

ANCOM BERHAD (Company No: 8440-M)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL QUARTER ENDED 31 AUGUST 2011**

	Individual quarter ended		Accumulated quarters ended	
	31-08-2011 RM'000	31-08-2010 RM'000	31-08-2011 RM'000	31-08-2010 RM'000
Continuing operations				
Operating revenue	386,881	354,211	386,881	354,211
Cost of sales	(336,087)	(320,434)	(336,087)	(320,434)
Gross profit	50,794	33,777	50,794	33,777
Other income	2,984	2,936	2,984	2,936
Distribution expenses	(16,562)	(16,169)	(16,562)	(16,169)
Administrative expenses	(20,649)	(22,789)	(20,649)	(22,789)
Other operating expenses	(6,553)	(2,463)	(6,553)	(2,463)
Finance costs	(2,944)	(3,197)	(2,944)	(3,197)
Share of results of associates	-	-	-	-
Profit before taxation	7,070	(7,905)	7,070	(7,905)
Tax expense	(4,354)	(1,795)	(4,354)	(1,795)
Net profit/(loss)	2,716	(9,700)	2,716	(9,700)
Net profit/(loss) attributable to				
Equity holders of the Company	(963)	(9,095)	(963)	(9,095)
Minority interests	3,679	(605)	3,679	(605)
	2,716	(9,700)	2,716	(9,700)

Earnings/(loss) per ordinary share attributable

to equity holders of the Company	Sen	Sen	Sen	Sen
Basic loss per ordinary share	(0.45)	(4.21)	(0.45)	(4.21)
Diluted earnings per ordinary share	N/A	N/A	N/A	N/A

TOTAL COMPREHENSIVE INCOME				
Net profit/(loss)	2,716	(9,700)	2,716	(9,700)
Foreign currency translation	(493)	(2,329)	(493)	(2,329)
Total comprehensive income	2,223	(12,029)	2,223	(12,029)
Total comprehensive income attributable to				
Equity holders of the Company	(1,456)	(10,889)	(1,456)	(10,889)
Minority interests	3,679	(1,140)	3,679	(1,140)
	2,223	(12,029)	2,223	(12,029)

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2011.

ANCOM BERHAD (Company No: 8440-M)
(Incorporated in Malaysia)
UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2011

	Unaudited 31-08-2011 RM'000	Audited 31-05-2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	235,026	227,156
Investment properties	351	353
Investment in associates	4,324	4,324
Other investments	6,505	6,150
Intangible assets	25,506	24,218
Goodwill on consolidation	75,891	74,380
Deferred tax assets	30,192	30,430
	377,795	367,011
Current assets		
Inventories	161,932	150,524
Receivables	310,232	319,329
Amount owing by associates	6,311	7,847
Current tax assets	5,906	6,387
Other investments	423	2,368
Cash and cash equivalents	73,603	90,267
	558,407	576,722
TOTAL ASSETS	936,202	943,733
<u>EQUITY AND LIABILITES</u>		
Equity attributable to equity holders of the Company		
Share capital	218,956	218,956
Reserves	87,509	88,970
Less : Treasury Shares, at cost	(2,073)	(2,073)
	304,392	305,853
Minority interests	123,361	121,854
TOTAL EQUITY	427,753	427,707
LIABILITIES		
Non-current liabilities		
Borrowings	22,157	22,157
Deferred tax liabilities	15,421	14,855
Government grant	1,600	1,600
Provision for retirement benefits	3,435	3,476
	42,613	42,088
Current liabilities		
Payables	240,671	239,407
Amounts owing to associates	11	18
Borrowings	222,747	232,511
Current tax payables	2,407	2,002
	465,836	473,938
Total Liabilites	508,449	516,026
TOTAL EQUITY AND LIABILITES	936,202	943,733
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.41	1.41

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2011.

ANCOM BERHAD (Company No: 8440-M)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2011

	Attributable to equity holders of the Company											Total equity RM'000		
	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			
31 August 2011														
At 1 June 2011	218,956	4,332	155	25,707	48	(9,838)	(2,073)	4,987	63,579	305,853	121,854	427,707		
Total comprehensive income	-	-	-	-	-	(493)	-	-	(963)	(1,456)	3,679	2,223		
Transactions with owners														
Dividends paid to minority interests of subsidiary	-	-	-	-	-	-	-	-	-	-	(2,177)	(2,177)		
Balance at 31 August 2011	218,956	4,332	155	25,707	48	(10,331)	(2,073)	4,987	62,616	304,397	123,356	427,753		
31 August 2010														
Balance at 1 June 2010	218,956	4,332	155	24,039	48	(8,015)	(2,073)	4,987	76,881	319,310	116,454	435,764		
Total comprehensive income	-	-	-	-	-	(1,794)	-	-	(9,095)	(10,889)	(1,140)	(12,029)		
Transactions with owners														
Dividends paid to minority interests of subsidiary	-	-	-	-	-	-	-	-	-	-	(992)	(992)		
Balance at 31 August 2010	218,956	4,332	155	24,039	48	(9,809)	(2,073)	4,987	67,786	308,421	114,322	422,743		

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2011.

ANCOM BERHAD (Company No: 8440-M)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2011

	Accumulated quarters ended	
	31-08-2011	31-08-2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,070	(7,905)
Adjustments for non-cash items	9,979	6,453
Operating profit before working capital changes	<u>17,049</u>	<u>(1,452)</u>
Net changes in working capital	(2,195)	27,771
Net cash generated from operating activities	<u>14,854</u>	26,319
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash generated from/(used in) investing activities	(8,333)	(8,379)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash used in financing activities	(18,784)	(18,524)
Net increase / (decrease) in cash and cash equivalents	<u>(12,263)</u>	<u>(584)</u>
Cash and cash equivalents at the beginning of the financial year	<u>67,781</u>	<u>87,536</u>
Effect of exchange rate changes	(493)	102
	<u>67,288</u>	<u>87,638</u>
Cash and cash equivalents at the end of the financial year	<u><u>55,025</u></u>	<u><u>87,054</u></u>

Cash and cash equivalents include the following:

	RM'000	RM'000
Cash and bank balances	52,796	60,344
Bank overdrafts	(9,554)	(6,060)
Short term deposits	20,808	41,853
	<u>64,050</u>	<u>96,137</u>
Less : Short term deposits pledged to banks	(9,025)	(9,083)
	<u><u>55,025</u></u>	<u><u>87,054</u></u>

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2011



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

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 AUGUST 2011

A1. Basis of preparation

The Interim Financial Report of the Ancom Berhad ("Ancom" or "the Company") and its subsidiaries ("Group") is unaudited and has been prepared in accordance with the Financial Reporting Standard ("FRS") 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").

The 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 2011. 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 2011.

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 2011 except for the adoption of the following new and revised FRSS, IC Interpretations and Amendments to FRSS which are applicable and relevant to the Group's operations:

	Effective for annual periods beginning on or after
FRS 1 <i>First-time Adoption of Financial Reporting Standards</i>	1 July 2010
FRS 3 <i>Business Combinations (revised)</i>	1 July 2010
Amendments to FRS 2 <i>Share-based Payment</i>	1 July 2010
Amendments to FRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 July 2010
Amendments to FRS 127 <i>Consolidated and Separate Financial Statements</i>	1 July 2010
Amendments to FRS 138 <i>Intangible Assets</i>	1 July 2010
Amendments to IC Interpretation 9 <i>Reassessment of Embedded Derivatives</i>	1 July 2010
IC Interpretation 12 <i>Service Concession Arrangements</i>	1 July 2010
IC Interpretation 16 <i>Hedges of a Net Investment in a Foreign Operation</i>	1 July 2010
IC Interpretation 17 <i>Distributions of Non-cash Assets to Owners</i>	1 July 2010
Amendments to FRS 1: <i>Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters</i>	1 January 2011
Amendments to FRS 1: <i>Additional Exemptions for First-time</i>	1 January 2011

	Effective for annual periods beginning on or after
<i>Adopters</i>	
Amendments to FRS 2: <i>Share based Payment - Group Cash settled Share based Payment Transactions</i>	1 January 2011
Amendments to FRS 7: <i>Improving Disclosures about Financial Instruments</i>	1 January 2011
Improvements to FRS issued in 2010	1 January 2011
IC Interpretation 4 <i>Determining Whether An Arrangement contains a Lease</i>	1 January 2011
IC Interpretation 18 <i>Transfers of Assets from Customers</i>	1 January 2011
TR 3 Guidance on disclosure of Translations to IFRS	1 January 2011

Except for the changes in accounting policies arising from the adoption of the revised FRS 3 and the amendments to FRS 127, as well as the new disclosures required under the Amendments to FRS 7, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 3 and the amendments to FRS 127 are summarised below.

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 Statement of Cash Flows, FRS 112 Income Taxes, FRS 121 The Effects of Changes in Foreign Exchange Rates, FRS 128 Investments in Associates and FRS 131 Interests in Joint Ventures. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests.

Other than the 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 2011 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 31 August 2011, 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.

ANCOM BERHAD (Company No. 8440-M)
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Explanatory notes to the Interim Financial Report for the quarter ended 31 August 2011

A8. Segmental Results

	Agricultural and Industrial							Elimination	Total
	Investment holdings	Chemicals	Logistics	Technology	Media	Polymer	Engineering		
31 August 2011	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue									
External revenue	-	321,167	14,091	1,297	14,785	35,541	-	-	386,881
Inter-segment revenue	6,175	1,394	1,753	202	575	-	-	(10,099)	-
Total revenue	6,175	322,561	15,844	1,499	15,360	35,541	-	-	386,881
Segment results	(3,937)	11,298	2,578	(574)	(1,237)	3,305	-	-	11,433
Unallocated corporate expenses									(1,419)
Operating profits									10,014
Finance costs									(2,944)
Share of results of associates									-
Loss before taxation									7,070
Tax expense									(4,354)
Net profit for the period									2,716
31 August 2010									
Revenue									
External revenue	-	278,271	12,535	1,195	12,598	32,243	17,369	-	354,211
Inter-segment revenue	5,508	30	1,462	15	-	-	-	-	-
Total revenue	5,508	278,301	13,997	1,210	12,598	32,243	17,369	(7,015)	354,211
Segment results	(4,656)	353	2,530	(12)	(6,582)	3,637	1,791	27	(2,912)
Unallocated corporate expenses									(1,796)
Operating profits									(4,708)
Finance costs									(3,197)
Share of results of associates									-
Profit before taxation									(7,905)
Tax expense									(1,795)
Net loss for the period									(9,700)

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 2011.

The carrying value of the Group's land and building are stated at valuation less accumulated depreciation and impairment losses. The carrying amounts of other plant and equipment are stated at cost less accumulated depreciation and impairment losses.

A10. Events Subsequent to the Reporting Period

There were no material events subsequent to the end of the financial period 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 RM15.5 million as at 31 August 2011.

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

B1. Review of Group's Performance

For the financial quarter ended 31 August 2011, the Group posted higher revenue of RM387.9 million compared with RM354.2 million a year ago. Profit before taxation ("PBT") improved to RM7.1 million against loss before taxation of RM7.9 million last year.

Sales across all the major business divisions improved during the quarter under review compared to last financial year. Agricultural and Industrial Chemicals division posted a strong growth primarily due to the more favourable economic conditions in the period under review as compared to a year ago. This generated better demand for its products and resulted in better profit margins. Lower operating costs in the Media division have also contributed to the improved results.

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 reduced to RM387.9 million from RM497.9 in the immediate preceding quarter. However, PBT increased to RM7.1 million from RM4.4 million in the immediate preceding quarter. Despite the lower revenue, the Group posted a higher PBT for the quarter under review compared to the immediate preceding quarter primarily due to lower operating costs in the Media division on better terms negotiated.

B3. Prospects

Based on the improved performance for the current quarter, the Directors expect, barring any unforeseen circumstances, the performance of the Group shall remain satisfactory for the remaining of the financial year.

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	
	31-08-2011 RM'000	31-08-2010 RM'000	31-08-2011 RM'000	31-08-2010 RM'000
Current tax expense based on profit for the financial period:				
Malaysian income tax	4,145	3,060	4,145	3,060
Foreign income tax	612	839	612	839
	<u>4,757</u>	<u>3,899</u>	<u>4,757</u>	<u>3,899</u>
Under/(over) provision in prior years:				
Malaysian income tax	(3)	(82)	(3)	(82)
	<u>4,754</u>	<u>3,817</u>	<u>4,754</u>	<u>3,817</u>
Deferred taxation:				
Transfer to/(from) deferred taxation	(400)	(2,022)	(400)	(2,022)
Under/(over) provision in prior years	-	-	-	-
	<u>4,354</u>	<u>1,795</u>	<u>4,354</u>	<u>1,795</u>

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

There were no purchases of marketable securities for the current quarter.

The details of the Group's investments in quoted securities as at 31 August 2011 were as follows:

	31-05-2011 RM'000	31-05-2011 RM'000
At costs	1,200	1,200
At book value	909	970
At market value	<u>909</u>	<u>970</u>

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

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 31 August 2011, 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	4,623	4,569

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

	31-08-2011	31-05-2011
	RM'000	RM'000
SHORT TERM BORROWINGS		
Secured:		
Ringgit Malaysia	27,385	48,903
Singapore Dollar	1,041	359
Indonesian Ruppiah	5,952	-
United States Dollar	46,393	49,802
Vietnamese Dong	2,384	1,458
	83,155	100,522
Unsecured:		
Ringgit Malaysia	137,106	113,634
United States Dollar	941	-
Singapore Dollar	216	863
Hong Kong Dollar	1,283	3,087
Indonesian Ruppiah	46	11,444
	139,592	129,028
Total short term borrowings	222,747	229,550
LONG TERM BORROWINGS		
Secured:		
Ringgit Malaysia	10,218	21,243
Vietnamese Dong	958	2,094
	11,176	23,337
Unsecured:		
Ringgit Malaysia	10,278	1,394
Singapore Dollar	664	333
Indonesian Ruppiah	39	54
	10,981	1,781
Total long term borrowings	22,157	25,118
TOTAL BORROWINGS	244,904	254,668

Foreign currencies denominated borrowings are stated at Ringgit Malaysia equivalent as at the reporting dates stated above.

B14. Earnings Per Share

Basic earnings per share

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

	Individual quarter ended		Accumulated quarters ended	
	31-08-2011	31-08-2010	31-08-2011	31-08-2010
Number of ordinary shares ('000)	218,956	218,956	218,956	218,956
Less: Treasury shares ('000)	(2,711)	(2,711)	(2,711)	(2,711)
	<u>216,245</u>	<u>216,245</u>	<u>216,245</u>	<u>216,245</u>
Net loss attributable to ordinary equity holders of the Company (RM'000)	(963)	(9,095)	(963)	(9,095)
Basic loss per ordinary share (sen)	(0.45)	(4.21)	(0.45)	(4.21)

Fully diluted earnings per share

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

B15 Disclosure of realised and unrealised profits

Bursa Securities has, on 25 March 2010 and 20 December 2010, issued directives requiring all listed issuers to disclose the breakdown of unappropriated profits or accumulated losses as at the end of the reporting period, on a group basis, into realised and unrealised profits or losses, as the case may be, in the notes to its quarterly reports.

The breakdown of retained profits of the Group as at 31 August 2011, pursuant to the format prescribed by Bursa securities, is as follows:

	RM'000
Total retained profits of the Group	
- Realised	21,510
- Unrealised	<u>14,771</u>
	36,281
Less: Consolidation adjustments	<u>26,335</u>
As per consolidated financial statements	<u><u>62,616</u></u>

By Order of the Board

Wong Wai Foong
Lim Lee Kuan
Choo Se Eng
Secretaries

Petaling Jaya
27 October 2011