

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL QUARTER ENDED 31 MAY 2012**

	Individual quarter ended		Year-to-date ended	
	31-05-2012	31-05-2011	31-05-2012	31-05-2011
	RM'000	RM'000	RM'000	RM'000
Operating revenue	507,453	467,235	1,749,699	1,507,483
Cost of sales	(451,210)	(408,598)	(1,547,267)	(1,321,135)
Gross profit	56,243	58,637	202,432	186,348
Other income	1,794	5,638	6,742	8,638
Distribution expenses	(21,297)	(17,437)	(74,644)	(71,293)
Administrative expenses	(27,358)	(29,544)	(91,656)	(92,466)
Other operating expenses	(5,901)	(6,758)	(18,127)	(17,434)
Finance costs	(3,307)	(4,190)	(12,754)	(12,931)
Share of results of associates	-	(538)	-	(609)
Profit/(loss) before taxation	174	5,808	11,993	253
Tax expense	(3,236)	789	(11,584)	(6,151)
Net profit/(loss)	(3,062)	6,597	409	(5,898)
Net profit/(loss) attributable to				
Equity holders of the Company	(5,369)	3,111	(8,967)	(12,952)
Minority interests	2,307	3,486	9,376	7,054
	(3,062)	6,597	409	(5,898)
Earnings/(loss) per ordinary share attributable to equity holders of the Company	Sen	Sen	Sen	Sen
Basic loss per ordinary share	(2.48)	1.44	(4.15)	(5.99)
Diluted earnings per ordinary share	N/A	N/A	N/A	N/A
TOTAL COMPREHENSIVE INCOME				
Net profit/(loss)	(3,062)	6,597	409	(5,898)
Revaluation surplus on land and buildings	-	2,838	-	2,838
Foreign exchange reserves transfer to profit or loss upon disposal of subsidiaries	-	4,948	-	4,948
Foreign currency translation	3,234	(3,747)	2,395	(3,296)
Total comprehensive income	172	10,636	2,804	(1,408)
Total comprehensive income attributable to				
Equity holders of the Company	(5,364)	2,505	(8,973)	(13,107)
Minority interests	5,536	8,131	11,777	11,699
	172	10,636	2,804	(1,408)

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 MAY 2012

	Unaudited 31-05-2012 RM'000	Audited 31-05-2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	230,978	227,156
Investment properties	154	353
Investment in associates	2,829	4,324
Other investments	2,384	6,150
Intangible assets	22,812	24,218
Goodwill on consolidation	77,992	74,380
Deferred tax assets	32,787	30,430
	369,936	367,011
Current assets		
Inventories	189,034	150,524
Receivables	354,873	319,329
Amount owing by associates	6,429	7,847
Current tax assets	3,670	6,387
Other investments	423	2,368
Cash and cash equivalents	86,922	90,267
	641,351	576,722
TOTAL ASSETS	1,011,287	943,733
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	218,956	218,956
Reserves	82,392	88,970
Less : Treasury Shares, at cost	(2,292)	(2,073)
	299,056	305,853
Minority interests	122,648	121,854
TOTAL EQUITY	421,704	427,707
LIABILITIES		
Non-current liabilities		
Borrowings	24,286	22,157
Deferred tax liabilities	15,269	14,855
Government grant	1,450	1,600
Provision for retirement benefits	2,846	3,476
	43,851	42,088
Current liabilities		
Payables	306,370	239,407
Amounts owing to associates	12	18
Borrowings	238,724	232,511
Current tax payables	626	2,002
	545,732	473,938
Total Liabilities	589,583	516,026
TOTAL EQUITY AND LIABILITIES	1,011,287	943,733
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.38	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 MAY 2012

	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	Minority interests RM'000		
31 May 2012												
At 1 June 2011	218,956	4,332	155	25,707	48	(9,838)	(2,073)	4,987	63,579	121,854	427,707	
Total comprehensive income	-	-	-	-	-	2,395	-	-	(8,973)	11,777	5,199	
Transactions with owners												
Purchase of treasury shares	-	-	-	-	-	-	(219)	-	-	(305)	(524)	
Winding up of a subsidiary	-	-	-	-	-	-	-	-	-	(1,980)	(1,980)	
Dividends paid to minority interests of subsidiary	-	-	-	-	-	-	-	-	-	(8,698)	(8,698)	
Balance at 31 May 2012	218,956	4,332	155	25,707	48	(7,443)	(2,292)	4,987	54,606	122,648	421,704	
31 May 2011												
Balance at 1 June 2010	218,956	4,332	155	24,039	48	(8,015)	(2,073)	4,987	77,021	116,454	435,904	
Effects of adopting FRS 139	-	-	-	-	-	-	-	-	(490)	-	(490)	
As restated	218,956	4,332	155	24,039	48	(8,015)	(2,073)	4,987	76,531	116,454	435,414	
Total comprehensive income	-	-	-	1,668	-	(1,823)	-	-	(12,952)	11,699	(1,408)	
Transactions with owners												
Dividend-in-specie paid to minority interest of subsidiaries	-	-	-	-	-	-	-	-	-	4,358	4,358	
Dividends paid to minority interests of subsidiary	-	-	-	-	-	-	-	-	-	(10,657)	(10,657)	
Balance at 31 May 2011	218,956	4,332	155	25,707	48	(9,838)	(2,073)	4,987	63,579	121,854	427,707	

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 MAY 2012

	Year-to-date ended	
	31-05-2012 RM'000	31-05-2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	11,993	253
Adjustments for non-cash items	43,452	50,545
Operating profit before working capital changes	55,445	50,798
Inventories	(38,510)	(27,598)
Receivables	(35,544)	(33,826)
Payables	67,436	54,293
Group companies	1,412	(490)
Net cash generated from operations	50,239	43,177
Dividend received	-	18
Income tax paid	(12,188)	(15,988)
Retirement benefit paid	(475)	(389)
Net cash generated from operating activities	37,576	26,818
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	1,398	-
Purchase of property, plant and equipment	(23,588)	(22,734)
Interest received	561	760
Proceeds from disposal of property, plant and equipment	-	3,070
Acquisition of a subsidiary	-	(236)
Purchase of additional shares in existing subsidiaries	-	(3,045)
Purchase of intangible assets	(8,018)	(14,980)
Disposal of subsidiaries	-	1,480
Proceeds from sale of marketable securities	1,946	-
Proceeds from sale of other investments	1,847	6,831
Purchase of other investments	-	(1,104)
Withdrawal/(placement) of short term deposits pledged to licensed banks	5,102	766
Net cash generated from/(used in) investing activities	(20,752)	(29,192)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to minority interest of subsidiaries	(7,701)	(10,657)
Interest paid	(12,755)	(12,931)
Repayments of hire-purchase and lease creditors	(1,714)	(1,097)
Drawdown/(repayments) of borrowings	5,770	5,857
Purchase of Company's own shares	(219)	-
Net cash used in financing activities	(16,619)	(18,828)
Net increase / (decrease) in cash and cash equivalents	205	(21,202)
Cash and cash equivalents at the beginning of the financial year	67,781	87,536
Effect of exchange rate changes	(886)	1,448
Cash and cash equivalents at the end of the financial year	67,100	67,782
Cash and cash equivalents include the following:		
	RM'000	RM'000
Cash and bank balances	69,577	60,554
Bank overdrafts	(15,913)	(13,475)
Short term deposits	17,345	29,714
	71,009	76,793
Less : Short term deposits pledged to banks	(3,909)	(9,011)
	67,100	67,782

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 MAY 2012

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 Adopters</i>	1 January 2011
Amendments to FRS 2: <i>Share based Payment - Group Cash settled Share based Payment Transactions</i>	1 January 2011

	Effective for annual periods beginning on or after
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 2011.

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 period except for the purchase of Company's own shares held as Treasury Shares.

At the previous Annual General Meeting held on 23 November 2011, the shareholders of the Company approved the proposed renewal of shareholders' mandate for the Company to repurchase up to 10% of its own ordinary shares. For the current quarter and financial period, the details of Treasury Shares purchased pursuant to Section 67A of the Companies Act, 1965 are detailed as follows:

Date	Number of shares	Highest price RM	Lowest price RM	Average price RM	Total consideration RM
20-03-2012	10,000	0.370	0.370	0.370	3,745
22-03-2012	45,800	0.380	0.375	0.376	17,299
23-03-2012	6,500	0.375	0.375	0.375	2,481
30-03-2012	30,000	0.370	0.370	0.367	11,055
03-04-2012	5,000	0.370	0.370	0.370	1,893
04-04-2012	10,000	0.360	0.360	0.360	3,645
06-04-2012	10,000	0.370	0.370	0.370	3,745
10-04-2012	12,000	0.360	0.360	0.360	4,366
16-04-2012	10,000	0.365	0.365	0.365	3,695
17-04-2012	5,000	0.360	0.360	0.360	1,842
24-04-2012	5,000	0.360	0.360	0.360	1,843
26-04-2012	20,000	0.365	0.360	0.363	7,300
03-05-2012	74,000	0.350	0.345	0.345	25,740
04-05-2012	20,000	0.350	0.350	0.350	7,050
07-05-2012	29,900	0.350	0.345	0.348	10,469
08-05-2012	41,400	0.360	0.360	0.360	14,968
11-05-2012	11,000	0.365	0.365	0.365	4,061
14-05-2012	109,400	0.370	0.365	0.369	40,502
15-05-2012	7,500	0.360	0.360	0.360	2,744
17-05-2012	20,000	0.365	0.365	0.365	7,350
23-05-2012	14,300	0.360	0.350	0.356	5,133
24-05-2012	10,000	0.350	0.350	0.350	3,545
28-05-2012	39,200	0.355	0.355	0.355	13,976
Total for the quarter	<u>546,000</u>				<u>198,447</u>
Balance brought forward					<u>2,094,042</u>
Balance as at balance sheet date	<u>3,282,027</u>				<u>2,292,489</u>

Note: The consideration above is inclusive of brokerage, contract stamp and clearing fees.

A7. Dividend Paid

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

A8. Profit/(loss) before Taxation

	Individual quarter ended 31-05-2012 RM'000	Year-to-date ended 31-05-2012 RM'000
Consolidated statement of comprehensive income include the following:		
Finance costs	3,307	12,754
Depreciation and amortisation	8,103	28,865
Provision for and write-off of receivables	3,362	1,953
Provision for and write-off of inventories	1,847	2,878
Loss/(gain) on disposal of quoted or unquoted investments	-	1,734
Loss/(gain) on disposal of properties	-	-
Dividend income	-	(1,851)
Foreign exchange loss/(gain)	(5,599)	(2,732)
Interest income	(205)	(561)
Impairment of goodwill	1,398	1,398
Fair value loss/(gain) on derivatives	417	469
	<hr/>	<hr/>

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

Explanatory notes to the Interim Financial Report for the quarter ended 31 May 2012

A9. Segmental Results

Segmental information for the financial year ended 31 May 2012

31 May 2012	Investment holdings and others		Agricultural and Industrial Chemicals		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
	RM'000	RM'000	RM'000	RM'000								
Revenue												
External revenue	2,883	1,479,046	51,643	10,720	70,058	135,349	-	-	-	-	-	1,749,699
Inter-segment revenue	9,570	2,265	7,542	360	-	5	-	-	-	-	(19,742)	-
Total revenue	12,453	1,481,311	59,185	11,080	70,058	135,354	-	-	-	-	-	1,749,699
Segment results	(30,514)	41,791	8,342	(748)	(9,793)	13,866	-	-	-	-	1,804	24,748
Operating profits												24,748
Finance costs												(12,755)
Share of results of associates												-
Loss before taxation												11,993
Tax expense												(11,584)
Net loss for the period												409
31 May 2011												
Revenue												
External revenue	55	1,205,541	54,352	15,541	67,181	133,887	30,926	-	-	-	-	1,507,483
Inter-segment revenue	18,040	4,708	7,886	466	2,000	157	350	-	-	-	(33,607)	-
Total revenue	18,095	1,210,249	62,238	16,007	69,181	134,044	31,276	-	-	-	-	1,507,483
Segment results	(34,982)	48,944	8,765	(52)	(15,752)	12,358	(4,309)	-	-	-	(1,179)	13,793
Operating profits												13,793
Finance costs												(12,931)
Share of results of associates												(609)
Profit before taxation												253
Tax expense												(6,151)
Net loss for the period												(5,898)

A10. 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.

A11. 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 interim financial statements.

A12. 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.

A13. 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 balance sheet date.

A14. Capital commitments

The capital commitments as at balance sheet date are as follows:

	RM'000
Property, plant and equipment	
- Approved and contracted for	2,171
- Approved but not contracted for	615
	<u>2,786</u>

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

B1. Review of Group's Performance

The Group posted revenue of RM1.75 billion for the current financial year compared with RM1.51 billion in last year. Profit before taxation ("PBT") for the current financial year improved to RM12.0 million compared with RM0.3 million last year. Overall, the higher revenue of the Group was primarily contributed by the Agricultural and Industrial Chemical Division. The division continue to post strong revenue growth in the current financial year supported by higher exports. In addition, lower operating costs in the Media Division have also contributed to the favourable Group's results.

For the financial quarter ended 31 May 2012, the Group posted higher revenue of RM507.5 million compared with RM467.2 million a year ago. However, PBT decreased to RM0.2 million in the current financial quarter compared with RM5.8 million in the same corresponding quarter last year.

Agricultural and Industrial Chemicals

The division posted revenue of RM437.5 million for the current financial quarter compared with RM394.9 million recorded in the corresponding quarter last year. The increase is due to stronger industrial chemical sales in the Singaporean and Indonesian markets. The improved revenue was also contributed by the continued improvement in export of agricultural chemical products. However, due to the uncertainty in the recovery of the Eurozone economies and the projected slower growth in China, prices of our products have been extremely volatile in this quarter. In addition, many producers continue to target the Southeast Asian market to move their products and competition has become more severe. These two factors have had an adverse effect on the divisional margins and as a result, the segmental profit of the division decreased from RM26.4 million in the corresponding quarter last year to RM8.6 million in the current quarter.

Logistics

The Logistics Division posted lower revenue of RM15.5 million in the current financial quarter compared with RM19.6 million in the corresponding quarter last year. Lower revenue was primarily due to slowdown experienced in the transportation business. Nevertheless, the division continued to report robust sale from its tank farm business.

Consequently, the segmental profit for the current financial quarter fell to RM1.8 million from RM4.4 million in the corresponding quarter last year.

Information Technology

The division continued to face intense competition in the current financial quarter. Both revenue and operating profits declined as the division is unable to maintain its order intake. Revenue for the financial quarter fell to RM3.8 million from RM4.8 million a year ago. However, the segmental loss decreased to RM0.4 million from RM0.6 million last year as profit margins from projects secured in the current financial year were generally better.

Media

The revenue of the Media Division for the current financial quarter is lower at RM17.7 million compared to RM22.8 million in the same quarter last year. Revenue declined as certain contracts were delayed in the current financial quarter. However, the

division posted segmental loss of RM5.8 million compared with segmental loss of RM1.4 million in the corresponding quarter last year on impairment costs amounting to RM2.3 million. Despite a setback in the current financial quarter, the Media Division managed to reduced its full year losses from RM15.7 million last year to RM9.8 million in the current financial year.

Polymer

The Polymer Division achieved sales of RM34.2 million for the current financial quarter, which represents a decline of 2.3% from RM35.0 million in the corresponding quarter in Q4 FY 2011. This is due to lower FCF (film and coated fabrics) sales in the domestic market as a result of severe competition from cheap imports. For the quarter, after accounting for the provision for receivables and the write-down of inventories totalling RM1.4 million, the Division made a higher PBT of RM2.3 million compared with RM1.3 million achieved in the same period last year. The PBT of RM1.3 million recorded in Q4 FY 2011 was arrived at after taking into account the impairment of assets and write-down of inventories totalling RM3.8 million

Investment holding

Investment holding division is primarily a cost centre as its revenue is mostly derived from dividend income from subsidiaries. During the financial quarter under review, there is a general increase in the operational costs and overheads.

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 increased to RM507.5 million compared with RM415.6 million in the immediate preceding quarter. The Group suffered a loss before taxation of RM3.6 million compared to PBT of RM1.1 million in the immediate preceding quarter.

The higher revenue for the current financial quarter is due to better demand for Industrial Chemical products especially in Singapore and Indonesia as customers stock-up their inventories to gear up for production after the new year festivities. Despite higher revenue, the Group incurred loss before taxation of RM3.6 million on higher operating costs and impairments charges.

B3. Prospects

Based on the improved performance of the Group compared to the previous financial year, the Directors expect, barring any unforeseen circumstances, the performance of the Group shall remain satisfactory for the next 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		Year-to-date ended	
	31-05-2012	31-05-2011	31-05-2012	31-05-2011
	RM'000	RM'000	RM'000	RM'000
Current tax expense based on profit for the financial period:				
Malaysian income tax	3,236	(1,166)	11,858	9,199
Foreign income tax	-	1,544	1,245	2,539
	3,236	378	13,103	11,738
Under/(over) provision in prior years:				
Malaysian income tax	-	153	(3)	91
Foreign income tax	-	(29)	-	(29)
	3,236	502	13,100	11,800
Deferred taxation:				
Transfer to/(from) deferred taxation	-	(653)	(1,516)	(4,989)
Under/(over) provision in prior years	-	(638)	-	(660)
	3,236	(789)	11,584	6,151

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.

B6. Utilisation of proceeds

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

B7. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this Report.

B8. Group's Borrowings

	31-05-2012	31-05-2011
	RM'000	RM'000
SHORT TERM BORROWINGS		
Secured:		
Ringgit Malaysia	23,596	48,903
Singapore Dollar	2,276	359
Indonesian Ruppiah	2,027	-
United States Dollar	52,864	49,802
Vietnamese Dong	2,554	1,458
	83,317	100,522
Unsecured:		
Ringgit Malaysia	154,777	113,634
United States Dollar	-	-
Singapore Dollar	458	863
Hong Kong Dollar	141	3,087
Indonesian Ruppiah	32	11,444
	155,408	129,028
Total short term borrowings	238,725	229,550
LONG TERM BORROWINGS		
Secured:		
Ringgit Malaysia	10,147	21,243
Singapore Dollar	911	-
Indonesian Ruppiah	2,196	-
Vietnamese Dong	200	2,094
	13,454	23,337
Unsecured:		
Ringgit Malaysia	10,804	1,394
Singapore Dollar	-	333
Indonesian Ruppiah	27	54
	10,831	1,781
Total long term borrowings	24,285	25,118
TOTAL BORROWINGS	263,010	254,668

Borrowings denominated in foreign currencies are stated at Ringgit Malaysia equivalent as at the reporting dates stated above.

B9. Changes in Pending Material Litigation

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

B10. 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.

B11. 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		Year-to-date ended	
	31-05-2012	31-05-2011	31-05-2012	31-05-2011
Number of ordinary shares ('000)	218,956	218,956	218,956	218,956
Less: Treasury shares ('000)	(2,736)	(2,711)	(2,736)	(2,711)
	<u>216,220</u>	<u>216,245</u>	<u>216,220</u>	<u>216,245</u>
Net loss attributable to ordinary equity holders of the Company (RM'000)	(5,369)	3,111	(8,967)	(12,952)
Basic loss per ordinary share (sen)	(2.48)	1.44	(4.15)	(5.99)

Fully diluted earnings per share

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

B12. 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 the balance sheet date, pursuant to the format prescribed by Bursa securities, is as follows:

Total retained profits of the Group	RM'000
- Realised	11,327
- Unrealised	<u>15,269</u>
	26,596
Less: Consolidation adjustments	<u>28,010</u>
As per consolidated financial statements	<u>54,606</u>

By Order of the Board
Wong Wai Foong
Choo Se Eng
Secretaries

Petaling Jaya
31 July 2012