



NYLEX (MALAYSIA) BERHAD (Company No : 9378-T)
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FOR IMMEDIATE RELEASE

6 June 2025

Securities Commission Malaysia
No. 3 Persiaran Bukit Kiara
50490 Kuala Lumpur
tomannouncement@seccom.com.my

Attention: Head of Take-overs & Mergers Department

NYLEX (MALAYSIA) BERHAD ("NYLEX" OR THE "COMPANY")


PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 ("PROPOSED SCR")

We wish to inform the Securities Commission Malaysia that the Board of Directors of Nylex ("Board") has today, received a letter from its controlling shareholders, namely Ancom Nylex Berhad ("Ancom") and Rhodemark Development Sdn. Bhd. ("RDSB") ("Joint Offerors" or "Non-Entitled Shareholders"), requesting for Nylex to undertake the Proposed SCR. Upon the successful completion of the Proposed SCR, the Joint Offerors will hold the entire share capital of Nylex.

The Proposed SCR entails a selective capital reduction and a corresponding capital repayment of a cash amount of RM0.051 for each ordinary share in Nylex held by all shareholders of Nylex (other than the Non-Entitled Shareholders) whose names appear in the Record of Depositors of Nylex as at the close of business on an entitlement date to be determined and announced later by the Board ("Entitled Shareholders").

Please refer to the SCR Offer Letter attached herein for further details on the Proposed SCR.

Yours faithfully,
For and on behalf of
NYLEX (MALAYSIA) BERHAD


EDMOND CHEAH SWEE LENG
Director

Encl

c.c To:

Berita Harian
Utusan Malaysia
The New Straits Times
The Edge
Nanyang Siang Pau
Sin Chew Daily
The Malaysian Reserve
The Star
The Sun Daily
China Press
Bernama

Attention:

The Editor, Business Section
The Editor, Business Section
The Editor, Business Section
The Editor, Business Section
The Editor, Business Section
The Editor, Business Section
The Editor, Business Section
The Editor, Business Section
The Editor, Business Section
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ANCOM NYLEX BERHAD

Registration No.: 196901000122 (8440-M)

RHODEMARK DEVELOPMENT SDN. BHD.

Registration No.: 1999010006086 (480986-V)

Registered Office:

Level 13, Menara 1 Sentrum,
201, Jalan Tun Sambanthan,
Brickfields,
50470 Kuala Lumpur.

6 June 2025

The Board of Directors
NYLEX (MALAYSIA) BERHAD
Unit C508 Block C
Kelana Square
Jalan SS7/26
Kelana Jaya
47301 Petaling Jaya


NYLEX (MALAYSIA) BERHAD
Reg. No.: 197001000148 (9378-T)
6 JUN 2025

5.20 pm

Dear Sirs,

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE OF NYLEX (MALAYSIA) BERHAD ("NYLEX" OR THE "COMPANY") PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 ("ACT")

1. INTRODUCTION

- 1.1 Following the delisting of Nylex from the Official List of Bursa Malaysia Securities Berhad ("**Bursa Securities**") on 11 March 2025, we, Ancom Nylex Berhad ("**Ancom**") and Rhodemark Development Sdn. Bhd. ("**RDSB**"), being the major shareholders of Nylex (collectively, the "**Joint Offerors**"), hereby notify you of our intention to request Nylex to undertake a selective capital reduction and repayment exercise pursuant to Section 116 of the Act ("**Proposed SCR**") which will increase the percentage of the shareholdings of the Joint Offerors proportionately, resulting in the Joint Offerors holding the entire share capital of Nylex upon completion of the Proposed SCR.
- 1.2 In this regard, we wish to propose and request that Nylex, upon deliberation by the Board of Directors of Nylex ("**Board**"), save for Dato' Siew Ka Wei ("**Dato' Siew**") and Datuk Anuar Bin Ahmad ("**Datuk Anuar**") (collectively the "**Interested Directors**"), table the Proposed SCR to all the shareholders of the Company (other than the Joint Offerors) for their consideration and approval.
- 1.3 The salient terms of the Proposed SCR are set out in the ensuing sections of this Letter.

2. DETAILS OF THE PROPOSED SCR

- 2.1 The Proposed SCR will involve Nylex undertaking a selective capital reduction and a corresponding capital repayment pursuant to Section 116 of the Act, in respect of the ordinary shares in Nylex ("**Nylex Shares**" or "**Shares**") held by all the shareholders of Nylex (other than the Joint Offerors ("**Non-Entitled Shareholders**")) whose names appear in the Record of Depositors of Nylex as at the close of business on an entitlement date to be determined and announced later by the Board ("**Entitlement Date**") ("**Entitled Shareholders**").
- 2.2 The Entitled Shareholders will receive a cash amount of **RM0.051** for each Nylex Share ("**SCR Offer Price**") held by them on the Entitlement Date. For the avoidance of doubt, the Joint Offerors will not be entitled to the capital repayment pursuant to the Proposed SCR.

- 2.3 As at 30 May 2025, being the latest practicable date prior to the date of this Letter ("**LPD**"), the issued share capital of Nylex is RM30,855,176 comprising 179,787,212 Nylex Shares in issue (excluding 14,550,648 treasury shares).
- 2.4 As at the LPD, we hold 75,893,456 Nylex Shares, representing approximately 42.21% of the issued share capital of Nylex (excluding 14,550,648 treasury shares), the details of which are as follows:

	Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
<u>Joint Offerors / Non-Entitled Shareholders</u>				
Ancom	23,507,921	13.07	52,385,535 ⁽²⁾	29.14
RDSB	52,385,535	29.14	-	-
	75,893,456	42.21		
<u>Entitled Shareholders</u>				
The following Entitled Shareholders who are persons acting in concert with the Joint Offerors (" PACs "):				
• Dato' Siew	224,192	0.12	258,244 ⁽³⁾	0.14
• Datin Siew Ka Mun @ Young Ka Mun	71,497	0.04	-	-
• Siew Ka Kheong	93,373	0.05	-	-
• Quek Lay Kheng	80,035	0.04	-	-
• Siew Yuen Tuck	13,339	0.01	-	-
• Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	100,000	0.06	-	-
• Low Huoi Seong	2,365	*	-	-
• Rizainal Bin Mustaffa	250	*	-	-
• Asmariah Binti Ismail	175	*	-	-
	585,226	0.33		
Public shareholders	103,308,530	57.46	-	-
Total	179,787,212	100.00	-	-

Notes:

* Less than 0.01%.

- (1) Calculated based on the total number of 179,787,212 Nylex Shares in issue (excluding 14,550,648 treasury shares) as at the LPD.
- (2) Deemed interested by virtue of its shareholdings in RDSB pursuant to Section 8(4) of the Act.
- (3) Deemed interested by virtue of his interests held through Datin Siew Ka Mun @ Young Ka Mun, Siew Ka Kheong, Quek Lay Kheng and Siew Yuen Tuck.

- 2.5 The PACs who collectively hold 585,226 Nylex Shares as at the LPD, representing approximately 0.33% of the issued share capital of Nylex, will participate in the Proposed SCR as Entitled Shareholders, after taking into consideration the following:

- (i) the intention to consolidate the ownership of Nylex under Ancom and RDSB; and

- (ii) the consolidation does not confer any unfair advantage to the PACs, as the PACs will receive identical treatment to all the other Entitled Shareholders, should the Special Resolution referred to in Section 7.1 be passed at the forthcoming extraordinary general meeting ("**EGM**") of Nylex.

Notwithstanding that the PACs will be Entitled Shareholders, the PACs will abstain from voting on matters relating to the Proposed SCR via the Special Resolution at the forthcoming EGM of Nylex.

- 2.6 As such, the Entitled Shareholders (including the PACs) who collectively hold 103,893,756 Nylex Shares as at the LPD, representing approximately 57.79% of the issued share capital of Nylex (excluding 14,550,648 treasury shares), will receive a total capital repayment of approximately RM5.30 million, representing a cash payment of RM0.051 for each Nylex Share held by them on the Entitlement Date. Details on the basis of determining the SCR Offer Price are set out in Section 3.1 of this letter.

Premised on the above, the Proposed SCR will result in the reduction of the issued share capital of Nylex (excluding all the treasury shares) by approximately RM5.30 million.

- 2.7 Upon completion of the Proposed SCR ("**Completion**"), we will collectively hold 75,893,456 Nylex Shares, representing the entire equity interest in Nylex (excluding all the treasury shares). For the avoidance of doubt, the treasury shares held by Nylex will not be cancelled upon Completion.
- 2.8 Ancom is a public company listed on the Main Market of Bursa Securities, and RDSB is a wholly-owned subsidiary of Ancom.

3. SCR OFFER PRICE

- 3.1 The SCR Offer Price of RM0.051 was arrived after taking into consideration, among others, the net assets of Nylex (excluding its deferred tax assets), based on the unaudited financial statements of Nylex as at 28 February 2025, and the cash and bank balances of Nylex available for repayment to shareholders.

Details of the computation are as follows:

	<u>Amount (RM'000)</u>
Net assets of Nylex as at 28 February 2025	16,962
Less:-	
Deferred tax assets	(7,785)
Total valuation	<u>9,177</u>
Value per share (RM) ⁽¹⁾	0.051
Total cash payment to Entitled Shareholders (RM'000) ⁽²⁾	5,299

Notes:

- (1) Calculated based on the total valuation of RM9.18 million divided by the total number of 179,787,212 Nylex Shares in issue (excluding 14,550,648 treasury shares) as at the LPD.
- (2) Calculated based on the value per share of RM0.051 multiplied by the number of Nylex Shares held by the Entitled Shareholders of 103,893,756 Nylex Shares.

- 3.2 The Proposed SCR is expected to be funded via the internal funds of Nylex.

4. RATIONALE FOR THE PROPOSED SCR

The rationale for the Proposed SCR is as follows:

(i) **Opportunity for the Entitled Shareholders to immediately realise their investment in Nylex**

On 27 January 2022, Nylex was classified as an affected listed issuer after disposal of its entire business to its holding company, Ancom, triggering Paragraph 8.03A(2) of the Main Market Listing Requirements of Bursa Securities, whereby Nylex has an insignificant business or operations after the disposal. On 11 March 2025, Nylex was delisted and removed from the official list of Bursa Securities following dismissal of Nylex's appeal for a further extension of time to submit its regularisation plan.

As Nylex is presently an unlisted public entity, the Entitled Shareholders may experience difficulties and limited opportunities in realising their investments in the Company as there is no formal market i.e. Main Market of Bursa Securities, for the Entitled Shareholders to trade in their unlisted securities in Nylex. Premised on the above, the Non-Entitled Shareholders are of the opinion that the Proposed SCR will provide the most appropriate avenue for the Entitled Shareholders to exit the Company and realise their investments in the unlisted securities of Nylex.

(ii) **Return capital resources of Nylex to shareholders in a timely manner**

Following the completion of the disposal of its business to Ancom, the Company is now in a position where it holds capital in excess of its working capital needs and foreseeable financial obligations. The surplus capital is not required for the Company's current operational needs or strategic objectives.

The Proposed SCR represents a timely method to return surplus capital to shareholders by aiming to efficiently distribute excess cash to shareholders while minimising the unnecessary erosion of capital due to statutory and administrative expenses.

(iii) **Greater flexibility in managing Nylex's business**

Upon the successful implementation of the Proposed SCR, the Joint Offerors will be the remaining shareholders of the Company which will provide the Joint Offerors with greater flexibility in the implementation of any business plans and / or operational changes which may otherwise require approvals from public shareholders and other regulatory approvals, moving forward. For information, as at the LPD, the Company has in total 12,145 shareholders.

5. DISTRIBUTION

Should Nylex declare, make and/or pay any dividend and/or distribution of any other nature whatsoever (collectively, the "**Distribution**") after the date of this Letter up to the Entitlement Date, the SCR Offer Price will be reduced by an amount equivalent to the net Distribution made per Nylex Share.

6. COVENANTS

6.1 From the date of your acceptance of the terms of this Letter until Completion or the earlier termination/abortion of the Proposed SCR, Nylex shall agree with and undertake to us that:

- (i) Nylex will not conduct any capital or fund-raising exercise, whether in the form of debt or equity and will not grant any option over any Nylex Share or issue any new Nylex Share;
- (ii) Nylex will not:
 - (a) enter into any material commitment or material contract; or
 - (b) undertake any obligation to acquire or dispose of any of its assets or create a security interest over any of its assets,outside the ordinary course of its business;
- (iii) Nylex will not pass any resolution in general meeting (other than in respect of any usual business tabled in an annual general meeting and the Proposed SCR) or make any alteration to the provisions of the Constitution of Nylex to effect any of the matters set out in items (i) or (ii) above;
- (iv) Nylex shall not acquire or resell any of its own Shares pursuant to its share buy-back mandate, and
- (v) Nylex will not do or cause, or allow to be done or omitted, any act or thing which would result (or be likely to result) in a breach of any lawful or contracted obligation of Nylex,

without our prior written consent.

6.2 In addition, from the date of your acceptance of the terms of this Letter until Completion or the earlier termination/abortion of the Proposed SCR, Nylex shall not enter into any discussion, negotiation, agreement or arrangement with any other party with respect to the sale or merger of its business, assets and liabilities or any privatisation proposal involving Nylex without our prior written consent.

7. CONDITIONALITY AND APPROVALS REQUIRED FOR THE PROPOSED SCR

7.1 The Proposed SCR is subject to and conditional upon the following being obtained:

- (i) approval of the Entitled Shareholders (save for the PACs who will abstain themselves from deliberations and voting on matters relating to the Proposed SCR) ("**Non-Interested Entitled Shareholders**") for the Proposed SCR via a special resolution to be tabled at an EGM to be convened by Nylex ("**Special Resolution**") which:
 - (a) must be approved by a majority in number of the Non-Interested Entitled Shareholders and at least 75% in value to the votes attached to the disinterested shares of Nylex that are cast either in person or by proxy at the EGM; and
 - (b) the value of the votes cast against the Special Resolution at the EGM must not be more than 10% of the votes attaching to all disinterested shares of the total voting shares of Nylex;
- (ii) grant of an order by the High Court of Malaya confirming the reduction of the issued share capital of Nylex pursuant to Section 116 of the Act ("**High Court Order**");

- (iii) approval and/or consent of the existing financiers and/or creditors of Nylex, if required; and
- (iv) approval, waiver and/or consent of any other relevant authority or party, if required.

7.2 The Proposed SCR will become effective upon lodgement of an office copy of the High Court Order with the Registrar of Companies pursuant to Section 116(6) of the Act ("**Effective Date**"). It is contemplated that the payment of the SCR Offer Price to the Entitled Shareholders will be made as soon as practicable following the Effective Date, but in any event no later than 10 days from the Effective Date.

8. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVES AND/OR PERSONS CONNECTED WITH THEM

8.1 Save for the Interested Directors as disclosed below, to the best of our knowledge, there is no other director of Nylex who has any interest, directly or indirectly, in the Proposed SCR:

- (i) Dato' Siew is the Group Managing Director and is one of the Entitled Shareholders of the Company holding 224,192 Nylex Shares. He is also the Executive Vice Chairman and major shareholder of Ancom as well as a director of RDSB; and
- (ii) Datuk Anuar is the Independent Non-Executive Chairman of the Company. He is also the Independent Non-Executive Chairman of Ancom.

8.2 Accordingly, the Interested Directors will abstain from all deliberations and voting on the Proposed SCR at the relevant Board meetings. Dato' Siew will also abstain from voting in respect of his direct interests in the Company on the Special Resolution. The Interested Directors will also ensure that persons connected with them will abstain from voting in respect of their direct interests in the Company on the Special Resolution.

9. OTHER MATTERS

In view that the Proposed SCR is to be undertaken at our proposal and request, we wish to confirm that as at the date of this Letter:

- (i) we and our PACs have not received any irrevocable undertaking from any Entitled Shareholder to vote in favour of the Special Resolution;
- (ii) we and our PACs have not entered into or been granted with any option to acquire any of the Nylex Shares; and
- (iii) there is no existing or proposed agreement, arrangement or understanding in relation to Nylex Shares between us or our PACs and any of the Entitled Shareholders.

10. GOVERNING LAW AND JURISDICTION

The Proposed SCR and any agreement constituted by your acceptance of this Letter shall be governed by the laws of Malaysia and each party will submit to the non-exclusive jurisdiction of the courts of Malaysia.

11. ACCEPTANCE PERIOD

If the Board (save for the Interested Directors) is agreeable to table and recommend the Proposed SCR to the Non-Interested Entitled Shareholders for their consideration and decision upon the terms envisaged in this Letter, please execute the duplicate of this Letter at the place indicated, and return the same to us so as to be received by us no later than 5:00 p.m. on 4 July 2025 (or such other date as may be extended by us in writing) after which the proposal in this Letter shall lapse.

We trust the above is sufficient for the Board's kind consideration and deliberation and look forward to your favourable reply. Pursuant to the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia, kindly make the necessary announcement(s) to the shareholders of the Company of our proposal and request for Nylex to undertake the Proposed SCR.

Yours faithfully,
For and on behalf of

ANCOM NYLEX BERHAD

RHODEMARK DEVELOPMENT SDN. BHD.

Name : Datuk Lee Cheun Wei
Designation : Managing Director / Group
Chief Executive Officer

Name : Datuk Lee Cheun Wei
Designation : Director

**TO : ANCOM NYLEX BERHAD
RHODEMARK DEVELOPMENT SDN. BHD.**

**PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE OF NYLEX
(MALAYSIA) BERHAD PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016**

We, Nylex (Malaysia) Berhad, hereby agree to and accept the terms of your letter dated 6 June 2025 as set out above.

Yours faithfully,
For and on behalf of
NYLEX (MALAYSIA) BERHAD

Name :
Designation :