Ancom Berhad (Company No: 8440-M)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR FINANCIAL QUARTER ENDED 30 NOVEMBER 2010

	Individual quarter ended		Accumulated quarter ended	
	30-11-2010	30-11-2009	**30-11-2010**	30-11-2009
	RM'000	RM'000	**RM'000**	RM'000
Operating revenue	**295,155**	362,765	**667,026**	758,924
Cost of sales	**(250,168)**	(318,072)	**(588,262)**	(659,527)
Gross profit	**44,987**	44,693	**78,764**	99,397
Other income	**(535)**	904	**2,401**	3,731
Distribution costs	**(18,409)**	(15,666)	**(34,578)**	(32,922)
Administrative expenses	**(19,211)**	(18,991)	**(42,000)**	(39,640)
Other operating expenses	**(4,974)**	(1,673)	**(7,437)**	(2,453)
Finance costs	**(2,351)**	(2,550)	**(5,548)**	(5,206)
Share of results of associates	**(71)**	-	**(71)**	-
(Loss)/profit before taxation	**(564)**	6,717	**(8,469)**	22,907
Tax expense	**(2,888)**	(2,860)	**(4,683)**	(7,407)
Net (loss)/profit	**(3,452)**	3,857	**(13,152)**	15,500
Attributable to:				
Equity holders of the Company	**(6,181)**	358	**(15,276)**	2,803
Minority interests	**2,729**	12,895	**2,124**	12,697
	(3,452)	13,253	**(13,152)**	15,500
Earnings per ordinary share attributable to equity holders of the Company	**Sen**	Sen	**Sen**	Sen
Basic earnings per ordinary share	**(2.85)**	0.17	**(7.04)**	1.29
Diluted earnings per ordinary share	**N/A**	N/A	**N/A**	N/A

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2010

Ancom Berhad (Company No: 8440-M)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 NOVEMBER 2010

	Unaudited 30-11-2010 RM'000	Audited 31-05-2010 RM'000 Restated
ASSETS		
Non-current assets		
Property, plant and equipment	**222,688**	223,017
Investment properties	**357**	362
Investment in associates	**5,212**	5,263
Other investments	**6,688**	10,540
Intangible assets	**26,994**	14,099
Goodwill on consolidation	**74,719**	74,992
Deferred tax assets	**29,007**	24,729
	365,665	353,002
Current assets		
Inventories	**141,396**	132,772
Marketable securities	**3,471**	1,158
Receivables	**247,440**	292,193
Amount owing by associates	**7,039**	8,739
Current tax assets	**4,065**	5,219
Other investments	**-**	4,152
Short term deposits with licensed banks	**28,852**	30,670
Cash and cash equivalents	**83,537**	74,217
	515,800	549,120
TOTAL ASSETS	**881,465**	902,122
EQUITY AND LIABILITES		
Equity attributable to equity holders of the Company		
Share capital	**218,956**	218,956
Reserves	**86,364**	102,567
Less : Treasury Shares, at cost	**(2,073)**	(2,073)
	303,247	319,450
Minority interests	**117,287**	116,454
TOTAL EQUITY	**420,534**	435,904
LIABILITIES		
Non-current liabilities		
Borrowings	**27,848**	25,118
Deferred tax liabilities	**15,267**	15,141
Government grant	**1,800**	1,800
Provision for retirement benefits	**3,479**	3,452
	48,394	45,511
Current liabilites		
Payables	**206,242**	196,412
Amounts owing to associates	**173**	1,400
Borrowings	**200,671**	217,785
Current tax payables	**5,451**	5,110
	412,537	420,707
Total Liabilites	**460,931**	466,218
TOTAL EQUITY AND LIABILITES	**881,465**	902,122
Net assets per share attributable to ordinary equity holders of the Company (RM)	**1.40**	**1.48**

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2010

Ancom Berhad (Company No: 8440-M)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2010

	Attributable to equity holders of the Company											
30 November 2010	Share capital RM'000	Share Premium RM'000	Merger reserve RM'000	Revaluation reserve RM'000	Capital reserve RM'000	Foreign exchange reserve RM'000	Treasury shares RM'000	Capital redemption reserve RM'000	Retained Profits RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
At 1 June 2010	218,956	4,332	155	24,039	48	(8,015)	(2,073)	4,987	77,021	**319,450**	116,454	**435,904**
Effects of adopting FRS 139	-	-	-	-	-	-	-	-	(142)	**(142)**	-	**(142)**
As restated	218,956	4,332	155	24,039	48	(8,015)	(2,073)	4,987	76,879	**319,308**	116,454	**435,762**
Foreign currency translations	-	-	-		-	(785)	-	-	-	**(785)**	-	**(785)**
Dividends paid to minority interests of subsidiary	-	-	-	-	-	-	-	-	-	**-**	(1,291)	**(1,291)**
Net loss for the period	-	-	-	-	-	-	-	-	(15,276)	**(15,276)**	2,124	**(13,152)**
Balance at 30 November 2010	**218,956**	**4,332**	**155**	**24,039**	**48**	**(8,800)**	**(2,073)**	**4,987**	**61,603**	**303,247**	**117,287**	**420,534**
30 November 2009												
Balance at 1 June 2009	218,956	4,332	155	24,039	48	(3,363)	(2,073)	4,987	79,707	**326,788**	107,763	**434,551**
Foreign currency translations	-	-	-	-	-	(125)	-	-	-	**(125)**	(2,198)	**(2,323)**
Dividends paid to minority interests of subsidiary	-	-	-	-	-	-	-	-	-	**-**	(1,240)	**(1,240)**
Net profit for the period	-	-	-	-	-	-	-	-	2,803	**2,803**	12,697	**15,500**
Balance at 30 November 2009	**218,956**	**4,332**	**155**	**24,039**	**48**	**(3,488)**	**(2,073)**	**4,987**	**82,510**	**329,466**	**117,022**	**446,488**

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2010

Ancom Berhad (Company No: 8440-M)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2010

	Accumulated quarter ended	
	30-11-2010	30-11-2009
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	**(8,469)**	22,907
Adjustments for non-cash items	**12,946**	14,528
Operating profit before working capital changes	**4,477**	37,435
Net changes in working capital	**39,882**	(36,978)
Net cash generated from operating activities	**44,359**	457
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash generated from/(used in) investing activities	**(14,389)**	16,938
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash used in financing activities	**(20,335)**	(10,064)
Net increase / (decrease) in cash and cash equivalents	**9,635**	7,331
Cash and cash equivalents at the beginning of the financial year	**87,536**	93,704
Effect of exchange rate changes	**(456)**	(2,327)
	87,080	91,377
Cash and cash equivalents at the end of the financial year	**96,715**	98,708

Cash and cash equivalents include the following:

	RM'000	RM'000
Cash and bank balances	**83,537**	65,748
Bank overdrafts	**(6,688)**	(6,781)
Short term deposits	**28,852**	51,637
	105,701	110,604
Less : Short term deposits pledged to banks	**(8,986)**	(11,896)
	96,715	98,708

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2010

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

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2010

A1. Basis of preparation

This Interim Financial Report ("Report") is unaudited and has been prepared in accordance with Financial Reporting Standards ("FRS") 134 - Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Interim Financial Report should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 May 2010. These Explanatory Notes provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2010.

The significant accounting policies and methods of computation adopted by the Group in this Report are consistent with those adopted in the most recent Audited Financial Statements for the year ended 31 May 2010 except for the adoption of the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations which are applicable to the Group for the financial year beginning 1 June 2010 and are relevant to its operations:

FRS 7 Financial Instruments: Disclosures
FRS 8 Operating Segments
FRS 101 Presentation of Financial Statements (Revised)
FRS 123 Borrowing Costs
FRS 132 Financial Instruments: Presentation
FRS 139 Financial Instruments: Recognition and Measurement
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards
Amendments to FRS 2 Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 7 Financial Instruments: Disclosures
Amendments to FRS 8 Operating Segments
Amendments to FRS 107 Statement of Cash Flows
Amendments to FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110 Events After the Balance Sheet Date
Amendments to FRS 116 Property, Plant and Equipments
Amendments to FRS 117 Leases
Amendments to FRS 118 Revenue
Amendments to FRS 119 Employee Benefits
Amendments to FRS 120 Accounting for Government Grants
Amendments to FRS 123 Borrowing Costs
Amendments to FRS 127 Consolidated and Separate Financial Statements
Amendments to FRS 128 Investments in Associates
Amendments to FRS 129 Financial Reporting in Hyperinflationary Economies
Amendments to FRS 131 Interest in Joint Ventures
Amendments to FRS 132 Financial Instruments: Presentation
Amendments to FRS 134 Interim Financial Reporting
Amendments to FRS 136 Impairment of Assets
Amendments to FRS 138 Intangible Assets
Amendments to FRS 139 Financial Instruments: Recognition and Measurement
IC Interpretation 9 Reassessment of Embedded Derivatives

IC Interpretation 10 Interim Financial Reporting and Impairment
IC Interpretation 11 FRS 2 – Group and Treasury Share Transactions

The adoption of the above FRSs, amendments and interpretations do not have any significant impact on the interim financial information of the Group except for the adoption of the following FRSs as set out below:

FRS 8 – Operating Segments

The Group determined that the operating segments were the same as the business segments previously identified under FRS 114 Segment Reporting. The adoption of this Standard does not have any effect on the financial position or results of the Group.

FRS 101 - Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statement. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' is required to be shown in a statement of comprehensive income which can be presented as a single statement or two statements (comprising the income statement and statement of comprehensive income). The Group has elected to present the statement of comprehensive income in two statements. As a result, the Group has presented all owner changes in equity in the consolidated statement of changes in equity whilst all non-owner changes in equity have been presented in the consolidated statement of comprehensive income. Certain comparative figures have been reclassified to conform to the current period's presentation. This revised FRS does not have any impact on the financial position and results of the Group since these changes affect only the presentation of items of income and expenses.

Amendment to FRS 117 - Leases

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as prepaid lease payment on the statement of financial position. With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incident to ownership lie. Accordingly, the Group has changed the classification of certain leasehold lands from operating leases to finance leases in the current quarter. This change in classification has no effect to the profit or loss of the current period ended 30 November 2010 or the comparative prior period. The effect of the reclassification to the comparative of the prior year's statement of financial position is as follows:

31 May 2010	**As previously reported**	**Reclassification**	**As restated**
	RM'000	**RM'000**	**RM'000**
Property, plant and equipment	172,860	50,157	223,017
Prepaid lease payment	50,157	(50,157)	-

Amendments to FRS 139 Financial Instruments: Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives are recognised on their settlement dates. Outstanding derivatives at the balance sheet date were not recognised. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognised at contract dates when, and only when, the Company or any subsidiary becomes a party to the contractual provisions of the instruments.

With the adoption of FRS 139, financial assets and financial liabilities recognised and unrecognised in the prior financial year are classified into the following categories:

Pre-FRS 139	**Post-FRS 139**
Long-term equity investments	Available for sale investments
Current investments	Financial assets at fair value through profit or loss
Unrecognised derivative assets	Financial assets at fair value through profit or loss
Long-term borrowings	Financial liabilities at amortised cost
Unrecognised derivative liabilities	Financial liabilities at fair value through profit or loss

The measurement bases applied to the financial assets and financial liabilities in the prior financial year were changed to conform to the measurement standards of FRS 139 in the current quarter. At initial recognition, all financial assets and financial liabilities are measured at their fair value. However, the financial instrument not at fair value through profit or loss should be measured at their fair value plus transaction costs directly attributable to the acquisition or issuance of the instruments.

Subsequent to their initial recognition, the financial assets and financial liabilities are measured as follows:

Category	**Measurement basis**
Financial instruments at fair value through profit or loss	At fair value through profit or loss
Loans and receivables	At amortised cost effective interest method
Available for sale investments	At fair value through other comprehensive income, unless fair value cannot be reliably measured, in which case, they are measured at cost.
Loans and other financial liabilities	At amortised cost effective interest method

All financial assets other than those classified as at fair value through profit or loss are subject to impairment test of FRS 139.

In accordance with FRS 139, the recognition, derecognition and measurement requirements are applied prospectively from 1 June 2010 by the Group. The effects of the re-measurement on 1 June 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening retained profits and other opening reserves as disclosed in the statement of changes in equity:

	As at 1 June 2010 RM'000
Retained profits	77,021
Effects of adopting FRS139	
- Impairment of trade receivables, net tax	(141)
As restated	76,880

Other than above, the significant accounting policies adopted by the Group in this Report are consistent with those used in the Audited Financial Statements of the Group for the financial year ended 31 May 2010.

A2. Audit Report of the Preceding Audited Financial Statements

The audit report for the Group's Audited Financial Statements for the financial year ended 31 May 2010 was not qualified.

A3. Seasonal or Cyclical Factors

The interim business operations of the Group were not materially affected by any seasonal or cyclical factors.

A4. Unusual Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows

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 period.

A5. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current period.

A6. Changes in Debts and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayments of debt and equity securities for the current quarter and financial year.

As at 30 November 2010, a total of 2,711,027 Treasury Shares at a total cost of RM2.07 million were held by the Company.

A7. Dividend Paid

The Company has not declared or paid any dividend for the current financial period.

A8. Segmental Results

30 November 2010	Investment holdings RM'000	Agricultural and Industrial Chemicals RM'000	Oil and Gas Services RM'000	Logistics RM'000	Information Technology RM'000	Media RM'000	Polymer RM'000	Engineering RM'000	Building Products RM'000	Elimination RM'000	Total RM'000
Revenue											
External revenue	25	522,115	-	24,910	3,564	23,699	65,831	26,883	-	-	667,027
Inter-segment revenue	-	936	-	4,414	29	827	63	-	-	(6,269)	-
Total revenue	25	523,051	-	29,324	3,593	24,526	65,894	26,883	-		667,027
Segment results	(6,860)	7,900	-	5,049	(508)	(14,279)	9,295	318	10	-	925
Unallocated corporate expenses											(3,775)
Operating profits											(2,850)
Finance costs											(5,548)
Share of results of associates											(71)
Loss before taxation											(8,469)
Tax expense											(4,683)
Net loss											(13,152)
30 November 2009											
Revenue											
External revenue	163	623,371	-	24,566	4,420	19,057	62,677	24,670	-		758,924
Inter-segment revenue	-	189	-	3,045	513	4,370	3	-	-	(8,120)	-
Total revenue	163	623,560	-	27,611	4,933	23,427	62,680	24,670	-		758,924
Segment results	(5,381)	35,265	1,795	5,881	(179)	(8,740)	7,438	(349)	(219)		35,511
Unallocated corporate expenses											(7,398)
Operating profits											28,113
Finance costs											(5,206)
Share of results of associates											-
Profit before taxation											22,907
Tax expense											(7,407)
Net profit											15,500

A9. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward, without amendments, from the Audited Financial Statements for the financial year ended 31 May 2010.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

A10. Events Subsequent to the Reporting Period

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 financial statements for the current financial year.

A11. Effects of 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 or Contingent Assets Since the Last Annual Balance Sheet Date

The Group’s contingent liabilities stood at RM14 million as at 30 November 2010.

B. ADDITIONAL INFORMATION PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Group's Performance

For the half year ended 30 November 2010, the Group posted a lower revenue of RM667.0 million compared with RM758.9 million a year ago. Correspondingly, the Group incurred a loss before taxation of RM8.5 million against profit before taxation of RM22.9 million in the same period last year.

In the current financial quarter ended 30 November 2010, revenue for the Group was RM295.2 million compared with RM362.8 million in the same quarter last year. Loss before taxation in the quarter amounted to RM0.6 million against profit before tax of RM6.7 million in the same quarter last year.

The Group result reflected primarily lower sales contribution from the Agricultural & Industrial Chemical Division. Sales for the division declined to RM523.0 million from RM623.6 million a year ago due to weaker demand and lower prices for the industrial chemical products as recovery in the industry was slower than expected.

B2. Material Change in the Results for the Current Quarter as Compared with the Immediate Preceding Quarter

During the quarter under review, the Group revenue declined to RM295.2 million from RM371.9 as reported in the immediate preceding quarter. However, the loss before taxation was lower at RM0.6 million against RM7.9 million in the immediate preceding quarter. The lower losses incurred were mainly contributed by improvements in profit margins of the Agricultural & Industrial Chemical Division.

B3. Prospects

The Directors are taking steps to continue to improve the performance of the Group for the remaining financial year. In the current challenging business environment, the Board will closely monitor and assess the evolving situation.

B4. Variance from Profit Forecasts and Profit Guarantees

Not applicable as the Company did not provide any profit forecast and profit guarantee in respect of the current financial quarter.

B5. Taxation

	Individual quarter ended		Financial year ended	
	30-11-2010	30-11-2009	**30-11-2010**	30-11-2009
	RM'000	RM'000	**RM'000**	RM'000
Current tax expense based on profit for the financial period:				
Malaysian income tax	**4,704**	4,422	**7,764**	8,749
Foreign income tax	**500**	2,581	**1,339**	2,801
	5,204	7,003	**9,103**	11,550
Under/(over) provision in prior years:				
Malaysian income tax	**20**	-	**(62)**	-
	5,224	7,003	**9,041**	11,550
Deferred taxation:				
Transfer to/(from) deferred taxation	**(2,314)**	(4,143)	**(4,336)**	(4,143)
Under/(over) provision in prior years	**(22)**	-	**(22)**	-
	2,888	2,860	**4,683**	7,407

The taxation charge for the period is due to losses in certain subsidiaries that are not available for set-off against taxable profits in other companies within the Group.

B6. Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties in the current financial quarter.

B7. Quoted Investments

During the financial quarter, the Group incurred RM0.11 million loss from the disposal of certain marketable securities. There were no purchases of marketable securities for the current quarter.

The details of the Group's investments in quoted securities as at 30 November 2010 were as follows:

	30-11-2010	31-05-2010
	RM'000	RM'000
At costs	**3,471**	3,857
At book value	**2,981**	4,647
At market value	**2,820**	2,599

B8. Utilisation of proceeds

Not applicable as the Company has not raised any proceeds from any of its corporate exercises.

B9. Status of Corporate Proposals

On 16 November 2009, Ancom and Ancom Logistic Berhad ("ALB" - formerly known as Tamco Corporate Holdings Berhad) announced the following proposals (collectively referred to as "Proposed ALB Restructuring Scheme"):

(a) Proposed disposal of a piece of leasehold land together with two (2) blocks of single storey warehouses annexe with double storey offices with postal address of No. 2A, Jalan 13/2, 46200 Petaling Jaya, Selangor to the Company at a market price to be appraised by an Independent Valuer. The disposal consideration of the proposed disposal is to be settled by off-setting against an inter-company advance owing by ALB to Ancom amounting to RM10 million and the remaining by off-setting against the purchase consideration for the acquisition by ALB of Ancom's equity interest in Synergy Trans-Link Sdn. Bhd. ("STL") ("Proposed Disposal");

(b) Proposed reduction of RM0.10 of the par value of each existing ordinary share of RM0.20 each in ALB ("ALB Shares") under Section 64(1) of the Companies Act, 1965 ("Act") ("Proposed Capital Reduction");

(c) Proposed acquisition of 418,895,518 ordinary shares of RM0.10 each in STL representing the entire equity interest in STL which include its three subsidiaries, namely, Ancom ChemQuest Terminals Sdn. Bhd. ("ACT"), SinSenMoh Transportation Pte. Ltd. ("SSM") and Pengangkutan Cogent Sdn. Bhd. ("PCSB") ("collectively referred to as "Subsidiaries") from Ancom, Synergy Tanker Sdn. Bhd. ("STSB") and Lim Hock Heng ("LHH") (collectively referred to as "Vendors of STL") for a purchase consideration of RM42,236,117 to be satisfied by such number of new ordinary shares of RM0.10 each in ALB ("ALB New Shares") ("Consideration Shares") at an issue price of RM0.13 per ALB New Share after the settlement of the outstanding consideration pursuant to the Proposed Disposal ("Proposed Acquisition of STL Group");

(d) Proposed exemption to Ancom and persons acting in concert with it ("PAC") from the obligation to undertake a mandatory offer for all the remaining Tamco New Shares not already owned by Ancom and its PAC pursuant to the Proposed Acquisition of STL Group ("Proposed Exemption"); and

(e) Proposed special issue of up to 14,000,000 ALB New Shares at an indicative issue price of RM0.13 per ALB New Share to Bumiputera investors to be approved by the Ministry of International Trade and Industry ("MITI") ("Proposed Special Issue").

The Proposed ALB Restructuring Scheme is expected to be completed in the financial year ending 31 May 2011. It is not expected to have any impact on the earnings of the Ancom Group for the financial year ending 31 May 2010. Upon completion, the Proposed ALB Restructuring Scheme is expected to give rise to rental income to the Ancom Group in future, increasing Ancom's shareholding in ALB which shall improve the earnings of the Ancom Group. However, Ancom will not have the direct earnings from the STL Group after the completion of the exercise.

On 31 December 2009, ALB and Ancom entered into a supplemental agreement ("SA") to agree that the Disposal Consideration shall be fixed at RM25,000,000, after having considered the independent market valuation report dated 23 December 2009, to be settled in the manner stated above subject to the fulfillment of certain conditions precedent stated there in the SA.

On 28 January 2010, Ancom and ALB entered into a letter of variation in relation to the Proposed Acquisition of the Property by Ancom from ALB whereby the terms for the settlement of the purchase consideration of RM25,000,000 are as follows:-

(i) first, by off-setting RM15,000,000 against the disposal consideration for the Proposed Disposal of STL by Ancom to ALB; and

(ii) by off-setting the remaining purchase consideration against the inter-company advance(s) owing by ALB to Ancom.

As such, the actual amount of the inter-company advances owing by ALB to Ancom which will be used to settle the purchase consideration is subject to the confirmation by the relevant authority on the valuation of the Property.

On the same date, ALB entered into a letter of variation with the Vendors of STL whereby the terms of the settlement of the disposal consideration of RM22,304,893 to Ancom by ALB shall be satisfied by ALB in the following manner instead:-

(i) RM7,304,893 via the issuance of 56,191,485 new ALB New Shares at an issue price of RM0.13 per ALB New Share; and

(ii) remaining RM15,000,000 by off-setting against part of the purchase consideration in relation to the Proposed Acquisition of Property.

On 3 February 2010, the Securities Commission ("SC") had, vide its letter, notified that the application to the SC under Practice Note 2.9.1 of the Malaysian Code on Take-overs and Mergers 1998 ("Code") for an exemption to Ancom and its PAC, from the obligation to undertake a mandatory offer to acquire the remaining ordinary shares in ALB not already held by Ancom and its PAC ("Proposed Exemption") upon completion of the Proposed Disposal of STL which forms part of the Proposed Restructuring Scheme of ALB would only be considered by the SC after the following conditions have been met pursuant to Practice Note 2.9.1 of the Code:-

(i) Approval from the independent holders of voting shares of ALB, on a poll in a general meeting in which the interested parties are to abstain from voting. The result of the poll has to be confirmed by an independent auditor;

(ii) Providing competent independent advice regarding the Proposed Exemption to the shareholders of ALB. The appointment of the independent adviser and the independent advice circular to the shareholders are to be first approved and consented by SC respectively; and

(iii) Ancom and its PAC are to submit declarations (to be furnished after the general meeting) addressed to the SC, attesting that Ancom and its PAC have not purchased shares in ALB subsequent to the discussion in relation to the Ancom Proposals (the date of the discussion is to be stated) and until the granting of the Proposed Exemption by the SC (if so decided).

Further, Ancom is required to provide reasons for the substantial percentage of votes that are against and abstained from voting (excluding the abstinence by the interested parties) on the Proposed Exemption.

On 24 June 2010, the Bursa Malaysia Securities Berhad approved the Proposed ALB Restructuring Scheme subject to, inter-alia:

(i) A moratorium to be imposed on the Consideration Shares pursuant to the Proposed Acquisition of STL Group by ALB in the manner disclosed in Section 3.19 of the ACE Market Requirement; and

(ii) ALB and its advisers must fully comply with the relevant provisions under the ACE Market Listing Requirements pertaining to the implementation of the Proposed ALB Restructuring Scheme.

On 7 September 2010, the Proposed ALB Restructuring Scheme was approved by ALB's shareholders at an Extraordinary General Meeting.

On 15 October 2010, SC has approved the Proposed Exemption and on 4 November 2010, the High Court of Malaya confirmed and sanctioned the Company's Petition for an Order for reduction of the Company's share capital pursuant to Section 64(1) of the Act in respect of the Proposed Capital Reduction.

Except for the Proposed Special Issue, the other proposals of the Restructuring Scheme (Proposed Disposal, Proposed Acquisition of STL Group, the Proposed Capital Reduction and the Proposed Exemption) have been completed as at the date of this Report. ALB will make the relevant announcement on the status of the Proposed Special Issue in due course.

Save for the above, there were no corporate proposals announced but not completed as at the date of this Report.

B10. Financial Instruments with Off Balance Sheet Risk

There were no financial instruments with off balance sheet risk as at the date of this Report.

B11. Derivatives Financial Instruments

The Group has entered into forward foreign exchange contracts to manage the exposure to foreign exchange risk when the Company and its subsidiaries enter into transactions that are not denominated in their functional currencies.

Forward foreign exchange contracts are recognised on the contract dates and are measured at fair value with changes in fair value recognised in profit or loss.

The outstanding forward foreign exchange contracts as at 30 November 2010, are as follows:

Type of Derivatives	Currency	Contract/ Notional Value RM'000	Fair Value RM'000
Forward foreign exchange contract - Less than 1 year	United States Dollar	4,372	4,443

There have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objectives and policies since the previous financial year end.

B12. Changes in Pending Material Litigation

There were no material litigation pending as at the date of this Report.

B13. Dividends

The Directors do not recommend the payment of any dividend for the current quarter. There were no dividends declared for the current financial year-to-date.

B13. Group's Borrowings

	30-11-2010	31-05-2010
	RM'000	RM'000
SHORT TERM BORROWINGS		
Secured:		
Ringgit Malaysia	**46,797**	48,903
Singapore Dollar	**-**	359
United States Dollar	**26,395**	36,807
Vietnamese Dong	**1,178**	1,458
	74,370	87,527
Unsecured:		
Ringgit Malaysia	**111,657**	114,864
United States Dollar	**2,527**	-
Singapore Dollar	**3,113**	863
Hong Kong Dollar	**-**	3,087
Indonesian Ruppiah	**9,003**	11,444
	126,300	130,258
Total short term borrowings	**200,670**	217,785
LONG TERM BORROWINGS		
Secured:		
Ringgit Malaysia	**13,671**	21,243
Singapore Dollar	**-**	-
Vietnamese Dong	**1,548**	2,094
	15,219	23,337
Unsecured:		
Ringgit Malaysia	**12,286**	1,394
Singapore Dollar	**344**	333
Indonesian Ruppiah	**-**	54
	12,630	1,781
Total long term borrowings	**27,849**	25,118
TOTAL BORROWINGS	**228,519**	242,903

B14. Earnings Per Share

Basic earnings per share

The basic earnings per share is calculated by dividing the net profit/(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		Accumulated quarter ended	
	30-11-2010	30-11-2009	**30-11-2010**	30-11-2009
Weighted average number of ordinary shares ('000)	**216,883**	216,883	**216,883**	216,883
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	**(6,181)**	358	**(15,276)**	2,803
Basic earnings per ordinary share (sen)	**(2.85)**	0.17	**(7.04)**	1.29

Fully diluted earnings per share

Not applicable as the Company does not have dilutive ordinary shares in issue as at the balance sheet date.

By Order of the Board

Wong Wei Fong
Choo Se Eng
Secretaries

Petaling Jaya
25 January 2011