	132,886,195
20.01.2004	52,000	Issue of shares at RM1.29 per share pursuant to the exercise of options under the ESOS	132,938,195
20.01.2004 to 26.01.2004	26,000	Issue of shares at RM1.00 per share pursuant to ESOS	132,964,195
26.01.2004	10,000	Issue of shares at RM1.47 per share pursuant to the exercise of options under the ESOS	132,974,195
26.01.2004	30,000	Issue of shares at RM1.476 per share pursuant to the exercise of options under the ESOS	133,004,195
29.01.2004	18,000	Issue of shares at RM1.29 per share pursuant to the exercise of options under the ESOS	133,022,195
29.01.2004	5,000	Issue of shares at RM1.47 per share pursuant to the exercise of options under the ESOS	133,027,195
29.01.2004 to 30.01.2004	25,000	Issue of shares at RM1.00 per share pursuant to the exercise of options under the ESOS	133,052,195
06.02.2004	59,000	Issue of shares at RM1.29 per share pursuant to the exercise of options under the ESOS	133,111,195
11.02.2004 to 13.02.2004	30,000	Issue of shares at RM1.00 per share pursuant to the exercise of options under the ESOS	133,141,195

## APPENDIX II

<b>Date of allotment</b>	<b>No. of our Shares allotted</b>	<b>Consideration</b>	<b>Resultant issued and paid-up capital</b>
			<b>RM</b>
13.02.2004 to 17.02.2004	56,000	Issue of shares at RM1.29 per share pursuant to the exercise of options under the ESOS	133,197,195
17.02.2004	6,000	Issue of shares at RM1.476 per share pursuant to the exercise of options under the ESOS	133,203,195
17.02.2004 to 20.04.2004	39,000	Issue of shares at RM1.00 per share pursuant to the exercise of options under the ESOS	133,242,195
20.02.2004	66,000	Issue of shares at RM1.29 per share pursuant to the exercise of options under the ESOS	133,308,195
20.02.2004 to 25.02.2004	331,000	Issue of shares at RM1.476 per share pursuant to the exercise of options under the ESOS	133,639,195
25.02.2004	17,000	Issue of shares at RM1.47 per share pursuant to the exercise of options under the ESOS	133,656,195
25.02.2004	48,000	Issue of shares at RM1.29 per share pursuant to the exercise of options under the ESOS	133,704,195
25.02.2004 to 27.02.2004	110,000	Issue of shares at RM1.00 per share pursuant to the exercise of options under the ESOS	133,814,195
27.02.2004	113,000	Issue of shares at RM1.29 per share pursuant to the exercise of options under the ESOS	133,927,195
27.02.2004	52,000	Issue of shares at RM1.47 per share pursuant to the exercise of options under the ESOS	133,979,195
27.02.2004 to 03.03.2004	448,000	Issue of shares at RM1.476 per share pursuant to the exercise of options under the ESOS	134,427,195
03.03.2004	43,000	Issue of shares at RM1.47 per share pursuant to ESOS	134,470,195
03.03.2004	33,000	Issue of shares at RM1.29 per share pursuant to the exercise of options under the ESOS	134,503,195



## APPENDIX II

<b>Date of allotment</b>	<b>No. of our Shares allotted</b>	<b>Consideration</b>	<b>Resultant issued and paid-up capital</b>
03.03.2004	68,000	Issue of shares at RM1.00 per share pursuant to the exercise of options under the ESOS	<b>RM</b> 134,571,195
11.03.2004	67,285,572	Bonus issue of 1 for 2	201,856,767

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#### 4. SUBSTANTIAL SHAREHOLDERS

The proforma effects of the Rights Issue of Warrants and the full exercise of the Warrants on the shareholdings of our substantial shareholders (holding 5% or more in the share capital) according to the Register of Substantial Shareholders as at 11 April 2005 are as follows:

- Scenario I: Assuming that the Rights Issue of Warrants is fully subscribed by our shareholders on a proportionate basis
- Scenario II: Assuming that certain substantial shareholders subscribe for their entitlements to the Rights Issue of Warrants and, Dato' Siew Ka Wei, further subscribes for the Warrants to be issued pursuant to the Rights Issue of Warrants which are not subscribed for by the minority shareholders

##### Scenario I

	As at 11 April 2005*				Upon full exercise of Warrants^			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Siew Ka Wei	13,062,600	6.68	13,049,128 <sup>1</sup>	6.67	19,593,900	6.68	19,573,692 <sup>1</sup>	6.67
Pacific & Orient Berhad	17,249,233	8.82	5,250,000 <sup>2</sup>	2.68	25,873,849	8.82	7,875,000 <sup>2</sup>	2.68
Chan Thye Seng	-	-	22,499,233 <sup>3</sup>	11.51	-	-	33,748,849 <sup>3</sup>	11.51

##### Scenario II

	As at 11 April 2005*				Upon full exercise of Warrants^			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Siew Ka Wei	13,062,600	6.68	13,049,128 <sup>1</sup>	6.67	102,209,967	34.85	13,049,128 <sup>1</sup>	4.45
Pacific & Orient Berhad	17,249,233	8.82	5,250,000 <sup>2</sup>	2.68	25,873,849	8.82	5,250,000 <sup>2</sup>	1.79
Chan Thye Seng	-	-	22,499,233 <sup>3</sup>	11.51	-	-	31,123,849 <sup>3</sup>	10.61

##### Notes:

\* Based on our issued and paid-up share capital of 195,543,967 Shares as at 11 April 2005 (this excludes the 6,312,800 Treasury Shares as recorded in the Bursa Depository's records)

^ Assuming that none of the Treasury Shares were sold before and after the Entitlement Date

1. Deemed interest through Silver Dollars Sdn Bhd, Siew Nim Chee & Sons Sdn Bhd, Siew Ka Kheong, Datin Young Ka Mun and Quek Lay Kheng.
2. Deemed interest through Pacific & Orient Insurance Co. Berhad, a wholly-owned subsidiary of Pacific & Orient Berhad.
3. Deemed interest through Pacific & Orient Berhad and Pacific & Orient Insurance Co. Berhad

## APPENDIX II

## 5. BOARD OF DIRECTORS

The particulars of our Directors are set out in the Corporate Information section of this Abridged Prospectus. The respective shareholding interests in Ancom of our Directors according to the Register of Directors' Shareholdings as at 11 April 2005 and the proforma effects of the Rights Issue of Warrants and the full exercise of the Warrants are as follows:

## Scenario I

	As at 11 April 2005*				Upon full exercise of Warrants^			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Johari Razak	748,688	0.38	-	-	1,123,032	0.38	-	-
Dato' Siew Ka Wei	13,062,600	6.68	13,049,128 <sup>1</sup>	6.67	19,593,900	6.68	19,573,692 <sup>1</sup>	6.67
Tan Sri Dato' Dr Lin See Yan	150,000	0.08	-	-	225,000	0.08	-	-
Dato' Siew Nim Chee	-	-	-	-	-	-	-	-
Datuk Haji Mohamed Al Amin Bin Haji Abdul Majid, JP	-	-	-	-	-	-	-	-
Dato' Mohd Ismail Bin Che Rus	-	-	-	-	-	-	-	-
Chan Thye Seng	-	-	22,499,233 <sup>2</sup>	11.51	-	-	33,748,849 <sup>2</sup>	11.51
Chieng Ing Huong	-	-	-	-	-	-	-	-

## Scenario II

	As at 11 April 2005*				Upon full exercise of Warrants^			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Johari Razak	748,688	0.38	-	-	748,688	0.26	-	-
Dato' Siew Ka Wei	13,062,600	6.68	13,049,128 <sup>1</sup>	6.67	102,209,967	34.85	13,049,128 <sup>1</sup>	4.45
Tan Sri Dato' Dr Lin See Yan	150,000	0.08	-	-	150,000	0.05	-	-
Dato' Siew Nim Chee	-	-	-	-	-	-	-	-
Datuk Haji Mohamed Al Amin Bin Haji Abdul Majid, JP	-	-	-	-	-	-	-	-
Dato' Mohd Ismail Bin Che Rus	-	-	-	-	-	-	-	-
Chan Thye Seng	-	-	22,499,233 <sup>2</sup>	11.51	-	-	31,123,849 <sup>2</sup>	10.61
Chieng Ing Huong	-	-	-	-	-	-	-	-

## APPENDIX II

**Notes:**

\* Based on our issued and paid-up share capital of 195,543,967 Shares as at 11 April 2005 (this excludes the 6,312,800 Treasury Shares as recorded in the Bursa Depository's records)

^ Assuming that none of the Treasury Shares were sold before and after the Entitlement Date

1. Deemed interest through Silver Dollars Sdn Bhd, Siew Nim Chee & Sons Sdn Bhd, Siew Ka Kheong, Datin Young Ka Mun and Quek Lay Kheng

2. Deemed interest through Pacific & Orient Berhad and Pacific & Orient Insurance Co. Berhad

**6. SUBSIDIARIES AND ASSOCIATED COMPANIES**

Our subsidiaries and associated companies as at 11 April 2005 are as follows:

Name	Date and Place of Incorporation	Effective Equity Interest (%)	Issued and Paid-Up Share Capital	Principal Activities
<b><u>Subsidiaries</u></b>				
Ancom Crop Care Sdn Bhd	6 December 1985 Malaysia	100.00	RM16,500,000	Manufacture and sale of agricultural chemical products
Polytensides Sdn Bhd	29 November 1971 Malaysia	100.00	RM3,750,000	Manufacture and sale of agricultural chemical products
Timber Preservatives Sdn Bhd	23 August 1984 Malaysia	51.00	RM500,000	Manufacturing and distribution of timber preservatives and chemicals
Sun Chemicals Sdn Bhd	2 April 1980 Malaysia	100.00	RM60,000	Inactive (In the process of members' voluntary liquidation)
Ancom Overseas - Ventures Sdn Bhd	30 June 1989 Malaysia	100.00	RM2	Investment holding company and provision of management service to its subsidiary companies
Ancom Energy & Services Sdn Bhd	15 January 1991 Malaysia	50.20	RM1,095,000 (ordinary shares of RM1 each)  RM479,000 (preference shares of RM1 each)	Supply of goods and the provision of services to the oil and gas industry and investment holding
Elderberry Sdn Bhd	17 September 1992 Malaysia	100.00	RM1,300,000 (ordinary shares of RM1 each)  RM21,700 (preference shares of RM1 each)	Dormant
Synergy Tanker Sdn Bhd	23 April 1997 Malaysia	100.00	RM4,200,000 (ordinary shares of RM1 each)  RM54,210 (preference shares of RM1 each)	Investment holding
Synergy Trans-Link Sdn Bhd	22 March 2003 Malaysia	73.43	RM30,148,897 (ordinary shares of RM1 each)  RM11,764,540 (loan stocks of RM0.1 each)	Investment holding

## APPENDIX II

Name	Date and Place of Incorporation	Effective Equity Interest (%)	Issued and Paid-Up Share Capital	Principal Activities
<b><u>Subsidiaries (Cont'd)</u></b>				
MSTi Corporation Sdn Bhd	6 April 1982 Malaysia	50.10	RM3,750,500	Trading of computer hardware and software and rendering of IT related consulting services
WorldSOL.com Sdn Bhd	4 October 1994 Malaysia	100.00	RM8,000,000	Provision of business to business exchange portal services, portal development services, web and multimedia design and other related services (Currently inactive)
HSO Business Systems Sdn Bhd	16 August 1997 Malaysia	45.55	RM2,208,000	Trading of computer hardware and software and the rendering of IT related consulting
Syarikat Wandeerfull Sdn Bhd	28 March 1981 Malaysia	100.00	RM12,000,000	Investment holding and dealing in and subletting of land
Bullion Mining and Developments Sendirian Berhad	8 November 1971 Malaysia	100.00	RM6,240,000	Property development (Currently inactive)
Rhodemark Development Sdn Bhd	13 April 1999 Malaysia	50.10	RM107,292,858	Investment holding
<b><u>Subsidiaries of Ancom Crop Care Sdn Bhd</u></b>				
OrganiGro Sdn Bhd	21 April 1997 Malaysia	77.40	RM5,675,000	Production and trading of organic fertilisers
Ancom Garden Products Sdn Bhd	29 October 1997 Malaysia	100.00	RM100,000	Trading of gardening products
Consolidated Specialties Sdn Bhd	23 December 1992 Malaysia	100.00	RM400,000	Inactive (In the process of members' voluntary liquidation)
Ancom do Brasil Ltda	27 October 1997 Brazil	99.90	R\$1,000 <sup>a</sup>	Holder of a number of licences required in relation to the distribution of agricultural chemicals in Brazil.
Ancom Australia Pty Limited	12 September 1997 Australia	100.00	A\$2	Holder of a number of licences required in relation to the distribution of agricultural chemicals in Australia.
Malancom Agrochemicals (Pty.) Limited	30 June 1997 South Africa	100.00	RAND100	Holder of a number of licences required in relation to the distribution of agricultural chemicals in South Africa.
<b><u>Subsidiary of Ancom Overseas Ventures Sdn Bhd</u></b>				
ChemResources China (Agencies) Limited	10 May 1988 Hong Kong	83.30	HK\$27,576,668	Trading of chemical products
<b><u>Subsidiaries of Ancom Energy &amp; Services Sdn Bhd</u></b>				
Tubex Sdn Bhd	16 December 1988 Malaysia	42.67	RM5,000,000	Providing threading and ancillary services, specialising in threading and cutting of tubulars, casing and downhole equipment



## APPENDIX II

Name	Date and Place of Incorporation	Effective Equity Interest (%)	Issued and Paid-Up Share Capital	Principal Activities
<b><u>Subsidiaries of Ancom Energy &amp; Services Sdn Bhd (Cont'd)</u></b>				
Akra Engineering Sdn Bhd	14 April 1981 Malaysia	40.96	RM22,150,000 (ordinary shares of RM1 each)  RM2,500,000 (preference shares of RM1 each)	Manufacture of skeletal trailers and tankers for haulage industries and other related maintenance and engineering services manufacture of steel structures for oil and gas industries
AES Mayak Sdn Bhd	30 May 1996 Malaysia	50.20	RM600,000	Manufacturing of precision mould and insert (Has not commenced operations)
Indah Segar Sdn Bhd	24 June 1997 Malaysia	42.67	RM100,000	Providing technical and consultancy services
Hikmat Ikhlas Sdn Bhd	28 October 1996 Malaysia	25.60	RM300,000	Trading and contracting in electrical engineering products
<b><u>Subsidiary of Syarikat Wandeerfull Sdn Bhd</u></b>				
Wandeerfull Industries Sdn Bhd	16 June 1984 Malaysia	100.00	RM100,000	Construction work in relation to property development (Currently inactive)
<b><u>Subsidiaries of Synergy Trans-Link Sdn Bhd</u></b>				
Ancom-ChemQuest Terminals Sdn Bhd	9 September 1995 Malaysia	73.43	RM12,000,000	Build, own, operate, lease and manage a chemical tank farm and warehouse
Synergy Concepts Sdn Bhd	14 April 1994 Malaysia	73.43	RM5,000,000 (ordinary shares of RM1 each)  RM24,470 (preference shares of RM1 each)	Ship-owning and ship-operating
Synergy Point Sdn Bhd	11 April 1994 Malaysia	73.43	RM1,300,000 (ordinary shares of RM1 each)  RM11,500 (preference shares of RM1 each)	Ship-owning and ship-operating
Ancom Ship Management Sdn Bhd	21 April 1997 Malaysia	73.43	RM2	Providing ship management services
SM Integrated Transware Pte Ltd	21 June 1978 Singapore	73.43	S\$6,300,000	Providing transportation, container haulage, bulk cargo handling, chemical warehousing and drumming
<b><u>Subsidiary of SM Integrated Transware Pte Ltd</u></b>				
Pengangkutan Cogent Sdn Bhd	29 October 1996 Malaysia	73.43	RM1,000,000	Providing transportation and related services
<b><u>Subsidiaries of Rhodemark Development Sdn Bhd</u></b>				
Nylex (Malaysia) Berhad	26 March 1970 Malaysia	53.52	RM176,670,860	Manufacturing and marketing of vinyl-coated fabrics, calendered film and sheeting and other plastic products, including geotextiles and prefabricated sub-soil drainage systems

## APPENDIX II

Name	Date and Place of Incorporation	Effective Equity Interest (%)	Issued and Paid-Up Share Capital	Principal Activities
<b><u>Subsidiaries of Rhodemark Development Sdn Bhd (Cont'd)</u></b>				
Tamco Corporate Holdings Berhad	14 April 1966 Malaysia	24.74	RM129,743,860	Design, manufacture, supply, installation, commissioning and maintenance of switchgear and other electrical engineering products
<b><u>Subsidiary of MSTi Corporation Sdn Bhd</u></b>				
i-Enterprise Online.com Sdn Bhd	4 April 2000 Malaysia	25.55	RM100,000	Development of information technology system and providing consulting services related to information technology
<b><u>Associated Company of Ancom Crop Care Sdn Bhd</u></b>				
Ancom Philippines, Inc	27 November 1996 Philippines	39.60	P100,000	Holder of a number of licences required in relation to the distribution of agricultural chemicals in the Philippines.
<b><u>Subsidiaries of Nylex (Malaysia) Berhad</u></b>				
Nycon Manufacturing Sdn Bhd	21 August 1984 Malaysia	53.52	RM150,000	Manufacturing and marketing of rotomoulded bulk containers
Malaysian Roofing Industries Sdn Bhd	9 February 1982 Malaysia	37.46	RM6,000,000	Cease operation
Zonson Sports (Malaysia) Sdn Bhd	30 December 1989 Malaysia	42.81	RM2,000,000	Dormant
PT Nylex Indonesia	29 April 2004 Indonesia	34.79	US\$1,323,500	Manufacture, marketing and distribution of PVC leathercloth (Has not commenced operation)
Rhodia Consumer Specialties Malaysia Sdn Bhd	28 October 1972 Malaysia	53.52	RM2,052,102	Manufacturing and marketing of phosphoric acid
Speciality Phosphates (Malaysia) Sdn Bhd	13 April 1988 Malaysia	27.30	RM750,000	Manufacturing and marketing of chemical
Fermpro Sdn Bhd	17 April 1982 Malaysia	53.52	RM8,000,000	Manufacturing and marketing of ethanol, carbon dioxide and other related chemical products
Kumpulan Kesuma Sdn Bhd	18 May 1979 Malaysia	53.52	RM205,004	Manufacture and marketing of commercial adhesives and sealants
Wedon Sdn Bhd	17 October 1983 Malaysia	53.52	RM21,000	Trading in industrial sealants and adhesives
Perusahaan Kimia Gemilang Sdn Bhd	30 March 1982 Malaysia	53.52	RM2,213,000	Trading of petrochemicals and industrial chemicals
<b><u>Subsidiary of Malaysian Roofing Industries Sdn Bhd</u></b>				
PT Indomalay Ekatana Roofing Industries	25 January 1992 Indonesia	26.22	IDR 1,990,000,000	Manufacturing and marketing of metal roof tiles
<b><u>Subsidiary of Perusahaan Kimia Gemilang Sdn Bhd</u></b>				
Dynamic Chemical Trading Pte Ltd	25 November 1988 Singapore	48.17	S\$1,000,000	Trading in industrial chemicals

## APPENDIX II

Name	Date and Place of Incorporation	Effective Equity Interest (%)	Issued and Paid-Up Share Capital	Principal Activities
<b><u>Associated Company of Perusahaan Kimia Gemilang Sdn Bhd</u></b>				
Ancom Kimia Sdn Bhd	9 April 1993 Malaysia	16.06	RM2,200,000	Distribution of petrochemicals and industrial chemicals
<b><u>Associated Company of Ancom Overseas Ventures Sdn Bhd</u></b>				
Transmare-Chemie (Singapore) Pte Ltd	17 September 1987 Singapore	36.00	S\$1,200,000	Distributor of printing ink solvent and industrial chemicals
<b><u>Associated Companies</u></b>				
Nufarm Technologies (M) Sdn Bhd	22 March 1991 Malaysia	49.00	RM100,000	Trading of timber wood preservatives and chemical products
Vision IP Services Sdn Bhd	16 August 2000 Malaysia	36.14	RM4,500,000	Provision of call centre service
Meru Utama Sdn Bhd	21 August 1984 Malaysia	25.10	RM1,100,000	Provision of media services, general trading and media space rental at airports
I-Spring Capital Sdn Bhd	11 May 2000 Malaysia	42.04	RM27,752	Providing and sourcing private equity finance and providing related consultancy services, incubation, business acceleration and other value added facilities and services technology ventures
<b><u>Subsidiaries of Tamco Corporate Holdings Berhad</u></b>				
Tamco Systems (Singapore) Pte Ltd	28 December 1964 Singapore	24.74	S\$3,000,000	Trading and contracting in electrical engineering products
Tamco Systems (Malaysia) Sdn Bhd	6 May 1982 Malaysia	24.74	RM900,000	Trading and contracting in electrical engineering products
Tamco (Malaysia) Sdn Bhd <sup>@</sup>	27 June 1967	24.74	RM80,000	Inactive
Tamco Components Sdn Bhd (formerly known as Tamco Industries Sdn Bhd)	21 June 1966 Malaysia	16.50	RM200,000	Manufacturing of switchgear components
TEE Power & Engineering Sdn Bhd	7 January 1988 Malaysia	24.74	RM100,000	Inactive
Tamco Electrical Industries Australia Pty Ltd (formerly known as Universal Motor Kontrol Pty Limited)	15 April 1983 Australia	24.74	A\$13,500,000	Manufacturing and marketing of switchgear and related products
Tamco Shanghai Switchgear Company Limited	3 October 1995 China	24.74	US\$6,000,000	Manufacture and marketing of switchgear and related products
Decom Ltd	26 February 2003 Hong Kong	14.84	HK\$1,000,000	Engineering and general trading
ACN 103777359 Pty Ltd (formerly known as Tamco Electrical Industries Australia Pty Ltd)	18 February 2003 Australia	24.50	A\$2	Inactive

## APPENDIX II

Name	Date and Place of Incorporation	Effective Equity Interest (%)	Issued and Paid-Up Share Capital	Principal Activities
<b><u>Subsidiaries of Tamco Systems (Singapore) Pte Ltd</u></b>				
Tamco Electrical & Electronics (Singapore) Pte Ltd	21 March 1980 Singapore	24.74	S\$980,000	Inactive
Tamco Systems (Hong Kong) Ltd	21 March 1980 Hong Kong	24.74	HK\$5,000,000	Trading and contracting in electrical engineering products
Tamco PTX Technology (Singapore) Pte Ltd	23 December 2004 Singapore	12.37	S\$2	Inactive
<b><u>Subsidiary of Tamco PTX Technology (Singapore) Pte Ltd</u></b>				
Tamco Systems Technology (Shanghai) Co. Ltd	7 July 2004 China	12.37	US\$200,000	Trading and providing of simple commercial processing and consultation services
<b><u>Subsidiaries of Tamco Electrical Industries Australia Pty Ltd</u></b>				
Kontrol Sales Pty Limited	1 May 1985 Australia	24.74	A\$22,998	Investment holding
Universal Motor Kontrol Hong Kong Limited	20 April 1995 Hong Kong	24.74	HK\$1,000	Sales and marketing of switchgear and related products
<b><u>Subsidiary of Decom Ltd</u></b>				
Decom GmbH	21 June 2004 Germany	14.84	€25,000	Provision of management services
<b><u>Subsidiaries of Decom GmbH</u></b>				
Deteg GmbH	13 September 2004 Germany	11.12	€25,000	Manufacturing and sale of Compact Gas Insulated Switchgear (CGIS) and Ring Main Unit (RMU)
German Switchcraft GmbH	30 September 2004 Germany	8.91	€25,000	Manufacturing and sale of CGIS and RMU
<b><u>Subsidiary of Kontrol Sales Pty Limited</u></b>				
PT Kontrol Ragam Indonesia*	27 March 1992 Indonesia	19.79	IDR502,500,000	Manufacturing and trading of control switchboard
<b><u>Subsidiary of Tamco Systems (Hong Kong) Ltd</u></b>				
Tamco Static Systems (Far East) Limited	28 December 1995 Hong Kong	24.74	HK\$2	Inactive
<b><u>Associated Company of Tamco Corporate Holdings Berhad</u></b>				
Tamco Chongqing Switchgear Company Limited	10 May 1999 China	12.12	US\$3,800,000	Manufacturing and sale of switchgear and related products
Suistulin Sdn Bhd	16 May 1997 Malaysia	12.37	RM200,000	Inactive
Sinaran Takhta-Tamco Sdn Bhd*	24 June 2000 Malaysia	7.42	RM100,000	Inactive
<b><u>Associated Companies of Decom Ltd</u></b>				
I&D Switchgear Sdn Bhd	29 July 2003 Malaysia	4.75	RM100,000	Inactive
CGIS (Shanghai) Electrics Ltd	6 August 2003 China	3.86	RMB10,000,000	Manufacturing and sale of CGIS and RMU

## APPENDIX II

Name	Date and Place of Incorporation	Effective Equity Interest (%)	Issued and Paid-Up Share Capital	Principal Activities
<b><u>Associated Company of Tamco Shanghai Switchgear Company Limited</u></b>				
Etah Shanghai Electrical Co. Ltd	21 February 2000 China	4.95	US\$500,000	Manufacture and sale of transformers and related products

*Notes:*

A\$	Australian Dollar
HK\$	Hong Kong Dollar
IDR	Indonesian Rupiah
R\$	Brazilian Real
S\$	Singapore Dollar
US\$	United States Dollar
P	Philippine Peso
RAND	South African Rand
RMB	Chinese Ren Min Bi
€	European Union Euro

<sup>@</sup> On 9 June 2004, Tamco filed an application to strike off Tamco (Malaysia) Sdn Bhd from the register of CCM. On 30 June 2004, CCM rejected the application.

<sup>#</sup> On 31 May 2004, Universal Motor Kontrol Hong Kong Limited ("UMK") entered two (2) sale and purchase agreements with Kontrol Sales Pty Limited ("KS") and PT Ragam Obor Hikmah for the proposed acquisition by UMK of 80% and 20% equity interest in PT Kontrol Ragam Indonesia ("KRI") from KS and PT Ragam Obor Hikmah, respectively. The proposed acquisition is expected to be completed in the second quarter of 2005. Upon completion of the above, UMK will enter into a sale and purchase agreement to sell its 100% equity interest in KRI to Tamco. Assuming completion of all this above, KRI will then become a wholly owned direct subsidiary of Tamco.

<sup>\*</sup> The Company was wound up by the Kuala Lumpur High Court on 5 November 2003 and the Company is in the process of being liquidated

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## 7. PROFIT AND DIVIDEND RECORDS

The summary of our audited consolidated profit and dividend records for the past five (5) financial years ended 31 May 2004 and the unaudited consolidated results for the nine (9)-month period ended 28 February 2005 are as follows:-

	<-----Financial years ended 31 May----->					@ Unaudited nine (9)- month period ended 28 February 2005
	2000 RM'000	2001 RM'000	2002 RM'000	*2003 RM'000	2004 RM'000	RM'000
Revenue	710,695	761,815	715,033	935,593	978,681	793,730
EBIDTA	78,272	81,256	48,081	74,150	82,302	30,078
Add/ (Less):						
Depreciation	(29,525)	(25,145)	(26,970)	(24,949)	(25,918)	(18,474)
Interest expense	(17,209)	(17,970)	(16,139)	(17,666)	(16,168)	(11,632)
Interest income	915	2,112	759	706	714	278
Amortisation	(4,673)	(6,320)	(5,360)	(4,767)	(4,179)	(2,298)
Profit / (Loss) before taxation	27,780	33,933	371	27,474	36,751	(2,048)
Share of profits and losses of associated companies and joint ventures	1,637	758	497	(304)	1,149	3,108
Profit/ (Loss) before taxation and exceptional items	29,417	34,691	868	27,170	37,900	1,060
Exceptional items	(27,363)	-	(19,834)	-	-	-
Profit/ (Loss) before taxation	2,054	34,691	(18,966)	27,170	37,900	1,060
Taxation	(5,066)	(15,835)	(15,819)	(17,093)	(12,733)	(2,639)
Profit/ (Loss) after taxation	(3,012)	18,856	(34,785)	10,077	25,167	(1,579)
Minority Interest	4,257	(14,670)	27,021	(7,238)	(9,338)	7,709
Profit/ (Loss) after taxation and minority interest	1,245	4,186	(7,764)	2,839	15,829	6,130
Weighted no. of Shares ('000)	120,361	120,476	120,503	120,507	201,857	198,907
Basic net Earning/ (Loss) per Share (sen)	1.05	3.49	(6.57)	1.53	8.06	3.08
Gross dividend rate (%)	4	4	4	4	3 <sup>#</sup>	-

## Notes:

\* Certain figures have been adjusted to take into account the change in accounting policies with respect to the recognition of liabilities in compliance with the new Malaysian Accounting Standards Board ("MASB") Standard 19 "Events After the Balance Sheet Date" and MASB Standard 25 "Income Taxes".

# The gross dividend rate excludes the special interim dividend of 10% (tax exempt) declared and paid on 19 March 2004.

@ Based on our unaudited consolidated quarterly results for the nine (9)-month period ended 28 February 2005.

(i) There were no extraordinary items during the financial years under review.

(ii) Our Group's turnover in the financial year 2000 increased substantially to RM710.7 million mainly due to the consolidation of turnover of Nylex Group's nine (9)-month results effective from 1 September 1999. Our Group however, recorded a lower PBT after accounting for the exceptional loss of RM27.4 million arising from the loss on disposal of a vessel and the share of diminution in value of investments in a subsidiary of the Nylex Group.

## APPENDIX II

- (iii) *Our turnover in the financial year 2001 increased by 7% as compared to the financial year 2000 due to the consolidation of Nylex Group's full financial year results as compared to the nine (9)-month results for the previous financial year. Our PBT increased by 18% in 2000 due to the turnaround of the oil & gas engineering services division and the higher PBT achieved by the information technology division contributed by the completion of major contracts during the financial year.*
- (iv) *The lower turnover for the financial year 2002 as compared to the financial year 2001 was mainly due to the lower sales achieved by the agricultural and industrial chemicals division as a result of the lower demand for the products and stiffer competition faced during the financial year. The substantially lower PBT in the financial year 2002 was due to a write-off amounting to RM23.3 million in respect of obsolete stocks and non-recoverable work-in-progress in the subsidiaries of the Nylex Group. The exceptional item of RM19.8 million was attributable to the diminution in value of investment in the glasswool insulation manufacturing unit in the Philippines under the Nylex Group.*
- (v) *The turnover for the financial year 2003 increased by 31% as compared to the financial year 2002. This was mainly due to higher prices of our chemical products and the strong demand from the overseas markets for our Group's chemical products and the engineered polymer products. PBT recorded was also substantially higher due to the reasons stated above and the absence of the one-time write-off in the current year as compared to the previous year.*
- (vi) *Turnover for the financial year 2004 increased by 5% as compared to the financial year 2003 due to the higher prices of the chemical products and the better sales achieved by our engineering division. PBT recorded was higher due to the better profits recorded by our logistic and warehousing division and the engineering division. The higher profit was also due to the profit realised from the sales of quoted and unquoted investments during the financial year.*
- (vii) *Turnover for the nine (9)-month financial period was 12% higher than that in the corresponding period in the financial year 2004 due to higher sales achieved by the engineering division. However, the Group only achieved a PBT of RM1.1 million. The higher losses suffered by the engineering division as a result of the write-off of variation order claims, the increase in raw material prices and higher costs of imported components contributed to the low profit.*

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**8. HISTORICAL SHARE PRICES OF ANCOM SHARES**

The following table sets out the monthly high and low market prices of our Shares for the past twelve (12) months to April 2005:

	<b>High RM</b>	<b>Low RM</b>
<b>2004</b>		
May	0.875	0.740
June	0.865	0.815
July	0.920	0.815
August	0.820	0.770
September	0.815	0.775
October	0.805	0.740
November	0.825	0.735
December	0.800	0.740
<b>2005</b>		
January	0.805	0.740
February	0.780	0.715
March	0.750	0.680
April		

Last transacted price of our Shares on 28 April 2004 (*being the last trading day prior to the announcement of the Rights Issue of Warrants*) RM0.765

Last transacted market price of our Shares on 9 May 2005 (*being the date prior to the ex-date in respect of the Rights Issue of Warrants*) RM0.655

Last transacted market price of our Shares on 12 May 2005 (*being the latest practicable date prior to the printing of this Abridged Prospectus*) RM0.610

(Source: Bloomberg)

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