

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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR FINANCIAL QUARTER ENDED 31 MAY 2018**

	Individual quarter ended		Year-to-date ended	
	31/5/2018	31/5/2017	31/5/2018	31/5/2017
	RM'000	RM'000	RM'000	RM'000
Revenue	<b>580,075</b>	478,232	<b>1,954,809</b>	1,700,261
Cost of sales	<b>(502,387)</b>	(416,749)	<b>(1,681,906)</b>	(1,459,145)
Gross profit	<b>77,688</b>	61,483	<b>272,903</b>	241,116
Other income	<b>1,420</b>	12,915	<b>12,126</b>	30,558
Distribution expenses	<b>(28,834)</b>	(24,086)	<b>(99,828)</b>	(86,348)
Administrative expenses	<b>(32,705)</b>	(28,821)	<b>(109,615)</b>	(110,028)
Other operating expenses	<b>1,311</b>	(3,232)	<b>(9,829)</b>	(8,339)
Finance costs	<b>(6,483)</b>	(5,678)	<b>(18,987)</b>	(14,211)
Share of results of associates	<b>469</b>	(1,306)	<b>258</b>	(1,306)
Profit before taxation	<b>12,866</b>	11,275	<b>47,028</b>	51,442
Tax expense	<b>(6,051)</b>	(3,402)	<b>(21,367)</b>	(22,165)
Net profit for the financial period	<b>6,815</b>	7,873	<b>25,661</b>	29,277
<b>Net profit attributable to</b>				
Equity holders of the Company	<b>8,510</b>	4,201	<b>17,581</b>	17,466
Non-controlling interests	<b>(1,695)</b>	3,672	<b>8,080</b>	11,811
	<b>6,815</b>	7,873	<b>25,661</b>	29,277
<b>Earnings per ordinary share attributable to equity holders of the Company</b>	<b>Sen</b>	Sen	<b>Sen</b>	Sen
Basic and diluted earnings per ordinary share	<b>3.95</b>	1.95	<b>8.17</b>	8.11

The Unaudited Condensed Income Statement should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2017 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR FINANCIAL QUARTER ENDED 31 MAY 2018**

	Individual quarter ended		Year-to-date ended	
	31/5/2018	31/5/2017	31/5/2018	31/5/2017
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	<b>6,815</b>	7,873	<b>25,661</b>	29,277
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation	<b>997</b>	(6,057)	<b>(14,634)</b>	6,994
Re-measurement of defined benefit liability	-	6	<b>(30)</b>	13
Other comprehensive income, net of tax	<b>997</b>	(6,051)	<b>(14,664)</b>	7,007
<b>Total comprehensive income</b>	<b>7,812</b>	1,822	<b>10,997</b>	36,284
<b>Total comprehensive income attributable to</b>				
Equity holders of the Company	<b>8,926</b>	1,587	<b>11,006</b>	20,455
Non-controlling interests	<b>(1,114)</b>	235	<b>(9)</b>	15,829
	<b>7,812</b>	1,822	<b>10,997</b>	36,284

The Unaudited Condensed Statement of Comprehensive Income should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2017 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2018**

	Unaudited 31/5/2018 RM'000	Audited 31/5/2017 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	286,170	292,559
Investment properties	359	359
Investment in associates	2,375	2,117
Investment in a joint venture	-	-
Other investments	5,943	1,037
Intangible assets	3,809	3,574
Goodwill on consolidation	94,975	99,663
Deferred tax assets	26,227	26,486
	<b>419,858</b>	<b>425,795</b>
<b>Current assets</b>		
Inventories	129,581	148,101
Receivables	506,292	423,601
Amounts owing by associates	19,800	6,933
Amount owing by a joint venture	56	56
Current tax assets	2,916	2,345
Other investments	2,954	1,593
Cash and cash equivalents	137,804	135,317
	<b>799,403</b>	<b>717,946</b>
<b>TOTAL ASSETS</b>	<b>1,219,261</b>	<b>1,143,741</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	218,956	218,956
Reserves	100,755	86,827
Less : Treasury Shares, at cost	(2,473)	(2,473)
	<b>317,238</b>	<b>303,310</b>
Non-controlling interests	168,407	166,918
<b>TOTAL EQUITY</b>	<b>485,645</b>	<b>470,228</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	51,035	60,172
Deferred tax liabilities	9,446	9,525
Provision for retirement benefits	4,672	4,221
	<b>65,153</b>	<b>73,918</b>
<b>Current liabilities</b>		
Payables	314,106	277,710
Amounts owing to associates	9,776	41
Borrowings	339,638	315,468
Current tax payables	4,943	6,376
	<b>668,463</b>	<b>599,595</b>
<b>Total Liabilities</b>	<b>733,616</b>	<b>673,513</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,219,261</b>	<b>1,143,741</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>	<b>1.47</b>	<b>1.40</b>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2017 and the accompanying notes to this Interim Financial Report.

**ANCOM BERHAD** (Company No: 8440-M)  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 31 MAY 2018**

	Attributable to equity holders of the Company							Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share Premium RM'000	Capital reserve RM'000	Foreign exchange reserve RM'000	Capital redemption reserve RM'000	Treasury shares RM'000	Retained Profits RM'000			
<b>Balance as at 1 June 2016</b>	218,956	4,332	203	11,265	4,987	(2,377)	45,119	<b>282,485</b>	159,013	<b>441,498</b>
Total comprehensive income	-	-	-	2,976	-	-	17,478	<b>20,454</b>	15,829	<b>36,283</b>
<b>Transactions with owners</b>										
Disposal of equity interest of a subsidiaries	-	-	-	-	-	-	467	<b>467</b>	(433)	<b>34</b>
Additional interests in a subsidiary	-	-	-	-	-	-	-	-	490	<b>490</b>
Repurchase of ordinary shares of the Company	-	-	-	-	-	(96)	-	<b>(96)</b>	-	<b>(96)</b>
Remeasurement of acquisition of a subsidiary	-	-	-	-	-	-	-	-	(119)	<b>(119)</b>
Repurchase of ordinary shares of a subsidiary from non-controlling interest	-	-	-	-	-	-	-	-	(198)	<b>(198)</b>
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(2,081)	<b>(2,081)</b>
<b>Balance as at 31 May 2017</b>	<b>218,956</b>	<b>4,332</b>	<b>203</b>	<b>14,241</b>	<b>4,987</b>	<b>(2,473)</b>	<b>63,064</b>	<b>303,310</b>	<b>166,918</b>	<b>470,228</b>
<b>Balance as at 1 June 2017</b>	218,956	4,332	203	14,241	4,987	(2,473)	63,064	<b>303,310</b>	166,918	<b>470,228</b>
Total comprehensive income	-	-	-	(6,545)	-	-	17,551	<b>11,006</b>	(9)	<b>10,997</b>
<b>Transactions with owners</b>										
Additional interests in a subsidiary	-	-	-	-	-	-	-	-	10	<b>10</b>
Repurchase of ordinary shares of a subsidiary from non-controlling interest	-	-	-	-	-	-	-	-	(3,496)	<b>(3,496)</b>
Disposal of equity interest of a subsidiaries	-	-	-	-	-	-	2,922	<b>2,922</b>	10,233	<b>13,155</b>
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(2,079)	<b>(2,079)</b>
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	(3,170)	<b>(3,170)</b>
<b>Balance at 31 May 2018</b>	<b>218,956</b>	<b>4,332</b>	<b>203</b>	<b>7,696</b>	<b>4,987</b>	<b>(2,473)</b>	<b>83,537</b>	<b>317,238</b>	<b>168,407</b>	<b>485,645</b>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2017 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE FINANCIAL QUARTER ENDED 31 MAY 2018**

	Year-to-date ended	
	31/5/2018 RM'000	31/5/2017 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	47,027	51,442
Adjustments for non-cash items	29,291	43,781
Operating profit before working capital changes	<u>76,318</u>	<u>95,223</u>
Inventories	18,520	(31,309)
Receivables	(80,715)	(109,944)
Payables	36,840	54,201
Group companies	(3,133)	(1,627)
Net cash generated used in operations	<u>47,830</u>	<u>6,544</u>
Dividend received	-	12
Income tax paid	(23,191)	(20,798)
Retirement benefit paid	(2)	(239)
Net cash generated from/(used in) operating activities	<u>24,637</u>	<u>(14,481)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(16,890)	(73,884)
Interest received	1,531	1,338
Acquisition of associates	-	(400)
Proceeds from disposal of non-current assets held for sales	-	51
Purchase of intangible assets	(1,147)	(12)
Proceeds from disposal of property, plant and equipment	-	736
Purchase of other investments	(6,267)	(726)
Increase of share capital of a subsidiary	10	-
Disposal of equity interest in subsidiaries	13,155	404
Purchase of treasury shares of a subsidiary from non-controlling interests	(3,496)	(198)
Placement of short term deposits pledged to licensed banks	289	1,292
Net cash used in investing activities	<u>(12,815)</u>	<u>(71,399)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to non-controlling interest of subsidiaries	(3,170)	(5,583)
Interest paid	(18,987)	(14,211)
Repayments of hire-purchase and lease creditors	(1,631)	(5,034)
Drawdown of borrowings	12,116	142,653
Dividends paid to non-controlling interest	(2,079)	(2,081)
Purchase of ordinary shares of the Company from owners	-	(96)
Net cash (used in)/generated from financing activities	<u>(13,751)</u>	<u>115,648</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(1,929)</u>	<u>29,768</u>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>107,314</b>	<b>75,916</b>
<b>Effect of exchange rate changes</b>	<b>156</b>	<b>1,630</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b><u>105,541</u></b>	<b><u>107,314</u></b>
Cash and cash equivalents include the following:		
	RM'000	RM'000
Cash and bank balances	98,661	100,315
Bank overdrafts	(26,579)	(22,031)
Short term deposits	39,142	35,002
	<u>111,224</u>	<u>113,286</u>
Less : Short term deposits pledged to banks	(5,544)	(5,837)
Short term deposits with maturity more than 3 months	(139)	(135)
	<u>105,541</u>	<u>107,314</u>

The Unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2017 and the accompanying notes to this Interim Financial Report.



**ANCOM BERHAD**  
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**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MAY 2018**

**A4. Items of unusual nature and amount**

The Group's assets, liabilities, equity, net income or cash flows were not affected by items that are material and unusual because of their nature, size or incidence in the current financial year.

**A5. Changes in estimates**

There was no material changes in estimates amounts reported that have a material effect on the financial quarter ended 31 May 2018.

**A6. Debt and equity securities**

There was no issuance, cancellation, repurchase, resale or repayment of debt securities and equity securities during the financial quarter ended 31 May 2018 except for the following:

Treasury shares:

As at 31 May 2018, the Company holds 3,779,327 Treasury Shares at a cost of RM2,472,731.

**A7. Dividends**

There was no dividend declared and/or paid during the financial quarter ended 31 May 2018.

**A8. Segmental results**

Segmental information for the financial period ended 31 May 2018.

<b>31 May 2018</b>	<b>Investment holdings and others RM'000</b>	<b>Agricultural and Industrial Chemicals RM'000</b>	<b>Logistics RM'000</b>	<b>Information Technology RM'000</b>	<b>Media RM'000</b>	<b>Polymer RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>								
External revenue	17,707	1,594,763	50,993	16,703	148,866	125,777	-	1,954,809
Inter-segment revenue	17,880	57,826	7,738	795	3,106	48	(87,393)	-
Total revenue	<u>35,587</u>	<u>1,652,589</u>	<u>58,731</u>	<u>17,498</u>	<u>151,972</u>	<u>125,825</u>		<u>1,954,809</u>
Segment results	(27,853)	72,950	9,629	(1,086)	(4,393)	14,244	2,266	65,757
Finance costs								(18,987)
Share of results of associates								258
Profit before taxation								<u>47,028</u>
Tax expense								(21,367)
<b>Net profit for the financial year</b>								<u>25,661</u>
<b>31 May 2017</b>								
<b>Revenue</b>								
External revenue	12,220	1,416,752	30,270	12,596	102,772	125,651	-	1,700,261
Inter-segment revenue	25,092	55,255	8,368	809	-	31	(89,555)	-
Total revenue	<u>37,312</u>	<u>1,472,007</u>	<u>38,638</u>	<u>13,405</u>	<u>102,772</u>	<u>125,682</u>		<u>1,700,261</u>
Segment results	(29,072)	71,813	244	(1,456)	4,560	18,184	2,685	66,958
Finance costs								(14,210)
Share of results of associates								(1,306)
Profit before taxation								<u>51,442</u>
Tax expense								(22,165)
<b>Net profit for the financial year</b>								<u>29,277</u>

**A9. Valuation of property, plant and equipment**

The Group did not carry out any valuation on its property, plant and equipment during the financial quarter ended 31 May 2018.

**A10. Subsequent events**

There were no material events subsequent to the end of the financial year up to the date of this Report that have not been reflected in the Interim Financial Statements.

**A11. Changes in composition of the Group**

There were no material changes in the composition of the Group for the current quarter and financial year ended 31 May 2018 other than the followings:

- a. The Group, via its wholly-owned subsidiary, Redberry Sdn Bhd ("RSB") had on 16 November 2017, entered into a conditional Share Sale Agreement with VGI Global Media (Malaysia) Sdn Bhd ("VGI Malaysia") for the disposal of 4,281,277 ordinary shares, representing 25% of the issued and paid-up share capital, in Puncak Berlian Sdn. Bhd. ("PBSB") to VGI Malaysia for a consideration of RM13,154,175. ("Proposed transaction")

PBSB is an investment holding company which owns Meru Utama Sdn Bhd, Focus Media Network Sdn Bhd, Redberry Media Sdn Bhd, Ten Plus Resources Sdn Bhd, Point Cast (M) Sdn Bhd, Redberry Outdoors Sdn Bhd and Titanium Compass Sdn Bhd ("PBSB Group").

The proposed transaction was completed on 26 January 2018. As a result of disposal, PBSB became a 75% owned subsidiary of the Group.

- b. The Group, via its subsidiary, Nylex Malaysia Berhad ("Nylex") had on 30 March 2018, entered into a Share Sale Agreement for the disposal of its entire shares held in NYL Logistics Sdn. Bhd. ("NYL"), a 60% owned subsidiary company for a proportionate consideration of RM8,640,000 ("Proposed Disposal").

The completion of the Proposed Disposal shall take place no later than ninety (90) days from the date of the Share sale Agreement, unless otherwise extended in writing by mutual agreement between the Vendors and the Purchaser.

Upon completion of the Proposed Disposal on 28 June 2018, NYL ceased to be a subsidiary of Nylex on the same date.

**A12. Changes in contingent liabilities**

The Group's contingent liabilities stood at RM28.9 million as at the end of the reporting period.

**A13. Capital commitments**

The capital commitments as at the end of the reporting date are as follows:

	<b>RM'000</b>
Property, plant and equipment	
- Approved and contracted for	221
- Approved but not contracted for	118
	<hr/>
	339
	<hr/>



**B. ADDITIONAL INFORMATION PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES**

**B1. Review of Group's performance**

**Overall review for the financial period ended 31 May 2018**

For the financial year ended 31 May 2018, the Group recorded higher revenue of RM1.95 billion as compared with RM1.70 billion last year. However, profit before taxation ("PBT) decreased to RM47.0 million compared with RM51.4 million last year.

For the financial quarter ended 31 May 2018, the Group recorded higher revenue of RM580.1 million as compared with RM478.2 million in the corresponding quarter last year. PBT increased to RM12.9 million compared with RM11.3 million in the corresponding quarter last year.

The effective rate of taxation for the Group is higher than the statutory tax rate mainly due to losses in certain subsidiaries that are not available for set-off against taxable profits in other companies within the Group.

**Review of business segments for the financial quarter ended 31 May 2018**

Investment Holding and others

The result in this segment includes investment holding, education and electrical businesses. During the current quarter, the division posted lower revenue of RM4.2 million in the current quarter compared with RM4.6 million in the corresponding quarter last year. Consequently, the segment reported a higher segmental loss of RM11.4 million in the current quarter compared with RM8.9 million in the corresponding quarter last year.

Agricultural and Industrial Chemicals

The Agricultural and Industrial Chemicals Division posted higher revenue of RM457.4 million in the current quarter as compared with RM400.1 million in the corresponding quarter last year, attributed by higher volume sold for certain industrial chemical products. As a result, the division recorded higher segmental profit of RM19.3 million for the current quarter compared with RM18.8 million in the corresponding quarter last year.

Logistics

The Logistics Division posted higher revenue of RM13.1 million in the current quarter compared to RM9.4 million in the corresponding quarter last year. Higher revenue mainly arises from the new vessel, Nylex 1 which commence operations in the current financial year. The division reported segmental profit of RM4.8 million in the current quarter compared with RM0.1 million in the corresponding quarter last year, attributed to improved performance of the Nylex 1 vessel and higher foreign exchange gain recognised during the financial quarter.

Information Technology ("IT")

The IT Division recorded higher revenue of RM3.7 million in the current quarter compared with RM2.7 million in the corresponding quarter last year. Consequently, IT division posted higher segmental profit of RM1.6 million in the current quarter compared with break-even results in the corresponding quarter last year.

### Media

The Media division posted higher revenue of RM66.9 million compared with RM28.2 million in the corresponding financial quarter last year as the division has managed to book in some major advertising contracts in the current quarter. However, the division reported segmental loss of RM0.9 million in the current quarter compared with segmental profit of RM0.1 million in the corresponding due to higher operating and production costs.

### Polymer

The Polymer Division recorded lower revenue of RM34.9 million for the current quarter compared with RM32.6 million in the corresponding quarter last year mainly due to higher contribution by its manufacturing plant in Indonesia. As a result of generally lower product margins, the Division posted lower segmental profit of RM2.7 million in the current quarter compared with RM7.7 million in the same quarter last year, after recognising an impairment of receivables of RM0.9 million.

## **B2. Material change in the results for the current quarter as compared with the immediate preceding quarter**

For the current financial quarter ended 31 May 2018, the Group posted higher revenue of RM580.1 million compared with RM457.5 million in the immediate preceding quarter mainly due to higher volume sold for its industrial chemical products. However, the Group posted lower PBT of RM12.9 million in the current quarter compared with RM14.3 million in the immediate preceding quarter on higher operational costs, especially in the Media Division.

## **B3. Prospects for the next financial year**

The performance of the key business segments, namely Agricultural and Industrial Chemical Division and Polymer Division is satisfactory in the current financial year and barring any unforeseen circumstances, the business of these key business segments should remain positive. However, for the Media Division, the immediate outlook is expected to be challenging due to the weak domestic market sentiments.

The Board will continue to exercise caution in managing the Group's businesses for the next financial year. The Board will explore ways to improve revenue growth while strengthening its operational and productivity efficiencies.

Barring unforeseen circumstances, the financial performance and prospects of the Group will be satisfactory for the next financial year.

## **B4. Forecast profit, profit guarantee and internal targets**

The Group did not provide any profit forecast, profit guarantee and internal targets in any publicly available documents or announcements other than the warranties and representations given by RSB to VGI Malaysia that PBSB, after consolidation of accounts with PBSB Group of companies other than Redberry Contact Center Sdn. Bhd., Meru Utama Sdn. Bhd. and Titanium Compass Sdn. Bhd., will have a net profit after taxation of no less than RM3,234,000 ("Guaranteed Profit") for the 12 months period ending immediate after the date of the last audited accounts prior to the completion of the SSA ("Guarantee Period"). The Group has met the Guaranteed Profit during the Guarantee Period.

**B5. Profit before taxation**

	<b>Individual quarter ended 31/5/2018 RM'000</b>	<b>Year-to-date ended 31/5/2018 RM'000</b>
The profit before taxation is stated after charging/(crediting):		
Finance costs	6,483	18,987
Bad debts written off	1,175	1,175
Depreciation and amortisation	6,246	24,654
Foreign exchange (gain)/loss	(5,344)	334
Impairment loss on receivables	1,765	1,765
Impairment loss on amount owing by an associate	27	27
Fair value loss on investment	(20)	129
Fair value gain on derivatives	11	-
Gain on disposal of Property, plant and equipment	(131)	(311)
Gain on disposal of other investment	-	(113)
Write back of inventories written off	1,504	844
Reversal of impairment loss on receivables	124	(26)
Interest income	(455)	(1,531)

**B6. Tax expense**

	<b>Individual quarter ended</b>		<b>Year-to-date ended</b>	
	<b>31/5/2018</b>	<b>31/5/2017</b>	<b>31/5/2018</b>	<b>31/5/2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax expense based on profit for the financial period:				
Malaysian income tax	5,184	5,542	18,737	20,116
Foreign income tax	1,257	1,424	3,104	4,873
	<b>6,441</b>	6,966	<b>21,841</b>	24,989
Over provision in prior years:				
Malaysian income tax	(1,002)	(1,644)	(1,054)	(1,600)
Foreign income tax	-	1	-	1
	<b>5,439</b>	5,323	<b>20,787</b>	23,390
Deferred taxation:				
Relating to original or reversal of temporary differences	26	(712)	(6)	(16)
Under provision in prior years	586	(1,209)	586	(1,209)
	<b>6,051</b>	3,402	<b>21,367</b>	22,165

The effective rate of taxation for the Group is higher than the statutory tax rate mainly due to losses in certain subsidiaries that are not available for set-off against taxable profits in other companies within the Group.

**B7. Utilisation of proceeds**

The Company does not have any unutilised proceeds raised from any corporate exercise.

**B8. Status of corporate proposals**

There were no corporate proposals announced but not completed at the date of issuance of this Interim Financial Report.

**B9. Borrowings**

	<b>31/5/2018</b>	31/5/2017
	<b>RM'000</b>	RM'000
<b>SHORT TERM BORROWINGS</b>		
Secured:		
Ringgit Malaysia	<b>92,778</b>	69,742
United States Dollar	<b>44,472</b>	34,073
Vietnamese Dong	-	3,389
	<b>137,250</b>	107,204
Unsecured:		
Ringgit Malaysia	<b>201,484</b>	208,264
United States Dollar	<b>904</b>	-
	<b>202,388</b>	208,264
<b>Total short term borrowings</b>	<b>339,638</b>	315,468
<b>LONG TERM BORROWINGS</b>		
Secured:		
Ringgit Malaysia	<b>9,667</b>	10,514
United States Dollar	<b>41,368</b>	49,658
<b>Total long term borrowings</b>	<b>51,035</b>	60,172
<b>TOTAL BORROWINGS</b>	<b>390,673</b>	375,640

Borrowings denominated in foreign currencies are stated at Ringgit Malaysia equivalent as at the reporting dates stated above.

**B10. Material litigation**

There was no material litigation pending as at the date of this Interim Financial Report.

**B11. Dividend**

There was no dividend declared and/or paid during the financial quarter ended 31 May 2018.

**B12. Earnings per share**Basic earnings per share

The basic earnings per share is calculated by dividing the net loss attributable to the ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period as follows:

	Individual quarter ended		Year-to-date ended	
	31/5/2018	31/5/2017	31/5/2018	31/5/2017
<b>Number of ordinary shares ('000)</b>	<b>218,956</b>	218,956	<b>218,956</b>	218,956
<b>Less: Treasury shares ('000)</b>	<b>(3,779)</b>	(3,779)	<b>(3,779)</b>	(3,779)
	<b>215,177</b>	215,256	<b>215,177</b>	215,177
Net profit attributable to ordinary equity holders of the Company (RM'000)	<b>8,510</b>	4,201	<b>17,581</b>	17,466
Weighted average number of ordinary shares in issue ('000)	<b>215,177</b>	215,248	<b>215,177</b>	215,248
<b>Basic earnings per ordinary share (sen)</b>	<b>3.95</b>	1.95	<b>8.17</b>	8.11

Diluted earnings per share

Diluted earnings per share is the same as basic earnings per share as there is no dilutive potential ordinary share.

The Company does not have convertible securities at the end of the reporting period.