

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR FINANCIAL QUARTER ENDED 29 FEBRUARY 2020**

	Individual quarter ended		Year-to-date ended	
	29.02.2020	28.02.2019	29.02.2020	28.02.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	360,502	433,730	1,162,837	1,506,799
Cost of sales	(311,684)	(385,094)	(1,007,298)	(1,327,085)
Gross profit	48,818	48,636	155,539	179,714
Other income	7,745	3,675	14,521	12,845
Distribution expenses	(21,914)	(25,932)	(70,617)	(79,035)
Administrative expenses	(27,119)	(26,713)	(70,218)	(79,453)
Other operating expenses	(2,130)	206	(5,218)	(4,228)
Finance costs	(4,117)	(5,623)	(13,280)	(16,128)
Share of results of associates	(810)	(35)	(1,389)	70
Profit/(Loss) before taxation	473	(5,786)	9,338	13,785
Tax expense	(2,366)	(5,793)	(11,102)	(16,028)
Net profit for the financial period	(1,893)	(11,579)	(1,764)	(2,243)
Net profit/(loss) attributable to				
Owners of the parent	165	(3,867)	2,103	4,953
Non-controlling interests	(2,058)	(7,712)	(3,867)	(7,196)
	(1,893)	(11,579)	(1,764)	(2,243)
Earnings per ordinary share attributable to equity holders of the Company	Sen	Sen	Sen	Sen
Basic and diluted (loss)/earnings per ordinary share	0.07	0.84	0.93	2.32

The Unaudited Condensed Income Statement should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2019 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL QUARTER ENDED 29 FEBRUARY 2020**

	Individual quarter ended		Year-to-date ended	
	29.02.2020	28.02.2019	29.02.2020	28.02.2019
	RM'000	RM'000	RM'000	RM'000
Net (loss)/profit for the financial period	(1,893)	(11,579)	(1,764)	(2,243)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	1,177	(3,610)	1,644	3,107
Re-measurement of defined benefit liability	(21)	56	(21)	56
Other comprehensive income, net of tax	1,156	(3,554)	1,623	3,163
Total comprehensive (loss)/income	(737)	(15,133)	(141)	920
Total comprehensive income/(loss) attributable to				
Owners of the parent	809	(5,531)	2,970	6,176
Non-controlling interests	(1,546)	(9,602)	(3,111)	(5,256)
	(737)	(15,133)	(141)	920

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 2019 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 29 FEBRUARY 2020**

	Unaudited 29.02.2020 RM'000	Audited 31.05.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	279,782	280,355
Investment properties	337	337
Investment in associates	15,878	12,008
Investment in a joint venture	-	-
Other investments	617	617
Intangible assets	23,140	26,055
Goodwill on consolidation	78,688	77,926
Rights-of-use assets	30,685	-
Deferred tax assets	28,337	26,453
	457,464	423,751
Current assets		
Inventories	136,894	170,868
Receivables	310,333	365,962
Amounts owing by associates	22,058	18,444
Amount owing by a joint venture	5	5
Contract assets	6,019	15,970
Current tax assets	4,331	1,976
Other investments	4,349	3,042
Cash and cash equivalents	84,031	84,201
	568,020	660,468
TOTAL ASSETS	1,025,484	1,084,219
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	245,766	245,766
Reserves	78,699	75,262
Less : Treasury Shares, at cost	(9,632)	(5,566)
	314,833	315,462
Non-controlling interests	131,205	139,443
TOTAL EQUITY	446,038	454,905
LIABILITIES		
Non-current liabilities		
Borrowings	50,798	50,770
Long term lease liabilities	14,243	-
Deferred tax liabilities	10,911	10,983
Provision for retirement benefits	5,120	4,666
	81,072	66,419
Current liabilities		
Payables	194,592	215,920
Amounts owing to associates	19,222	8,399
Borrowings	261,080	318,038
Short term lease liabilities	16,442	-
Contract liabilities	1,895	16,790
Current tax payables	5,143	3,748
	498,374	562,895
Total Liabilities	579,446	629,314
TOTAL EQUITY AND LIABILITIES	1,025,484	1,084,219
Net assets per share attributable to owners of the parent (RM)	1.38	1.57

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 2019 and the accompanying notes to this Interim Financial Report.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 29 FEBRUARY 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 2017	218,956	4,332	203	7,696	4,987	(2,473)	83,537	317,238	168,407	485,645
Effect on the adoption of MFRS 9	-	-	-	-	-	-	(16,901)	(16,901)	(4,805)	(21,706)
Restated balance as at 1 June 2018	218,956	4,332	203	7,696	4,987	(2,473)	66,636	300,337	163,602	463,939
Total comprehensive income/(loss)	-	-	-	2,875	-	-	15,188	18,063	(13,287)	4,776
Transactions with owners										
Issuance of Bonus Shares	21,893	(4,332)	-	-	-	(382)	(17,179)	-	-	-
Transfer pursuant to Section 618(2) of the Companies Act 2016	4,917	-	70	-	(4,987)	-	-	-	-	-
Additional interest in subsidiaries	-	-	-	135	-	-	(74)	61	(592)	(531)
Repurchase of ordinary shares of the Company	-	-	-	-	-	(2,711)	-	(2,711)	-	(2,711)
Disposal/Derecognition of subsidiaries	-	-	-	-	-	-	-	-	(3,459)	(3,459)
Repurchase of ordinary shares of a subsidiary from non-controlling interest	-	-	-	-	-	-	-	-	(5,179)	(5,179)
Disposal of equity interest in subsidiaries	-	-	-	-	-	-	(288)	(288)	3,065	2,777
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(2,943)	(2,943)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	(1,764)	(1,764)
	26,810	(4,332)	70	135	(4,987)	(3,093)	(17,541)	(2,938)	(10,872)	(13,810)
Balance as at 31 May 2019/1 June 2019	245,766	-	273	10,706	-	(5,566)	64,283	315,462	139,443	454,905
Total comprehensive income/(loss)	-	-	-	888	-	-	2,082	2,970	(3,111)	(141)
Transactions with owners										
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	1,148	1,148
Acquisition of non-controlling interest of a subsidiary	-	-	-	-	-	-	467	467	(1,767)	(1,300)
Repurchase of ordinary shares of the Company	-	-	-	-	-	(4,066)	-	(4,066)	-	(4,066)
Repurchase of ordinary shares of a subsidiary from non-controlling interest	-	-	-	-	-	-	-	-	(2,854)	(2,854)
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	(1,654)	(1,654)
	-	-	-	-	-	(4,066)	467	(3,599)	(5,127)	(8,726)
Balance as at 29 February 2020	245,766	-	273	11,594	-	(9,632)	66,832	314,833	131,205	446,038

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 2019 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 29 FEBRUARY 2020**

	Year-to-date ended	
	29.02.2020	28.02.2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,339	13,785
Adjustments for non-cash items	38,115	34,352
Operating profit before working capital changes	<u>47,454</u>	<u>48,137</u>
Inventories	33,974	(21,418)
Receivables	59,580	66,738
Payables	(36,223)	(60,917)
Group companies	7,209	2,957
Net cash generated from operations	<u>111,994</u>	35,497
Income tax paid	(14,019)	(14,789)
Retirement benefit paid	(295)	(272)
Net cash generated from operating activities	<u>97,680</u>	20,436
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(20,101)	(22,455)
Interest received	905	1,226
Acquisition of a subsidiary	1,612	-
Acquisition of associates	-	(1,125)
Disposal of equity interest in subsidiaries	-	2,931
Purchase of intangible assets	-	(296)
Proceeds from disposal of property, plant and equipment	443	926
Purchase of other investments	(1,307)	(5,428)
Acquisition of non-controlling interest of a subsidiary	(1,300)	(656)
Net cash flows on disposal and derecognition of subsidiaries	-	2,069
Purchase of treasury shares of a subsidiary from non-controlling interests	(2,854)	(3,145)
(Placement)/Withdrawal of short term deposits pledged to licensed banks	(1,504)	279
Net cash used in investing activities	<u>(24,106)</u>	(25,674)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interest of subsidiaries	(1,654)	(784)
Interest paid	(13,280)	(16,128)
Dividend paid to shareholders of the Company	-	-
Net drawdown/(repayments) of hire-purchase and lease creditors	(1,187)	1,017
Net (repayment)/drawdown of borrowings	(49,285)	(4,956)
Dividends paid to non-controlling interest	-	(1,962)
Purchase of ordinary shares of the Company from owners	(4,066)	(2,004)
Net cash used in financing activities	<u>(69,472)</u>	<u>(24,817)</u>
Net decrease in cash and cash equivalents	4,102	(30,055)
Cash and cash equivalents at the beginning of the financial period	62,913	98,048
Effect of exchange rate changes	682	1,056
Cash and cash equivalents at the end of the financial period	<u>67,697</u>	<u>69,049</u>
Cash and cash equivalents include the following:		
	RM'000	RM'000
Cash and bank balances	67,472	71,998
Bank overdrafts	(12,460)	(20,497)
Short term deposits	16,559	32,088
	<u>71,571</u>	<u>83,589</u>
Less : Short term deposits pledged to banks	(143)	(11,380)
Short term deposits with maturity more than 3 months	(3,731)	(3,160)
	<u>67,697</u>	<u>69,049</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 2019 and the accompanying notes to this Interim Financial Report.



ANCOM BERHAD

(Company No. 8440-M)
Incorporated in Malaysia

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 29 FEBRUARY 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 2019. 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 2019.

For the financial periods up and including the financial year ended 31 May 2019, 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 2019 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 2019:

Accounting Standards and amendments:

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 3	Annual Improvements to MFRS Standards 2015 – 2017 Cycle
Amendments to MFRS 11	Annual Improvements to MFRS Standards 2015 – 2017 Cycle
Amendments to MFRS 112	Annual Improvements to MFRS Standards 2015 – 2017 Cycle
Amendments to MFRS 123	Annual Improvements to MFRS Standards 2015 – 2017 Cycle
Amendments to MFRS 119	Plan, Amendment, Curtailment or Settlement

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group other than the following:

MFRS 16 Leases

The Group has adopted MFRS 16 Leases using the modified retrospective approach with a date of initial application on 1 June 2019. As a result of the adoption of MFRS 16, the existing requirements for a lessee to distinguish between finance lease and operating lease under the MFRS 117 Leases are no longer required.

Under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

In respect of the lessor accounting, MFRS 16 retains most of the requirements in MFRS 117. Lessor continues to classify its leases as operating leases or finance leases, and account for them differently.

A2 Auditors' report

The audited financial statements of Ancom and its subsidiaries for the financial year ended 31 May 2019 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 29 February 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 29 February 2020 except for the following:

(i) Bonus Shares

On 7 November 2018, the Company issued 21,892,942 new ordinary shares in the Company ("Bonus Shares") (including 381,392 Bonus Shares issued for the Treasury Shares held by the Company) pursuant to a bonus issue on the basis of 1 Bonus Share for every 10 existing Ancom shares held by the shareholders.

(ii) Treasury Shares

During the financial quarter and financial period to date, the Company purchased its own shares as follows:

Date Purchase	Number of shares purchased	Highest price RM	Lowest price RM	Average price RM	Total consideration paid RM
June 2019	429,900	0.480	0.440	0.460	201,138
July 2019	549,600	0.495	0.460	0.478	261,140
August 2019	663,400	0.480	0.450	0.465	310,620
September 2019	764,900	0.495	0.455	0.490	360,384
October 2019	2,099,400	0.500	0.455	0.480	1,002,187
November 2019	3,688,400	0.480	0.455	0.475	1,774,126
December 2019	314,600	0.605	0.485	0.545	156,274
Total for the financial period	<u>8,510,200</u>				<u>4,065,869</u>
Balance brought forward	<u>9,887,959</u>				<u>5,566,455</u>
Balance as at reporting date	<u>18,398,159</u>				<u>9,632,324</u>

The shares purchased were held as Treasury Shares by the Company.

As at 29 February 2020, the Company holds 18,398,159 Treasury Shares at a cost of RM9,632,324.

A7. Dividends

There was no dividend declared and/or paid during the financial quarter ended 29 February 2020.

A8. Segmental results

Segmental information for the financial period ended 29 February 2020.

	YTD -29 February 2020							
	Investment holdings and others	Agricultural Chemicals	Industrial Chemicals	Logistics	Media	Polymer	Elimination	Total
29 February 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
External revenue	16,671	179,123	815,709	31,225	44,669	75,440	-	1,162,837
Inter-segment revenue	7,139	54,843	110	7,221	31	13	(69,357)	-
Total revenue	<u>23,810</u>	<u>233,966</u>	<u>815,819</u>	<u>38,446</u>	<u>44,700</u>	<u>75,453</u>		<u>1,162,837</u>
Segment results	(14,440)	26,871	2,357	4,619	(1,361)	7,235	(1,274)	24,007
Finance costs								(13,280)
Share of results of associates								(1,389)
Profit before taxation								9,338
Tax expense								(11,102)
Net loss for the financial period								<u>(1,764)</u>
28 February 2019								
Revenue								
External revenue	20,126	206,990	1,082,709	28,105	85,661	83,208	-	1,506,799
Inter-segment revenue	8,680	49,462	409	7,247	466	61	(66,325)	-
Total revenue	<u>28,806</u>	<u>256,452</u>	<u>1,083,118</u>	<u>35,352</u>	<u>86,127</u>	<u>83,269</u>		<u>1,506,799</u>
Segment results	(16,648)	35,300	11,727	3,162	(8,535)	5,356	(519)	29,843
Finance costs								(16,128)
Share of results of associates								70
Profit before taxation								13,785
Tax expense								(16,028)
Net loss for the financial period								<u>(2,243)</u>

A9. Valuation of property, plant and equipment

The Group did not carry out any valuation on its property, plant and equipment during the financial quarter ended 29 February 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 except as stated below:

On 14 June 2019, a wholly-owned subsidiary of Nylex, Perusahaan Kimia Gemilang Sdn. Bhd. ("PKG") has entered into a share sale agreement with Retromark Solutions Sdn. Bhd. for the acquisition of 660,000 ordinary shares, representing 30% of the issued and paid-up share capital in Ancom Kimia Sdn. Bhd. ("AKM") for a total consideration of RM1,000,000 ("Proposed Acquisition"). Upon completion of the Proposed Acquisition on 8 July 2019, AKM became a 60% owned subsidiary of PKG.

A12. Changes in contingent liabilities

The Group's contingent liabilities stood at RM53.6 million as at the end of the reporting period.

A13. Capital commitments

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

	RM'000
Property, plant and equipment	
- Approved and contracted for	311
- Approved but not contracted for	-
	<u>311</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 year ended 29 February 2020

For the nine months ended 29 February 2020, the Group recorded lower revenue of RM1.2 billion as compared with RM1.5 billion in the corresponding period last year. Consequently, the Group reported lower profit before taxation ("PBT") of RM9.3 million as compared with RM13.8 million in the corresponding period last year.

For the financial quarter ended 29 February 2020, the Group recorded lower revenue of RM360.5 million as compared with RM433.7 million in the corresponding last year. The Group reported lower PBT of RM0.5 million compared to RM5.8 million in the corresponding period 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 29 February 2020

Investment Holding and others

The results in this segment includes investment holding, education, information technology ("IT") and electrical businesses. During the current financial quarter, the division posted higher revenue of RM5.2 million compared with RM5.0 million in the corresponding quarter last year. Nevertheless, the Division reported higher segmental loss of RM2.2 million for the current financial quarter compared with RM1.1 million in the corresponding quarter last year.

Agricultural Chemicals

The Agricultural Chemicals division reported lower revenue of RM59.2 million for the current financial quarter compared with RM70.4 million in the corresponding quarter last year. Segmental profit decreased to RM7.3 million in the current financial quarter compared with RM12.4 million in the corresponding quarter last year in line with lower revenue reported. Sales of the division was affected by the lower trading business in the current quarter.

Industrial Chemicals

The Industrial Chemicals Division posted lower revenue of RM246.0 million compared with RM294.7 million recorded in the corresponding quarter last year, attributed by lower volume and generally lower average selling prices. The Division managed to lower its segmental loss of RM0.3 million for the current quarter compared to segmental loss of RM6.7 million in the corresponding quarter last due to improved margin earned on certain products.

Logistics

The Logistics Division recorded higher revenue of RM9.2 million compared to RM8.4 million in the corresponding quarter last year. However, the Division reported lower segmental profit of RM1.0 million compared with RM3.0 million in the corresponding quarter last year. Included in the segmental results of last year was the foreign

exchange gain of RM1.9 million and included in the current quarter segmental results was a foreign exchange loss of RM0.3 million.

Media

Following the disposal of 40% equity interest in Puncak Berlian Sdn. Bhd., the Media division posted lower revenue of RM14.9 million compared with RM28.3 million in the corresponding financial quarter last year. The Division reported segmental loss of RM0.5 million in the current financial quarter as compared with segmental loss of RM4.7 million in the corresponding quarter last year.

Polymer

The Polymer Division posted lower revenue of RM26.1 million for the current financial quarter compared with RM26.9 million in the corresponding quarter last year mainly due to lower contribution by both its manufacturing plant in Shah Alam. Despite lower revenue, the Division posted higher segmental profit of RM2.6 million compared with RM1.3 million in the same corresponding quarter last year, attributed to better margins on product mix.

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

For the current financial quarter ended 29 February 2020, the Group posted lower revenue of RM360.5 million compared with RM398.1 million in the immediate preceding quarter. The Group reported lower PBT of RM0.5 million in the current financial quarter compared with RM5.0 million in the immediate preceding quarter.

B3. Current year prospects

The unprecedented shutdown in Malaysia and around the world to slow the spread of COVID-19 pandemic has brought the economy to a standstill and disrupted supply chains. This has caused sizable slowdown in the economy and the full impact of the COVID-19 pandemic is still uncertain. The Board expects the final quarter of the current financial year to be impacted accordingly.

The Board will continue to exercise caution in managing the Group's business. Management has 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.

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 29.02.2020 RM'000	Year-to-date ended 29.02.2020 RM'000
The profit before taxation is stated after charging/(crediting):		
Finance costs	4,117	13,280
Depreciation and amortisation	7,874	23,435
Loss/(Gain) on foreign exchange	854	(1,061)
Gain on remeasurement of associate	-	(259)
Fair value loss on investment	176	325
Fair value loss on derivatives	8	-
Property, plant and equipment written off	(340)	-
Write-back of inventories written off	-	(400)
Reversal of impairment loss on receivables	(41)	(139)
Interest income	(333)	(905)

B6. Tax expense

	Individual quarter ended		Year-to-date ended	
	29.02.2020	28.02.2019	29.02.2020	28.02.2019
	RM'000	RM'000	RM'000	RM'000
Current tax expense based on profit for the financial period:				
Malaysian income tax	1,597	6,127	10,024	16,878
Foreign income tax	1,757	1,439	2,890	2,377
	3,354	7,566	12,914	19,255
Over provision in prior years	-	(18)	-	(18)
	3,354	7,548	12,914	19,237
Deferred taxation:	(997)	(1,755)	(1,821)	(3,209)
	2,366	5,793	11,102	16,028

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

B7. Utilisation of proceeds

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

B8. Status of corporate proposals

There were no corporate proposals announced but not completed as at 8 May 2020.

B9. Borrowings

	29.02.2020	31.05.2019
	RM'000	RM'000
SHORT TERM BORROWINGS		
Secured:		
Ringgit Malaysia	72,074	88,661
United States Dollar	8,146	14,363
Vietnamese Dong	3,935	782
	84,155	103,806
Unsecured:		
Ringgit Malaysia	137,056	177,250
United States Dollar	39,869	36,982
	176,925	214,232
Total short term borrowings	261,080	318,038
LONG TERM BORROWINGS		
Secured:		
Ringgit Malaysia	15,792	12,212
United States Dollar	35,006	38,558
Total long term borrowings	50,798	50,770
TOTAL BORROWINGS	311,878	368,808

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

B10. Material litigation

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

B11. Dividend

There was no dividend declared and/or paid during the financial quarter ended 29 February 2020.

B12. Earnings per shareBasic earnings per share

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

	Individual quarter ended		Year-to-date ended	
	29.02.2020	28.02.2019	29.02.2020	28.02.2019
Number of ordinary shares ('000)	240,849	240,849	240,849	240,849
Less: Treasury shares ('000)	(18,398)	(4,544)	(18,398)	(4,544)
	222,451	236,305	222,451	236,305
Net profit attributable to owners of the parent	165	1,802	2,103	8,820
Weighted average number of ordinary shares in issue ('000)	222,451	214,412	225,206	214,729
Basic earnings per ordinary share (sen)	0.07	0.84	0.93	4.11

Diluted earnings per share

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

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