

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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR FINANCIAL QUARTER ENDED 31 MAY 2015**

	Individual quarter ended		Year-to-date ended	
	31/5/2015	31/5/2014	31/5/2015	31/5/2014
	RM'000	RM'000	RM'000	RM'000
Revenue	<b>407,908</b>	448,311	<b>1,551,736</b>	1,864,145
Cost of sales	<b>(350,192)</b>	(399,799)	<b>(1,369,955)</b>	(1,653,061)
Gross profit	<b>57,716</b>	48,512	<b>181,781</b>	211,084
Other income	<b>12,754</b>	2,430	<b>18,965</b>	28,968
Distribution expenses	<b>(22,071)</b>	(13,443)	<b>(69,828)</b>	(71,694)
Administrative expenses	<b>(29,426)</b>	(21,605)	<b>(85,866)</b>	(98,182)
Other operating expenses	<b>(1,897)</b>	(5,329)	<b>(4,926)</b>	(13,024)
Finance costs	<b>(1,561)</b>	(3,659)	<b>(9,718)</b>	(12,605)
Share of results of a joint venture	-	-	<b>(980)</b>	-
Share of results of associates	<b>(8)</b>	(770)	<b>(8)</b>	(770)
Profit before taxation	<b>15,507</b>	6,136	<b>29,420</b>	43,777
Tax expense	<b>(11,304)</b>	(5,809)	<b>(24,339)</b>	(19,142)
Net (loss)/profit	<b>4,203</b>	327	<b>5,081</b>	24,635
<b>Net (loss)/profit attributable to</b>				
Equity holders of the Company	<b>4,368</b>	(383)	<b>2,133</b>	9,566
Non-controlling interests	<b>(165)</b>	710	<b>2,948</b>	15,069
	<b>4,203</b>	327	<b>5,081</b>	24,635
<b>(Loss)/Earnings per ordinary share attributable to equity holders of the Company</b>	<b>Sen</b>	Sen	<b>Sen</b>	Sen
Basic and diluted earnings per ordinary share	<b>2.01</b>	(0.18)	<b>0.98</b>	4.41

The Unaudited Condensed Income Statement should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2014 and the accompanying notes to this Interim Financial Report.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR FINANCIAL QUARTER ENDED 31 MAY 2015**

	Individual quarter ended		Year-to-date ended	
	31/5/2015	31/5/2014	31/5/2015	31/5/2014
	RM'000	RM'000	RM'000	RM'000
Net (loss)/profit	<b>4,203</b>	327	<b>5,081</b>	24,635
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation	<b>966</b>	(1,164)	<b>12,139</b>	766
Other comprehensive income, net of tax	<b>966</b>	(1,164)	<b>12,139</b>	766
<b>Total comprehensive income</b>	<b>5,169</b>	(837)	<b>17,220</b>	25,401
<b>Total comprehensive (loss)/income attributable to</b>				
Equity holders of the Company	<b>4,753</b>	(1,288)	<b>7,092</b>	9,723
Non-controlling interests	<b>416</b>	451	<b>10,128</b>	15,678
	<b>5,169</b>	(837)	<b>17,220</b>	25,401

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 2014 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2015**

	Unaudited 31/5/2015 RM'000	Audited 31/5/2014 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	226,248	191,487
Investment properties	139	139
Investment in associates	1,802	2,509
Investment in a joint venture	480	980
Other investments	9,686	695
Intangible assets	3,100	3,634
Goodwill on consolidation	79,936	71,618
Deferred tax assets	26,660	29,649
Other receivable	-	1,592
	<b>348,051</b>	<b>302,303</b>
<b>Current assets</b>		
Inventories	114,487	125,563
Receivables	338,261	324,721
Amounts owing by associates	1,613	1,772
Amount owing by a joint venture	690	345
Derivative assets	17	17
Current tax assets	3,699	2,074
Other investments	1,511	3,635
Cash and cash equivalents	122,466	127,702
	<b>582,744</b>	<b>585,829</b>
<b>TOTAL ASSETS</b>	<b>930,795</b>	<b>888,132</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	218,956	218,956
Reserves	66,780	61,931
Less : Treasury Shares, at cost	(2,127)	(2,108)
	<b>283,609</b>	<b>278,779</b>
Non-controlling interests	<b>138,172</b>	<b>142,352</b>
<b>TOTAL EQUITY</b>	<b>421,781</b>	<b>421,131</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	19,306	6,336
Deferred tax liabilities	13,671	13,461
Provision for retirement benefits	3,198	2,882
	<b>36,175</b>	<b>22,679</b>
<b>Current liabilities</b>		
Payables	235,789	232,177
Amounts owing to associates	30	523
Borrowings	233,557	210,986
Derivatives liabilities	-	-
Current tax payables	3,463	636
	<b>472,839</b>	<b>444,322</b>
<b>Total Liabilities</b>	<b>509,014</b>	<b>467,001</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>930,795</b>	<b>888,132</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>	<b>1.31</b>	<b>1.29</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 2014 and the accompanying notes to this Interim Financial Report.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 31 MAY 2015**

	Attributable to equity holders of the Company							Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share Premium RM'000	Capital reserve RM'000	Foreign exchange reserve RM'000	Capital redemption reserve RM'000	Treasury shares RM'000	Retained Profits RM'000			
<b>Balance as at 1 June 2013</b>	218,956	4,332	203	(53)	4,987	(2,056)	44,684	<b>271,053</b>	131,078	<b>402,131</b>
Total comprehensive income	-	-	-	157	-	-	9,566	<b>9,723</b>	15,678	<b>25,401</b>
<b>Transactions with owners</b>										
Repurchase of ordinary shares of the Company	-	-	-	-	-	(52)	-	<b>(52)</b>	-	<b>(52)</b>
Repurchase of ordinary shares of a subsidiary from non-controlling interest	-	-	-	-	-	-	-	-	(134)	<b>(134)</b>
Arising from accretion of equity interest in subsidiary	-	-	-	-	-	-	(1,945)	<b>(1,945)</b>	(1,710)	<b>(3,655)</b>
Additional interests acquired by non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	9,079	<b>9,079</b>
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	(11,639)	<b>(11,639)</b>
<b>Balance as at 31 May 2014</b>	<b>218,956</b>	<b>4,332</b>	<b>203</b>	<b>104</b>	<b>4,987</b>	<b>(2,108)</b>	<b>52,305</b>	<b>278,779</b>	<b>142,352</b>	<b>421,131</b>
<b>Balance as at 1 June 2014</b>	218,956	4,332	203	104	4,987	(2,108)	52,305	<b>278,779</b>	142,352	<b>421,131</b>
Total comprehensive (loss)/income	-	-	-	4,959	-	-	2,133	<b>7,092</b>	10,128	<b>17,220</b>
<b>Transactions with owners</b>										
Dividend paid	-	-	-	-	-	-	(2,162)	<b>(2,162)</b>	-	<b>(2,162)</b>
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	(3,146)	<b>(3,146)</b>
Acquisition of non-controlling interest of a subsidiary	-	-	-	-	-	-	(583)	<b>(583)</b>	(67)	<b>(650)</b>
Repurchase of ordinary shares of the Company	-	-	-	-	-	(19)	-	<b>(19)</b>	-	<b>(19)</b>
Repurchase of ordinary shares of a subsidiary from non-controlling interest	-	-	-	-	-	-	-	-	(19)	<b>(19)</b>
Disposal of equity interest of a subsidiaries	-	-	-	-	-	-	502	<b>502</b>	(964)	<b>(462)</b>
Capital repayment and reduction of a subsidiary	-	-	-	-	-	-	-	-	(10,020)	<b>(10,020)</b>
Winding up of a subsidiary	-	-	-	-	-	-	-	-	(92)	<b>(92)</b>
<b>Balance at 31 May 2015</b>	<b>218,956</b>	<b>4,332</b>	<b>203</b>	<b>5,063</b>	<b>4,987</b>	<b>(2,127)</b>	<b>52,195</b>	<b>283,609</b>	<b>138,172</b>	<b>421,781</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 2014 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE FINANCIAL QUARTER ENDED 31 MAY 2015**

	Year-to-date ended	
	31/5/2015	31/5/2014
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	29,913	43,777
Adjustments for non-cash items	33,070	36,932
Operating profit before working capital changes	<u>62,983</u>	<u>80,709</u>
Inventories	11,076	61,885
Receivables	(12,292)	10,715
Payables	1,797	(26,609)
Group companies	(333)	(2,838)
Net cash generated from operations	<u>63,231</u>	<u>123,862</u>
Dividend received	10	19
Income tax paid	(19,940)	(19,618)
Retirement benefit paid	-	(296)
Net cash generated from operating activities	<u>43,301</u>	<u>103,967</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(51,334)	(11,655)
Interest received	971	622
Capital reduction by a subsidiary paid to non-controlling interests	(10,020)	-
Proceeds from disposal of a subsidiary	-	46,949
Additional investments by non-controlling interest in a subsidiary	859	9,079
Compensation received from termination of a marketing right	-	4,126
Final cash distribution to non-controlling interest on winding up of a subsidiary	(92)	-
Acquisition of additional interests in a subsidiary	-	(3,655)
Proceeds from disposal of property, plant and equipment	-	1,726
Sale/(Purchase) of other investments	(6,866)	(2,700)
Acquisition of non-controlling interest of a subsidiary	(650)	-
Purchase of treasury shares of a subsidiary from non-controlling interests	(20)	(134)
Placement of short term deposits pledged to licensed banks	(1,123)	(1,495)
Others	(480)	(63)
Net cash (used in)/generated from investing activities	<u>(68,755)</u>	<u>42,800</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to non-controlling interest of subsidiaries	(3,146)	(11,639)
Interest paid	(9,718)	(12,605)
Repayments of hire-purchase and lease creditors	5,378	(4,282)
Drawdown/(Repayments) of borrowings	29,883	(63,631)
Purchase of ordinary shares of the Company from owners	(19)	(53)
Net cash from/(used in) financing activities	<u>20,216</u>	<u>(92,210)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(5,238)</u>	<u>54,557</u>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<u>107,603</u>	<u>51,564</u>
<b>Effect of exchange rate changes</b>	<u>(740)</u>	<u>1,482</u>
<b>Cash and cash equivalents at the end of the financial year</b>	<u>101,625</u>	<u>107,603</u>
Cash and cash equivalents include the following:		
	RM'000	RM'000
Cash and bank balances	83,797	93,144
Bank overdrafts	(13,660)	(14,041)
Short term deposits	38,669	34,558
	<u>108,806</u>	<u>113,661</u>
Less : Short term deposits pledged to banks	(7,075)	(5,952)
Short term deposits with maturity more than 3 months	(106)	(106)
	<u>101,625</u>	<u>107,603</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 2014 and the accompanying notes to this Interim Financial Report.



**ANCOM BERHAD**

(Company No. 8440-M)  
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**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MAY 2015**

**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 2014. 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 2014.

For the financial periods up and including the financial year ended 31 May 2014, the Group prepared its financial report in accordance with Malaysian Financial Reporting Standards ("MFRS"). 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 2014 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 2014:

Amendments to:

MFRS 10	Consolidated Financial Statements: Investment Entities
MFRS 12	Disclosure of Interests in Other Entities: Investment Entities
MFRS 127	Separate Financial Statements (2011): Investment Entities
MFRS 132	Offsetting Financial Assets and Financial Liabilities
MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
MFRS 132	Novation of Derivatives and Continuation of Hedge Accounting
IC Int. 21	Levies

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 2014 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 was no material changes in estimates of the amounts reported that have a material effect on the financial quarter ended 31 May 2015.

**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 31 May 2015 except for the transactions described below.

At the previous Annual General Meeting held on 20 November 2014, 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 Company's own shares purchased by the Company and held as Treasury Shares and the Treasury Shares resold pursuant to Section 67A of the Companies Act, 1965 are detailed as follows:

<b>Date Purchase</b>	<b>Number of shares purchased/ (resold)</b>	<b>Highest price RM</b>	<b>Lowest price RM</b>	<b>Average price RM</b>	<b>Total consideration paid/ (received) RM</b>
October 2014	8,200	0.540	0.520	0.530	4,431
February 2015	31,600	0.445	0.435	0.443	14,071
May 2015	1,000	0.460	0.460	0.455	501
Total for the quarter	<u>40,800</u>				<u>19,003</u>
Balance brought forward	<u>2,795,827</u>				<u>2,108,205</u>
Balance as at balance sheet date	<u>2,836,627</u>				<u>2,127,208</u>

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

As at 31 May 2015, the Company holds 2,836,627 Treasury Shares at a cost of RM2,127,208.

**A7. Dividends**

During the financial quarter ended 31 May 2015, a final single tier dividend of 1.00 sen per ordinary share was paid on 23 January 2015 in respect of the financial year ended 31 May 2014.

No dividend has been declared and/or paid in respect of the current financial quarter.

## A8. Segmental results

Segmental information for the financial period ended 31 May 2015.

	Investment holdings and others	Agricultural and Industrial Chemicals	Logistics	Information Technology	Media	Polymer	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>31 May 2015</b>								
<b>Revenue</b>								
External revenue	3,618	1,267,895	22,776	14,435	114,764	128,248	-	1,551,736
Inter-segment revenue	15,342	6,496	5,877	-	2,094	(3,169)	(26,640)	-
Total revenue	18,960	1,274,391	28,653	14,435	116,858	125,079		1,551,736
Segment results	(19,660)	33,420	3,650	(348)	11,636	11,768	(340)	40,126
Operating profits								40,126
Finance costs								(9,718)
Share of results of a joint venture								(980)
Profit before taxation								29,420
Tax expense								(24,339)
<b>Net profit</b>								5,081
<b>31 May 2014</b>								
<b>Revenue</b>								
External revenue	2,731	1,579,355	40,406	15,566	107,413	118,674	-	1,864,145
Inter-segment revenue	19,079	959	6,610	202	167	-	(27,017)	-
Total revenue	21,810	1,580,314	47,016	15,768	107,580	118,674		1,864,145
Segment results	(7,185)	50,795	4,085	(2,200)	2,534	9,032	91	57,152
Operating profits								57,152
Finance costs								(12,605)
Share of results of associates								(770)
Profit before taxation								43,777
Tax expense								(19,142)
<b>Net profit</b>								24,635



**A9. Profit before taxation**

	<b>Individual quarter ended 31/5/2015 RM'000</b>	<b>Year-to-date ended 31/5/2015 RM'000</b>
The profit before taxation is stated after charging/(crediting):		
Finance costs	1,561	9,718
Depreciation and amortisation	4,196	17,238
Provision for and write-off of receivables	-	403
Provision for and write-off of inventories	-	-
Loss/(gain) on disposal of property, plant and equipment	(14)	(103)
Dividend income	(5)	(10)
Foreign exchange loss/(gain)	(2,605)	(5,672)
Interest income	(213)	(971)
Impairment of receivables	1,343	3,612
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**A10. 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 31 May 2015.

**A11. 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.

**A12. Changes in composition of the Group**

There was 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**

The Group's contingent liabilities stood at RM23.8 million as at the end of the reporting period.

**A14. 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	50,660
- Approved but not contracted for	29
	<hr/>
	50,689
	<hr/>

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

**B1. Review of Group's performance**

**Overall review for the period financial quarter ended 31 May 2015**

During financial year ended 31 May 2015, the Group posted lower revenue of RM1.6 billion compared with RM1.9 billion in the corresponding period last year. Consequently, profit before taxation ("PBT") decrease to RM29.1 million compared with RM43.8 million in the corresponding period last year.

For the financial quarter ended 31 May 2015, the Group posted lower revenue of RM407.9 million compared with RM448.3 million in the corresponding quarter last year. Nevertheless, PBT of the Group increased to RM15.2 million compared with RM6.1 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 31 May 2015**

Investment Holding

The investment holding segment reported a constant segmental loss of RM7.9 million as compared with corresponding quarter last year. The segmental loss in the current financial quarter mainly incurred for payroll and corporate expenses.

Agricultural and Industrial Chemicals

The division posted lower revenue of RM329.9 million for the current financial quarter compared with RM377.2 million recorded in the corresponding quarter last year. The lower revenue was mainly attributed to the lower sales in industrial chemicals businesses due to weak market sentiment. The division posted a segmental profit of RM9.3 million in the current financial quarter compared with RM10.6 million a year ago.

Polymer

The Polymer Division achieved higher revenue of RM32.6 million for the current financial quarter, which represents a marginal increase of 15.2% from RM28.3 million in the corresponding quarter last year due to higher contribution by its cuspation business and also the manufacturing plant in Surabaya, Indonesia. Consequently, the Division registered higher PBT of RM1.9 million compared with RM1.1 million achieved in the same period last year.

### Logistics

The Logistics Division posted lower revenue of RM7.6 million compared to RM8.3 million in the corresponding quarter last year. The lower revenue was primarily due to lower demand for third party transportation services. Despite lower revenue, segmental profit improved to RM1.5 million from RM0.7 million in the corresponding quarter last year, mainly due to better performance in the tank farm business.

### Information Technology ("IT")

The IT Division achieved lower revenue of RM3.4 million compared with RM7.0 million in the corresponding quarter last year while its segmental loss increased to RM0.5 million compared with RM0.3 million in the corresponding quarter last year.

### Media

The Media division posted higher revenue of RM35.7 million compared with RM28.9 million in the corresponding financial quarter last year. The division posted a segmental profit of RM11.9 million in the current financial quarter compared with segment profit of RM6.2 million a year ago. During the financial quarter ended 31 May 2015, the Media division disposed its other investment which recorded a one-off gain of RM6.0 million. The division posted a commendable result despite a challenging operating environment in the media industry.

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

For the current financial quarter ended 31 May 2015, the Group posted revenue of RM407.9 million compared with RM339.6 million in the immediate preceding quarter. The higher revenue was mainly due to the increase of demand from the agricultural and industrial chemicals division. PBT has increased to RM15.2 million in the current financial quarter from RM3.1 million in the immediate preceding quarter. PBT of the current financial quarter includes gain on disposal of other investments of RM7.9 million.

## **B3. Prospects for the next financial year**

Among the key business segments, Agricultural and Industrial Chemical Division and Polymer Division are expecting challenging business environments with continued pressure on profit margins as product suppliers and logistic providers seek higher prices. Competition in the agricultural chemical business is expected to intensify due to aggressive pricing. The continued weakness in the domestic economy has affected the advertising industry in general. The Media Division will face pressure on its sales growth under the prevailing economic conditions.

As there remains uncertainties in the global economic conditions, which may have an impact to the Group's businesses, the Board will continue to exercise caution in managing the Group's businesses in the coming financial year. The Board will continue to explore ways to improve revenue growth while strengthening its operational and productivity efficiencies.

The Board is of the view that, barring unforeseen circumstances, the financial performance and prospects of the Group will be satisfactory in the next financial year.

**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. Tax expense**

	Individual quarter ended		Year-to-date ended	
	31/5/2015	31/5/2014	31/5/2015	31/5/2014
	RM'000	RM'000	RM'000	RM'000
Current tax expense based on profit for the financial period:				
Malaysian income tax	6,942	2,808	18,139	15,455
Foreign income tax	1,209	1,023	3,030	2,338
	<u>8,151</u>	<u>3,831</u>	<u>21,169</u>	<u>17,793</u>
Under/(over) provision in prior years:				
Malaysian income tax	1,324	(1,081)	1,213	(1,081)
Foreign income tax	-	(21)	-	(21)
	<u>9,475</u>	<u>2,729</u>	<u>22,382</u>	<u>16,691</u>
Deferred taxation:				
Transfer to/(from) deferred taxation	1,829	2,085	1,957	1,456
Under/(over) provision in prior years	-	995	-	995
	<u>11,304</u>	<u>5,809</u>	<u>24,339</u>	<u>19,142</u>

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**

The Company does not have any unutilised proceeds raised from any corporate exercise.

**B7. Status of corporate proposals**

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

**B8. Borrowings**

	31/5/2015	31/5/2014
	RM'000	RM'000
<b>SHORT TERM BORROWINGS</b>		
Secured:		
Ringgit Malaysia	13,089	38,214
Indonesian Ruppiah	1,359	210
United States Dollar	24,907	23,517
Vietnamese Dong	1,670	1,495
	<b>41,025</b>	<b>63,436</b>
Unsecured:		
Ringgit Malaysia	192,532	144,659
United States Dollar	-	2,891
	<b>192,532</b>	<b>147,550</b>
<b>Total short term borrowings</b>	<b>233,557</b>	<b>210,986</b>
<b>LONG TERM BORROWINGS</b>		
Secured:		
Ringgit Malaysia	7,562	6,336
Indonesian Ruppiah	11,744	-
<b>Total long term borrowings</b>	<b>19,306</b>	<b>6,336</b>
<b>TOTAL BORROWINGS</b>	<b>252,863</b>	<b>217,322</b>

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

**B9. Material litigation**

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

**B10. Dividend**

During the financial quarter ended 31 May 2015, a final single tier dividend of 1.00 sen per ordinary share was paid on 23 January 2015 in respect of the financial year ended 31 May 2014.

No dividend has been declared and/or paid in respect of the current financial quarter.

## 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	
	31/5/2015	31/5/2014	31/5/2015	31/5/2014
Number of ordinary shares ('000)	218,956	218,956	218,956	218,956
Less: Treasury shares ('000)	(2,127)	(2,715)	(2,127)	(2,108)
	<u>216,829</u>	<u>216,241</u>	<u>216,829</u>	<u>216,848</u>
Net (loss)/profit attributable to ordinary equity holders of the Company (RM'000)	4,368	(383)	2,133	9,566
Basic earnings per ordinary share (sen)	2.01	(0.18)	0.98	4.41

### Diluted earnings per share

Diluted earnings per share is the same as basic earnings per share as there is no dilutive potential ordinary share.

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

## B12. Disclosure of realised and unrealised profits

The breakdown of retained profits of the Group as at 31 May 2015 into realised and unrealised profits is as follows:

Total retained profits of the Group	<b>RM'000</b>
- Realised	82,759
- Unrealised	(13,671)
	<u>69,088</u>
Less: Consolidation adjustments	16,893
As per consolidated financial statements	<u>52,195</u>

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

Petaling Jaya  
30 July 2015