

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR FINANCIAL QUARTER ENDED 31 AUGUST 2023**

	Individual quarter ended		Year-to-date ended	
	31.08.2023	31.08.2022	31.08.2023	31.08.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	<b>487,358</b>	549,805	<b>487,358</b>	549,805
Cost of sales	<b>(412,090)</b>	(468,454)	<b>(412,090)</b>	(468,454)
Gross profit	<b>75,268</b>	81,351	<b>75,268</b>	81,351
Other income	<b>2,846</b>	2,794	<b>2,846</b>	2,794
Distribution expenses	<b>(23,612)</b>	(31,128)	<b>(23,612)</b>	(31,128)
Administrative expenses	<b>(17,538)</b>	(20,360)	<b>(17,538)</b>	(20,360)
Other operating expenses	<b>(2,220)</b>	(712)	<b>(2,220)</b>	(712)
Finance costs	<b>(5,381)</b>	(4,643)	<b>(5,381)</b>	(4,643)
Share of results of associates	<b>(14)</b>	(7)	<b>(14)</b>	(7)
Profit before taxation	<b>29,349</b>	27,295	<b>29,349</b>	27,295
Tax expense	<b>(8,433)</b>	(6,943)	<b>(8,433)</b>	(6,943)
<b>Net profit for the financial period</b>	<b>20,916</b>	20,352	<b>20,916</b>	20,352
<b>Net profit attributable to</b>				
Owners of the parent	<b>20,802</b>	20,031	<b>20,802</b>	20,031
Non-controlling interests	<b>114</b>	321	<b>114</b>	321
	<b>20,916</b>	20,352	<b>20,916</b>	20,352
<b>Earnings per share attributable to owners of the parent</b>				
Basic earnings per share (sen)	<b>2.20</b>	2.31	<b>2.20</b>	2.31
Diluted earnings per share (sen)	<b>2.02</b>	2.01	<b>2.02</b>	2.01

The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2023 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR FINANCIAL QUARTER ENDED 31 AUGUST 2023**

	Individual quarter ended		Year-to-date ended	
	31.08.2023	31.08.2022	31.08.2023	31.08.2022
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	<b>20,916</b>	20,352	<b>20,916</b>	20,352
<b>Other comprehensive income</b>				
Item that may be reclassified subsequently				
Foreign currency translation	<b>(136)</b>	1,682	<b>(136)</b>	1,682
Other comprehensive (loss)/profit, net of tax	<b>(136)</b>	1,682	<b>(136)</b>	1,682
<b>Total comprehensive income</b>	<b>20,780</b>	22,034	<b>20,780</b>	22,034
<b>Total comprehensive income</b>				
Owners of the parent	<b>20,666</b>	21,713	<b>20,666</b>	21,713
Non-controlling interests	<b>114</b>	321	<b>114</b>	321
	<b>20,780</b>	22,034	<b>20,780</b>	22,034

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2023 and the accompanying notes to this Interim Financial Report.

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2023**

	Unaudited 31.08.2023 RM'000	Audited 31.05.2023 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	227,178	221,289
Investment properties	1,932	2,287
Investment in associates	1,572	1,586
Investment in joint ventures	-	-
Other investments	3,165	3,165
Intangible assets	4,175	4,504
Goodwill on consolidation	86,010	86,010
Rights-of-use assets	94,691	98,424
Deferred tax assets	20,060	22,614
	<b>438,783</b>	439,879
<b>Current assets</b>		
Inventories	181,737	211,097
Receivables	342,989	369,479
Amounts owing by associates	6,204	5,080
Current tax assets	9,542	9,875
Other investments	1,132	1,101
Short term deposits	47,023	62,520
Cash and bank balances	104,953	105,691
	<b>693,580</b>	764,843
<b>TOTAL ASSETS</b>	<b>1,132,363</b>	1,204,722
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	401,770	397,624
Reserves	131,312	119,007
Less : Treasury shares, at cost	(24,517)	(25,123)
	<b>508,565</b>	491,508
Non-controlling interests	32,537	32,423
<b>TOTAL EQUITY</b>	<b>541,102</b>	523,931
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	47,997	70,989
Lease liabilities	4,044	6,768
Deferred tax liabilities	19,202	19,525
Provision for retirement benefits	5,146	5,143
	<b>76,389</b>	102,425
<b>Current liabilities</b>		
Payables	195,633	237,729
Amounts owing to associates	1,604	694
Borrowings	293,476	312,921
Lease liabilities	14,381	17,077
Contract liabilities	2,956	4,666
Current tax liabilities	6,822	5,279
	<b>514,872</b>	578,366
<b>TOTAL LIABILITIES</b>	<b>591,261</b>	680,791
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,132,363</b>	1,204,722
<b>Net assets per share attributable to owners of the parent (RM)</b>	<b>0.53</b>	0.53

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 2023 and the accompanying notes to this Interim Financial Report.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2023**

	Attributable to owners of the parent						Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Capital reserve RM'000	Exchange translation reserve RM'000	Share options reserve RM'000	Treasury shares RM'000	Retained earnings RM'000			
<b>Balance as at 1 June 2022</b>	377,892	273	13,232	2,509	(30,711)	24,392	387,587	40,674	428,261
Total comprehensive income	-	-	15,128	-	-	68,473	<b>83,601</b>	1,700	<b>85,301</b>
<b>Transactions with owners</b>									
Ordinary shares issued pursuant to:									
- ESOS	6,546	-	-	(1,900)	-	-	<b>4,646</b>	-	<b>4,646</b>
- Warrants B	13,186	-	-	-	-	-	<b>13,186</b>	-	<b>13,186</b>
Acquisition of subsidiaries	-	-	-	-	-	-	-	3,302	<b>3,302</b>
Acquisition of additional equity interests in subsidiaries	-	-	-	-	-	(5,650)	<b>(5,650)</b>	(11,325)	<b>(16,975)</b>
Net resold of treasury shares of the Company	-	-	-	-	5,588	6,032	<b>11,620</b>	-	<b>11,620</b>
Disposal of a subsidiary	-	-	-	-	-	-	-	(725)	<b>(725)</b>
Disposal of equity interest of a subsidiary	-	-	-	-	-	143	<b>143</b>	(143)	-
Share options granted under ESOS	-	-	-	615	-	-	<b>615</b>	-	<b>615</b>
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	(4,240)	<b>(4,240)</b>	(1,060)	<b>(5,300)</b>
Total transactions with owners	19,732	-	-	(1,285)	5,588	(3,715)	<b>20,320</b>	(9,951)	<b>10,369</b>
<b>Balance as at 31 May 2023/1 June 2023</b>	397,624	273	28,360	1,224	(25,123)	89,150	<b>491,508</b>	32,423	<b>523,931</b>
Total comprehensive (loss)/income	-	-	(136)	-	-	20,802	<b>20,666</b>	114	<b>20,780</b>
<b>Transactions with owners</b>									
Ordinary shares issued pursuant to:									
- ESOS	1,934	-	-	(362)	-	-	<b>1,572</b>	-	<b>1,572</b>
- Warrants B	2,212	-	-	-	-	-	<b>2,212</b>	-	<b>2,212</b>
Dividend paid	-	-	-	-	-	(9,493)	<b>(9,493)</b>	-	<b>(9,493)</b>
Net resold of treasury shares of the Company	-	-	-	-	606	1,494	<b>2,100</b>	-	<b>2,100</b>
Total transactions with owners	4,146	-	-	(362)	606	(7,999)	<b>(3,609)</b>	-	<b>(3,609)</b>
<b>Balance as at 31 August 2023</b>	<b>401,770</b>	<b>273</b>	<b>28,224</b>	<b>862</b>	<b>(24,517)</b>	<b>101,953</b>	<b>508,565</b>	<b>32,537</b>	<b>541,102</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 2023 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2023**

	Year-to-date ended	
	31.08.2023	31.08.2022
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	29,349	27,295
Adjustments for non-cash items	12,170	16,600
Operating profit before working capital changes	<u>41,519</u>	<u>43,895</u>
Inventories	30,326	6,233
Receivables	30,184	2,193
Payables	(43,805)	(4,512)
Associates	(1,124)	(104)
Net cash generated from operations	<u>57,100</u>	<u>47,705</u>
Income tax paid	(4,326)	(7,819)
Retirement benefit paid	(99)	-
Net cash from operating activities	<u>52,675</u>	<u>39,886</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(11,847)	(2,827)
Interest received	285	177
Proceeds from disposal of property, plant and equipment	231	-
Proceeds from disposal of investment properties	250	-
Net cash inflows on acquisition of subsidiaries	-	4,995
Net cash outflow on disposal of subsidiaries	-	(14)
Purchase of other investments	-	(1,765)
Placement of short term deposits:		
- pledged with licensed banks	(20)	(3)
- with maturity period more than three (3) months	(340)	(1,222)
Net cash used in investing activities	<u>(11,441)</u>	<u>(659)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(9,493)	-
Interest paid	(4,875)	(3,809)
Repayment of lease liabilities	(5,735)	(6,038)
Net repayment of borrowings	(38,942)	(27,987)
Proceed from issuance of ordinary shares pursuant to:		
- ESOS	1,572	247
- Warrants B	2,212	2,583
Net resold/(repurchased) of treasury shares in open market	856	(1,202)
Net cash used in financing activities	<u>(54,405)</u>	<u>(36,206)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(13,171)</u>	<u>3,021</u>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<u>150,476</u>	<u>106,820</u>
<b>Effect of exchange rate changes</b>	<u>71</u>	<u>905</u>
<b>Cash and cash equivalents at the end of the financial period</b>	<u>137,376</u>	<u>110,746</u>
Cash and cash equivalents include the following:		
	RM'000	RM'000
Cash and bank balances	104,953	85,219
Bank overdrafts	(9,256)	(9,080)
Short term deposits	47,023	39,417
	<u>142,720</u>	<u>115,556</u>
Less : Short term deposits pledged with licensed banks	(620)	(624)
Short term deposits with maturity period more than three (3) months	(4,724)	(4,186)
	<u>137,376</u>	<u>110,746</u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2023 and the accompanying notes to this Interim Financial Report.



## **ANCOM NYLEX BERHAD**

(Registration No. 196901000122 (8440-M))

Incorporated in Malaysia

### **A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 AUGUST 2023**

#### **A1. Basis of preparation**

This Interim Financial Report of Ancom Nylex Berhad ("ANB" 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 Main Market Listing Requirements ("Listing Requirement") of Bursa Malaysia Securities Berhad ("Bursa Securities").

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 2023. 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 2023.

For the financial periods up and including the financial year ended 31 May 2023, the Group prepared its financial report in accordance with Malaysian Financial Reporting Standards ("MFRSs") 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 2023 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 2023:

#### **MFRSs and Amendments to MFRSs:**

MFRS 7 Insurance Contracts

Amendments to MFRS 7 Insurance Contracts

Initial application of MFRS 17 and MFRS 9 - Comparative Information (Amendments to MFRS 17 Insurance Contracts)

Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)

Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)

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 ANB and its subsidiaries for the financial year ended 31 May 2023 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**

During the financial quarter ended 31 August 2023, there were no items affecting the Group's assets, liabilities, equity, net income or cash flows that are material and unusual because of their nature, size or incidence.

**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 2023.

**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 2023 except for the following:

## (a) Issued and paid up ordinary shares

During the financial quarter ended 31 August 2023, the issued and paid up ordinary shares of the Company was increased from 972,776,411 to 986,839,245 pursuant to the following:

- (i) 6,162,500 new ordinary shares arising from the exercise of ESOS at exercise price of RM0.255 each for cash totalling of RM1,572,000; and
- (ii) 7,900,334 new ordinary shares arising from the exercise of Warrants B at RM0.28 each for cash totalling of RM2,212,000.

## (b) Treasury shares

During the financial quarter ended 31 August 2023, the Company (resold)/repurchased its own shares as follows:

	Number of shares (resold)/resale	Highest RM	Price per share Lowest RM	Average RM	(Cost of disposal)/ Consideration paid RM
<b>Shares resold</b>					
July 2023	(3,484,600)	1.050	0.940	1.030	(2,300,394)
August 2023	(1,200,000)	1.120	0.985	1.050	(813,434)
<b>Shares repurchased</b>					
June 2023	<u>2,584,500</u>	1.030	0.935	0.950	<u>2,508,141</u>
Net shares resold for the financial period	<u>(2,100,100)</u>				<u>(605,687)</u>

As at 31 August 2023, the Company holds 36,168,577 Treasury Shares at a cost of RM24,517,000 pursuant to Section 127(4)(b) of the Companies Act 2016.

**A7. Segmental results**

Segmental information for the financial period ended 31 August 2023.

	Investment					Elimination RM'000	Total RM'000
	Holdings and Others RM'000	Agricultural Chemicals RM'000	Industrial Chemicals RM'000	Logistics RM'000	Polymer RM'000		
<b>31 August 2023</b>							
<b>Revenue</b>							
External revenue	12,121	136,340	307,406	11,939	19,552	-	487,358
Inter-segment revenue	6,959	36,719	176	1,712	-	(45,566)	-
Total revenue	<u>19,080</u>	<u>173,059</u>	<u>307,582</u>	<u>13,651</u>	<u>19,552</u>		<u>487,358</u>
Segment results	(2,433)	26,933	3,652	2,570	2,729	1,293	34,744
Finance costs							(5,381)
Share of results of associates							(14)
Profit before taxation							29,349
Tax expense							(8,433)
<b>Net profit for the financial period</b>							<u>20,916</u>
<b>31 August 2022</b>							
<b>Revenue</b>							
External revenue	8,870	162,311	343,719	15,257	19,648	-	549,805
Inter-segment revenue	2,535	56,351	70	1,847	-	(60,803)	-
Total revenue	<u>11,405</u>	<u>218,662</u>	<u>343,789</u>	<u>17,104</u>	<u>19,648</u>		<u>549,805</u>
Segment results	(2,504)	23,243	5,971	3,073	1,622	540	31,945
Finance costs							(4,643)
Share of results of associates							(7)
Profit before taxation							27,295
Tax expense							(6,943)
<b>Net profit for the financial period</b>							<u>20,352</u>

**A8. Dividends paid**

A first interim dividend of 1.0 sen per ordinary share, amounting to RM9,493,000 in respect of the financial year ended 31 May 2023 was paid on 30 August 2023.

**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 2023.

**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 Report.

**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 2023.

**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	16,004
- Approved but not contracted for	37,886
	<u>53,890</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 2023**

For the financial quarter ended 31 August 2023, the Group recorded lower revenue of RM487.4 million as compared with RM549.8 million in the corresponding quarter last year. Nevertheless, the profit before taxation ("PBT") increased to RM29.3 million compared to RM27.3 million in the corresponding quarter last year.

**Review of business segments for the financial quarter ended 31 August 2023**Investment Holding and Others

The result in this division includes investment holding, information technology ("IT"), media and electrical businesses. For the current financial quarter, the division posted higher revenue of RM12.1 million compared with RM8.9 million in the corresponding quarter last year. The division reported lower segmental loss of RM2.4 million for the current financial quarter compared with RM2.5 million in the corresponding quarter last year.

Agricultural Chemicals

The Agricultural Chemicals Division reported lower revenue of RM136.3 million for the current financial quarter compared to RM162.3 million in the corresponding quarter last year due to lower sales volume. However, segmental profit increased to RM26.9 million in the current financial quarter from RM23.2 million last year on higher profit margins across the major product range.

Industrial Chemicals

The Industrial Chemicals Division posted lower revenue of RM307.4 million compared with RM343.7 million in the corresponding quarter last year mainly due to lower selling prices and volume for most of its products. Consequently, the division recorded lower segmental profit of RM3.7 million for the current quarter compared to RM6.0 million in the corresponding quarter.

### Logistics

The Logistics Division recorded lower revenue of RM11.9 million for the current financial quarter as compared with RM15.3 million in the corresponding quarter last year. The lower revenue is attributed by lower chartered volume. Consequently, the division reported lower segmental profit of RM2.6 million compared to RM3.1 million in the corresponding quarter last year.

### Polymer

The Polymer Division recorded revenue of RM19.6 million for the current financial quarter and corresponding quarter last year. The Division recorded higher segmental profit of RM2.7 million compared with RM1.6 million in the corresponding quarter last year mainly due to higher profit margins on certain products.

## **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 2023, the Group posted higher revenue of RM487.4 million compared with RM478.2 million in the immediate preceding quarter. Consequently, the Group reported higher PBT of RM29.3 million in the current financial quarter compared to PBT of RM19.7 million in the immediate preceding quarter.

## **B3. Current year prospects**

The El Niño weather phenomenon, which brings prolonged hot and dry weather, is expected to continue into 2024. Furthermore, global economic is expected to remain volatile due to the on-going geopolitical tensions and tighter monetary policy. These factors may affect the businesses of the Group for the remaining of the financial year.

The Board will continue to be vigilant in managing these risks and continue to explore and expand opportunities for our business. Barring any unforeseen, the Group should perform satisfactorily for the remaining of the 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.

**B5. Profit before taxation**

	<b>Individual quarter ended 31.08.2023 RM'000</b>	<b>Year-to-date ended 31.08.2023 RM'000</b>
The profit before taxation is stated after charging/(crediting):		
Depreciation and amortisation	9,581	9,581
Fair value gain on investment	(32)	(32)
Finance costs	5,381	5,381
Interest income	(285)	(285)
Loss on disposal of investment properties	97	97
Net gain on disposal of property, plant and equipment	(196)	(196)
Net loss on foreign exchange	405	405
Net reversal of impairment loss on receivables	(168)	(168)
Reversal of provision for inventories written off	(966)	(966)

**B6. Tax expense**

	<b>Individual quarter ended</b>		<b>Year-to-date ended</b>	
	<b>31.08.2023</b>	31.08.2022	<b>31.08.2023</b>	31.08.2022
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Current tax expense based on profit for the financial period:				
Malaysian income tax	<b>8,238</b>	7,095	<b>8,238</b>	7,095
Foreign income tax	<b>413</b>	200	<b>413</b>	200
	<b>8,651</b>	7,295	<b>8,651</b>	7,295
Deferred taxation:				
Relating to origination and reversal of temporary differences	<b>(218)</b>	(352)	<b>(218)</b>	(352)
	<b>8,433</b>	6,943	<b>8,433</b>	6,943

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:

- a. ANB and its subsidiary, Nylex (Malaysia) Berhad ("Nylex"), had on 21 March 2022 entered into a Heads of Agreement ("HOA") with Sinar Bina Infra Sdn. Bhd., LBS Bina Group Berhad and BTS Group Holdings Public Company Limited (collectively referred to as "Parties") for the collaboration to build and operate a light rail transport system connected with the railway shuttle link currently being built from Singapore to Johor Bahru, with an integrated property development using the "Transit-Oriented Development" concept in Johor Bahru metropolitan region ("LRT Project"). The Parties are working together exclusively to agree on the terms of the definitive agreements to effect the proposals stipulated in the HOA ("Proposal"). The LRT Project is subject to an ongoing feasibility study (as defined in the HOA) being completed and the grant of the concession award for the Project by the state government of Johor. The Proposals will form part of the regularization plan to be undertaken by Nylex to regularize its affected listed issuer status.

Nylex had on 13 December 2022, signed a Letter of Intent ("LOI") with CRRC Changchun Railway Vehicles Co., Ltd ("CRRC Changchun") for the purposes of entering into good faith discussions and negotiations with regards to the construction, commissioning, installation and testing of the LRT Project. The LOI is entered by Nylex as a part of its efforts to complete the feasibility study for the LRT Project.

Bursa Securities had via its letter dated 30 January 2023, granted Nylex an extension of time of six (6) months up to 26 July 2023 for Nylex to submit its regularisation plan to the regulatory authorities.

On 22 March 2023, the Parties have agreed to extend the long stop date of the HOA by another three (3) months to 21 June 2023. On 21 June 2023, the Parties have further agreed to extend the long stop date of the HOA to 31 January 2024.

On 16 August 2023, Bursa Securities has rejected Nylex's extension of time application as Nylex has not demonstrated to the satisfaction of Bursa Securities any material development towards the finalisation and submission of the regularisation plan to the regulatory authorities. On the same day, Nylex has received a notice to show cause on commencement of suspension and de-listing procedures pursuant to Paragraph 8.03a(3)(b) of the Listing Requirements from Bursa Securities ("Notice").

Nylex had on 23 August 2023 submitted the written representations to Bursa Securities in relation to why a suspension should not be imposed on the trading of the securities of Nylex; and why the securities of Nylex should not be de-listed from the Official List of Bursa Securities.

On 13 October 2023, Bursa Securities had decided to grant Nylex a further extension of time until 26 January 2024 to submit the regularisation plan to the relevant authorities for approval ("Extended Timeframe"). Bursa Securities has further decided to suspend and de-list the securities of Nylex from the Official List of Bursa Securities pursuant to paragraph 8.03(3A) of the Listing Requirements in the event:

- (i) Nylex fails to submit the proposed regularisation plan to the relevant authorities for approval within the Extended Timeframe;
- (ii) Nylex fails to obtain the approval for the implementation of its regularisation plan and does not appeal within the timeframe (or extended timeframe, as the case may be) prescribed to lodge an appeal;
- (iii) Nylex does not succeed in its appeal; or
- (iv) Nylex fails to implement its regularisation plan within the timeframe or extended timeframes stipulated by the relevant authorities.

As at the date of this report, the Proposed Project is yet to be completed.

- b. ANB had on 12 April 2023 announced that its wholly-owned subsidiary, Ancom Crop Care Sdn. Bhd. ("ACC"), had entered into a Share Sale Agreement with H.J. Unkel (M) Sdn. Bhd., Chong Sau Kin and Ye Suping for the acquisition of 350,000 ordinary shares or 70% equity interest in H.J. Unkel Chemicals Sdn. Bhd. for a cash consideration of RM9,000,000. ("Proposed Acquisition")

As at the date of this report, the Proposed Acquisition is yet to be completed.

**B8. Utilisation of proceeds**

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

**B9. Borrowings**

	<b>31.08.2023</b>	31.05.2023
	<b>RM'000</b>	RM'000
<b>LONG TERM BORROWINGS</b>		
Secured:		
Ringgit Malaysia	<b>45,838</b>	52,034
United States Dollar	-	18,955
	<b>45,838</b>	70,989
Unsecured:		
Ringgit Malaysia	<b>2,159</b>	-
<b>Total long term borrowings</b>	<b>47,997</b>	70,989
<b>SHORT TERM BORROWINGS</b>		
Secured:		
Ringgit Malaysia	<b>62,950</b>	71,610
United States Dollar	<b>22,319</b>	6,035
Vietnamese Dong	<b>3,585</b>	13,885
	<b>88,854</b>	91,530
Unsecured:		
Ringgit Malaysia	<b>158,020</b>	172,637
United States Dollar	<b>46,602</b>	48,754
	<b>204,622</b>	221,391
<b>Total short term borrowings</b>	<b>293,476</b>	312,921
<b>TOTAL BORROWINGS</b>	<b>341,473</b>	<b>383,910</b>

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 for the following:

**(i) High Court of Malaya at Kuala Lumpur Suit No. WA-22NCVC-87-02/2018**

On 12 February 2018, ACC and Hamshi Plantation Sdn. Bhd. initiated a legal action at the High Court of Malaya at Kuala Lumpur as plaintiffs against Logix World (M) Sdn. Bhd. and Citra Semerbak Sdn. Bhd. as defendants to claim against and to hold the defendants jointly and severally liable for a principal sum of RM2,702,500, being the unpaid amount for goods sold and delivered by the plaintiffs to the defendants, and interest at the rate of 12.0% per annum from 24 October 2017 until full and final settlement.

On 21 May 2019, the plaintiffs filed the Substantive Application for Contempt against the directors of Logix World (M) Sdn. Bhd. The court had on 13 July 2020 found the directors of Logix World (M) Sdn. Bhd. guilty of contempt and that the plaintiffs have proven their case against the aforesaid directors for interference with the administration of justice beyond reasonable doubt. The court has on 15

October 2021, sentenced the directors and awarded costs of RM15,000 and imposed a fine of RM10,000 per person.

Full trials for the matter are fixed on 22 April 2024 to 3 May 2024 and a case management date is fixed on 4 March 2024. The matter is not expected to have a material impact on the earnings, net assets and gearing of our Group as the principal sum of RM2,702,500 has been fully provided and accounted for in prior years.

**(ii) High Court of Malaya at Kuala Lumpur Suit No. WA-25-341-10/2021**

On 14 October 2021, Fermpro Sdn Bhd ("Fermpro"), a wholly-owned subsidiary of Nylex Holdings Sdn Bhd, submitted an application for Judicial Review to High Court of Malaya at Kuala Lumpur as Applicant against Royal Malaysian Customs Department ("Customs") as Respondent, in regard to Customs decision dated 3 August 2021 that affirmed Customs earlier decisions dated 15 June 2020 to issue four Bills of Demand ("BODs") for indirect taxes totalling RM7.8 million, comprising import duty, excise duty, Goods and Services Tax ("GST") and sales tax (collectively referred to as "the indirect taxes").

The BODs were issued by Customs due to the alleged liability of Fermpro for the indirect taxes in the removal of goods from Westport Free Commercial Zone ("FCZ") to Licensed Manufacturing Warehouse ("LMW") for the period January 2017 to August 2019.

Upon consulting its tax consultants, the Company is of the view that the BODs are without any technical basis and there are reasonably strong grounds for Fermpro to challenge the validity of the said BODs raised by the Customs, amongst others, the removal of goods from FCZ to LMW should not be liable to import duty, excise duty and sales tax under established general principles in indirect tax law and practice. The GST demanded by Customs is effectively levied on the import duty and excise duty elements and hence, should not be applicable as well, since import duty and excise duty should not be applicable in the removal of goods from FCZ to LMW.

The High Court had on 25 August 2023 dismissed the BODs application. Subsequent to the High Court's decision, Fermpro has seek for legal advice and the solicitor is of the view that it has a fair chance to defend against the High Court's decision as the High Court has ignored all the ground above and gave no reason for the judgement. Furthermore, there is no evidence given by the Custom to prove Fermpro has transferred the goods from FCZ to LMW. Therefore, the Group has filed an appeal with Court of Appeal to against the judgement of the High Court and the case management date is fixed on 4 December 2023.

The Group has not recognised any potential liability in respect of the claims in the financial statements of the Group up to the reporting date as the Group believes that there are strong grounds to argue the case.

**B11. Dividend**

The Board of Directors does not recommend or propose any dividend in respect of the current financial quarter.

**B12. Earnings per share**Basic 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	
	31.08.2023	31.08.2022	31.08.2023	31.08.2022
Net profit attributable to owners of the parent	<b>20,802</b>	20,031	<b>20,802</b>	20,031
Weighted average number of ordinary shares in issue ('000)	<b>946,885</b>	865,361	<b>946,885</b>	865,361
<b>Basic earnings per share (sen)</b>	<b>2.20</b>	2.31	<b>2.20</b>	2.31

Diluted earnings per share

	Individual quarter ended		Year-to-date ended	
	31.08.2023	31.08.2022	31.08.2023	31.08.2022
Net profit attributable to owners of the parent	<b>20,802</b>	20,031	<b>20,802</b>	20,031
Weighted average number of ordinary shares in issue ('000)	<b>946,885</b>	865,361	<b>946,885</b>	865,361
Dilutive potential ordinary shares				
- ESOS	<b>7,393</b>	24,426	<b>7,393</b>	24,426
- Warrants	<b>76,171</b>	105,536	<b>76,171</b>	105,536
Adjusted weighted average number of ordinary shares in issues ('000)	<b>1,030,449</b>	995,323	<b>1,030,449</b>	995,323
<b>Diluted earnings per share (sen)</b>	<b>2.02</b>	2.01	<b>2.02</b>	2.01