

**ANCOM BERHAD** (Company No : 8440-M)  
(Incorporated in Malaysia)  
**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**  
For the Financial Quarter Ended 28 February 2010

	<b>Individual Quarter</b>		<b>Cumulative 9 months ended</b>	
	<b>28.02.2010</b>	28.02.2009	<b>28.02.2010</b>	28.02.2009
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Revenue	<b>373,725</b>	286,679	<b>1,132,649</b>	1,333,147
Cost of Sales	<b>(324,879)</b>	(256,932)	<b>(984,406)</b>	(1,211,870)
Gross Profit	<b>48,846</b>	29,747	<b>148,243</b>	121,277
Other Operating Income	<b>342</b>	2,648	<b>4,073</b>	30,481
Selling & Distribution Costs	<b>(17,523)</b>	(19,148)	<b>(50,445)</b>	(62,115)
Administrative Expenses	<b>(21,838)</b>	(20,543)	<b>(61,478)</b>	(58,063)
Other Operating Expenses	<b>(733)</b>	(2,419)	<b>(3,186)</b>	(9,581)
Finance Cost	<b>(2,354)</b>	(3,683)	<b>(7,560)</b>	(13,026)
Share of Results of Associated Companies	-	(115)	-	(1,053)
Profit Before Taxation	<b>6,740</b>	(13,513)	<b>29,647</b>	7,920
Taxation	<b>(3,261)</b>	131	<b>(10,668)</b>	(7,820)
Profit for the Period	<b>3,479</b>	(13,382)	<b>18,979</b>	100
Attributable to:				
- Equity holders of the parent	<b>(1,045)</b>	(10,543)	<b>1,758</b>	(1,396)
- Minority interests	<b>4,524</b>	(2,839)	<b>17,221</b>	1,496
	<b>3,479</b>	(13,382)	<b>18,979</b>	100
<b>Basic earnings per ordinary share (sen)</b>	<b>(0.48)</b>	(4.87)	<b>0.81</b>	(0.64)
<b>Diluted earnings per ordinary share (sen)</b>	<b>N/A</b>	N/A	<b>N/A</b>	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 2009

**ANCOM BERHAD** (Company No : 8440-M)  
(Incorporated in Malaysia)  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**  
As at 28 Feb 2010

	As at 28.02.2010 RM'000	As at 31.05.2009 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	165,735	180,802
Prepaid lease payment	50,362	46,927
Other investments	10,521	10,482
Investment properties	364	369
Investment in associated companies	5,417	5,417
Intangible assets	6,728	6,534
Goodwill on consolidation	79,055	79,432
Deferred tax assets	21,598	16,957
	<b>339,780</b>	<b>346,920</b>
<b>Current assets</b>		
Inventories	139,083	110,917
Trade and other receivables	315,775	265,167
Marketable securities	1,114	790
Amount owing by associated companies	3,440	3,977
Tax recoverable	9,756	16,094
Other investments	786	25,531
Short term deposits with licensed banks	46,854	50,069
Cash and cash equivalents	74,041	61,090
	<b>590,849</b>	<b>533,635</b>
<b>TOTAL ASSETS</b>	<b>930,629</b>	<b>880,555</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	218,956	218,956
Reserves	108,003	109,905
Less : Treasury Shares, at cost	(2,073)	(2,073)
	<b>324,886</b>	<b>326,788</b>
Minority interests	121,632	107,763
<b>Total Equity</b>	<b>446,518</b>	<b>434,551</b>
<b>Non-current liabilities</b>		
Long-term borrowings	32,024	37,305
Other long-term provisions	3,470	3,774
Deferred tax liabilities	14,733	14,924
	<b>50,227</b>	<b>56,003</b>
<b>Current liabilities</b>		
Trade and other payables	236,128	196,857
Amounts owing to associates	3,820	4,444
Short-term borrowings	186,331	183,710
Tax liabilities	7,605	4,990
	<b>433,884</b>	<b>390,001</b>
<b>Total Liabilities</b>	<b>484,111</b>	<b>446,004</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>930,629</b>	<b>880,555</b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.50	1.51

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2009

**ANCOM BERHAD** (Company No : 8440-M)  
(Incorporated in Malaysia)  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the Financial Period Ended 28 February 2010

	←	----- Attributable to equity holders of the parent -----										→	
	Share Capital	Share Premium	Warrant Reserve	Merger Reserve	Revaluation Reserve	Capital Reserve	Foreign Exchange Reserve	Treasury Shares	Capital Redemption Reserve	Retained Profits	Total	Minority Interest	Total Equity
	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 2010</b>													
<b>As at 1 June 2009</b>	218,956	4,332	-	156	24,039	48	(3,363)	(2,073)	4,987	79,707	326,788	107,763	434,551
Currency translation differences	-	-	-	-	-	-	(1,227)	-	-	-	(1,227)	(1,720)	(2,947)
Dividends	-	-	-	-	-	-	-	-	-	(2,433)	(2,433)	-	(2,433)
- final dividend for financial year ended 31 May 2009	-	-	-	-	-	-	-	-	-	-	-	(1,632)	(1,632)
Dividends distributed to minority interests	-	-	-	-	-	-	-	-	-	1,758	1,758	17,221	18,979
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 28 February 2010</b>	218,956	4,322	-	156	24,039	48	(4,590)	(2,073)	4,987	79,032	324,886	121,632	446,518
<b>9-month ended 28 February 2009</b>													
<b>As 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 charges in composition of the Group	-	-	-	-	-	-	-	-	-	-	-	(1,419)	(1,419)
Transfer from warrants	-	-	(1,614)	-	-	-	-	-	-	1,614	-	-	-
Repurchase of shares	-	-	-	-	-	-	-	(665)	-	-	(665)	-	(665)
Dividends	-	-	-	-	-	-	-	-	-	(8,021)	(8,021)	-	(8,021)
- interim dividend for financial year ended 31 May 2008	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	(27,471)	(27,471)	27,471	-
- final dividend for financial year ended 31 May 2008 (Dividends in-specie)	-	-	-	-	-	-	-	-	-	-	-	(9,056)	(9,056)
Dividends paid to minority interests	-	-	-	-	-	-	-	-	-	-	-	1,496	1,496
Net profit for the period	-	-	-	-	-	-	-	-	-	(1,396)	(1,396)	-	100
<b>Balance as at 28 February 2009</b>	218,956	4,331	-	155	24,039	48	(1,880)	(2,073)	4,987	89,851	338,414	169,612	508,026

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2009.

**ANCOM BERHAD** (Company No : 8440-M)  
(Incorporated in Malaysia)  
**UNAUDITED CONDENSED CASH FLOW STATEMENT**  
For The Financial Period Ended 28 February 2010

	<b>9-month ended 28.02.2010 RM'000</b>	9-month ended 28.02.2009 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	<b>29,647</b>	7,920
Adjustments for non-cash items	<b>21,836</b>	(1,991)
Operating profit before working capital changes	<b>51,483</b>	5,929
Changes in working capital	<b>(44,053)</b>	46,570
Net cash generated from operating activities	<b>7,430</b>	52,499
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash generated from investing activities	<b>15,634</b>	4,641
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net cash used in financing activities	<b>(8,135)</b>	(173,120)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>14,929</b>	(115,980)
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>93,704</b>	295,209
<b>Effect of exchange rate changes</b>	<b>(2,383)</b>	(1,282)
	<b>91,321</b>	293,927
<b>Cash and cash equivalents at the end of the financial period</b>	<b>106,250</b>	177,947

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>74,041</b>	67,995
Bank overdrafts	<b>(2,754)</b>	(17,212)
Short term deposits	<b>46,854</b>	146,673
	<b>118,141</b>	197,456
Less : Short term deposits pledged to banks	<b>(11,891)</b>	(19,509)
	<b>106,250</b>	177,947

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2009.



## **ANCOM BERHAD**

(Company No. 8440-M)  
Incorporated in Malaysia

### **A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2010**

#### **A1. Basis of preparation**

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

The Interim Financial Report should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 May 2009. 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 2009.

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 2009.

#### **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 2009 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-to-date.

As at 28 February 2010, a total of 2,711,027 Treasury Shares are held at a total cost of RM2.07 million were by the Company.

#### **A7. Dividend Paid**

The Company has not declared / paid any dividend for the current financial year-to-date.

In September 2009, the Company declared a final dividend of 1.5 sen, less income tax, in respect of the financial year ended 31 May 2009. This final dividend has been approved by the shareholders on 26 November 2009 and was paid on 25 February 2010.

## A8. Segmental Results

9-Month Ended 28 February 2010	Investment Holdings RM'000	Agricultural Chemicals RM'000	Industrial Chemicals RM'000	Oil & Gas Engineering Services RM'000	Logistic RM'000	Media RM'000	Information Technology RM'000	Polymer RM'000	Engineering RM'000	Building Products RM'000	Elimination RM'000	Consolidated RM'000
Revenue	176	79,279	840,762	-	35,782	29,824	17,177	92,010	37,639	-	-	1,132,649
External sales												
Inter-segment Sales	15,503	-	-	-	4,523	4,964	537	-	-	-	(25,527)	-
Total	15,679	79,279	840,762	-	40,305	34,788	17,714	92,010	37,639	-	(25,527)	1,132,649
<b>Results</b>												
Segment results	(8,093)	12,407	37,077	1,795	7,742	(15,729)	360	10,919	(367)	(226)		45,885
Unallocated corporate expenses												(8,678)
<b>Operating profits</b>												37,207
Finance cost												(7,560)
Share of results of associated companies												-
<b>Profit before tax</b>												29,647
Tax expense												(10,668)
<b>Profit for the period</b>												18,979

**A8. Segmental Results (cont.)**

9-Month Ended 28 February 2009	Investment Holdings RM'000	Agricultural Chemicals RM'000	Industrial Chemicals RM'000	Oil & Gas Engineering Services RM'000	Logistic RM'000	Media RM'000	Information Technology RM'000	Polymer RM'000	Engineering RM'000	Building Products RM'000	Elimination RM'000	Consolidated RM'000
Revenue	55	82,045	1,037,494	4,703	32,702	20,663	15,842	85,953	50,630	3,060		1,333,147
External sales												
Inter-segment	34,001	5,959	86	-	4,508	1,513	3,068	-	-	-	(49,135)	-
Sales												
Total	34,056	88,004	1,037,580	4,703	37,210	22,176	18,910	85,953	50,630	3,060	(49,135)	1,333,147
<b>Results</b>												
Segment results	(9,553)	4,773	21,343	(1,265)	28,093	(12,329)	1,111	789	1,426	(643)		33,745
Unallocated corporate expenses												(11,746)
<b>Operating profits</b>												
Finance cost												21,999
Share of results of associated companies												(13,026)
<b>Profit before tax</b>												
Tax expense												7,920
												(7,820)
<b>Profit for the period</b>												100

#### **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 2009.

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

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

On 7 April 2010, RedBerry Sdn Bhd (“RedBerry”), a wholly owned subsidiary, completed the proposed investment of 765,000 new shares of RM1 each in MagiqAds Sdn Bhd (“MASB”) for cash consideration of RM918,000 or at RM1.20 per share, to provide advance of RM282,000 to MASB as working capital and to acquire from the existing shareholders of MASB 235,000 shares of RM1 each for cash consideration of RM282,000.

Consequently, RedBerry hold a total of 1,000,000 shares representing 40% equity interest in MASB.

MASB is principally involved in the media business. It is a retail media specialist which offers multiple media formats such as billboard, banners, floor media, trolleys, shelf ads, aisle sponsorships etc in hypermarkets/supermarkets.

Save for the above, there were no material events subsequent to the end of the current period up to the date of this Report that have not been reflected in the financial statements for the current period.

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

During the financial year-to-date,

- (i) Synergy Point Sdn Bhd (“SPSB”) and Synergy Concepts Sdn Bhd (“SCSB”), had each held their respective extraordinary general meetings on 1 June 2009 at which it was resolved that SPSB and SCSB be wound-up voluntarily.

SPSB and SCSB are both wholly-owned subsidiary companies of Synergy Trans-Link Sdn Bhd, a 75.2%-owned subsidiary of the Company. SPSB and SCSB have ceased their ship operating business after disposing their respective vessels earlier and are currently dormant.

The liquidation of SPSB and SCSB is not expected to have a material effect on the consolidated earnings and net assets of the Ancom Group for the financial year ending 31 May 2010;

- (ii) Ancom Energy & Services Sdn Bhd (“AES”), 50.2%-owned subsidiary, completed the disposal of 21,400,000 ordinary shares of RM1 each and 10,500,000 8% non-cumulative redeemable and convertible preference shares representing its entire interest of 96.6% in Akra Engineering Sdn Bhd (“Akra”) for cash consideration of RM2,848,000 (“Akra Disposal”)

The Akra Disposal does not have any material effect on the consolidated earnings and net assets of the Ancom Group for the financial year ending 31 May 2010;

- (iii) Ancom completed the disposal of 6,395,000 ordinary shares of RM1.00 each representing its entire interest of 81.21% in OrganiGro Sdn Bhd (“OrganiGro”) for cash consideration of RM1 (“OrganiGro Disposal”).

The OrganiGro Disposal does not have any material effect on the consolidated earnings and net assets of the Ancom Group for the financial year ending 31 May 2010.



- (iv) Point Cast (S) Pte Ltd and RBL Pte Ltd, both subsidiaries of the Group which are dormant, have submitted applications to the Accounting and Corporate Regulatory Authority (“ACRA”) of Singapore to strike out their names from the Register of ACRA.

The striking out does not have any material effect on the consolidated earnings and net assets of the Ancom Group for the financial year ending 31 May 2010;

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

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

The Group’s contingent liabilities stood at RM17.8 million as at 28 February 2010.

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

**B1. Review of Group’s Performance**

For the nine months period, the Group recorded revenue of RM1,132.6 million, a decrease of approximately 15.0% as compared with RM1,333.1 million in the same period last year. The decrease in sales was mainly due to lower sales contribution from the Industrial Chemical Division. Profit before tax (“PBT”) stood at RM29.6 million compared with RM7.9 million reported in the previous year’s corresponding period.

For the current quarter under review, the Group achieved sales of RM373.7 million, an increase of 30.3% from RM286.7 million recorded in the same quarter of the preceding year. The Group recorded a PBT of RM6.7 million, compared with a loss before taxation of RM13.5 million achieved in the corresponding quarter last year. The improvement in PBT was mainly contributed by Industrial Chemicals division as a result of the improved market conditions which led to the increase in selling prices and improved margins as compared with the corresponding period of the last financial year.

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

For the current quarter under review, the Group recorded a turnover of RM373.7 million and a PBT of RM6.7 million, compared with sales of RM362.8 million and a PBT of RM6.7 million in the immediate preceding quarter.

**B3. Prospects**

Barring unforeseen circumstances, the Directors are of the opinion that the Group’s performance for the financial year ending 31 May 2010 is expected to be satisfactory.

**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>	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current year	Preceding year	Current	Preceding
	quarter	quarter	year-to-date	year-to-date
	28 Feb 2010	28 Feb 2009	28 Feb 2010	28 Feb 2009
	RM'000	RM'000	RM'000	RM'000
Current taxation				
- Malaysian	2,164	4,530	10,913	15,027
- Foreign	1,650	(300)	4,451	(1,107)
- Over provision in prior years	(175)	596	(175)	703
	3,639	4,826	15,189	14,623
Transfer from deferred taxation	(378)	(4,957)	(4,521)	(6,803)
	3,261	(131)	10,668	7,820

The effective income tax rate of the Group 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 for the current quarter and financial year-to-date.

The details of the Group's investments in quoted securities as at 28 February 2010 were as follows:

	As At 28 Feb 2010 RM'000	As At 31 May 2009 RM'000
At cost	<u>5,438</u>	<u>3,857</u>
At carrying value/book value	<u>4,970</u>	<u>4,647</u>
At market value	<u>3,150</u>	<u>2,599</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**

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

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

- b). Proposed reduction of RM0.10 of the par value of each existing ordinary share of RM0.20 each in ALB (“ALB Shares”) under Section 64(1) of the Companies Act, 1965 (“Act”) (“Proposed Capital Reduction”);
- c). Proposed acquisition of 418,895,518 ordinary shares of RM0.10 each in STL representing the entire equity interest in STL which include its three subsidiaries, namely, Ancom ChemQuest Terminals Sdn. Bhd. (“ACT”), SinSenMoh Transportation Pte. Ltd. (“SSM”) and Pengangkutan Cogent Sdn. Bhd. (“PCSB”) (“collectively referred to as “Subsidiaries”) from Ancom, Synergy Tanker Sdn. Bhd. (“STSB”) and Lim Hock Heng (“LHH”) (collectively referred to as “Vendors of STL”) for a purchase consideration of RM42,236,117 to be satisfied by such number of new ordinary shares of RM0.10 each in ALB (“ALB New Shares”) (“Consideration Shares”) at an issue price of RM0.13 per ALB New Share after the settlement of the outstanding consideration pursuant to the Proposed Disposal (“Proposed Acquisition of STL Group”);
- d). Proposed exemption to Ancom and persons acting in concert with it (“PAC”) from the obligation to undertake a mandatory offer for all the remaining Tamco New Shares not already owned by Ancom and its PAC pursuant to the Proposed Acquisition of STL Group (“Proposed Exemption”); and
- e). Proposed special issue of up to 14,000,000 ALB New Shares at an indicative issue price of RM0.13 per ALB New Share to Bumiputera investors to be approved by the Ministry of International Trade and Industry (“MITI”) (“Proposed Special Issue”).

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

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

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

- (i) first, by off-setting RM15,000,000 against the disposal consideration for the Proposed Disposal of STL by Ancom to ALB; and
- (ii) by off-setting the remaining purchase consideration against the inter-company advance(s) owing by ALB to Ancom.

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

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

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

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

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

- (i) Approval from the independent holders of voting shares of ALB, on a poll in a general meeting in which the interested parties are to abstain from voting. The result of the poll has to be confirmed by an independent auditor;
- (ii) Providing competent independent advice regarding the Proposed Exemption to the shareholders of ALB. The appointment of the independent adviser and the independent advice circular to the shareholders are to be first approved and consented by SC respectively; and
- (iii) Ancom and its PAC are to submit declarations (to be furnished after the general meeting) addressed to the SC, attesting that Ancom and its PAC have not purchased shares in ALB subsequent to the discussion in relation to the Ancom Proposals (the date of the discussion is to be stated) and until the granting of the Proposed Exemption by the SC (if so decided).

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

As at the date of this Report, the Proposed ALB Restructuring Scheme is still pending the approval of the relevant authorities.

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

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

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

#### **B11. 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. There were no dividends declared for the current financial year-to-date.

### B13. Group's Borrowings

	As At 28 Feb 2010 RM'000	As At 31 May 2009 RM'000
<u>Short Term Borrowings</u>		
- Secured		
Ringgit Malaysia	56,404	44,789
Singapore Dollars	2,271	2,711
United States Dollars	7,997	-
Vietnam Dong	9,994	3,869
	76,666	51,369
- Unsecured		
Ringgit Malaysia	107,752	129,918
United States Dollars	-	330
Hong Kong Dollar	1,894	1,894
Indonesian Rupiah	19	18
	109,665	132,160
<u>Long Term Borrowings</u>		
- Secured		
Ringgit Malaysia	28,278	34,413
Singapore Dollars	565	144
Vietnam Dong	3,159	2,884
	32,002	37,441
- Unsecured		
Indonesian Rupiah	22	45
	22	45
Total Borrowings	218,355	221,015

### B14. Earnings Per Share

#### Basic earnings per share

The calculation of basic earnings per share was based on the net loss attributable to ordinary equity holders of the parent for the current quarter of RM1,045,000 (28.02.2009: net loss of RM10,543,000) and net profit of RM1,758,000 (28.02.2009: net loss of RM1,396,000) for the financial year-to-date as reported in the condensed income statements of the Group, divided by the weighted average number of ordinary shares in issue during the current quarter of 216,215,000 shares (28.02.2009: 216,441,000 shares) and financial year-to-date of RM216,215,000 shares (28.02.2009: RM216,489,000)

#### Fully diluted earnings per share

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

By Order of the Board

Wong Wei Fong  
Choo Se Eng  
Secretaries

Petaling Jaya  
27 April 2010