

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR FINANCIAL QUARTER ENDED 31 AUGUST 2024**

	Individual quarter ended		Year-to-date ended	
	31.08.2024	31.08.2023	31.08.2024	31.08.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	515,543	487,358	515,543	487,358
Cost of sales	(439,142)	(412,090)	(439,142)	(412,090)
Gross profit	76,401	75,268	76,401	75,268
Other income	2,532	2,846	2,532	2,846
Distribution expenses	(32,994)	(23,612)	(32,994)	(23,612)
Administrative expenses	(17,445)	(17,538)	(17,445)	(17,538)
Other operating expenses	(2,476)	(2,220)	(2,476)	(2,220)
Finance costs	(5,315)	(5,381)	(5,315)	(5,381)
Share of results of associates	(2)	(14)	(2)	(14)
Profit before taxation	20,701	29,349	20,701	29,349
Tax expense	(6,991)	(8,433)	(6,991)	(8,433)
Net profit for the financial period	13,710	20,916	13,710	20,916
Net profit attributable to				
Owners of the parent	13,210	20,802	13,210	20,802
Non-controlling interests	500	114	500	114
	13,710	20,916	13,710	20,916
Earnings per share attributable to owners of the parent				
Basic earnings per share (sen)	1.41	2.20	1.41	2.20
Diluted earnings per share (sen)	1.34	2.02	1.34	2.02

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 2024 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL QUARTER ENDED 31 AUGUST 2024**

	Individual quarter ended		Year-to-date ended	
	31.08.2024	31.08.2023	31.08.2024	31.08.2023
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	13,710	20,916	13,710	20,916
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss				
Foreign currency translation	(5,944)	(136)	(5,944)	(136)
Other comprehensive loss, net of tax	(5,944)	(136)	(5,944)	(136)
Total comprehensive income	7,766	20,780	7,766	20,780
Total comprehensive income attributable to				
Owners of the parent	7,266	20,666	7,266	20,666
Non-controlling interests	500	114	500	114
	7,766	20,780	7,766	20,780

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 2024 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2024**

	Unaudited 31.08.2024 RM'000	Audited 31.05.2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	262,189	246,513
Investment properties	7,474	7,496
Investment in associates	1,511	1,514
Investment in joint ventures	-	-
Other investments	7,845	7,399
Intangible assets	4,172	4,253
Goodwill on consolidation	87,100	87,100
Rights-of-use assets	96,998	87,915
Deferred tax assets	10,455	14,767
Other receivable	3,449	3,449
	481,193	460,406
Current assets		
Inventories	200,491	218,857
Receivables	375,206	382,896
Amounts owing by associates	14,594	14,899
Current tax assets	11,623	12,422
Other investments	694	1,175
Short term deposits	42,507	31,384
Cash and bank balances	88,091	105,928
	733,206	767,561
TOTAL ASSETS	1,214,399	1,227,967
EQUITY AND LIABILITES		
Equity attributable to owners of the parent		
Share capital	409,680	408,707
Reserves	189,843	182,577
Less : Treasury shares, at cost	(74,046)	(43,195)
	525,477	548,089
Non-controlling interests	34,411	34,061
TOTAL EQUITY	559,888	582,150
LIABILITIES		
Non-current liabilities		
Borrowings	83,040	47,671
Lease liabilities	10,602	4,242
Deferred tax liabilities	18,517	22,730
Provision for retirement benefits	4,632	4,661
	116,791	79,304
Current liabilities		
Payables	240,580	246,792
Amounts owing to associates	1,594	1,592
Borrowings	276,975	299,941
Lease liabilities	9,741	6,448
Contract liabilities	3,563	7,398
Current tax liabilities	5,267	4,342
	537,720	566,513
TOTAL LIABILITIES	654,511	645,817
TOTAL EQUITY AND LIABILITES	1,214,399	1,227,967
Net assets per share attributable to owners of the parent (RM)	0.56	0.57

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 2024 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 2024**

	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			
Balance as at 1 June 2023	397,624	273	28,360	1,224	(25,123)	89,150	491,508	32,423	523,931
Total comprehensive income	-	-	(861)	-	-	82,029	81,168	(629)	80,539
Transactions with owners									
Ordinary shares issued pursuant to:									
- ESOS	5,299	-	-	(1,432)	-	-	3,867	-	3,867
- Warrants B	5,784	-	-	-	-	-	5,784	-	5,784
ESOS lapsed	-	-	-	208	-	(208)	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	4,240	4,240
Disposal of subsidiaries	-	-	-	-	-	-	-	639	639
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	(561)	(561)	(2,612)	(3,173)
Dividend paid	-	-	-	-	-	(9,493)	(9,493)	-	(9,493)
Dividend-In-Specie	-	-	-	-	7,415	(7,604)	(189)	-	(189)
Net resold of treasury shares of the Company	-	-	-	-	(25,487)	1,492	(23,995)	-	(23,995)
Total transactions with owners	11,083	-	-	(1,224)	(18,072)	(16,374)	(24,587)	2,267	(22,320)
Balance as at 31 May 2024/1 June 2024	408,707	273	27,499	-	(43,195)	154,805	548,089	34,061	582,150
Total comprehensive (loss)/income	-	-	(5,944)	-	-	13,210	7,266	500	7,766
Transactions with owners									
Ordinary shares issued pursuant to:									
- Warrants B	973	-	-	-	-	-	973	-	973
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	(150)	(150)
Repurchased of treasury shares of the Company	-	-	-	-	(30,851)	-	(30,851)	-	(30,851)
Total transactions with owners	973	-	-	-	(30,851)	-	(29,878)	(150)	(30,028)
Balance as at 31 August 2024	409,680	273	21,555	-	(74,046)	168,015	525,477	34,411	559,888

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 2024 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2024**

	Year-to-date ended	
	31.08.2024	31.08.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	20,701	29,349
Adjustments for non-cash items	13,360	12,170
Operating profit before working capital changes	<u>34,061</u>	<u>41,519</u>
Inventories	18,195	30,326
Receivables	1,746	30,184
Payables	(10,043)	(43,805)
Associates	306	(1,124)
Net cash generated from operations	<u>44,265</u>	<u>57,100</u>
Income tax paid	(5,167)	(4,326)
Retirement benefit paid	(57)	(99)
Net cash from operating activities	<u>39,041</u>	<u>52,675</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(20,572)	(11,847)
Interest received	273	285
Purchase of intangible assets	31	-
Proceeds from disposal of property, plant and equipment	47	231
Proceeds from disposal of investment properties	-	250
Placement of short term deposits:		
- pledged with licensed banks	-	(20)
- with maturity period more than three (3) months	2,317	(340)
Net cash used in investing activities	<u>(17,904)</u>	<u>(11,441)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(9,493)
Interest paid	(4,901)	(4,875)
Repayment of lease liabilities	(3,499)	(5,735)
Net repayment of borrowings	14,783	(38,942)
Dividends paid to non-controlling interest	(150)	-
Proceed from issuance of ordinary shares pursuant to:		
- Warrants B	973	2,212
Net (repurchased)/resold of treasury shares in open market	(30,851)	856
Net cash used in financing activities	<u>(23,645)</u>	<u>(54,405)</u>
Net decrease in cash and cash equivalents	<u>(2,508)</u>	<u>(13,171)</u>
Cash and cash equivalents at the beginning of the financial period	<u>116,806</u>	<u>150,476</u>
Effect of exchange rate changes	<u>491</u>	<u>71</u>
Cash and cash equivalents at the end of the financial period	<u>114,789</u>	<u>137,376</u>
Cash and cash equivalents include the following:		
	RM'000	RM'000
Cash and bank balances	88,091	104,953
Bank overdrafts	(7,805)	(9,256)
Short term deposits	42,507	47,023
	<u>122,793</u>	<u>142,720</u>
Less : Short term deposits pledged with licensed banks	(136)	(620)
Short term deposits with maturity period more than three (3) months	(7,868)	(4,724)
	<u>114,789</u>	<u>137,376</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 2024 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 2024

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 2024. 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 2024.

For the financial periods up and including the financial year ended 31 May 2024, 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 2024 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 2024:

MFRSs and Amendments to MFRSs:

Amendments to MFRS 16 Lease Liability in Sale and Leaseback
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current
Amendments to MFRS 101 Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements

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 2024 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 2024, 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 2024.

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 2024 except for the following:

(a) Issued and paid up ordinary shares

During the financial quarter ended 31 August 2024, the issued and paid up ordinary shares of the Company was increased from 1,008,597,360 to 1,012,073,660 pursuant to the following:

- (i) 3,476,300 new ordinary shares arising from the exercise of Warrants B at RM0.28 each for cash totaling RM973,000.

(b) Treasury shares

During the financial quarter ended 31 August 2024, 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
Shares repurchased					
June 2024	8,880,300	1.180	1.040	1.090	9,642,654
July 2024	12,219,700	1.150	1.020	1.040	13,196,737
August 2024	<u>7,993,000</u>	1.060	0.920	0.990	<u>8,011,758</u>
Net shares repurchased for the financial period	<u>29,093,000</u>				<u>30,851,149</u>

As at 31 August 2024, the Company holds 80,131,677 Treasury Shares at a cost of RM43,195,000 pursuant to Section 127(4)(b) of the Companies Act 2016.

A7. Segmental results

Segmental information for the financial period ended 31 August 2024.

	Investment Holdings and Others RM'000	Agricultural Chemicals RM'000	Industrial Chemicals RM'000	Logistics RM'000	Polymer RM'000	Elimination RM'000	Total RM'000
31 August 2024							
Revenue							
External revenue	11,731	136,643	339,467	12,223	15,479	-	515,543
Inter-segment revenue	31,576	35,927	90	2,152	1	(69,746)	-
Total revenue	43,307	172,570	339,557	14,375	15,480		515,543
Segment results	(5,816)	22,117	7,534	3,339	(611)	(545)	26,018
Operating profits							26,018
Finance costs							(5,315)
Share of results of associates							(2)
Profit before taxation							20,701
Tax expense							(6,991)
Net profit for the financial period							13,710
31 August 2023							
Revenue							
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	19,080	173,059	307,582	13,651	19,552		487,358
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)
Net profit for the financial period							20,916

A8. Dividends

There was no dividend declared and/or paid during the financial quarter ended 31 August 2024 other than as disclosed in Note B11.

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 2024.

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 2024.

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	3,908
- Approved but not contracted for	50,169
	<u>54,077</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 2024**

For the financial quarter ended 31 August 2024, the Group recorded higher revenue of RM515.5 million as compared with RM487.4 million in the corresponding quarter last year. Nevertheless, the profit before taxation ("PBT") decreased to RM20.7 million compared to RM29.3 million in the corresponding quarter last year.

Review of business segments for the financial quarter ended 31 August 2024Investment 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 a lower revenue of RM11.7 million compared with RM12.1 million in the corresponding quarter last year. The division reported higher segmental loss of RM5.8 million for the current financial quarter compared with RM2.4 million in the corresponding quarter last year, following completion of IT projects while the advertising business remained slow.

Agricultural Chemicals

The Agricultural Chemicals Division reported higher revenue of RM136.6 million for the current financial quarter compared to RM136.3 million in the corresponding quarter last year. However, segmental profit decreased to RM22.1 million in the current financial quarter from RM26.9 million last year mainly due to higher freight costs arising from the increasing geopolitical instability which we are not able to fully and immediately passed on to our customers.

Industrial Chemicals

The Industrial Chemicals Division posted higher revenue of RM339.5 million compared with RM307.4 million in the corresponding quarter last year mainly due to higher selling prices and volume for most of its products. The division recorded higher segmental profit of RM7.5 million for the current quarter compared to RM3.7 million in the corresponding quarter attributable to higher revenue as well as the savings from rationalisation of its operating expenses.

Logistics

The Logistics Division recorded higher revenue of RM12.2 million for the current financial quarter as compared with RM11.9 million in the corresponding quarter last year. Consequently, the division reported higher segmental profit of RM3.3 million compared to RM2.6 million in the corresponding quarter last year.

Polymer

The Polymer Division recorded lower revenue of RM15.5 million for the current financial quarter as compared with RM19.6 million in the corresponding quarter last year. The Division recorded a segmental loss of RM0.6 million compared with segmental profit of RM2.7 million in the corresponding quarter last year mainly due to lower 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 2024, the Group posted higher revenue of RM515.5 million compared with RM487.0 million in the immediate preceding quarter. The Group reported lower PBT of RM20.7 million in the current financial quarter compared to PBT of RM24.7 million in the immediate preceding quarter.

B3. Current year prospects

The current geopolitical uncertainty remains elevated, and this has fuelled armed conflicts and trade tensions in numerous parts of the world. This has led to more protectionist and isolationist policies by governments. Supply chains are being reshuffled as producers hedge against geopolitical risk, often at higher costs. The conflict in the Middle East has caused seaborne trade to be rerouted, while higher than-expected demand and weather have also increased shipping costs and adding to shipping times and snarled travel. 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

	Individual quarter ended 31.08.2024 RM'000	Year-to-date ended 31.08.2024 RM'000
The profit before taxation is stated after charging/(crediting):		
Depreciation and amortisation	7,885	7,885
Fair value loss/(gain) on investment	(6)	(6)
Impairment loss on other investments	41	41
Finance costs	5,315	5,315
Interest income	(273)	(273)
Net gain on disposal of property, plant and equipment	(39)	(39)
Net loss on foreign exchange	570	570
Net impairment loss on receivables	(5)	(5)

B6. Tax expense

	Individual quarter ended		Year-to-date ended	
	31.08.2024	31.08.2023	31.08.2024	31.08.2023
	RM'000	RM'000	RM'000	RM'000
Current tax expense based on profit for the financial period:				
Malaysian income tax	5,237	8,238	5,237	8,238
Foreign income tax	(7)	413	(7)	413
	5,230	8,651	5,230	8,651
Deferred taxation:				
Relating to origination and reversal of temporary differences	1,761	(218)	1,761	(218)
Over provision in prior years	-	-	-	-
	6,991	8,433	6,991	8,433

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"), failing which the securities of Nylex will be suspended and de-listed from the Official List of Bursa Securities. As Nylex had failed to submit the proposed regularisation plan within the Extended Timeframe, the Company has on 26 January 2024 appealed/applied for a further extension of time ("Appeal").

On 29 January 2024, Bursa Securities had decided to suspend the securities of Nylex with effect from 7 February 2024 as Nylex had failed to submit the proposed regularisation plan and the de-listing of the securities of Nylex is deferred pending the decision on the Appeal by Bursa Securities.

Bursa Securities has via its letter dated 4 March 2024, allowed Nylex's appeal against the de-listing of Nylex and granted Nylex a further extension of time until 26 July 2024 to submit the regularisation plan to the relevant authorities for approval ("Extended Timeframe II"); failing which the securities of the Company shall be removed from the Official List of Bursa Securities upon expiry of two (2) market days from the date the Company is notified by Bursa Securities or on such date as may be specified by Bursa Securities. As Nylex is unable to submit the proposed regularisation plan within the Extended Timeframe II, the Company has on 19 July 2024 appealed/applied for a further extension of time ("Further Appeal").

Bursa Securities has via its letter dated 24 September 2024, decided to allow the Further Appeal and grant Nylex an extension of time of 6 months until 26 January 2025 as requested by Nylex to submit its regularisation plan to the relevant authorities for approval.

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

- b. ANB and its subsidiary, Ancom Logistics Berhad ("ALB") had entered into a Heads of Agreement ("ALB HOA") with Greenheart Sdn Bhd ("GSB"), Choong Wee Keong ("CWK") and How Yoon For ("HYF") for the following:

(GSB, CWK and HYF shall be collectively referred to as "Vendors" and ANB, ALB, and Vendors shall be collectively referred to as "Parties")

- (i) proposed acquisition by ALB of the entire share capital of Green Lagoon Technology Sdn Bhd ("GLTSB") from the Vendors for total consideration of RM120,000,000, subject to an independent valuation to be conducted on GLTSB during the due diligence and in return ALB shall issue 1,000,000,000 new ordinary shares in ALB ("ALB Share(s)") at an issue price of RM0.12 per ALB Share, that will be listed and tradeable in the ACE Market to the GLTSB shareholders ("Consideration Shares") ("Proposed Acquisition");
- (ii) proposed exemption under subparagraph 4.08(1)(a) of the Rules on Takeovers, Mergers and Compulsory Acquisitions to the Vendors, other shareholders of GLTSB and their person(s) acting in concert (collectively "PAC(s)") under Sections 216(2) and 216(3) of the Capital Markets and Services Act 2007 from the obligation to undertake a mandatory offer for the remaining ALB Shares not already owned by them pursuant to the Proposed Acquisition ("Proposed Exemption");
- (iii) proposed private placement of up to 183,333,334 new Shares (or such other number of new Shares as may be applicable) to ANB for the total sum of up to RM22,000,000.08 (or such other amount corresponding to such number of new ALB Shares to be issued), and to be settled in cash at the issue price of RM0.12 per ALB Share, provided that the total percentage of shareholding held by ANB directly and indirectly in the share capital of ALB on completion of the Proposed Acquisition shall not exceed such number of ALB Shares representing 21% of the entire share capital of ALB ("Proposed Private Placement"); and
- (iv) proposed disposal by ALB all of its subsidiaries (i.e., Synergy Trans-Link Sdn Bhd and its subsidiaries, Pengangkutan Cogent Sdn Bhd and Ancom-Nylex Terminals Sdn Bhd) to ANB at an independent valuation to be conducted and agreed by ANB and ALB and upon such terms and conditions to be determined later ("Proposed Disposal").

(The Proposed Acquisition, Proposed Exemption, Proposed Private Placement and Proposed Disposal shall be collectively referred to as "Proposals")

The Parties have each agreed that the ALB HOA is legally binding on all Parties and the purpose of the Parties entering into the ALB HOA is to record the salient terms of the Proposals which shall be incorporated into the Share Sale Agreement entered between the Vendors and ALB ("SSA") and such other documents to be executed between the Vendors and ALB upon such other terms and conditions to be mutually agreed between the Parties.

Other salient terms to be included in the SSA shall include but not limited to the following:

- (i) the total consideration for the purchase of the total share capital of GLTSB by ALB is RM120,000,000 ("Agreed Price") subject to an independent valuation to be conducted on GLTSB during due diligence and if the value in the valuation report is less than the Agreed Price, then the Vendors and ALB shall re-negotiate and revise the Agreed Price, Proposed Private Placement amount and any other relevant terms in good faith, and in return ALB shall issue the Consideration Shares (or such adjusted number of ALB Shares if the

Agreed Price is revised) at the issue price of RM0.12 per Share that will be listed and tradeable on the ACE Market to the GLTSB shareholders;

- (ii) the Vendors shall jointly and severally provide a profit guarantee in favour of ALB that GLTSB will have no less than RM8,000,000.00 profit after tax on a consolidated basis for the first (1st) full financial year of GLTSB after completion of the Proposed Acquisition ("First Financial Year") and no less than RM10,000,000.00 profit after tax on a consolidated basis for the second (2nd) full financial year of GLTSB after completion of the Proposed Acquisition ("Second Financial Year") and any shortfall therein shall be compensated by the Vendors to ALB in cash. It shall be agreed between the Parties that any profit after tax of GLTSB on a consolidated basis procured in surplus of RM8,000,000.00 for First Financial Year shall for the purpose of calculation of the profit guarantee, be incorporated as profit after tax procured for the Second Financial Year. GSB or a company nominated by the Vendors to hold the Consideration Shares ("ALB Shareholder") shall provide a corporate guarantee together with a written irrevocable undertaking that it shall continue to hold a minimal sum of RM8,000,000.00 worth of Consideration Share for the First Financial Year and a minimal of RM10,000,000.00 worth of Consideration Shares for the Second Financial Year ("Profit Guarantee ALB Shares") so as to satisfy the profit guarantee ("GSB Corporate Guarantee"). In event of any shortfall in the profit guarantee, and the Vendors fail to compensate ALB in cash, then the Vendors shall procure that the ALB Shareholder sells such Profit Guarantee ALB Shares sufficient for the shortfall and the proceeds are to be used to compensate ALB for the shortfall. The computation of the profit guarantee shall exclude any one-off or non-recurring income or expenses which are not in the ordinary course of the business.

For avoidance of doubt, the above Proposals are inter-conditional. All new issued and paid-up ALB Shares shall rank pari-passu or equally in all aspects with the existing ALB Shares.

Upon completion of the Proposals, ALB will cease to be a subsidiary of ANB and will become an associate company of ANB.

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

- c. The Company had, on 23 September 2024, entered into a conditional placement agreement with HELM AG ("Placee") for the Proposed Private Placement ("Placement Agreement"). Subject to the terms and conditions of the Placement Agreement, the Placee agrees to subscribe for, and the Company agrees to allot and issue 96,220,000 ANB Shares ("Placement Shares") to the Placee at an issue price of RM1.00 per ANB Share ("Issue Price"). ("Proposed Private Placement")

As at the date of this report, the Proposed Private Placement is to be completed on 18 October 2024.

B8. Utilisation of proceeds

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

B9. Borrowings

	31.08.2024	31.05.2024
	RM'000	RM'000
LONG TERM BORROWINGS		
Secured:		
Ringgit Malaysia	68,635	35,716
United States Dollar	-	-
	68,635	35,716
Unsecured:		
Ringgit Malaysia	14,405	11,955
Total long term borrowings	83,040	47,671
SHORT TERM BORROWINGS		
Secured:		
Ringgit Malaysia	43,197	54,048
United States Dollar	-	491
Vietnamese Dong	13,060	10,045
	56,257	64,584
Unsecured:		
Ringgit Malaysia	179,426	181,337
United States Dollar	41,292	54,020
	220,718	235,357
Total short term borrowings	276,975	299,941
TOTAL BORROWINGS	360,015	347,612

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.

Final trials for the matter are fixed on 10 September 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.

The Group has filed an appeal with Court of Appeal against the judgement of the High Court and the judgement decision date is scheduled on 9 December 2024.

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. Dividends

The Board of Directors has proposed and declared the following:

- i. a second interim dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 May 2024 which will be paid on 24 October 2024; and
- ii. a first interim dividend for the financial year ending 31 May 2025 by way of distribution of treasury shares of the Company by way of dividend-in-specie to the shareholders of the Company on the basis of four (4) treasury share of the Company for every one hundred (100) ANB shares held by shareholders whose names appear in the Record of Depositors of the Company on 14 October 2024.

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	
	31.08.2024	31.08.2023	31.08.2024	31.08.2023
Net profit attributable to owners of the parent	13,210	20,802	13,210	20,802
Weighted average number of ordinary shares in issue ('000)	936,155	946,885	936,155	946,885
Basic earnings per share (sen)	1.41	2.20	1.41	2.20

Diluted earnings per share

	Individual quarter ended		Year-to-date ended	
	31.08.2024	31.08.2023	31.08.2024	31.08.2023
Net profit attributable to owners of the parent	13,210	20,802	13,210	20,802
Weighted average number of ordinary shares in issue ('000)	936,155	946,885	936,155	946,885
Dilutive potential ordinary shares				
- ESOS	-	7,393	-	7,393
- Warrants	52,582	76,171	52,582	76,171
Adjusted weighted average number of ordinary shares in issues ('000)	988,737	1,030,449	988,737	1,030,449
Diluted earnings per share (sen)	1.34	2.02	1.34	2.02