

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR FINANCIAL QUARTER ENDED 28 FEBRUARY 2021**

	Individual quarter ended		Year-to-date ended	
	28.02.2021	29.02.2020	28.02.2021	29.02.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	<b>389,200</b>	360,502	<b>1,092,585</b>	1,162,837
Cost of sales	<b>(324,181)</b>	(311,684)	<b>(909,771)</b>	(1,007,298)
Gross profit	<b>65,019</b>	48,818	<b>182,814</b>	155,539
Other income	<b>3,102</b>	7,745	<b>7,083</b>	14,521
Distribution expenses	<b>(24,740)</b>	(21,914)	<b>(68,538)</b>	(70,617)
Administrative expenses	<b>(20,744)</b>	(27,119)	<b>(62,125)</b>	(70,218)
Other operating expenses	<b>(4,034)</b>	(2,130)	<b>(11,910)</b>	(5,218)
Finance costs	<b>(3,192)</b>	(4,117)	<b>(9,844)</b>	(13,280)
Share of results of associates	<b>(662)</b>	(810)	<b>(2,003)</b>	(1,389)
Profit before taxation	<b>14,749</b>	473	<b>35,477</b>	9,338
Tax expense	<b>(5,129)</b>	(2,366)	<b>(15,685)</b>	(11,102)
Net profit for the financial year	<b>9,620</b>	(1,893)	<b>19,792</b>	(1,764)
<b>Net profit/(loss) attributable to</b>				
Owners of the parent	<b>7,084</b>	165	<b>16,334</b>	2,103
Non-controlling interests	<b>2,536</b>	(2,058)	<b>3,458</b>	(3,867)
	<b>9,620</b>	(1,893)	<b>19,792</b>	(1,764)
<b>Earnings per ordinary share attributable to equity holders of the Company</b>				
Basic earnings per share (sen)	<b>2.98</b>	0.07	<b>6.86</b>	0.93
Diluted earnings per share (sen)	<b>2.70</b>	0.07	<b>6.23</b>	0.93

The Unaudited Condensed Income Statement should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2020 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR FINANCIAL QUARTER ENDED 28 FEBRUARY 2021**

	Individual quarter ended		Year-to-date ended	
	28.02.2021	29.02.2020	28.02.2021	29.02.2020
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial year	<b>9,620</b>	(1,893)	<b>19,792</b>	(1,764)
<b>Other comprehensive income</b>				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	<b>(1,542)</b>	1,177	<b>(7,498)</b>	1,644
Re-measurement of defined benefit liab	<b>(531)</b>	(21)	<b>(531)</b>	(21)
Other comprehensive (loss)/income, net o	<b>(2,073)</b>	1,156	<b>(8,029)</b>	1,623
<b>Total comprehensive income/(loss)</b>	<b>7,547</b>	(737)	<b>11,763</b>	(141)
Total comprehensive income/(loss) attributable to				
Owners of the parent	<b>5,963</b>	809	<b>11,772</b>	2,970
Non-controlling interests	<b>1,584</b>	(1,546)	<b>(9)</b>	(3,111)
	<b>7,547</b>	(737)	<b>11,763</b>	(141)

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 2020 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 28 FEBRUARY 2021**

	<b>Unaudited 28.02.2021 RM'000</b>	<b>Audited 31.05.2020 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	192,717	200,660
Investment properties	326	326
Investment in associates	6,103	7,867
Investment in a joint venture	-	-
Other investments	448	448
Intangible assets	21,021	21,968
Goodwill on consolidation	65,274	68,330
Rights-of-use assets	83,298	104,324
Deferred tax assets	26,198	25,988
	<b>395,385</b>	<b>429,911</b>
<b>Current assets</b>		
Inventories	136,425	128,873
Receivables	350,499	287,279
Amounts owing by associates	11,041	8,565
Amount owing by a joint venture	-	-
Current tax assets	4,343	4,275
Other investments	2,618	3,288
Cash and cash equivalents	100,007	97,115
	<b>604,933</b>	<b>529,395</b>
<b>TOTAL ASSETS</b>	<b>1,000,318</b>	<b>959,306</b>
<b>EQUITY AND LIABILITES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	254,357	245,766
Reserves	102,010	75,629
Less : Treasury Shares, at cost	(6,905)	(9,688)
	<b>349,462</b>	<b>311,707</b>
Non-controlling interests	113,465	111,854
<b>TOTAL EQUITY</b>	<b>462,927</b>	<b>423,561</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	58,367	70,847
Long term lease liabilities	7,075	10,988
Deferred tax liabilities	10,942	10,877
Provision for retirement benefits	4,921	4,561
	<b>81,305</b>	<b>97,273</b>
<b>Current liabilities</b>		
Payables	195,108	154,072
Amounts owing to associates	4,498	62
Borrowings	239,842	251,221
Short term lease liabilities	6,840	24,126
Contract liabilities	3,354	3,970
Current tax payables	6,444	5,021
	<b>456,086</b>	<b>438,472</b>
<b>Total Liabilities</b>	<b>537,391</b>	<b>535,745</b>
<b>TOTAL EQUITY AND LIABILITES</b>	<b>1,000,318</b>	<b>959,306</b>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<b>1.46</b>	<b>1.40</b>

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 2020 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 28 FEBRUARY 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			
<b>Balance as at 1 June 2019</b>	245,766	273	10,706	-	(5,566)	64,283	<b>315,462</b>	139,443	<b>454,905</b>
Total comprehensive loss	-	-	(1,064)	-	-	(9,754)	<b>(10,818)</b>	(10,920)	<b>(21,738)</b>
<b>Transactions with owners</b>									
Additional interest in subsidiaries	-	-	-	-	-	467	<b>467</b>	(1,767)	<b>(1,300)</b>
Acquisition of a subsidiary	-	-	-	-	-	-	-	1,149	<b>1,149</b>
Repurchase of ordinary shares of the Company	-	-	-	-	(4,122)	-	<b>(4,122)</b>	-	<b>(4,122)</b>
Accretion of equity interest of a subsidiary	-	-	1,110	-	-	10,435	<b>11,545</b>	(11,545)	-
Repurchase of ordinary shares of a subsidiary from non-controlling interest	-	-	-	-	-	-	-	(2,854)	<b>(2,854)</b>
Disposal of equity interest in subsidiaries	-	-	-	-	-	(827)	<b>(827)</b>	982	<b>155</b>
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(870)	<b>(870)</b>
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	(1,764)	<b>(1,764)</b>
	-	-	1,110	-	(4,122)	10,075	<b>7,063</b>	(16,669)	<b>(9,606)</b>
<b>Balance as at 31 May 2020/1 June 2020</b>	245,766	273	10,752	-	(9,688)	64,604	<b>311,707</b>	111,854	<b>423,561</b>
Total comprehensive (loss)/income	-	-	(4,031)	-	-	15,803	<b>11,772</b>	(9)	<b>11,763</b>
<b>Transactions with owners</b>									
Ordinary shares issued pursuant to private placement	8,591	-	-	-	-	-	<b>8,591</b>	-	<b>8,591</b>
Acquisition of subsidiaries	-	-	-	-	-	-	-	383	<b>383</b>
Disposal of equity interest of subsidiaries to non-controlling interests	-	-	-	-	-	11,828	<b>11,828</b>	1,362	<b>13,190</b>
Accretion of equity interest of a subsidiary	-	-	-	-	-	(152)	<b>(152)</b>	152	-
Resold of ordinary shares of the Company	-	-	-	-	2,783	1,304	<b>4,087</b>	-	<b>4,087</b>
Share options granted under ESOS	-	-	-	2,814	-	-	<b>2,814</b>	115	<b>2,929</b>
Dividend-in-specie	-	-	-	-	-	(1,185)	<b>(1,185)</b>	1,176	<b>(9)</b>
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	(1,568)	<b>(1,568)</b>
	8,591	-	-	2,814	2,783	11,795	<b>25,983</b>	1,620	<b>27,603</b>
<b>Balance as at 28 February 2021</b>	<b>254,357</b>	<b>273</b>	<b>6,721</b>	<b>2,814</b>	<b>(6,905)</b>	<b>92,202</b>	<b>349,462</b>	<b>113,465</b>	<b>462,927</b>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2020 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE FINANCIAL QUARTER ENDED 28 FEBRUARY 2021**

	Year-to-date ended	
	28.02.2021 RM'000	29.02.2020 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	35,477	9,338
Adjustments for non-cash items	43,112	38,116
Operating profit before working capital changes	<u>78,589</u>	<u>47,454</u>
Inventories	(7,552)	33,974
Receivables	(63,220)	59,580
Payables	40,423	(36,223)
Group companies	1,960	7,209
Net cash generated from operations	<u>50,200</u>	<u>111,994</u>
Income tax paid	(14,475)	(14,019)
Retirement benefit paid	(637)	(295)
Net cash generated from operating activities	<u>35,088</u>	<u>97,680</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(9,571)	(20,101)
Interest received	412	905
Acquisition of a subsidiary	(382)	1,612
Acquisition of associates	(240)	-
Disposal of equity interest in a subsidiary	13,190	-
Proceeds from disposal of property, plant and equipment	426	443
Sale/(Purchase) of other investments	670	(1,307)
Acquisition of non-controlling interest of a subsidiary	-	(1,300)
Net cash flows on acquisition of a subsidiary	-	-
Purchase of right-of-use assets	(233)	(9)
Purchase of treasury shares of a subsidiary from non-controlling interests	-	(2,845)
Placement of short term deposits pledged to licensed banks	(60)	(1,504)
Net cash generated from/(used in) investing activities	<u>4,212</u>	<u>(24,106)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to non-controlling interest of subsidiaries	(1,568)	(1,654)
Interest paid	(8,063)	(13,280)
Repayment of lease liabilities	(15,646)	-
Net repayment of borrowings	(23,599)	(50,472)
Dividends paid	(10)	-
Proceed from issuance of share capital pursuant to private placement	4,087	-
Proceed from resale/(Purchase) of treasury shares in open market	8,591	(4,066)
Net cash used in financing activities	<u>(36,208)</u>	<u>(69,472)</u>
<b>Net increase in cash and cash equivalents</b>	<u>3,092</u>	<u>4,102</u>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<u>72,466</u>	<u>62,913</u>
<b>Effect of exchange rate changes</b>	<u>583</u>	<u>682</u>
<b>Cash and cash equivalents at the end of the financial period</b>	<u>76,141</u>	<u>67,697</u>
Cash and cash equivalents include the following:		
	RM'000	RM'000
Cash and bank balances	84,913	67,472
Bank overdrafts	(19,999)	(12,460)
Short term deposits	15,094	16,559
	<u>80,008</u>	<u>71,571</u>
Less : Short term deposits pledged to banks	(151)	(143)
Short term deposits with maturity more than 3 months	(3,716)	(3,731)
	<u>76,141</u>	<u>67,697</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 2020 and the accompanying notes to this Interim Financial Report.



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**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 28 FEBRUARY 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 2020. 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 2020.

For the financial periods up and including the financial year ended 31 May 2020, 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 2020 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 2020:

**Accounting Standards and amendments:**

Amendments to References to the Conceptual Framework in MFRS Standards  
Amendments to MFRS 3 Definition of a Business  
Amendments to MFRS 101 and MFRS 108 Definition of Material  
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform

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 2020 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 28 February 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 28 February 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 240,849,284 to 252,949,284 by way of issuance of 12,100,000 new ordinary shares pursuant to the Private Placement.

## (b) Treasury Shares

During the financial quarter and financial period to date, the Company (resale)/repurchase its own shares as follows:

	Number of shares (resale)/ repurchase	Price per share			(Cost of disposal)/ Consideration paid RM
		Highest RM	Lowest RM	Average RM	
<b>Shares resale</b>					
June 2020	(3,450,000)	0.800	0.680	0.715	(1,808,242)
July 2020	(1,709,300)	1.050	0.705	0.735	(895,892)
January 2021	(300,000)	1.200	0.920	1.120	(157,840)
<b>Shares repurchase</b>					
August 2020	<u>100,000</u>	1.150	0.720	0.915	<u>79,354</u>
Total for the financial period	<u>(5,359,300)</u>				<u>(2,782,620)</u>

As at 28 February 2021, the Company holds 13,424,059 Treasury Shares at a cost of RM6,905,025.

## (c) Employee' Share Option Scheme ("ESOS")

At the Extraordinary General Meeting held on 18 October 2018, the shareholders of the Company approved the establishment of an Employee Share Option Scheme ('ESOS' or 'Scheme') of up to ten per centum (10%) of the issued and paid-up share capital (excluding treasury shares) of the Company for the eligible Executive Directors and employees of the Group.

In compliance with Malaysia Financial Reporting Standard, MFRS 2 on Share-based Payment, a total ESOS cost for share options amounted to RM2,929,000 was charged to the statement of profit or loss in the current financial period.

**A7. Segmental results**

Segmental information for the financial period ended 28 February 2021.

	<b>YTD -28 February 2021</b>							
	<b>Investment holdings and others RM'000</b>	<b>Agricultural Chemicals RM'000</b>	<b>Industrial Chemicals RM'000</b>	<b>Logistics RM'000</b>	<b>Media RM'000</b>	<b>Polymer RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>28 February 2021</b>								
<b>Revenue</b>								
External revenue	14,647	252,336	717,063	28,046	11,047	69,446	-	1,092,585
Inter-segment revenue	10,815	58,357	174	6,143	503	31	(76,023)	-
Total revenue	<u>25,462</u>	<u>310,693</u>	<u>717,237</u>	<u>34,189</u>	<u>11,550</u>	<u>69,477</u>		<u>1,092,585</u>
Segment results	(10,776)	37,826	17,463	4,134	(3,747)	4,505	(2,081)	47,324
Finance costs								(9,844)
Share of results of associates								(2,003)
Profit before taxation								<u>35,477</u>
Tax expense								<u>(15,685)</u>
<b>Net profit for the financial year</b>								<u>19,792</u>
<b>28 February 2020</b>								
<b>Revenue</b>								
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								-
Profit before taxation								<u>9,338</u>
Tax expense								<u>(11,102)</u>
<b>Net loss for the financial year</b>								<u>(1,764)</u>



**A8. Dividends**

There was no dividend declared and/or paid during the financial quarter ended 28 February 2021 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 28 February 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 2020.

**A13. Capital commitments**

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

	<b>RM'000</b>
Property, plant and equipment	
- Approved and contracted for	20,208
- Approved but not contracted for	25,074
	<u>45,282</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 28 February 2021**

For the nine months ended 28 February 2021, the Group recorded lower revenue of RM1.09 billion as compared with RM1.16 billion in the corresponding period last year. Nevertheless, the Group reported higher profit before taxation ("PBT") of RM35.5 million as compared to RM9.3 million in the corresponding period last year.

For the financial quarter ended 28 February 2021, the Group recorded higher revenue of RM389.2 million as compared with RM360.5 million in the corresponding quarter last year. As a result, the Group reported higher PBT of RM14.8 million compared to RM0.5 million in the corresponding quarter 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 28 February 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 lower revenue of RM4.8 million compared with RM5.2 million in the corresponding quarter last year due to slowdown in businesses in the segment. However, the Division reported lower segmental loss of RM1.7 million in the current financial quarter compared with segmental loss of RM2.2 million in the corresponding financial quarter last year on austerity measures.

Agricultural Chemicals

The Agricultural Chemicals division reported higher revenue of RM85.0 million for the current financial quarter compared with RM59.2 million in the corresponding quarter last year supported by higher export sales. Segmental profit improved to RM10.3 million in the current financial quarter compared with RM7.3 million in the corresponding quarter last year in line with higher revenue.

Industrial Chemicals

The Industrial Chemicals Division's revenue for current financial quarter grew 6.7% to RM262.5 million compared with RM246.0 million recorded in corresponding quarter last year, attributed by higher volume and generally higher average selling prices. As a result, the Division posted segmental profit of RM9.4 million for the current quarter compared to segmental loss of RM0.3 million in the corresponding quarter last year.

Logistics

The Logistics Division recorded higher revenue of RM10.5 million compared with RM9.2 million in the corresponding quarter last year. Segmental profit grew to RM1.4 million compared with RM1.0 million in the corresponding quarter last year on improved vessel utilisation.

Media

The impact of COVID-19 pandemic on our advertising business has been severe as social activities were curtailed and advertising expenses slashed. Revenue fell to only RM4.5 million for the current financial quarter compared to RM14.9 million in the corresponding quarter last year. The division reported segmental loss of RM0.3 million compared with segmental loss of RM0.5 million in the corresponding quarter last year.

Polymer

The Polymer Division achieved lower revenue of RM22.0 million for the current financial quarter compared with RM26.1 million in the corresponding quarter last year, mainly due to lower contribution by both of its manufacturing plant in Shah Alam and Surabaya, Indonesia. Consumer demand remain weak amid the on-going COVID-19 pandemic. In tandem with lower revenue the Division recorded a lower segmental profit of RM0.6 million compared with RM2.6 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 28 February 2021, the Group posted higher revenue of RM389.2 million compared with RM357.3 million in the immediate preceding quarter. The Group's result improved to PBT of RM14.8 million in the current financial quarter compared to RM13.2 million in the immediate preceding quarter.

**B3. Current year prospects**

The COVID-19 Pandemic has already caused sizable slowdown in the economy and with the threats of new wave of infections, the severity of the pandemic is still unknown. While the Group has performed satisfactory in the current financial period, the prospect for the remaining financial year is still dependent on the duration and magnitude of the COVID-19 Pandemic impact on global economy and commodity demand.

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

	<b>Individual quarter ended 28.02.2021 RM'000</b>	<b>Year-to-date ended 28.02.2021 RM'000</b>
The (loss)/profit before taxation is stated after charging/(crediting):		
Finance costs	3,192	9,844
Share options granted under ESOS	2,929	2,929
Depreciation and amortisation	10,548	31,629
Loss on foreign exchange	92	5,271
Gain on disposal of property, plant and equipment	20	(126)
Fair value loss on investment	(55)	(130)
Property, plant and equipment written off	467	744
Impairment loss on property, plant and equipment	1,000	1,000
Reversal of impairment loss on receivables	(1,062)	(1,117)
Interest income	(131)	(412)

**B6. Tax expense**

	<b>Individual quarter ended</b>		<b>Year-to-date ended</b>	
	<b>28.02.2021</b>	29.02.2020	<b>28.02.2021</b>	29.02.2020
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Current tax expense based on profit for the financial period:				
Malaysian income tax	<b>3,699</b>	1,597	<b>12,901</b>	10,024
Foreign income tax	<b>1,437</b>	1,757	<b>2,472</b>	2,890
	<b>5,136</b>	3,354	<b>15,373</b>	12,914
Over provision in prior years	-	-	<b>731</b>	-
	<b>5,136</b>	3,354	<b>16,104</b>	12,914
Deferred taxation:				
Relating to origination and reversal of temporary differences	<b>(90)</b>	(997)	<b>(419)</b>	(1,821)
Over provision in prior years	<b>83</b>	9	-	9
	<b>5,129</b>	2,366	<b>15,685</b>	11,102

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:

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.

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

## **B8. Utilisation of proceeds**

The issued and paid up ordinary shares of the Company was increased from 240,849,284 to 252,949,284 by way of issuance of 12,100,000 new ordinary shares at an issue price of RM0.71 each, amounting to RM8,591,000 pursuant to the Private Placement.

As at the reporting date, the Company has yet to utilise the proceeds raised from the Private Placement except for the amount utilised for expenses in relation to the Private Placement which amounted to RM86,000.

**B9. Borrowings**

	<b>28.02.2021</b>	31.05.2020
	<b>RM'000</b>	RM'000
<b>SHORT TERM BORROWINGS</b>		
Secured:		
Ringgit Malaysia	<b>42,109</b>	50,739
United States Dollar	<b>11,694</b>	20,210
Vietnamese Dong	<b>9,178</b>	6,454
	<b>62,981</b>	77,403
Unsecured:		
Ringgit Malaysia	<b>141,661</b>	140,367
United States Dollar	<b>35,200</b>	33,451
	<b>176,861</b>	173,818
<b>Total short term borrowings</b>	<b>239,842</b>	251,221
<b>LONG TERM BORROWINGS</b>		
Secured:		
Ringgit Malaysia	<b>32,041</b>	36,080
United States Dollar	<b>26,326</b>	34,767
<b>Total long term borrowings</b>	<b>58,367</b>	70,847
<b>Total borrowings</b>	<b>298,209</b>	322,068

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.

**B11. Dividend**

On 21 September 2020, the Company proposed a final dividend for the financial year ended 31 May 2020 by way of distribution of up to 25,294,284 ordinary shares in Ancom Logistics Berhad ("ALB"), representing approximately 5.34% equity interest in ALB ("Dividend-in-Specie"), pursuant to the Dividend-in-Specie approved at the Company's Annual General Meeting held on 21 October 2020.

The Dividend-in-Specie was completed on 4 December 2020 by crediting 23,922,795 ALB shares to the Central Depository System accounts of the Shareholders of the Company.

There was no other dividend declared and/or paid during the financial quarter ended 28 February 2021 other than as disclosed above.

**B12. Earnings per share**Basic earnings per share

The basic earnings per share is calculated by dividing the net profit attributable to the owners of the parents by the weighted average number of ordinary shares in issue during the financial period as follows:

	Individual quarter ended		Year-to-date ended	
	28.02.2021	29.02.2020	28.02.2021	29.02.2020
Net profit attributable to owners of the parent	<b>7,084</b>	165	<b>16,334</b>	2,103
Weighted average number of ordinary shares in issue ('000)	<b>238,085</b>	225,206	<b>238,085</b>	225,206
<b>Basic earnings per share (sen)</b>	<b>2.98</b>	0.07	<b>6.86</b>	0.93

Diluted earnings per share

Net profit attributable to owners of the parent	<b>7,084</b>	165	<b>16,334</b>	2,103
Weighted average number of ordinary shares in issue ('000)	<b>238,085</b>	225,206	<b>238,085</b>	225,206
Dilutive potential ordinary shares				
- ESOS	<b>7,083</b>	-	<b>7,083</b>	-
- Warrants	<b>17,108</b>	-	<b>17,108</b>	-
Adjusted weighted average number of ordinary shares in issues ('000)	<b>262,276</b>	225,206	<b>262,276</b>	225,206
<b>Diluted earnings per share (sen)</b>	<b>2.70</b>	0.07	<b>6.23</b>	0.93