

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR FINANCIAL QUARTER ENDED 30 NOVEMBER 2021**

	Individual quarter ended		Year-to-date ended	
	30.11.2021	30.11.2020	30.11.2021	30.11.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	532,912	357,265	937,641	703,385
Cost of sales	(447,722)	(297,398)	(794,914)	(585,590)
Gross profit	85,190	59,867	142,727	117,795
Other income	1,585	1,010	5,934	3,981
Distribution expenses	(30,630)	(23,559)	(58,701)	(43,798)
Administrative expenses	(28,214)	(18,655)	(42,924)	(41,381)
Other operating expenses	(889)	(1,725)	(4,192)	(7,876)
Finance costs	(3,291)	(3,085)	(6,641)	(6,652)
Share of results of associates	240	(654)	434	(1,341)
Profit before taxation	23,991	13,199	36,637	20,728
Tax expense	(8,215)	(4,981)	(11,566)	(10,556)
Net profit for the financial period	15,776	8,218	25,071	10,172
Net profit attributable to				
Owners of the parent	12,078	6,190	21,118	9,250
Non-controlling interests	3,698	2,028	3,953	922
	15,776	8,218	25,071	10,172
Earnings per ordinary share attributable to equity holders of the Company				
Basic earnings per share (sen)	4.92	2.59	8.60	3.86
Diluted earnings per share (sen)	4.02	2.59	7.03	3.86

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL QUARTER ENDED 30 NOVEMBER 2021**

	Individual quarter ended		Year-to-date ended	
	30.11.2021	30.11.2020	30.11.2021	30.11.2020
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	15,776	8,218	25,071	10,172
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss				
Foreign currency translation	<u>1,754</u>	<u>(1,178)</u>	<u>2,503</u>	<u>(5,956)</u>
Other comprehensive income/(loss), net	<u>1,754</u>	<u>(1,178)</u>	<u>2,503</u>	<u>(5,956)</u>
Total comprehensive income	<u>17,530</u>	<u>7,040</u>	<u>27,574</u>	<u>4,216</u>
Total comprehensive income				
Owners of the parent	13,062	5,425	24,233	5,809
Non-controlling interests	4,468	1,615	3,341	(1,593)
	<u>17,530</u>	<u>7,040</u>	<u>27,574</u>	<u>4,216</u>

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 30 NOVEMBER 2021**

	Unaudited 30.11.2021 RM'000	Audited 31.05.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	182,726	189,690
Investment properties	314	314
Investment in associates	6,152	5,718
Investment in a joint venture	-	-
Other investments	415	415
Intangible assets	5,162	5,778
Goodwill on consolidation	90,351	70,112
Rights-of-use assets	100,774	110,150
Deferred tax assets	25,802	25,341
	411,696	407,518
Current assets		
Inventories	158,876	175,024
Receivables	408,010	355,233
Amounts owing by associates	9,875	9,108
Current tax assets	5,836	5,912
Other investments	2,975	3,031
Cash and cash equivalents	101,350	105,803
	686,922	654,111
Non-current assets held for sale	7,004	6,680
TOTAL ASSETS	1,105,622	1,068,309
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	258,825	256,043
Reserves	141,346	112,404
Less : Treasury Shares, at cost	(5,196)	(6,248)
	394,975	362,199
Non-controlling interests	105,665	120,197
TOTAL EQUITY	500,640	482,396
LIABILITIES		
Non-current liabilities		
Borrowings	40,214	50,704
Long term lease liabilities	19,200	25,340
Deferred tax liabilities	10,243	10,374
Provision for retirement benefits	5,002	4,679
	74,659	91,097
Current liabilities		
Payables	226,483	217,987
Amounts owing to associates	1,949	2,089
Borrowings	284,212	250,092
Short term lease liabilities	10,184	15,561
Contract liabilities	894	5,280
Current tax payables	6,601	3,807
	530,323	494,816
Total Liabilities	604,982	585,913
TOTAL EQUITY AND LIABILITIES	1,105,622	1,068,309
Net assets per share attributable to owners of the parent (RM)	1.60	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 30 NOVEMBER 2021**

	Attributable to equity holders of the Company						Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Capital reserve RM'000	Foreign exchange reserve RM'000	Share options reserve RM'000	Treasury shares RM'000	Retained Profits 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	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)	-	-	3,115	-	-	21,118	24,233	3,341	27,574
Transactions with owners									
Ordinary shares issued pursuant to:									
- ESOS	2,710	-	-	(834)	-	-	1,876	-	1,876
- Warrants B	72	-	-	-	-	-	72	-	72
Acquisition of subsidiaries	-	-	-	-	-	-	-	(18,430)	(18,430)
Resold of ordinary shares of the Company	-	-	-	-	1,052	3,887	4,939	-	4,939
Derecognition of a subsidiary	-	-	-	-	-	-	-	980	980
Share options granted under ESOS	-	-	-	1,656	-	-	1,656	67	1,723
Dividend-in-specie	-	-	-	-	-	-	-	-	-
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	(490)	(490)
	2,782	-	-	822	1,052	3,887	8,543	(17,873)	(9,330)
Balance as at 30 November 2021	258,825	273	11,045	3,939	(5,196)	126,089	394,975	105,665	500,640

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 30 NOVEMBER 2021**

	Year-to-date ended	
	30.11.2021 RM'000	30.11.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	36,638	20,728
Adjustments for non-cash items	26,693	27,535
Operating profit before working capital changes	63,331	48,263
Inventories	16,148	12,156
Receivables	(52,940)	(47,883)
Payables	(28,626)	21,391
Group companies	(907)	2,014
Net cash generated from operations	(2,994)	35,941
Income tax paid	(9,287)	(5,535)
Retirement benefit paid	(226)	(106)
Net cash (used in)/from operating activities	(12,507)	30,300
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(8,649)	(5,368)
Interest received	281	281
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	479	192
Sale/(Purchase) of other investments	56	1,030
Net cash outflow on disposal of a subsidiary	(13)	-
Purchase of right-of-use assets	-	(192)
Placement of short term deposits:		
- pledged with licensed banks	(2)	(60)
- with maturity period more than three months	1,040	-
Net cash (used in)/from investing activities	(6,783)	8,837
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interest of subsidiaries	(490)	(1,568)
Interest paid	(5,251)	(5,369)
Repayment of lease liabilities	(9,226)	(10,301)
Net drawdown/(repayment) of borrowings	24,374	(30,202)
Proceed from issuance of share capital:		
- private placement	-	8,591
- ESOS	1,876	-
- Warrants B	72	-
Proceed from resale of treasury shares in open market	4,939	3,746
Net cash from/(used in) financing activities	16,294	(35,103)
Net (decrease)/increase in cash and cash equivalents	(2,996)	4,034
Cash and cash equivalents at the beginning of the financial period	92,908	72,466
Effect of exchange rate changes	324	583
Cash and cash equivalents at the end of the financial period	90,236	77,083
Cash and cash equivalents include the following:		
	RM'000	RM'000
Cash and bank balances	92,626	82,461
Bank overdrafts	(8,762)	(21,115)
Short term deposits	8,724	19,604
	92,588	80,950
Less : Short term deposits pledged to banks	(154)	(151)
Short term deposits with maturity more than 3 months	(2,198)	(3,716)
	90,236	77,083

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 30 NOVEMBER 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 30 November 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 30 November 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 257,029,986 pursuant to the following:

- (i) 2,452,320 new ordinary shares arising from the exercise of ESOS at exercise price of RM0.765 each for cash totalling of RM2,709,814; and
- (ii) 86,194 new ordinary shares arising from the exercise of Warrants B at RM0.84 each for cash totalling of RM72,403.

(b) Treasury Shares

As at 30 November 2021, the Company holds 9,875,059 Treasury Shares at a cost of RM5,195,612 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 30 November 2021.

A8. Segmental results

Segmental information for the financial period ended 30 November 2021.

	YTD -30 November 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
30 November 2021								
Revenue								
External revenue	13,269	249,185	613,458	18,778	3,948	39,003	-	937,641
Inter-segment revenue	10,836	42,221	179	3,811	-	34	(57,081)	-
Total revenue	<u>24,105</u>	<u>291,406</u>	<u>613,637</u>	<u>22,589</u>	<u>3,948</u>	<u>39,037</u>		<u>937,641</u>
Segment results	(7,153)	32,697	17,431	83	(2,765)	2,358	193	42,844
Finance costs								(6,641)
Share of results of associates								434
Profit before taxation								<u>36,637</u>
Tax expense								(11,566)
Net profit for the financial period								<u>25,071</u>
30 November 2020								
Revenue								
External revenue	9,888	167,332	454,594	17,575	6,500	47,496	-	703,385
Inter-segment revenue	6,588	39,983	160	4,310	-	30	(51,071)	-
Total revenue	<u>16,476</u>	<u>207,315</u>	<u>454,754</u>	<u>21,885</u>	<u>6,500</u>	<u>47,526</u>		<u>703,385</u>
Segment results	(9,090)	27,524	8,102	2,730	(3,441)	3,889	(993)	28,721
Finance costs								(6,652)
Share of results of associates								-
Profit before taxation								<u>20,728</u>
Tax expense								(10,556)
Net profit for the financial period								<u>10,172</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 30 November 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	29,034
- Approved but not contracted for	32,482
	<u>61,516</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 period and quarter ended 30 November 2021

For the six months ended 30 November 2021, the Group recorded higher revenue of RM937.6 million as compared with RM703.4 million in the corresponding period last year. Consequently, the Group reported higher profit before taxation ("PBT") of RM36.6 million as compared with RM20.7 million in the corresponding period last year.

For the financial quarter ended 30 November 2021, the Group recorded higher revenue of RM532.9 million as compared with RM357.3 million in the corresponding quarter last year. Consequently, the Group reported higher PBT of RM36.6 million compared to RM20.7 million in the corresponding quarter last year.

Review of business segments for the financial quarter ended 30 November 2021

Investment Holding and others

The result in this segment includes investment holding, education, information technology ("IT") and electrical businesses. For the current financial quarter, the division posted higher revenue of RM5.7 million compared with RM5.0 million in the corresponding quarter last year due to higher revenue generated from IT businesses. However, the Division reported higher segmental loss of RM4.9 million for the current financial quarter compared with RM4.0 million in the corresponding quarter last year due to lower profit margins.

Agricultural Chemicals

The Agricultural Chemicals division reported higher revenue of RM133.7 million for the current financial quarter compared with RM79.9 million in the corresponding quarter last year due to higher export sales. Segmental profit improved to RM16.5 million in the current financial quarter compared with RM13.1 million in the corresponding quarter last year in line with higher revenue and strong demand for our products, especially in the ASEAN region.

Industrial Chemicals

The Industrial Chemicals Division posted higher revenue of RM354.4 million, an increase of 49.4% as compared with RM237.2 million in the corresponding quarter last year from higher sales in Malaysia and Singapore as economic restrictions were released, especially in Malaysia. Segmental profit improved to RM13.9 million for the current quarter compared to RM6.0 million in the corresponding quarter last year, driven by higher average profit margins earns.

Logistics

The Logistics Division recorded higher revenue of RM10.7 million compared to RM9.1 million in the corresponding quarter last year. Despite higher revenue, the Division reported lower segmental profit of RM1.1 million compared RM1.9 million in the corresponding quarter last year, as its earnings performance was affected by higher bunker prices and higher foreign exchange loss.

Media

The movement restrictions to curb COVID-19 pandemic has severely dampened the advertising business. We continue to post lower revenue of RM2.4 million for the current financial quarter compared to RM3.7 million in the corresponding quarter last year. As a result, the Division reported higher segmental loss of RM1.7 million compared with RM1.2 million in the corresponding quarter last year.

Polymer

The Polymer Division achieved higher revenue of RM26.0 million for the current financial quarter, which represents an increase of 16.1% from RM22.4 million in the corresponding quarter last year. This was attributed to higher contribution from the manufacturing plant in Surabaya, Indonesia. The Division recorded lower segmental profit of RM2.0 million compared with RM2.2 million in the corresponding quarter last year due to lower products margin as a result of higher raw material prices.

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

For the current financial quarter ended 30 November 2021, the Group posted higher revenue of RM532.9 million compared with RM404.7 million in the immediate preceding quarter. Consequently, the Group reported higher PBT of RM24.0 million in the current financial quarter compared to PBT of RM12.6 million in the immediate preceding quarter.

B3. Current year prospects

The COVID-19 Pandemic is expected to prevail into 2022 with new variants emerging. Nevertheless, with the rising vaccination rates and gradual reopening of economies, the consumer sentiment and business outlook should continue to improve. 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 30.11.2021 RM'000	Year-to-date ended 30.11.2021 RM'000
The profit before taxation is stated after charging/(crediting):		
Finance costs	3,291	6,641
Share options granted under ESOS	862	1,723
Depreciation and amortisation	15,568	22,508
Gain on foreign exchange	(565)	(580)
Gain on disposal of property, plant and equipment	(248)	(307)
Fair value loss on investment	35	56
Write back of inventories written off	(1,000)	(1,000)
Property, plant and equipment written off	3	5
Interest income	(152)	(281)
Reversal of impairment loss on receivables	(1,185)	(1,185)

B6. Tax expense

	Individual quarter ended		Year-to-date ended	
	30.11.2021	30.11.2020	30.11.2021	30.11.2020
	RM'000	RM'000	RM'000	RM'000
Current tax expense based on profit for the financial period:				
Malaysian income tax	7,881	4,631	12,207	9,202
Foreign income tax	652	568	759	1,035
	8,533	5,199	12,966	10,237
(Over)/Under provision in prior years	-	-	(825)	731
	8,533	5,199	12,141	10,968
Deferred taxation:				
Relating to origination and reversal of temporary differences	(318)	(218)	(575)	(329)
Over provision in prior years	-	-	-	(83)
	8,215	4,981	11,566	10,556

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.

On 12 January 2022, the Company announced that the Sale of Business Agreement has become unconditional following the receipt by Nylex the order of the High Court of Malaya confirming the special resolution passed by the shareholders of Nylex on 26 October 2021 approving the reduction of the issued share capital of Nylex pursuant to Section 116 of the Companies Act 2016 and the Proposed distribution.

- (c) Ancom had on 28 December 2021 announced that the wholly-owned subsidiary of the Company, Ancom Crop Care Sdn. Bhd. ("ACC") had entered several Share Sale Agreements to acquire 80% equity interest each in Shennong Animal Health (Malaysia) Sdn. Bhd. and Vemedim Sdn. Bhd. for total purchase consideration of RM23,919,999.

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

	30.11.2021	31.05.2021
	RM'000	RM'000
SHORT TERM BORROWINGS		
Secured:		
Ringgit Malaysia	47,144	48,979
United States Dollar	5,053	20,210
Vietnamese Dong	16,196	6,454
	68,393	75,643
Unsecured:		
Ringgit Malaysia	150,966	140,998
United States Dollar	64,852	33,451
	215,818	174,449
Total short term borrowings	284,211	250,092
LONG TERM BORROWINGS		
Secured:		
Ringgit Malaysia	11,250	15,937
United States Dollar	24,842	34,767
	36,092	50,704
Unsecured:		
Ringgit Malaysia	4,122	-
	4,122	-
Total long term borrowings	40,214	50,704
TOTAL BORROWINGS	324,425	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.

As at the date of this report, the Judicial Review application is in process.

B11. Dividend

There was no dividend declared and/or paid during the financial quarter ended 30 November 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	
	30.11.2021	30.11.2020	30.11.2021	30.11.2020
Net profit attributable to owners of the parent	12,078	6,190	21,118	9,250
Weighted average number of ordinary shares in issue ('000)	245,658	239,401	245,658	239,401
Basic earnings per share (sen)	4.92	2.59	8.60	3.86

Diluted earnings per share

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

	Individual quarter ended		Year-to-date ended	
	30.11.2021	30.11.2020	30.11.2021	30.11.2020
Net profit attributable to owners of the parent	12,078	6,190	21,118	9,250
Weighted average number of ordinary shares in issue ('000)	245,658	239,401	245,658	239,401
Dilutive potential ordinary shares				
- ESOS	13,617	-	13,617	-
- Warrants	41,200	-	41,200	-
Adjusted weighted average number of ordinary shares in issues ('000)	300,475	239,401	300,475	239,401
Diluted earnings per share (sen)	4.02	2.59	7.03	3.86