

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR FINANCIAL QUARTER ENDED 31 AUGUST 2020**

	Individual quarter ended		Year-to-date ended	
	31.08.2020	31.08.2019	31.08.2020	31.08.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	346,120	404,270	346,120	404,270
Cost of sales	(288,192)	(354,290)	(288,192)	(354,290)
Gross profit	57,928	49,980	57,928	49,980
Other income	2,971	5,693	2,971	5,693
Distribution expenses	(20,239)	(23,359)	(20,239)	(23,359)
Administrative expenses	(22,726)	(19,488)	(22,726)	(19,488)
Other operating expenses	(6,151)	(3,357)	(6,151)	(3,357)
Finance costs	(3,567)	(4,538)	(3,567)	(4,538)
Share of results of associates	(687)	(1,057)	(687)	(1,057)
Profit before taxation	7,529	3,874	7,529	3,874
Tax expense	(5,575)	(4,655)	(5,575)	(4,655)
Net profit/(loss) for the financial year	1,954	(781)	1,954	(781)
Net profit/(loss) attributable to				
Owners of the parent	3,060	684	3,060	684
Non-controlling interests	(1,106)	(1,465)	(1,106)	(1,465)
	1,954	(781)	1,954	(781)
Earnings per ordinary share attributable to equity holders of the Company	Sen	Sen	Sen	Sen
Basic and diluted earnings per ordinary share	1.28	0.30	1.28	0.30

The Unaudited Condensed Income Statement should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2020 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL QUARTER ENDED 31 AUGUST 2020**

	Individual quarter ended		Year-to-date ended	
	31.08.2020	31.08.2019	31.08.2020	31.08.2019
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) for the financial year	1,954	(781)	1,954	(781)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	(4,778)	1,514	(4,778)	1,514
Other comprehensive (loss)/income, net of tax	(4,778)	1,514	(4,778)	1,514
Total comprehensive (loss)/income	(2,824)	733	(2,824)	733
Total comprehensive income/(loss) attributable to				
Owners of the parent	384	1,408	384	1,408
Non-controlling interests	(3,208)	(675)	(3,208)	(675)
	(2,824)	733	(2,824)	733

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 2020 and the accompanying notes to this Interim Financial Report.

ANCOM BERHAD (Registration No. 196901000122 (8440-M))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2020**

	Unaudited 31.08.2020 RM'000	Audited 31.05.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	196,198	200,660
Investment properties	326	326
Investment in associates	7,414	7,867
Investment in a joint venture	-	-
Other investments	447	448
Intangible assets	21,458	21,968
Goodwill on consolidation	66,080	68,330
Rights-of-use assets	99,206	104,324
Deferred tax assets	26,089	25,988
	417,218	429,911
Current assets		
Inventories	118,092	128,873
Receivables	310,834	287,279
Amounts owing by associates	9,259	8,565
Amount owing by a joint venture	-	-
Current tax assets	3,738	4,275
Other investments	2,612	3,288
Cash and cash equivalents	105,322	97,115
	549,857	529,395
TOTAL ASSETS	967,075	959,306
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	254,357	245,766
Reserves	88,980	75,629
Less : Treasury Shares, at cost	(7,063)	(9,688)
	336,274	311,707
Non-controlling interests	109,009	111,854
TOTAL EQUITY	445,283	423,561
LIABILITIES		
Non-current liabilities		
Borrowings	65,930	70,847
Long term lease liabilities	8,494	10,988
Deferred tax liabilities	11,029	10,877
Provision for retirement benefits	4,522	4,561
	89,975	97,273
Current liabilities		
Payables	190,635	154,072
Amounts owing to associates	895	62
Borrowings	209,144	251,221
Short term lease liabilities	21,324	24,126
Contract liabilities	2,881	3,970
Current tax payables	6,938	5,021
	431,817	438,472
Total Liabilities	521,792	535,745
TOTAL EQUITY AND LIABILITIES	967,075	959,306
Net assets per share attributable to owners of the parent (RM)	1.40	1.40

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 2020 and the accompanying notes to this Interim Financial Report.

ANCOM BERHAD (Registration No. 196901000122 (8440-M))
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2020**

	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			
Balance as at 1 June 2019	245,766	-	273	10,706	-	(5,566)	64,283	315,462	139,443	454,905
Total comprehensive loss	-	-	-	(1,064)	-	-	(9,754)	(10,818)	(10,920)	(21,738)
Transactions with owners										
Additional interest in subsidiaries	-	-	-	-	-	-	467	467	(1,767)	(1,300)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	1,149	1,149
Repurchase of ordinary shares of the Company	-	-	-	-	-	(4,122)	-	(4,122)	-	(4,122)
Accretion of equity interest of a subsidiary	-	-	-	1,110	-	-	10,435	11,545	(11,545)	-
Repurchase of ordinary shares of a subsidiary from non-controlling interest	-	-	-	-	-	-	-	-	(2,854)	(2,854)
Disposal of equity interest in subsidiaries	-	-	-	-	-	-	(827)	(827)	982	155
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(870)	(870)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	(1,764)	(1,764)
	-	-	-	1,110	-	(4,122)	10,075	7,063	(16,669)	(9,606)
Balance as at 31 May 2020/1 June 2020	245,766	-	273	10,752	-	(9,688)	64,604	311,707	111,854	423,561
Total comprehensive (loss)/income	-	-	-	(2,676)	-	-	3,060	384	(3,208)	(2,824)
Transactions with owners										
Ordinary shares issued pursuant to private placement	8,591	-	-	-	-	-	-	8,591	-	8,591
Accretion of equity interest of a subsidiary	-	-	-	-	-	-	11,846	11,846	1,343	13,189
Resold of ordinary shares of the Company	-	-	-	-	-	2,625	1,121	3,746	-	3,746
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	(980)	(980)
	8,591	-	-	-	-	2,625	12,967	24,183	363	24,546
Balance as at 31 August 2020	254,357	-	273	8,076	-	(7,063)	80,631	336,274	109,009	445,283

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 2020 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2020**

	Year-to-date ended	
	31.08.2020 RM'000	31.08.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,529	3,874
Adjustments for non-cash items	13,834	14,618
Operating profit before working capital changes	<u>21,363</u>	<u>18,492</u>
Inventories	10,781	26,069
Receivables	(23,556)	16,093
Payables	35,475	(23,634)
Group companies	139	(6,179)
Net cash generated from operations	<u>44,202</u>	<u>30,841</u>
Income tax paid	(3,069)	(2,804)
Retirement benefit paid	(106)	(272)
Net cash generated from operating activities	<u>41,027</u>	<u>27,765</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,067)	(5,869)
Interest received	141	285
Acquisition of a subsidiary	-	152
Acquisition of associates	(235)	-
Disposal of equity interest in a subsidiary	13,189	-
Proceeds from disposal of property, plant and equipment	35	-
Sale/(Purchase) of other investments	676	(544)
Acquisition of non-controlling interest of a subsidiary	-	(1,300)
Purchase of treasury shares of a subsidiary from non-controlling interests	-	(1,501)
Placement of short term deposits pledged to licensed banks	(3)	(1,939)
Net cash generated from/(used in) investing activities	<u>11,736</u>	<u>(10,716)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interest of subsidiaries	(980)	-
Interest paid	(3,312)	(4,538)
Repayment of lease liabilities	(5,609)	(279)
Net repayment of borrowings	(32,175)	(14,272)
Proceed from issuance of share capital pursuant to private placement	3,746	-
Proceed from resale/(Purchase) of treasury shares in open market	8,591	(773)
Net cash used in financing activities	<u>(29,739)</u>	<u>(19,862)</u>
Net increase in cash and cash equivalents	<u>23,024</u>	<u>(2,813)</u>
Cash and cash equivalents at the beginning of the financial period	<u>72,466</u>	<u>62,913</u>
Effect of exchange rate changes	<u>583</u>	<u>35</u>
Cash and cash equivalents at the end of the financial period	<u>96,073</u>	<u>60,135</u>
Cash and cash equivalents include the following:		
	RM'000	RM'000
Cash and bank balances	83,506	61,607
Bank overdrafts	(5,439)	(14,875)
Short term deposits	21,816	17,712
	<u>99,883</u>	<u>64,444</u>
Less : Short term deposits pledged to banks	(151)	(2,226)
Short term deposits with maturity more than 3 months	(3,659)	(2,083)
	<u>96,073</u>	<u>60,135</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 2020 and the accompanying notes to this Interim Financial Report.



ANCOM BERHAD

(Registration No. 196901000122 (8440-M))
Incorporated in Malaysia

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 AUGUST 2020

A1. Basis of preparation

This Interim Financial Report of Ancom Berhad ("Ancom" or "the Company") and its subsidiaries ("Group") is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and Rule 9.22(2) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the Main Board ("Listing Requirements").

This Interim Financial Report of the Group should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 31 May 2020. These explanatory notes attached to the Interim Financial Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2020.

For the financial periods up and including the financial year ended 31 May 2020, the Group prepared its financial report in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRSs"). The accounting policies and methods of computation adopted by the Group in this Interim Financial Report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 May 2020 except for the adoption of the following Amendments to MFRSs and IC Interpretation (collectively referred to as "pronouncements") which are applicable to the Group for the financial year beginning 1 June 2020:

Accounting Standards and amendments:

Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 3 Definition of a Business
Amendments to MFRS 101 and MFRS 108 Definition of Material
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group.

A2 Auditors' report

The audited financial statements of Ancom and its subsidiaries for the financial year ended 31 May 2020 were not subject to any audit qualification.

A3. Seasonality or cyclicity

The operations of the Group were not significantly affected by any seasonal and cyclical factors.

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 were no material changes in estimates amounts reported that have a material effect on the financial quarter ended 31 August 2020.

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 August 2020 except for the following:

(a) Issued and paid up ordinary shares

During the financial quarter and financial period to date, the issued and paid up ordinary shares of the Company was increased from 240,849,284 to 252,949,284 by way of issuance of 12,100,000 new ordinary shares pursuant to the Private Placement.

(b) Treasury Shares

During the financial quarter and financial period to date, the Company (resale)/repurchase its own shares as follows:

	Number of shares (resale)/ repurchase	Highest RM	Price per share Lowest RM	Average RM	(Cost of disposal)/ Consideration paid RM
Shares resale					
June 2020	(3,450,000)	0.800	0.680	0.715	(1,808,242)
July 2020	<u>(1,709,300)</u>	1.050	0.705	0.735	<u>(895,892)</u>
	<u>(5,159,300)</u>				<u>(2,704,134)</u>
Shares repurchase					
August 2020	<u>100,000</u>	1.1500	0.7200	0.915	<u>79,354</u>

As at 31 August 2020, the Company holds 13,424,059 Treasury Shares at a cost of RM7,062,865.

A7. Dividends

There was no dividend declared and/or paid during the financial quarter ended 31 August 2020.

A8. Segmental results

Segmental information for the financial period ended 31 August 2020.

	Investment holdings and others RM'000	Agricultural Chemicals RM'000	Industrial Chemicals RM'000	Logistics RM'000	Media RM'000	Polymer RM'000	Elimination RM'000	Total RM'000
31 August 2020								
Revenue								
External revenue	4,901	87,430	217,386	8,504	2,781	25,118	-	346,120
Inter-segment revenue	4,801	20,868	124	2,322	-	25	(28,140)	-
Total revenue	<u>9,702</u>	<u>108,298</u>	<u>217,510</u>	<u>10,826</u>	<u>2,781</u>	<u>25,143</u>		<u>346,120</u>
Segment results	(5,057)	14,387	2,120	818	(2,245)	1,726	34	11,783
Finance costs								(3,567)
Share of results of associates								(687)
Profit before taxation								<u>7,529</u>
Tax expense								<u>(5,575)</u>
Net profit for the financial year								<u>1,954</u>
31 August 2019								
Revenue								
External revenue	6,176	62,655	283,760	10,945	14,783	25,951	-	404,270
Inter-segment revenue	2,104	16,690	73	1,709	18	-	(20,594)	-
Total revenue	<u>8,280</u>	<u>79,345</u>	<u>283,833</u>	<u>12,654</u>	<u>14,801</u>	<u>25,951</u>		<u>404,270</u>
Segment results	(4,302)	9,202	1,828	1,406	(2,012)	2,382	965	9,469
Finance costs								(4,538)
Share of results of associates								-
Profit before taxation								<u>3,874</u>
Tax expense								<u>(4,655)</u>
Net loss for the financial year								<u>(781)</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 August 2020.

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-to-date including business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinuing operations.

A12. Changes in contingent liabilities

There were no material changes to the contingent liabilities disclosed since the last Audited financial statements for the financial year ended 31 May 2020.

A13. Capital commitments

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

	RM'000
Property, plant and equipment	
- Approved and contracted for	19,802
- Approved but not contracted for	27,250
	<u>47,052</u>

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 quarter ended 31 August 2020

For the financial quarter ended 31 August 2020, the Group recorded lower revenue of RM346.1 million as compared with RM404.3 million in the corresponding quarter last year. Nevertheless, the Group reported higher PBT of RM7.5 million compared to RM3.9 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 August 2020

Investment Holding and others

The results in this segment includes investment holding, education, information technology ("IT") and electrical businesses. For the current financial quarter, the division posted lower revenue of RM4.9 million compared with RM6.2 million in the corresponding quarter last year due to lower revenue generated from education businesses. Consequently, the Division reported higher segmental loss of RM5.1 million for the current financial quarter compared with RM4.3 million in the corresponding quarter last year mainly due to losses incurred in the education business.

Agricultural Chemicals

The Agricultural Chemicals division reported higher revenue of RM87.4 million for the current financial quarter compared with RM62.7 million in the corresponding quarter last year due to higher export sales. Segmental profit improved to RM14.4 million in the current financial quarter compared with RM9.2 million in the corresponding quarter last year in line with higher revenue.

Industrial Chemicals

The Industrial Chemicals Division posted lower revenue of RM217.4 million for the quarter, a decrease of 23.4% compared with RM283.8 million in the corresponding quarter last year as sales from the distribution business continued to be dampened by low demand. Despite lower revenue, the Division managed to report higher segmental profit of RM2.1 million for the current quarter compared to segmental profit of RM1.8 million in the corresponding quarter last year, assisted by the improved earnings from the ethanol manufacturing business.

Logistics

The Logistics Division recorded lower revenue of RM8.5 million compared to RM10.9 million in the corresponding quarter last year. Consequently, the Division reported lower segmental profit of RM0.8 million compared with RM1.4 million in the corresponding quarter last year as charter volume shipped across the ASEAN region remains low.

Media

The impact of COVID-19 pandemic on our advertising business was severe as we continue to post lower revenue of RM2.8 million for the current financial quarter compared to RM14.8 million in the corresponding quarter last year. The Division reported higher segmental loss of RM2.2 million compared with RM2.0 million in the corresponding quarter last year as corporates continue to cut their advertising spending.

Polymer

The Polymer Division achieved lower revenue of RM25.1 million for the current financial quarter, which represents a decrease of 3.1% from RM26.0 million in the corresponding quarter last year. This was mainly attributed to lower sales by its manufacturing plant in Surabaya, Indonesia. In tandem with lower revenue the Division recorded a lower segmental profit of RM1.7 million compared with RM2.4 million in the corresponding quarter last year.

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

For the current financial quarter ended 31 August 2020, the Group posted higher revenue of RM346.1 million compared with RM309.4 million in the immediate preceding quarter. The Group's result improved to PBT of RM7.5 million in the current financial quarter compared to loss before taxation of RM10.2 million in the immediate preceding quarter. Results in the immediate preceding quarter was impacted by the Movement Control Order imposed in March 2020 and RM5.5 million goodwill impairments.

B3. Current year prospects

The COVID-19 Pandemic has already caused sizable slowdown in the economy and with the threats of new wave of infections, the severity of the pandemic is still unknown. Therefore, the prospect for the remaining financial year is highly dependent on the duration and magnitude of the COVID-19 Pandemic impact on global economy and commodity demand.

The Board will continue to exercise caution in managing the Group's business. Management had implemented austerity measures and is exploring ways to sustain our business in the immediate term while continue to build new capabilities and capacities for long term growth. Our Agrichemical Division is investing in three (3) new customised production lines for product offering targeted mainly for the export markets.

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.

B5. Profit before taxation

	Individual quarter ended 31.08.2020 RM'000	Year-to-date ended 31.08.2020 RM'000
The (loss)/profit before taxation is stated after charging/(crediting):		
Finance costs	3,567	3,567
Depreciation and amortisation	10,627	10,627
Loss on foreign exchange	4,656	4,656
Gain on disposal of property, plant and equipment	(27)	(27)
Fair value loss on investment	76	76
Property, plant and equipment written off	1	1
Reversal of impairment loss on receivables	(50)	(50)
Interest income	(141)	(141)
	<u>(141)</u>	<u>(141)</u>

B6. Tax expense

	Individual quarter ended		Year-to-date ended	
	31.08.2020	31.08.2019	31.08.2020	31.08.2019
	RM'000	RM'000	RM'000	RM'000
Current tax expense based on profit for the financial period:				
Malaysian income tax	4,571	4,492	4,571	4,492
Foreign income tax	467	536	467	536
	<u>5,038</u>	<u>5,028</u>	<u>5,038</u>	<u>5,028</u>
Over provision in prior years	731	-	731	-
	<u>5,769</u>	<u>5,028</u>	<u>5,769</u>	<u>5,028</u>
Deferred taxation:				
Relating to origination and reversal of temporary differences	(111)	(373)	(111)	(373)
Over provision in prior years	(83)	-	(83)	-
	<u>5,575</u>	<u>4,655</u>	<u>5,575</u>	<u>4,655</u>

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. Status of corporate proposals

There were no corporate proposals announced and not completed as at the date of this report other than the following:

Ancom had on 16 July 2020 announce that the Company and its 45.06% subsidiary, Ancom Logistics Berhad ("ALB"), had entered into a Heads of Agreement ("HOA") with S7 Holdings Sdn Bhd ("S7"), Merrington Assets Limited ("MAL"), MY E.G. Capital Sdn Bhd ("MYEG Capital") and Avocat Sdn Bhd ("Avocat") for the following:

(S7, MAL, MYEG Capital and Avocat shall be collectively referred to as "Vendors" and ALB, Ancom and Vendors shall be collectively referred to as "Parties")

- (i) Proposed acquisition by ALB of the entire share capital of S5 Holdings Inc. ("S5") from the Vendors at a price to be agreed by the Parties, subject to a valuation report to be issued by an independent valuer to be agreed by the Parties, and in return ALB shall issue new ordinary shares in ALB ("ALB Shares") based on RM0.10 per share ("Consideration Shares") to the Vendors ("Proposed Acquisition");
- (ii) Proposed Mandatory General Offer by the Vendors for the shares of ALB which are not owned by the Vendors upon completion of the Proposed Acquisition ("Proposed Mandatory General Offer");
- (iii) Proposed private placement of new ordinary shares to be issued by ALB after the Proposed Acquisition ("Proposed Private Placement");
- (iv) Proposed offer for sale of part of the Consideration Shares in ALB to be held by the Vendors upon completion of the Proposed Acquisition to independent third party investors ("Proposed Offer for Sale"); and
- (v) Proposed disposal by ALB of its subsidiaries, namely Synergy Trans-Link Sdn Bhd, Ancom Chem-Quest Terminals Sdn Bhd and Pengangkutan Cogent Sdn Bhd, to Nylex (Malaysia) Berhad ("Nylex"), a 50.25% subsidiary of Ancom, at a valuation to be agreed by ALB and Nylex and upon such terms and conditions to be determined later ("Proposed Disposal"). For avoidance of doubt, the Proposed Acquisition, the Proposed Mandatory General Offer, Proposed Private Placement and Proposed Offer for Sale are not conditional upon the Proposed Disposal.

(Proposed Acquisition, Proposed Mandatory General Offer, Proposed Private Placement, Proposed Offer for Sale and Proposed Disposal shall be collectively be referred to as "Proposals")

Upon completion of the Proposals, ALB shall cease to be a subsidiary of Ancom.

As at the date of this report, the Proposals are yet to be completed.

B8. Utilisation of proceeds

The issued and paid up ordinary shares of the Company was increased from 240,849,284 to 252,949,284 by way of issuance of 12,100,000 new ordinary shares at an issue price of RM0.71 each, amounting to RM8,591,000 pursuant to the Private Placement.

As at the reporting date, the Company has yet to utilise the proceeds raised from the Private Placement except for the amount utilised for expenses in relation to the Private Placement which amounted to RM86,000.

B9. Borrowings

	31.08.2020	31.05.2020
	RM'000	RM'000
SHORT TERM BORROWINGS		
Secured:		
Ringgit Malaysia	23,202	50,739
United States Dollar	17,672	20,210
Vietnamese Dong	3,874	6,454
	44,748	77,403
Unsecured:		
Ringgit Malaysia	137,673	140,367
United States Dollar	26,723	33,451
	164,396	173,818
Total short term borrowings	209,144	251,221
LONG TERM BORROWINGS		
Secured:		
Ringgit Malaysia	36,309	36,080
United States Dollar	29,621	34,767
Total long term borrowings	65,930	70,847
Total borrowings	275,074	322,068

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

B10. Material litigation

There was no change in material litigation since the date of the last financial quarter except as announced on 08 April 2019.

B11. Dividend

There was no dividend declared and/or paid during the financial quarter ended 31 August 2020.

B12. Earnings per shareBasic earnings per share

The basic earnings per share is calculated by dividing the net profit attributable to the owners of the parents by the weighted average number of ordinary shares in issue during the financial period as follows:

	Individual quarter ended		Year-to-date ended	
	31.08.2020	31.08.2019	31.08.2020	31.08.2019
Number of ordinary shares ('000)	252,949	240,849	252,949	240,849
Less: Treasury shares ('000)	(13,424)	(11,530)	(13,424)	(11,530)
	239,525	229,319	239,525	229,319
Net profit attributable to owners of the parent	3,060	684	3,060	684
Weighted average number of ordinary shares in issue ('000)	239,401	229,319	239,401	229,475
Basic earnings per ordinary share (sen)	1.28	0.30	1.28	0.30

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.