

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR FINANCIAL QUARTER ENDED 30 NOVEMBER 2020**

	Individual quarter ended		Year-to-date ended	
	30.11.2020	30.11.2019	30.11.2020	30.11.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	357,265	398,065	703,385	802,335
Cost of sales	(297,398)	(341,324)	(585,590)	(695,614)
Gross profit	59,867	56,741	117,795	106,721
Other income	1,010	1,083	3,981	6,776
Distribution expenses	(23,559)	(25,344)	(43,798)	(48,703)
Administrative expenses	(18,655)	(23,611)	(41,381)	(43,099)
Other operating expenses	(1,725)	269	(7,876)	(3,088)
Finance costs	(3,085)	(4,625)	(6,652)	(9,163)
Share of results of associates	(654)	478	(1,341)	(579)
Profit before taxation	13,199	4,991	20,728	8,865
Tax expense	(4,981)	(4,081)	(10,556)	(8,736)
Net profit for the financial year	8,218	910	10,172	129
Net profit/(loss) attributable to				
Owners of the parent	6,190	1,254	9,250	1,938
Non-controlling interests	2,028	(344)	922	(1,809)
	8,218	910	10,172	129
Earnings per ordinary share attributable to equity holders of the Company	Sen	Sen	Sen	Sen
Basic and diluted earnings per ordinary share	2.59	0.56	3.86	0.86

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.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL QUARTER ENDED 30 NOVEMBER 2020**

	Individual quarter ended		Year-to-date ended	
	30.11.2020	30.11.2019	30.11.2020	30.11.2019
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial year	8,218	910	10,172	129
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	(1,178)	(1,047)	(5,956)	467
Other comprehensive (loss)/income, net of tax	(1,178)	(1,047)	(5,956)	467
Total comprehensive (loss)/income	7,040	(137)	4,216	596
Total comprehensive income/(loss) attributable to				
Owners of the parent	5,425	753	5,809	2,161
Non-controlling interests	1,615	(890)	(1,593)	(1,565)
	7,040	(137)	4,216	596

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.

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2020**

	Unaudited 30.11.2020 RM'000	Audited 31.05.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	193,655	200,660
Investment properties	326	326
Investment in associates	6,760	7,867
Investment in a joint venture	-	-
Other investments	448	448
Intangible assets	21,512	21,968
Goodwill on consolidation	64,830	68,330
Rights-of-use assets	94,845	104,324
Deferred tax assets	26,268	25,988
	408,644	429,911
Current assets		
Inventories	116,716	128,873
Receivables	335,162	287,279
Amounts owing by associates	11,424	8,565
Amount owing by a joint venture	-	-
Current tax assets	3,293	4,275
Other investments	2,258	3,288
Cash and cash equivalents	102,065	97,115
	570,918	529,395
TOTAL ASSETS	979,562	959,306
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	254,357	245,766
Reserves	94,235	75,629
Less : Treasury Shares, at cost	(7,063)	(9,688)
	341,529	311,707
Non-controlling interests	110,207	111,854
TOTAL EQUITY	451,736	423,561
LIABILITIES		
Non-current liabilities		
Borrowings	64,485	70,847
Long term lease liabilities	7,902	10,988
Deferred tax liabilities	10,939	10,877
Provision for retirement benefits	4,644	4,561
	87,970	97,273
Current liabilities		
Payables	176,110	154,072
Amounts owing to associates	4,935	62
Borrowings	228,237	251,221
Short term lease liabilities	17,975	24,126
Contract liabilities	3,321	3,970
Current tax payables	9,278	5,021
	439,856	438,472
Total Liabilities	527,826	535,745
TOTAL EQUITY AND LIABILITIES	979,562	959,306
Net assets per share attributable to owners of the parent (RM)	1.43	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 30 NOVEMBER 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	-	-	-	(3,441)	-	-	9,250	5,809	(1,593)	4,216
Transactions with owners										
Ordinary shares issued pursuant to private placement	8,591	-	-	-	-	-	-	8,591	-	8,591
Disposal of equity interest of subsidiaries to non-controlling interests	-	-	-	-	-	-	11,828	11,828	1,362	13,190
Accretion of equity interest of a subsidiary	-	-	-	-	-	-	(152)	(152)	152	-
Resold of ordinary shares of the Company	-	-	-	-	-	2,625	1,121	3,746	-	3,746
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	(1,568)	(1,568)
	8,591	-	-	-	-	2,625	12,797	24,013	(54)	23,959
Balance as at 30 November 2020	254,357	-	273	7,311	-	(7,063)	86,651	341,529	110,207	451,736

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 30 NOVEMBER 2020**

	Year-to-date ended	
	30.11.2020 RM'000	30.11.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	20,728	8,865
Adjustments for non-cash items	27,535	25,563
Operating profit before working capital changes	<u>48,263</u>	<u>34,428</u>
Inventories	12,156	40,290
Receivables	(47,883)	66,647
Payables	21,391	(63,111)
Group companies	2,014	(2,029)
Net cash generated from operations	<u>35,941</u>	<u>76,225</u>
Income tax paid	(5,535)	(6,721)
Retirement benefit paid	(106)	(272)
Net cash generated from operating activities	<u>30,300</u>	<u>69,232</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,368)	(16,466)
Interest received	281	572
Acquisition of a subsidiary	-	1,612
Acquisition of associates	(235)	-
Disposal of equity interest in a subsidiary	13,189	-
Proceeds from disposal of property, plant and equipment	192	280
Sale/(Purchase) of other investments	1,030	(561)
Acquisition of non-controlling interest of a subsidiary	-	(1,300)
Net cash flows on acquisition of a subsidiary	-	-
Purchase of right-of-use assets	(192)	-
Purchase of treasury shares of a subsidiary from non-controlling interests	-	(2,845)
Placement of short term deposits pledged to licensed banks	(60)	(321)
Net cash generated from/(used in) investing activities	<u>8,837</u>	<u>(19,029)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interest of subsidiaries	(1,568)	(784)
Interest paid	(5,369)	(9,163)
Repayment of lease liabilities	(10,301)	-
Net repayment of borrowings	(30,202)	(26,047)
Proceed from issuance of share capital pursuant to private placement	3,746	-
Proceed from resale/(Purchase) of treasury shares in open market	8,591	(3,910)
Net cash used in financing activities	<u>(35,103)</u>	<u>(39,904)</u>
Net increase in cash and cash equivalents	<u>4,034</u>	<u>10,299</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>219</u>
Cash and cash equivalents at the end of the financial period	<u>77,083</u>	<u>73,431</u>
Cash and cash equivalents include the following:		
	RM'000	RM'000
Cash and bank balances	82,461	64,467
Bank overdrafts	(21,115)	(15,007)
Short term deposits	19,604	26,662
	<u>80,950</u>	<u>76,122</u>
Less : Short term deposits pledged to banks	(151)	(143)
Short term deposits with maturity more than 3 months	(3,716)	(2,548)
	<u>77,083</u>	<u>73,431</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 30 NOVEMBER 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 30 November 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 30 November 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 30 November 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 30 November 2020 other than as disclosed in Note B11.

A8. Segmental results

Segmental information for the financial period ended 30 November 2020.

	YTD -30 November 2020							
30 November 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
Revenue								
External revenue	9,888	167,332	454,594	17,575	6,500	47,496	-	703,385
Inter-segment revenue	6,588	39,983	160	4,310	-	30	(51,071)	-
Total revenue	16,476	207,315	454,754	21,885	6,500	47,526		703,385
Segment results	(9,090)	27,524	8,102	2,730	(3,441)	3,889	(993)	28,721
Finance costs								(6,652)
Share of results of associates								(1,341)
Profit before taxation								20,728
Tax expense								(10,556)
Net profit for the financial year								10,172
30 November 2019								
Revenue								
External revenue	11,447	119,933	569,724	22,062	29,811	49,358	-	802,335
Inter-segment revenue	4,127	34,190	86	4,847	71	7	(43,328)	-
Total revenue	15,574	154,123	569,810	26,909	29,882	49,365		802,335
Segment results	(12,259)	19,530	2,704	3,592	(889)	4,659	1,270	18,607
Finance costs								(9,163)
Share of results of associates								(579)
Profit before taxation								8,865
Tax expense								(8,736)
Net profit for the financial year								129

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 30 November 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	20,387
- Approved but not contracted for	24,136
	<u>44,523</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 30 November 2020

For the six months ended 30 November 2020, the Group recorded lower revenue of RM703.4 million as compared with RM802.3 million in the corresponding period last year. Nevertheless, the Group reported higher profit before taxation ("PBT") of RM20.7 million as compared to RM8.9 million in the corresponding period last year.

For the financial quarter ended 30 November 2020, the Group recorded lower revenue of RM357.3 million as compared with RM398.1 million in the corresponding quarter last year. Despite lower revenue, the Group reported higher PBT of RM13.2 million compared to RM5.0 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 30 November 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 RM5.0 million compared with RM5.3 million in the corresponding quarter last year due to lower revenue generated from education businesses. Nevertheless, the Division reported lower segmental loss of RM4.0 million for the current financial quarter compared with RM8.0 million in the corresponding quarter last year, mainly due to cost rationalisation measures.

Agricultural Chemicals

The Agricultural Chemicals division reported higher revenue of RM79.9 million for the current financial quarter compared with RM57.3 million in the corresponding quarter last year supported by higher export sales. Segmental profit improved to RM13.1 million in the current financial quarter compared with RM10.3 million in the corresponding quarter last year in line with higher revenue.

Industrial Chemicals

The Industrial Chemicals Division posted lower revenue of RM237.2 million for the quarter, a decrease of 17.1% compared with RM286.0 million in the corresponding quarter last year, as subsidiaries in Malaysia and Indonesia reported lower revenue. Despite lower revenue, segmental profit improved to RM6.0 million for the current quarter compared to segmental profit of RM0.9 million in the corresponding quarter last year, driven by higher profit margins earned on some of its products.

Logistics

The Logistics Division recorded lower revenue of RM9.1 million compared to RM11.1 million in the corresponding quarter last year. Consequently, the Division reported lower segmental profit of RM1.9 million compared with RM2.2 million in the corresponding quarter last year. The performance of this division has been affected by the low charter volume within the ASEAN region.

Media

The impact of COVID-19 pandemic on our advertising business has been severe as social activities were curtailed and advertising expenses slashed. Revenue fell to only RM3.7 million for the current financial quarter compared to RM15.0 million in the corresponding quarter last year. Consequently, the division reported segmental loss of RM1.2 million compared with segmental profit of RM1.1 million in the corresponding quarter last year.

Polymer

The Polymer Division achieved lower revenue of RM22.4 million for the current financial quarter, which represents a decrease of 4.3% from RM23.4 million in the corresponding quarter last year. This was attributed to lower contribution by both of its manufacturing plant in Shah Alam and Surabaya, Indonesia. Consumer demand remain weak amid the on-going COVID pandemic. In tandem with lower revenue the Division recorded a lower segmental profit of RM2.2 million compared with RM2.3 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 30 November 2020, the Group posted higher revenue of RM357.3 million compared with RM346.1 million in the immediate preceding quarter. The Group's result improved to PBT of RM13.2 million in the current financial quarter compared to loss before taxation of RM7.5 million in the immediate preceding quarter.

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 30.11.2020 RM'000	Year-to-date ended 30.11.2020 RM'000
The (loss)/profit before taxation is stated after charging/(crediting):		
Finance costs	3,085	6,652
Depreciation and amortisation	10,454	21,082
Loss on foreign exchange	523	5,179
Gain on disposal of property, plant and equipment	(119)	(146)
Fair value loss on investment	(151)	(75)
Property, plant and equipment written off	276	277
Reversal of impairment loss on receivables	(5)	(55)
Interest income	(140)	(281)

B6. Tax expense

	Individual quarter ended		Year-to-date ended	
	30.11.2020	30.11.2019	30.11.2020	30.11.2019
	RM'000	RM'000	RM'000	RM'000
Current tax expense based on profit for the financial period:				
Malaysian income tax	4,631	3,935	9,202	8,427
Foreign income tax	568	597	1,035	1,133
	5,199	4,532	10,237	9,560
Over provision in prior years	-	-	731	-
	5,199	4,532	10,968	9,560
Deferred taxation:				
Relating to origination and reversal of temporary differences	(218)	(451)	(329)	(824)
Over provision in prior years	-	-	(83)	-
	4,981	4,081	10,556	8,736

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

	30.11.2020	31.05.2020
	RM'000	RM'000
SHORT TERM BORROWINGS		
Secured:		
Ringgit Malaysia	42,595	50,739
United States Dollar	18,934	20,210
Vietnamese Dong	10,786	6,454
	72,315	77,403
Unsecured:		
Ringgit Malaysia	125,796	140,367
United States Dollar	30,126	33,451
	155,922	173,818
Total short term borrowings	228,237	251,221
LONG TERM BORROWINGS		
Secured:		
Ringgit Malaysia	35,553	36,080
United States Dollar	28,932	34,767
Total long term borrowings	64,485	70,847
Total borrowings	292,722	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

On 21 September 2020, the Company proposed a final dividend for the financial year ended 31 May 2020 by way of distribution of up to 25,294,284 ordinary shares in Ancom Logistics Berhad ("ALB"), representing approximately 5.34% equity interest in ALB ("Dividend-in-Specie"), pursuant to the Dividend-in-Specie approved at the Company's Annual General Meeting held on 21 October 2020.

The Dividend-in-Specie was completed on 4 December 2020 by crediting 23,922,795 ALB shares to the Central Depository System accounts of the Shareholders of the Company.

There was no other dividend declared and/or paid during the financial quarter ended 30 November 2020 other than as disclosed above.

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	
	30.11.2020	30.11.2019	30.11.2020	30.11.2019
Number of ordinary shares ('000)	252,949	240,849	252,949	240,849
Less: Treasury shares ('000)	(13,424)	(18,083)	(13,424)	(18,083)
	239,525	222,766	239,525	222,766
Net profit attributable to owners of the parent	6,190	1,254	9,250	1,938
Weighted average number of ordinary shares in issue ('000)	239,401	222,767	239,401	225,363
Basic earnings per ordinary share (sen)	2.59	0.56	3.86	0.86

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.