

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR FINANCIAL QUARTER ENDED 31 AUGUST 2021**

	Individual quarter ended		Year-to-date ended	
	31.08.2021	31.08.2020	31.08.2021	31.08.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	404,729	346,120	404,729	346,120
Cost of sales	(347,192)	(288,192)	(347,192)	(288,192)
Gross profit	57,537	57,928	57,537	57,928
Other income	4,349	2,971	4,349	2,971
Distribution expenses	(28,071)	(20,239)	(28,071)	(20,239)
Administrative expenses	(14,710)	(22,726)	(14,710)	(22,726)
Other operating expenses	(3,303)	(6,151)	(3,303)	(6,151)
Finance costs	(3,350)	(3,567)	(3,350)	(3,567)
Share of results of associates	194	(687)	194	(687)
Profit before taxation	12,646	7,529	12,646	7,529
Tax expense	(3,351)	(5,575)	(3,351)	(5,575)
Net profit for the financial year	9,295	1,954	9,295	1,954
Net profit/(loss) attributable to				
Owners of the parent	9,040	3,060	9,040	3,060
Non-controlling interests	255	(1,106)	255	(1,106)
	9,295	1,954	9,295	1,954
Earnings per ordinary share attributable to equity holders of the Company				
Basic earnings per share (sen)	3.70	1.28	3.70	1.28
Diluted earnings per share (sen)	3.26	1.28	3.26	1.28

The Unaudited Condensed Income Statement should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2021 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL QUARTER ENDED 31 AUGUST 2021**

	Individual quarter ended		Year-to-date ended	
	31.08.2021	31.08.2020	31.08.2021	31.08.2020
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial year	9,295	1,954	9,295	1,954
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	749	(4,778)	749	(4,778)
Re-measurement of defined benefit liability	-	-	-	-
Other comprehensive (loss)/income, net	749	(4,778)	749	(4,778)
Total comprehensive income/(loss)	10,044	(2,824)	10,044	(2,824)
Total comprehensive income/(loss)				
Owners of the parent	11,171	384	11,171	384
Non-controlling interests	(1,127)	(3,208)	(1,127)	(3,208)
	10,044	(2,824)	10,044	(2,824)

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 2021 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2021**

	Unaudited 31.08.2021 RM'000	Audited 31.05.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	184,791	189,690
Investment properties	314	314
Investment in associates	5,912	5,718
Investment in a joint venture	-	-
Other investments	415	415
Intangible assets	5,376	5,778
Goodwill on consolidation	89,694	70,112
Rights-of-use assets	105,113	110,150
Deferred tax assets	25,455	25,341
	417,070	407,518
Current assets		
Inventories	168,910	175,024
Receivables	339,602	355,233
Amounts owing by associates	9,501	9,108
Current tax assets	4,973	5,912
Other investments	3,010	3,031
Cash and cash equivalents	96,863	105,803
	622,859	654,111
Non-current assets held for sale	7,004	6,680
TOTAL ASSETS	1,046,933	1,068,309
<u>EQUITY AND LIABILITES</u>		
Equity attributable to equity holders of the Company		
Share capital	257,815	256,043
Reserves	123,858	112,404
Less : Treasury Shares, at cost	(6,248)	(6,248)
	375,425	362,199
Non-controlling interests	101,164	120,197
TOTAL EQUITY	476,589	482,396
LIABILITIES		
Non-current liabilities		
Borrowings	49,650	50,704
Long term lease liabilities	21,506	25,340
Deferred tax liabilities	10,355	10,374
Provision for retirement benefits	4,828	4,679
	86,339	91,097
Current liabilities		
Payables	205,248	217,987
Amounts owing to associates	2,554	2,089
Borrowings	258,040	250,092
Short term lease liabilities	12,939	15,561
Contract liabilities	2,073	5,280
Current tax payables	3,151	3,807
	484,005	494,816
Total Liabilities	570,344	585,913
TOTAL EQUITY AND LIABILITES	1,046,933	1,068,309
Net assets per share attributable to owners of the parent (RM)	1.54	1.54

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 2021 and the accompanying notes to this Interim Financial Report.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2021**

	Attributable to equity holders of the Company						Total	Non-controlling interests	Total equity
	Share capital	Capital reserve	Foreign exchange reserve	Share options reserve	Treasury shares	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 June 2020	245,766	273	10,752	-	(9,688)	64,604	311,707	111,854	423,561
Total comprehensive (loss)/income	-	-	(2,822)	-	-	23,731	20,909	6,709	27,618
Transactions with owners									
Ordinary shares issued pursuant to private placement									
- private placement	8,591	-	-	-	-	-	8,591	-	8,591
- Employees' Share Option Scheme ("ESOS")	1,704	-	-	(524)	-	-	1,180	-	1,180
Share issue expenses	(18)	-	-	-	-	-	(18)	-	(18)
Acquisition of a subsidiary	-	-	-	-	-	-	-	379	379
Disposal of equity interest of subsidiaries to non-controlling interests	-	-	-	-	-	11,659	11,659	1,934	13,593
Accretion of equity interest of a subsidiary	-	-	-	-	-	(152)	(152)	152	-
Resold of ordinary shares of the Company	-	-	-	-	3,440	2,427	5,867	-	5,867
Share options granted under ESOS	-	-	-	3,641	-	-	3,641	149	3,790
Dividend-in-specie	-	-	-	-	-	(1,185)	(1,185)	1,176	(9)
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	(2,156)	(2,156)
	10,277	-	-	3,117	3,440	12,749	29,583	1,634	31,217
Balance as at 31 May 2021/1 June 2021	256,043	273	7,930	3,117	(6,248)	101,084	362,199	120,197	482,396
Total comprehensive income/(loss)	-	-	2,131	-	-	9,040	11,171	(1,127)	10,044
Transactions with owners									
Ordinary shares issued pursuant to private placement									
- ESOS	1,772	-	-	(545)	-	-	1,227	-	1,227
Acquisition of subsidiaries	-	-	-	-	-	-	-	(18,430)	(18,430)
Derecognition of a subsidiary	-	-	-	-	-	-	-	980	980
Share options granted under ESOS	-	-	-	828	-	-	828	34	862
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	(490)	(490)
	1,772	-	-	283	-	-	2,055	(17,906)	(15,851)
Balance as at 31 August 2021	257,815	273	10,061	3,400	(6,248)	110,124	375,425	101,164	476,589

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 2021 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2021**

	Year-to-date ended	
	31.08.2021 RM'000	31.08.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	12,644	7,529
Adjustments for non-cash items	7,857	13,834
Operating profit before working capital changes	<u>20,501</u>	<u>21,363</u>
Inventories	6,114	10,781
Receivables	15,468	(23,556)
Payables	(48,679)	35,475
Group companies	72	139
Net cash generated from operations	<u>(6,524)</u>	<u>44,202</u>
Income tax paid	(3,200)	(3,069)
Retirement benefit paid	(226)	(106)
Net cash (used in)/from operating activities	<u>(9,950)</u>	<u>41,027</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,165)	(2,067)
Interest received	129	141
Acquisition of a subsidiary	25	-
Acquisition of associates	-	(235)
Proceed from disposal of equity interest in a subsidiary	-	13,189
Proceeds from disposal of property, plant and equipment	230	35
Sale/(Purchase) of other investments	21	676
Net cash outflow on disposal of a subsidiary	(13)	-
Placement of short term deposits: - pledged with licensed banks	(2)	(3)
Net cash (used in)/from investing activities	<u>(1,775)</u>	<u>11,736</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interest of subsidiaries	(490)	(980)
Interest paid	(2,666)	(3,312)
Repayment of lease liabilities	(2,184)	(5,609)
Net drawdown/(repayment) of borrowings	1,025	(32,175)
Proceed from issuance of share capital: - private placement - ESOS	1,227	8,591
Proceed from resale of treasury shares in open market	-	3,746
Net cash used in financing activities	<u>(3,088)</u>	<u>(29,739)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(14,813)</u>	<u>23,024</u>
Cash and cash equivalents at the beginning of the financial period	<u>92,908</u>	<u>72,466</u>
Effect of exchange rate changes	<u>2</u>	<u>583</u>
Cash and cash equivalents at the end of the financial period	<u>78,097</u>	<u>96,073</u>
Cash and cash equivalents include the following:		
	RM'000	RM'000
Cash and bank balances	79,723	83,506
Bank overdrafts	(15,374)	(5,439)
Short term deposits	17,140	21,816
	<u>81,489</u>	<u>99,883</u>
Less : Short term deposits pledged to banks	(154)	(151)
Short term deposits with maturity more than 3 months	(3,238)	(3,659)
	<u>78,097</u>	<u>96,073</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 2021 and the accompanying notes to this Interim Financial Report.



ANCOM BERHAD

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

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 AUGUST 2021

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 2021. 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 2021.

For the financial periods up and including the financial year ended 31 May 2021, 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 2021 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 2021:

Accounting Standards and amendments:

- Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)
- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)

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

A2 Auditors' report

The audited financial statements of Ancom and its subsidiaries for the financial year ended 31 May 2021 were not subject to any audit qualification.

A3. Seasonality or cyclicity

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

A4. Items of unusual nature and amount

The Group's assets, liabilities, equity, net income or cash flows were not affected by items that are material and unusual because of their nature, size or incidence in the current financial year.

A5. Changes in estimates

There were no material changes in estimates amounts reported that have a material effect on the financial quarter ended 31 August 2021.

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 2021 except for the following:

(a) Issued and paid up ordinary shares

During the financial quarter and financial period to date, the issued and paid up ordinary shares of the Company was increased from 254,491,472 to 256,094,842 by way of issuance of 1,771,724 new ordinary shares pursuant to ESOS.

(b) Treasury Shares

As at 31 August 2021, the Company holds 11,875,059 Treasury Shares at a cost of RM6,247,882 pursuant to Section 127(4)(b) of the Companies Act 2016.

A7. Dividends

There was no dividend declared and/or paid during the financial quarter ended 31 August 2021.

A8. Segmental results

Segmental information for the financial period ended 31 August 2021.

31 August 2021	Investment holdings and others RM'000	Agricultural Chemicals RM'000	Industrial Chemicals RM'000	Logistics RM'000	Media RM'000	Polymer RM'000	Elimination RM'000	Total RM'000
Revenue								
External revenue	7,578	115,482	259,066	8,035	1,534	13,034	-	404,729
Inter-segment revenue	2,279	18,442	81	1,826	-	6	(22,634)	-
Total revenue	9,857	133,924	259,147	9,861	1,534	13,040		404,729
Segment results	(2,224)	16,226	3,562	(1,060)	(1,105)	315	88	15,802
Finance costs								(3,350)
Share of results of associates								194
Profit before taxation								12,646
Tax expense								(3,351)
Net profit for the financial year								9,295
31 August 2020								
Revenue								
External revenue	4,901	87,430	217,386	8,504	2,781	25,118	-	346,120
Inter-segment revenue	4,801	20,868	124	2,322	-	25	(28,140)	-
Total revenue	9,702	108,298	217,510	10,826	2,781	25,143		346,120
Segment results	(5,057)	14,387	2,120	818	(2,245)	1,726	34	11,783
Finance costs								(3,567)
Share of results of associates								-
Profit before taxation								7,529
Tax expense								(5,575)
Net profit for the financial year								1,954

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 2021.

A10. Subsequent events

There were no material events subsequent to the end of the financial year up to the date of this Report that have not been reflected in the Interim Financial Statements.

A11. Changes in composition of the Group

There were no material changes in the composition of the Group for the current quarter and financial year-to-date including business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinuing operations.

A12. Changes in contingent liabilities

There were no material changes to the contingent liabilities disclosed since the last Audited financial statements for the financial year ended 31 May 2021.

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	28,866
- Approved but not contracted for	31,016
	<u>59,882</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 2021

For the financial quarter ended 31 August 2021, the Group recorded higher revenue of RM404.7 million as compared with RM346.1 million in the corresponding quarter last year. Nevertheless, the Group reported higher PBT of RM12.6 million compared to RM7.5 million in the corresponding quarter last year.

Review of business segments for the financial quarter ended 31 August 2021

Investment Holding and others

The results in this segment includes investment holding, education, information technology ("IT") and electrical businesses. For the current financial quarter, the division posted higher revenue of RM7.6 million compared with RM4.9 million in the corresponding quarter last year due to higher revenue generated from IT businesses. Consequently, the Division reported lower segmental loss of RM2.2 million for the current financial quarter compared with RM5.1 million in the corresponding quarter last year.

Agricultural Chemicals

The Agricultural Chemicals division reported higher revenue of RM115.5 million for the current financial quarter compared with RM87.4 million in the corresponding quarter last year due to higher export sales. Segmental profit improved to RM16.2 million in the current financial quarter compared with RM14.4 million in the corresponding quarter last year in line with higher revenue.

Industrial Chemicals

The Industrial Chemicals Division posted higher revenue of RM259.1 million for the quarter compared with RM217.4 million in the corresponding quarter last year, mainly attributed to higher sales by its distribution business as a result of higher average selling prices for its products. Consequently, the Division managed to report higher segmental profit of RM3.5 million for the current quarter compared to RM2.1 million in the corresponding quarter last year.

Logistics

The Logistics Division recorded lower revenue of RM8.0 million compared to RM8.5 million in the corresponding quarter last year. The Division reported segmental loss of RM1.1 million compared with segmental profit of RM0.8 million in the corresponding quarter last year due to lower charter volume shipped across the ASEAN region and longer loading and discharge time required for COVID-19 compliance which affected the vessel turnover.

Media

The impact of COVID-19 pandemic on our advertising business was severe as we continue to post lower revenue of RM1.5 million for the current financial quarter compared to RM2.8 million in the corresponding quarter last year. The Division reported lower segmental loss of RM1.1 million compared with RM2.2 million in the corresponding quarter last year due to lower fixed overheads and austerity measures.

Polymer

The Polymer Division achieved lower revenue of RM13.0 million for the current financial quarter, which represents a decrease of 48.1% from RM25.1 million in the corresponding quarter last year. This was mainly attributed to lower sales by both its manufacturing plant in Shah Alam and Surabaya, Indonesia, impacted by movement restrictions. In tandem with lower revenue, the Division recorded a lower segmental profit of RM0.3 million compared with RM1.7 million in the corresponding quarter last year.

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

For the current financial quarter ended 31 August 2021, the Group posted lower revenue of RM404.7 million compared with RM445.9 million in the immediate preceding quarter. The Group reported lower PBT of RM12.6 million in the current financial quarter compared to PBT of RM15.5 million in the immediate preceding quarter.

B3. Current year prospects

The COVID-19 Pandemic is expected to prevail into 2022. Nevertheless, With the rising vaccination rate worldwide and gradual reopening of economies, the consumer sentiment and business outlook should improve in the near future. Barring any unforeseen circumstances, the Group should perform satisfactory for the current financial year.

The Board will continue to explore opportunities and build new capabilities to strengthen the Group's businesses and be more resilient to face future challenges.

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 31.08.2021 RM'000	Year-to-date ended 31.08.2021 RM'000
The profit before taxation is stated after charging/(crediting):		
Finance costs	3,350	3,350
Share options granted under ESOS	861	861
Depreciation and amortisation	6,939	6,939
Gain on foreign exchange	(15)	(15)
Gain on disposal of property, plant and equipment	(59)	(59)
Fair value loss on investment	21	21
Property, plant and equipment written off	2	2
Interest income	(129)	(129)

B6. Tax expense

	Individual quarter ended		Year-to-date ended	
	31.08.2021	31.08.2020	31.08.2021	31.08.2020
	RM'000	RM'000	RM'000	RM'000
Current tax expense based on profit for the financial period:				
Malaysian income tax	4,326	4,571	4,326	4,571
Foreign income tax	107	467	107	467
	4,433	5,038	4,433	5,038
Over provision in prior years	(825)	731	(825)	731
	3,608	5,769	3,608	5,769
Deferred taxation:				
Relating to origination and reversal of temporary differences	(257)	(111)	(257)	(111)
Over provision in prior years	-	(83)	-	(83)
	3,351	5,575	3,351	5,575

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

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

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

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

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

- (b) Ancom had on 28 April 2021 announced that the Company submitted a formal proposal to the Board of Directors of Nylex ("Nylex Board") to acquire all the assets and liabilities of Nylex ("the Offer"). The Offer entails the acquisition by Ancom for all the business of Nylex for a total consideration of RM179,287,212 ("Proposed Acquisitions of Nylex Business").

On 28 June 2021, Nylex Board (save for Dato' Siew Ka Wei, being an interested director) has accepted the Offer, subject to, among others, the approvals of the non-interested shareholders of Nylex and the relevant regulatory authorities, where required.

Ancom and its wholly owned subsidiary, Nylex Holdings Sdn Bhd, had on 29 July 2021, entered into the Sale of Business Agreement with Nylex in respect of the Proposed Acquisition of Nylex Business.

On 26 October 2021, the shareholders of the Company have approved the Proposed Acquisition of Nylex Business subject to fulfillment of all conditions precedent as announced on 29 July 2021.

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

B8. Utilisation of proceeds

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

B9. Borrowings

	31.08.2021	31.05.2021
	RM'000	RM'000
SHORT TERM BORROWINGS		
Secured:		
Ringgit Malaysia	43,554	48,979
United States Dollar	9,746	20,210
Vietnamese Dong	9,975	6,454
	63,275	75,643
Unsecured:		
Ringgit Malaysia	151,767	140,998
United States Dollar	42,998	33,451
	194,765	174,449
Total short term borrowings	258,040	250,092
LONG TERM BORROWINGS		
Secured:		
Ringgit Malaysia	25,108	15,937
United States Dollar	24,542	34,767
Total long term borrowings	49,650	50,704
Total borrowings	307,690	300,796

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:

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 (Malaysia) Berhad, 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 hearing date is fixed on 6 December 2021.

B11. Dividend

There was no dividend declared and/or paid during the financial quarter ended 31 August 2021.

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	
	31.08.2021	31.08.2020	31.08.2021	31.08.2020
Net profit attributable to owners of the parent	9,040	3,060	9,040	3,060
Weighted average number of ordinary shares in issue ('000)	244,021	239,401	244,021	239,401
Basic earnings per share (sen)	3.70	1.28	3.70	1.28

Diluted earnings per share

	Individual quarter ended		Year-to-date ended	
	31.08.2021	31.08.2020	31.08.2021	31.08.2020
Net profit attributable to owners of the parent	9,040	3,060	9,040	3,060
Weighted average number of ordinary shares in issue ('000)	244,021	239,401	244,021	239,401
Dilutive potential ordinary shares				
- ESOS	8,026	-	8,026	-
- Warrants	24,949	-	24,949	-
Adjusted weighted average number of ordinary shares in issues ('000)	276,996	239,401	276,996	239,401
Diluted earnings per share (sen)	3.26	1.28	3.26	1.28

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