

**ANCOM BERHAD** (Company No : 8440-M)  
(Incorporated in Malaysia)  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**  
As at 28 February 2009

	As at 28.02.2009 RM'000	As at 31.05.2008 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	181,066	189,481
Prepaid lease payment	47,122	47,735
Other investments	13,359	25,884
Investment properties	376	376
Investment in associated companies	10,034	11,083
Intangible assets	3,069	2,510
Goodwill on consolidation	85,282	76,775
Deferred tax assets	5,974	2,559
	<b>346,282</b>	<b>356,403</b>
<b>Current assets</b>		
Inventories	117,761	164,026
Trade and other receivables	247,939	376,474
Marketable securities	557	1,137
Amount owing by associated companies	6,108	4,451
Tax recoverable	19,724	20,650
Short term deposits with licensed banks	146,673	237,891
Cash and cash equivalents	67,995	78,243
	<b>606,757</b>	<b>882,872</b>
<b>TOTAL ASSETS</b>	<b>953,039</b>	<b>1,239,275</b>
<b>EQUITY AND LIABILITES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	218,956	202,338
Reserves	121,531	152,565
Less : Treasury Shares, at cost	(2,073)	(1,408)
	<b>338,414</b>	<b>353,495</b>
Minority interests	169,612	152,151
<b>Total Equity</b>	<b>508,026</b>	<b>505,646</b>
<b>Non-current liabilities</b>		
Long-term borrowings	40,253	69,627
Other long-term provisions	4,532	4,620
Deferred tax liabilities	14,530	16,588
	<b>59,315</b>	<b>90,835</b>
<b>Current liabilities</b>		
Trade and other payables	164,185	287,432
Short-term borrowings	217,763	348,745
Tax liabilities	3,750	6,617
	<b>385,698</b>	<b>642,794</b>
<b>Total Liabilities</b>	<b>445,013</b>	<b>733,629</b>
<b>TOTAL EQUITY AND LIABILITES</b>	<b>953,039</b>	<b>1,239,275</b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<b>1.56</b>	1.76

**ANCOM BERHAD** (Company No : 8440-M)  
(Incorporated in Malaysia)  
**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**  
For the Financial Quarter Ended 28 February 2009

	Individual Quarter		Cumulative 9 months ended	
	28.02.2009 RM'000	29.02.2008 RM'000	28.02.2009 RM'000	29.02.2008 RM'000
Revenue	286,679	444,011	1,333,147	1,511,637
Cost of Sales	<u>(256,932)</u>	<u>(399,094)</u>	<u>(1,211,870)</u>	<u>(1,340,554)</u>
Gross Profit	29,747	44,917	121,277	171,083
Other Operating Income	2,648	4,204	30,481	12,078
Selling & Distribution Costs	(19,148)	(20,397)	(62,115)	(68,138)
Administrative Expenses	(20,543)	(17,211)	(58,063)	(57,926)
Other Operating Expenses	(2,419)	(7,447)	(9,581)	(11,952)
Finance Cost	(3,683)	(5,108)	(13,026)	(13,702)
Share of Results of Associated Companies	<u>(115)</u>	<u>(68)</u>	<u>(1,053)</u>	634
(Loss) / Profit Before Taxation	(13,513)	(1,110)	7,920	32,077
Taxation	<u>131</u>	<u>(3,806)</u>	<u>(7,820)</u>	<u>(14,342)</u>
(Loss) / Profit After Taxation from continuing operations	(13,382)	(4,916)	100	17,735
Profit from discontinued operations	<u>-</u>	<u>10,101</u>	<u>-</u>	<u>23,295</u>
Net (Loss) / Profit for the Period	<u><u>(13,382)</u></u>	<u><u>5,185</u></u>	<u><u>100</u></u>	<u><u>41,030</u></u>
Attributable to:				
- Equity holders of the parent	(10,543)	(2,127)	(1,396)	9,471
- Minority interests	<u>(2,839)</u>	<u>7,312</u>	<u>1,496</u>	<u>31,559</u>
	<u><u>(13,382)</u></u>	<u><u>5,185</u></u>	<u><u>100</u></u>	<u><u>41,030</u></u>
<b>Basic (loss) / earnings per ordinary share (sen)</b>				
- Continuing operations	(4.87)	(3.21)	(0.64)	0.02
- Discontinued operations	N/A	2.11	N/A	4.82
<b>Diluted earnings per ordinary share (sen)</b>				
- Continuing operations	N/A	N/A	N/A	N/A
- Discontinued operations	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 2008

**ANCOM BERHAD** (Company No : 8440-M)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For The Financial Quarter Ended 28 February 2009

	← Attributable to equity holders of the parent →										Minority Interests	Total Equity	
	Share capital	Share Premium	Warrant Reserve	Merger Reserve	Revaluation Reserve	Capital Reserve	Foreign Exchange Reserve	Treasury Shares	Capital Redemption Reserve	Retained Profits			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>9-month ended 28 February 2009</b>													
<b>At 1 June 2008</b>	202,338	4,000	1,945	155	24,039	48	(7,734)	(1,408)	4,987	125,125	353,495	152,151	505,646
Issuance of share capital	16,618	331	(331)	-	-	-	-	-	-	-	16,618	-	16,618
Currency translation differences	-	-	-	-	-	-	5,854	-	-	-	5,854	(1,031)	4,823
Effects arising from changes in composition of the Group	-	-	-	-	-	-	-	-	-	-	-	(1,419)	(1,419)
Acquisition of treasury shares	-	-	-	-	-	-	-	(665)	-	-	(665)	-	(665)
Transfer from warrants	-	-	(1,614)	-	-	-	-	-	-	1,614	-	-	-
Dividends - interim dividend for financial year ended 31 May 2008	-	-	-	-	-	-	-	-	-	(8,021)	(8,021)	-	(8,021)
Dividends - final dividend for the financial year ended 31 May 2008 (Dividends in-specie)	-	-	-	-	-	-	-	-	-	(27,471)	(27,471)	27,471	-
Dividends paid to minority interests	-	-	-	-	-	-	-	-	-	-	-	(9,056)	(9,056)
Net profit for the period	-	-	-	-	-	-	-	-	-	(1,396)	(1,396)	1,496	100
<b>Balance as at 28 February 2009</b>	<b>218,956</b>	<b>4,331</b>	<b>-</b>	<b>155</b>	<b>24,039</b>	<b>48</b>	<b>(1,880)</b>	<b>(2,073)</b>	<b>4,987</b>	<b>89,851</b>	<b>338,414</b>	<b>169,612</b>	<b>508,026</b>
<b>9-month ended 29 February 2008</b>													
<b>At 1 June 2007</b>	201,857	2,485	1,955	155	24,037	48	(6,610)	(3,708)	4,987	79,038	304,244	154,253	458,497
Currency translation differences	-	-	-	-	-	-	5,200	-	-	-	5,200	(9,697)	(4,497)
Effects arising from changes in composition of the Group	-	-	-	-	(24)	-	(96)	-	-	(1,979)	(2,099)	969	(1,130)
Disposal of Treasury Shares	-	1,505	-	-	-	-	-	2,730	-	-	4,235	-	4,235
Dividends - interim dividend for financial year ended 31 May 2007	-	-	-	-	-	-	-	-	-	(7,190)	(7,190)	-	(7,190)
Dividends paid to minority interests	-	-	-	-	-	-	-	-	-	-	-	(5,270)	(5,270)
Net profit for the period	-	-	-	-	-	-	-	-	-	9,471	9,471	31,559	41,030
<b>Balance as at 29 February 2008</b>	<b>201,857</b>	<b>3,990</b>	<b>1,955</b>	<b>155</b>	<b>24,013</b>	<b>48</b>	<b>(1,506)</b>	<b>(978)</b>	<b>4,987</b>	<b>79,340</b>	<b>313,861</b>	<b>171,814</b>	<b>485,675</b>

**ANCOM BERHAD** (Company No : 8440-M)  
(Incorporated in Malaysia)  
**UNAUDITED CONDENSED CASH FLOW STATEMENT**  
For The Financial Quarter Ended 28 February 2009

	<b>9-month ended 28.02.09 RM'000</b>	<b>9-month ended 29.02.08 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation		
Continuing operations	<b>7,920</b>	32,077
Discontinued operations	-	26,254
Adjustments for non-cash items	<b>(1,991)</b>	33,758
Operating profit before working capital changes	<b>5,929</b>	92,089
Changes in working capital	<b>46,570</b>	(29,634)
Net cash generated from operating activities	<b>52,499</b>	62,455
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash generated from /(used in) investing activities	<b>4,641</b>	(21,573)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net cash used in financing activities	<b>(173,120)</b>	(21,927)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(115,980)</b>	18,955
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>295,209</b>	65,760
<b>Effect of exchange rate changes</b>	<b>(1,282)</b>	1,345
	<b>293,927</b>	67,105
<b>Cash and cash equivalents at the end of the financial period</b>	<b>177,947</b>	86,060

Cash and cash equivalents included in the cash flow statement comprised the following balance sheet amounts :

	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	<b>67,995</b>	51,029
Bank overdrafts	<b>(17,212)</b>	51,742
Short term deposits	<b>146,673</b>	(13,273)
	<b>197,456</b>	89,498
Less : Short term deposits pledged to banks	<b>(19,509)</b>	(3,438)
	<b>177,947</b>	86,060



## **ANCOM BERHAD**

(Company No. 8440-M)

Incorporated in Malaysia

### **A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2009**

#### **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 2008. 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 2008.

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 2008 except for the adoption of the following new/revised FRS effective for the financial year beginning 1 June 2008:

#### FRSs

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
FRS 119 <sub>2004</sub>	Employee Benefits

#### Amendments to

FRS 121	The Effect of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
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The adoption of the above FRSs does not have significant financial impact on the Group.

#### **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 2008 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 quarter and financial year-to-date.

**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**

In the financial year to-date, the Company purchased 901,700 ordinary shares of RM1 each in the Company pursuant to Section 67A of the Companies Act, 1965, details of which are as follows:

	No. of Treasury Shares Purchased	Highest Price (RM)	Lowest Price (RM)	Average Price (RM)	Total Cost (RM'000)
June 2008	342,700	1.020	0.925	0.963	331,714
July 2008	31,900	0.905	0.860	0.878	28,282
October 2008	487,500	0.700	0.490	0.575	281,789
November 2008	39,600	0.590	0.570	0.580	23,189
	----- 901,700 -----				----- 664,974 -----

Note: Cost is inclusive of brokerage and stamp duty.

The shares purchased above are held as Treasury Shares by the Company pursuant to Section 67A (3) (b) of the Companies Act, 1965. The Company did not dispose any Treasury Shares in the open market in the financial year-to-date.

A total of 2,710,927 Treasury Shares are held at a total cost of RM2.07 million as at the end of the third quarter.

In the first quarter, the Company received applications to convert 16,618,204 3-year warrants 2005-2008 ("Warrants") into 16,618,204 new ordinary shares of RM1 each in the Company at a conversion price of RM1 each. As a result, the issued and paid up share capital of the Company increased to 218,956,342 ordinary shares of RM1 each.

A total of 80,672,408 Warrants remained unconverted and expired in June 2008.

Other than the above, there were no issuance, cancellation, repurchase, resale and repayments of debt and equity securities during the financial year-to-date.

**A7. Dividend Paid**

During the first quarter, the Company declared an interim dividend of 5 sen, less 26% income tax, in respect of the financial year ended 31 May 2008. This interim dividend was paid on 29 August 2008.

In the third quarter, The Company completed the final dividend ("Final Dividend"), in respect of the financial year ended 31 May 2008, by way of distribution of 1 ordinary share of RM0.50 each in Tamco Corporate Holdings Berhad ("Tamco") for every 20 ordinary shares of RM1 each held in the Company and 1 ordinary share of RM1 each in Nylex (Malaysia) Berhad ("Nylex") for every 10 existing ordinary shares held in the Company, fraction of ordinary shares in Tamco and Nylex to be disregarded, to the Company's shareholders.

## A8. Segmental Results

9-Month Ended 28 February 09	Investment Holdings	Agricultural Chemicals	Industrial Chemicals	Oil & Gas Engineering Services	Logistic	Media	Information Technology	Polymer	Engineering	Building Products	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>												
External sales	55	82,045	1,037,494	4,703	32,702	20,663	15,842	85,953	50,630	3,060		1,333,147
Inter-segment Sales	34,001	5,959	86	-	4,508	1,513	3,068	-	-	-	(49,135)	-
<b>Total</b>	<u>34,056</u>	<u>88,004</u>	<u>1,037,580</u>	<u>4,703</u>	<u>37,210</u>	<u>22,176</u>	<u>18,910</u>	<u>85,953</u>	<u>50,630</u>	<u>3,060</u>	<u>(49,135)</u>	<u>1,333,147</u>
<b>Results</b>												
Segment results	(9,790)	4,603	20,666	(1,273)	28,070	(12,553)	1,104	789	(1,279)	(643)		29,694
Unallocated corporate Expenses												<u>(11,746)</u>
<b>Operating profits</b>												17,948
Finance cost												(13,026)
Interest income												4,051
Share of results of associated companies												<u>(1,053)</u>
<b>Profit before tax</b>												7,920
Tax expense												<u>(7,820)</u>
<b>Profit for the period</b>												<u><u>100</u></u>

## A8. Segmental Results

9-Month Ended 29 February 2008	Investment Holdings	Agricultural Chemicals	Industrial Chemicals	Oil & Gas Engineering Services	Logistic	Media	Information Technology	Polymer	Engineering	Building Products	Elimination	Continuing Operations	Discontinued Operations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>														
External sales	79	92,265	1,198,263	2,832	37,818	9,416	21,591	98,152	44,496	6,725		1,511,637	282,306	1,793,943
Inter-segment Sales	11,728	15,522	662	-	1,660	-	2,207	-	-	-	(31,779)	-	-	-
<b>Total</b>	<b>11,807</b>	<b>107,787</b>	<b>1,198,925</b>	<b>2,832</b>	<b>39,478</b>	<b>9,416</b>	<b>23,798</b>	<b>98,152</b>	<b>44,496</b>	<b>6,725</b>	<b>(31,779)</b>	<b>1,511,637</b>	<b>282,306</b>	<b>1,793,943</b>
<b>Results</b>														
Segment results	(11,272)	4,782	53,859	(1,841)	8,721	(3,620)	1,071	2,742	(1,134)	322		53,630	31,268	84,898
Unallocated corporate expenses												(10,158)	-	(10,158)
<b>Operating profits</b>												<b>43,472</b>	<b>31,268</b>	<b>74,740</b>
Finance cost												(13,702)	(5,674)	(19,376)
Interest income												1,673	660	2,333
Share of results of Associates												634	-	634
<b>Profit before tax</b>												<b>32,077</b>	<b>26,254</b>	<b>58,331</b>
Tax expense												(14,342)	(2,959)	(17,301)
<b>Profit for the period</b>												<b>17,735</b>	<b>23,295</b>	<b>41,030</b>



## **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 2008.

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

## **A10. Events Subsequent to the Reporting Period**

The following are the significant events subsequent to the end of the third quarter:

- (i) On 5 March 2009, Tamco completed the capital repayment involving a cash distribution of RM0.30 for every one (1) existing ordinary share of RM0.50 each in Tamco ("Tamco Share") held to entitled shareholders and cancelled the par value of each Tamco Share by RM0.30 in accordance with Section 64 of the Companies Act, 1965. A total of RM77.9 million cash had been distributed to Tamco's shareholders.

The par value of the Tamco Shares has been reduced from RM0.50 to RM0.20 each and the total paid up share capital of Tamco is now RM181,641,404 made up of 259,487,720 shares of RM0.20 each;

- (ii) Pursuant to the Share Sale Agreement dated 11 October 2007 in relation to the disposal by Tamco of Tamco Switchgear Malaysia Sdn Bhd ("TSM") to Larsen and Toubro Limited ("L&T"), and the two Share Sale Agreements each dated 10 December 2007 in relation to the disposal by Tamco of PT Tamco Indonesia and Tamco Electrical Industries Australia Pty Ltd respectively to L&T; and the Share Sale Agreement dated 10 December 2007 in relation to the disposal by Tamco of Tamco Shanghai Switchgear Co. Ltd to Larsen & Toubro International FZE ("LTI"),

*(TSM, PT Tamco Indonesia, Tamco Electrical Industries Australia Pty Ltd and Tamco Shanghai Switchgear Co. Ltd shall collectively be referred to as the ("Disposed Companies"))*

Completion Accounts (as defined in the respective Share Sale Agreements) was required to be drawn up and audited by PricewaterhouseCoopers ("PwC") in the manner described in Schedule 3 of each of the relevant Share Sale Agreements.

The disposal exercise was completed on 23 April 2008.

Pursuant to each of the Share Sale Agreements, in the event that the Completion Net Asset value (as defined therein) of the Disposed Companies as at the Completion Date ("Completion NAV") is less than the net asset value of the Disposed Companies as at 31 May 2007 respectively ("Agreed NAV"), then Tamco shall pay to L&T an amount equivalent to the shortfall ("Shortfall"). Conversely, if the Completion NAV exceeds the Agreed NAV, then L&T shall pay an amount equivalent to the excess to Tamco.

The audit report on the Completion Net Asset Value was issued by PwC on 19 February 2009 ("the PwC Report"). Based on the PwC Report and the determination by PwC of the Completion Net Asset Value, there is a Shortfall. After detailed discussions and negotiations with L&T on the computation of the Completion Net Asset Value that resulted in the Shortfall, a settlement agreement was signed by Tamco, L&T, LTI and TSM on 28 April 2009 ("Settlement Agreement"). Accordingly, Tamco is to:-

- (a) pay to L&T the sum of RM10.1 million as a result of the Shortfall (“the L&T Sum”); and
- (b) pay to TSM the sum of RM5.4 million, being the net amount after setting off outstanding inter-company balance and proposed adjustments to assets and liabilities to be made under the Business Transfer Agreement (“BTA”) signed between Tamco and TSM on 29 July 2007 (“the TSM Sum”). Total proposed adjustment pursuant to this is RM15.6 million.

As a result of the shortfall in relation to L&T Sum and proposed adjustment in relation to BTA, the total impact to the Group is approximately RM25.7 million (equivalent to approximately RM0.10 per share). The impact will be accordingly shown in the next quarter financial statements.

Pursuant to the Settlement Agreement, the parties thereto have agreed that no further claims will be made in respect of any of the matters which have been considered as part of or in the course of the above mentioned audit or in respect of any breach of any covenants, warranties or representations or undertakings relating to or connected with the audited accounts of the Company. However, the general warranties period given to the purchaser in relation to statutory liabilities of the disposed companies will only expire on 22 April 2010.

- (iii) On 6 March 2009, RedBerry Sdn Bhd, a wholly owned subsidiary of the Company, entered into a conditional Investment Agreement to subscribed for 1,010,000 new ordinary shares of RM1 each representing 51% equity interest in MagiqAds Sdn Bhd (“MagiqAds”), for total cash consideration of RM1.2 million and to provide shareholders advance of RM3.8 million to MagiqAds for working capital purposes.

MagiqAds is a retail media specialist which offers multiple media formats in mall and in store such as billboards, banners, floor media, trolleys, shelf ads, aisle sponsorships etc in hypermarkets/supermarkets.

This transaction is subject to the approval of the Foreign Investment Committee, and other relevant authorities. This transaction will not have any effects on the net tangible assets and earnings of the Group for the financial year ending 31 May 2009. Goodwill arising from this transaction amounts to RM2.0 million.

Other than the above, there were no significant events subsequent to the third quarter.

#### **A11. Effects of Changes in Composition of the Group**

During the financial year-to-date, the Group/Company:

- (i) completed the purchase of an additional 1,600,500 ordinary shares of RM1 each representing 30% equity interest in Vision IP Services Sdn Bhd (“VIPS”) for cash consideration of 1,600,500. Consequently, VIPS became a wholly-owned subsidiary of Ancom Berhad.

Goodwill arising from this acquisition amounted to RM1.4 million and had been accounted for using the acquisition method of accounting;

- (ii) completed the subscription of 51,000 new ordinary shares of RM1 each representing 51% equity interest in RedBerry Animation Sdn Bhd (“RASB”) at par for cash.

RASB is principally involved in the development of animated contents for the media industry;

- (iii) completed the purchase of the entire paid up share capital in the following subsidiaries:
  - 3 ordinary shares of S\$1 each in RBL Ptd Ltd and 2 ordinary shares of S\$1 each in Point Cast (S) Pte Ltd at par for cash; and
  - 2 ordinary shares of RM1 each respectively in Point Cast (Asia) Sdn Bhd (formerly known as Cita Unggul Sdn Bhd), Point Cast (M) Sdn Bhd (formerly known as Signet Point Sdn Bhd) at par for cash;
- (iv) incorporated a wholly-owned subsidiary, PT Point Cast Indonesia, with a proposed paid up capital of US\$350,000;
- (v) completed the subscription of an additional 231,000 new ordinary shares of RM1 each in Wheel Sport Management Sdn Bhd ("WSM"), a 51% owned subsidiary, for cash consideration of RM1.0 million, thereby increasing the Group's interest in WSM from 51.0% to 77.0%.

Goodwill arising from this acquisition amounted to RM482,000 and had been accounted for using the acquisition method of accounting;

- (vi) completed the disposal of its entire 100% equity interest consisting of 6,335,686 ordinary shares in SM Integrated Transware Pte Ltd ("SMIT") for a total cash consideration of S\$12.0 million (equivalent to RM28.7 million based on the exchange rate of S\$1:RM2.39) ("Disposal").

The Group recorded a net gain of RM16.0 million arising from the Disposal, resulting in an increase in consolidated earnings per share and NTA per share of 7.3 sen each respectively for the Group after the Disposal; and

- (vii) completed the liquidation of 2 wholly-owned subsidiaries, Elderberry Sdn Bhd and Bullion Mining and Developments Sdn Bhd, on 29 September 2008 and 4 December 2008 respectively; and
- (viii) completed the Final Dividend as mentioned in Note A7 above.

A total of 21,620,300 Nylex shares and 10,808,139 Tamco shares have been successfully credited into the respective CDS Accounts of the entitled shareholders.

A total of 495 Nylex shares and 247 Tamco shares were not credited into the respective CDS accounts of 2 entitled shareholders due to some administrative issues. The above shares will be credited into the respective shareholders' CDS accounts once the issues are resolved in due course.

The Group's equity interest in Tamco and Nylex would be reduced to 36.17% and 48.18% respectively. The accounts of Tamco and Nylex will continue to be consolidated for as subsidiaries of the Group as the Group has control over the Boards of Tamco and Nylex.

Save for those disclosed above, there were no material changes in the composition of the Group during the financial year to-date.

**A12. Changes in Contingent Liabilities or Contingent Assets Since the Last Annual Balance Sheet Date**

There were no changes in the contingent liabilities of the Group since the last annual balance sheet as at 31 May 2008 except for the following:

	RM'000
Unsecured:	
Decrease in guarantees given to financial institutions for facilities granted to subsidiaries	(23,250)
	<hr/>

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

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

The Group recorded RM286.7 million revenue for the current quarter which was a decrease of 35% over the corresponding quarter of the preceding year (Qtr 3 FY08: RM444.0 million) and higher loss before tax ("LBT") of RM13.5 million (Qtr 3 FY08: LBT RM1.1 million). The lower turnover and losses were attributable mainly to the lower sales and profit contribution from the Industrial Chemicals division as a result of the negative impact of the global financial meltdown.

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

For the current quarter under review, turnover for the Group fell 30% from RM408.4 million to RM286.7 million and recorded LBT of RM13.5 million, a decreased of RM14.1 million from profit before tax of RM0.6 million in the immediate preceding quarter.

**B3. Prospects**

While the global economic outlook remains uncertain, there are signs of that the difficult trading conditions that affected our Group during the last two quarters is gradually stabilizing. However, our media businesses continue to be affected by the general decline in advertising expenditure. The Board remains cautiously optimistic about prospects for the remainder of the financial year but will continue to monitor the Group's operations closely.

**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 year.

**B5. Taxation**

<u>Continuing Operations</u>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current year quarter 28 Feb 09 RM'000	Preceding year quarter 29 Feb 08 RM'000	Current year-to-date 28 Feb 09 RM'000	Preceding year-to-date 29 Feb 08 RM'000
Current taxation				
- Malaysian	4,530	3,101	15,027	13,602
- Foreign	(300)	469	(1,107)	1,389
- under/(over) provision in prior years	596	236	703	236
	<u>4,826</u>	<u>3,806</u>	<u>14,623</u>	<u>15,227</u>
Transfer to/(from) deferred taxation	(4,957)	-	(6,803)	(885)
	<u>(131)</u>	<u>3,806</u>	<u>7,820</u>	<u>14,342</u>

**B5. Taxation (continue)**

<b><u>Discontinued Operations</u></b>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current year quarter	Preceding year quarter	Current year-to-date	Preceding year-to-date
	28 Feb 09 RM'000	29 Feb 08 RM'000	28 Feb 09 RM'000	29 Feb 08 RM'000
Current taxation				
- Malaysian	-	2,211	-	2,706
- Foreign	-	108	-	253
- under/(over) provision in prior years	-	-	-	-
	-	2,319	-	2,959
Transfer to/(from) deferred taxation	-	-	-	-
	-	2,319	-	2,959

The effective income tax rate of the Group for the financial year-to-date is higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes and tax losses incurred by certain subsidiaries were not available for set-off against taxable profits in other companies with the Group.

**B6. Sale of Unquoted Investments and/or Properties**

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

**B7. Quoted Investments**

There were no purchases and disposals of marketable securities (other than quoted shares in subsidiary companies) for the current quarter and financial year-to-date.

The details of the Group's investments in quoted securities (other than quoted shares in subsidiary companies) as at 28 February 2009 were as follows:

	As At 28 Feb 09 RM'000	As At 31 May 08 RM'000
At cost	4,468	4,436
At carrying value/book value	3,444	4,024
At market value	4,464	2,337

#### **B8. Utilisation of proceeds**

As mentioned in Note A6, the Warrants of the Company had expired on 20 June 2008 and 80,672,408 Warrants not exercised on the expiry date had lapsed. A total of 17,099,575 Warrants were converted into 17,099,575 new ordinary shares of RM1 each in the Company at par for cash, raising a total of RM17.1 million, which would be utilised for the working capital of the Group.

As at 28 February 2009, the Company has fully utilised the proceeds of RM17.1 million in the manner stated above.

#### **B9. Status of Corporate Proposals**

The status of corporate proposals announced but not completed as at the date of this Report are:

- (i) As mentioned in Note A10 (iii) above, RedBerry Sdn Bhd entered into a conditional Investment Agreement to subscribed for 1,010,000 new ordinary shares of RM1 each representing 51% equity interest in MagiqAds for total cash consideration of RM1.2 million and to provide shareholders advance of RM3.8 million to MagiqAds for working capital purposes.

This transaction is subject to the approval of the Foreign Investment Committee, and other relevant authorities.

#### **B10. Off Balance Sheet Financial Instruments**

The Group did not issue any financial instruments involving off balance sheet risk during the financial year-to-date.

#### **B11. Changes in Pending Material Litigation**

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

#### **B12. Dividend**

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

### B13. Group's Borrowings

	As At 28 Feb 09 RM'000	As At 31 May 08 RM'000
<u>Short Term Borrowings</u>		
- Secured		
Ringgit Malaysia	58,896	142,011
Singapore Dollars	4,253	542
United States Dollars	5,293	51,727
Vietnam Dong	1,739	-
	<u>70,181</u>	<u>194,280</u>
- Unsecured		
Ringgit Malaysia	142,897	142,612
United States Dollars	2,539	6,232
Singapore Dollars	-	76
Hongkong Dollar	1,917	5,545
Indonesian Rupiah	228	-
	<u>147,581</u>	<u>154,465</u>
<u>Long Term Borrowings</u>		
- Secured		
Ringgit Malaysia	36,687	47,764
Singapore Dollars	241	1,941
Vietnam Dong	3,326	-
	<u>40,254</u>	<u>49,705</u>
- Unsecured		
Ringgit Malaysia	-	19,922
	<u>-</u>	<u>19,922</u>
Total Borrowings	<u>258,016</u>	<u>418,372</u>

### B14. Earnings Per Share

#### Basic earnings per share

For the current quarter, the calculation of basic earnings per share was based on the net loss attributable to the ordinary equity holders of the parent of RM10,543,000 (29.02.2008: net loss for continuing operations of RM6,196,000 and net profit for discontinued operations of RM4,069,000) and net loss of RM1,396,000 (29.02.2008: net profit for the continuing operations of RM47,000 and RM9,424,000 for the discontinued operations) for the financial year-to-date, divided by the weighted average number of ordinary shares in issue during the current quarter of 216,441,000 shares (29.02.2008: 192,972,000 shares) and financial year-to-date of 216,489,000 shares (29.02.2008: 195,591,000 shares)



### **Fully diluted earnings per share**

The Warrants of the Company had expired on 20 June 2008 and therefore the balance of 80,672,408 warrants not exercised by the expiry date had lapsed. As such, computation of dilutive earnings per share is not applicable.

In the preceding year's corresponding quarter and financial year-to-date, there was no dilution in earnings per share as the market price of the Company's ordinary shares at that time was lower than the market price together with the exercise price of the Warrants. Accordingly, there is no assumed full conversion of the Warrants to merit for adjustment for an increase in the number of ordinary shares which could result in a dilution of earnings per share.

By Order of the Board

Wong Wei Fong  
Choo Se Eng  
Secretaries

Petaling Jaya  
30 April 2009