

ANCOM BERHAD (Company No: 8440-M)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR FINANCIAL QUARTER ENDED 28 FEBRUARY 2011

	Individual quarter ended		Accumulated quarters ended	
	28-02-2011	28-02-2010	28-02-2011	28-02-2010
	RM'000	RM'000	RM'000	RM'000
		(As restated)		(As restated)
Continuing operations				
Operating revenue	367,107	362,101	1,009,499	1,098,546
Cost of sales	(319,725)	(315,994)	(889,644)	(958,368)
Gross profit	47,382	46,107	119,855	140,178
Other income	1,631	(492)	3,000	2,950
Distribution costs	(18,208)	(15,774)	(49,470)	(45,581)
Administrative expenses	(19,552)	(21,152)	(60,020)	(59,530)
Other operating expenses	(1,461)	(668)	(8,758)	(2,982)
Finance costs	(3,194)	(2,341)	(8,736)	(7,522)
Share of results of associates	-	-	(71)	-
Profit/(loss) before taxation	6,598	5,680	(4,200)	27,513
Tax expense	(2,215)	(3,216)	(6,216)	(10,440)
Net profit/(loss) from continuing operations	4,383	2,464	(10,416)	17,073
Profit/(loss) from discontinued operations	(3,726)	1,015	(2,079)	1,906
Net profit/(loss)	657	3,479	(12,495)	18,979
Attributable to:				
Equity holders of the Company:				
- Continuing operations	796	(1,418)	(15,084)	1,058
- Discontinued operations	(1,583)	373	(979)	700
Minority interests:				
- Continuing operations	3,587	3,882	4,668	16,015
- Discontinued operations	(2,143)	642	(1,100)	1,206
	657	3,479	(12,495)	18,979
Earnings/(loss) per ordinary share attributable to equity holders of the Company				
	Sen	Sen	Sen	Sen
Basic earnings/(loss) per ordinary share				
- Continuing operations	0.36	(0.65)	(6.89)	0.48
- Discontinued operations	(0.72)	0.17	(0.45)	0.32
Diluted earnings per ordinary share				
	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 2010. The comparative numbers have been restated into continuing and discontinued operations.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL QUARTER ENDED 28 FEBRUARY 2011**

	Individual quarter ended		Accumulated quarters ended	
	28-02-2011	28-02-2010	28-02-2011	28-02-2010
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) for the period	657	3,479	(12,495)	18,979
Other comprehensive income/(loss):				
Currency translation reserve movement	334	-	451	(125)
Total comprehensive income/(loss) for the period	991	3,479	(12,044)	18,854
Total comprehensive income attributable to:				
Equity holders of the Company				
- Continuing operations	1,130	(1,418)	(14,633)	933
- Discontinued operations	(1,583)	373	(979)	700
Minority interests				
- Continuing operations	3,587	3,882	4,668	16,015
- Discontinued operations	(2,143)	642	(1,100)	1,206
	991	3,479	(12,044)	18,854

ANCOM BERHAD (Company No: 8440-M)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 28 FEBRUARY 2011

	Unaudited 28-02-2011 RM'000	Audited 31-05-2010 RM'000 Restated
ASSETS		
Non-current assets		
Property, plant and equipment	227,322	222,671
Investment properties	355	362
Investment in associates	5,212	5,263
Other investments	7,656	10,540
Intangible assets	27,672	14,082
Goodwill on consolidation	73,734	74,992
Deferred tax assets	29,850	24,430
	371,801	352,340
Current assets		
Inventories	135,771	124,744
Marketable securities	398	876
Receivables	284,787	279,490
Amount owing by associates	7,356	8,739
Current tax assets	4,221	4,487
Other investments	-	4,152
Short term deposits with licensed banks	27,719	27,016
Cash and cash equivalents	66,386	67,749
	526,638	517,253
Asset of disposal group/Non-current assets classified as held for sale	-	32,529
TOTAL ASSETS	898,439	902,122
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	218,956	218,956
Reserves	81,005	102,567
Less : Treasury Shares, at cost	(2,073)	(2,073)
	297,888	319,450
Minority interests	123,133	116,454
TOTAL EQUITY	421,021	435,904
LIABILITIES		
Non-current liabilities		
Borrowings	24,471	25,118
Deferred tax liabilities	15,172	15,141
Government grant	1,800	1,800
Provision for retirement benefits	3,423	3,452
	44,866	45,511
Current liabilities		
Payables	191,537	183,403
Amounts owing to associates	119	1,400
Borrowings	236,746	216,555
Current tax payables	4,150	4,927
	432,552	406,285
Total Liabilities	477,418	451,796
Liabilities directly associated with assets classified as held for sale	-	14,422
TOTAL EQUITY AND LIABILITIES	898,439	902,122
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.38	1.48

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2010. The comparative numbers have been restated into continuing and discontinued operations.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2011**

	Attributable to equity holders of the Company										Total equity RM'000	
	Share capital RM'000	Share Premium RM'000	Merger reserve RM'000	Revaluation reserve RM'000	Capital reserve RM'000	Foreign exchange reserve RM'000	Treasury shares RM'000	Capital redemption reserve RM'000	Retained Profits RM'000	Total RM'000		Minority interests RM'000
28 February 2011												
At 1 June 2010	218,956	4,332	155	24,039	48	(8,015)	(2,073)	4,987	77,021	319,450	116,454	435,904
Effects of adopting FRS 139	-	-	-	-	-	-	-	-	(142)	(142)	-	(142)
As restated	218,956	4,332	155	24,039	48	(8,015)	(2,073)	4,987	76,879	319,308	116,454	435,762
Foreign currency translations	-	-	-	-	-	451	-	-	-	451	-	451
Minority share of unrealised profits	-	-	-	-	-	-	-	-	(5,810)	(5,810)	5,810	-
Incremental minority interest upon restructuring of subsidiary company	-	-	-	-	-	-	-	-	-	-	2,951	2,951
Dividends paid to minority interests of subsidiary	-	-	-	-	-	-	-	-	-	-	(5,648)	(5,648)
Net loss for the period	-	-	-	-	-	-	-	-	(16,063)	(16,063)	3,568	(12,495)
Balance at 28 February 2011	218,956	4,332	155	24,039	48	(7,564)	(2,073)	4,987	55,006	297,886	123,135	421,021
28 February 2010												
Balance at 1 June 2009	218,956	4,332	155	24,039	48	(3,363)	(2,073)	4,987	79,707	326,788	107,763	434,551
Foreign currency translations	-	-	-	-	-	(125)	-	-	-	(125)	(2,198)	(2,323)
Dividends paid to minority interests of subsidiary	-	-	-	-	-	-	-	-	-	-	(1,240)	(1,240)
Net profit for the period	-	-	-	-	-	-	-	-	1,058	1,058	12,697	13,755
Balance at 28 February 2010	218,956	4,332	155	24,039	48	(3,488)	(2,073)	4,987	80,765	327,721	117,022	444,743

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2010

ANCOM BERHAD (Company No: 8440-M)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2011**

	Accumulated quarters ended	
	28-02-2011	28-02-2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(4,200)	29,647
Adjustments for non-cash items	10,178	21,836
Operating profit before working capital changes	5,978	51,483
Net changes in working capital	(10,852)	(44,053)
Net cash generated from operating activities	(4,874)	7,430
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash generated from/(used in) investing activities	(18,632)	15,634
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash used in financing activities	9,644	(8,135)
Net increase / (decrease) in cash and cash equivalents	(13,862)	14,929
Cash and cash equivalents at the beginning of the financial year	87,536	93,704
Effect from discontinued operations	(1,166)	-
Effect of exchange rate changes	1,599	(2,383)
	87,969	91,321
Cash and cash equivalents at the end of the financial year	74,107	106,250

Cash and cash equivalents include the following:

	RM'000	RM'000
Cash and bank balances	66,386	74,041
Bank overdrafts	(11,002)	(2,754)
Short term deposits	27,719	46,854
	83,103	118,141
Less : Short term deposits pledged to banks	(8,996)	(11,891)
	74,107	106,250

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2010



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

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2011

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 2010. 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 2010.

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 2010 except for the adoption of the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations which are applicable to the Group for the financial year beginning 1 June 2010 and are relevant to its operations:

FRS 7 Financial Instruments: Disclosures
FRS 8 Operating Segments
FRS 101 Presentation of Financial Statements (Revised)
FRS 123 Borrowing Costs
FRS 132 Financial Instruments: Presentation
FRS 139 Financial Instruments: Recognition and Measurement
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards
Amendments to FRS 2 Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 7 Financial Instruments: Disclosures
Amendments to FRS 8 Operating Segments
Amendments to FRS 107 Statement of Cash Flows
Amendments to FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110 Events After the Balance Sheet Date
Amendments to FRS 116 Property, Plant and Equipments
Amendments to FRS 117 Leases
Amendments to FRS 118 Revenue
Amendments to FRS 119 Employee Benefits
Amendments to FRS 120 Accounting for Government Grants
Amendments to FRS 123 Borrowing Costs
Amendments to FRS 127 Consolidated and Separate Financial Statements
Amendments to FRS 128 Investments in Associates
Amendments to FRS 129 Financial Reporting in Hyperinflationary Economies
Amendments to FRS 131 Interest in Joint Ventures
Amendments to FRS 132 Financial Instruments: Presentation
Amendments to FRS 134 Interim Financial Reporting
Amendments to FRS 136 Impairment of Assets
Amendments to FRS 138 Intangible Assets
Amendments to FRS 139 Financial Instruments: Recognition and Measurement
IC Interpretation 9 Reassessment of Embedded Derivatives

IC Interpretation 10 Interim Financial Reporting and Impairment
IC Interpretation 11 FRS 2 – Group and Treasury Share Transactions

The adoption of the above FRSs, amendments and interpretations do not have any significant impact on the interim financial information of the Group except for the adoption of the following FRSs as set out below:

FRS 8 – Operating Segments

The Group determined that the operating segments were the same as the business segments previously identified under FRS 114 Segment Reporting. The adoption of this Standard does not have any effect on the financial position or results of the Group.

FRS 101 - Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statement. The revised standard prohibits the presentation of items of income and expenses (that is ‘non-owner changes in equity’) in the statement of changes in equity, requiring ‘non-owner changes in equity’ to be presented separately from owner changes in equity. All ‘non-owner changes in equity’ is required to be shown in a statement of comprehensive income which can be presented as a single statement or two statements (comprising the income statement and statement of comprehensive income). The Group has elected to present the statement of comprehensive income in two statements. As a result, the Group has presented all owner changes in equity in the consolidated statement of changes in equity whilst all non-owner changes in equity have been presented in the consolidated statement of comprehensive income. Certain comparative figures have been reclassified to conform to the current period’s presentation. This revised FRS does not have any impact on the financial position and results of the Group since these changes affect only the presentation of items of income and expenses.

Amendment to FRS 117 - Leases

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as prepaid lease payment on the statement of financial position. With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incident to ownership lie. Accordingly, the Group has changed the classification of certain leasehold lands from operating leases to finance leases in the current quarter. This change in classification has no effect to the profit or loss of the current period ended 28 February 2011 or the comparative prior period. The effect of the reclassification to the comparative of the prior year’s statement of financial position is as follows:

31 May 2010	As previously	Reclassification	As restated
	reported		
	RM’000	RM’000	RM’000
Property, plant and equipment	172,860	50,157	223,017
Prepaid lease payment	50,157	(50,157)	-

Amendments to FRS 139 Financial Instruments: Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives are recognised on their settlement dates. Outstanding derivatives at the balance sheet date were not recognised. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognised at contract dates when, and only when, the Company or any subsidiary becomes a party to the contractual provisions of the instruments.

With the adoption of FRS 139, financial assets and financial liabilities recognised and unrecognised in the prior financial year are classified into the following categories:

Pre-FRS 139	Post-FRS 139
Long-term equity investments	Available for sale investments
Current investments	Financial assets at fair value through profit or loss
Unrecognised derivative assets	Financial assets at fair value through profit or loss
Long-term borrowings	Financial liabilities at amortised cost
Unrecognised derivative liabilities	Financial liabilities at fair value through profit or loss

The measurement bases applied to the financial assets and financial liabilities in the prior financial year were changed to conform to the measurement standards of FRS 139 in the current quarter. At initial recognition, all financial assets and financial liabilities are measured at their fair value. However, the financial instrument not at fair value through profit or loss should be measured at their fair value plus transaction costs directly attributable to the acquisition or issuance of the instruments.

Subsequent to their initial recognition, the financial assets and financial liabilities are measured as follows:

Category	Measurement basis
Financial instruments at fair value through profit or loss	At fair value through profit or loss
Loans and receivables	At amortised cost effective interest method
Available for sale investments	At fair value through other comprehensive income, unless fair value cannot be reliably measured, in which case, they are measured at cost.
Loans and other financial liabilities	At amortised cost effective interest method

All financial assets other than those classified as at fair value through profit or loss are subject to impairment test of FRS 139.

In accordance with FRS 139, the recognition, derecognition and measurement requirements are applied prospectively from 1 June 2010 by the Group. The effects of the re-measurement on 1 June 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening retained profits and other opening reserves as disclosed in the statement of changes in equity:

	As at
	1 June 2010
	RM'000
Retained profits	77,021
Effects of adopting FRS139	
- Impairment of trade receivables, net tax	(141)
As restated	<u>76,880</u>

Other than above, the significant accounting policies adopted by the Group in this Report are consistent with those used in the Audited Financial Statements of the Group for the financial year ended 31 May 2010.

A2. Audit Report of the Preceding Audited Financial Statements

The audit report for the Group's Audited Financial Statements for the financial year ended 31 May 2010 was not qualified.

A3. Seasonal or Cyclical Factors

The interim business operations of the Group were not materially affected by any seasonal or cyclical factors.

A4. Unusual Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows

The Group's assets, liabilities, equity, net income or cash flows were not affected by items that are material and unusual because of their nature, size or incidence in the current period.

A5. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current period.

A6. Changes in Debts and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayments of debt and equity securities for the current quarter and financial year.

As at 28 February 2011, a total of 2,711,027 Treasury Shares at a total cost of RM2.07 million were held by the Company.

A7. Dividend Paid

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

A8. Segmental Results

28 February 2011	Investment holdings RM'000	Agricultural and Industrial Chemicals RM'000		Oil and Gas Services RM'000		Logistics RM'000	Information Technology RM'000	Media RM'000	Polymer RM'000	Building Products RM'000	Elimination RM'000	Total RM'000
		RM'000	RM'000	RM'000	RM'000							
Revenue												
External revenue	41	813,875	-	39,704	11,109	45,562	-	-	99,209	-	-	1,009,500
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	41	813,875	-	39,704	11,109	45,562	-	-	99,209	-	-	1,009,500
Segment results	(8,763)	22,562	-	4,244	(655)	(14,381)	10	10,809	-	140	-	13,966
Unallocated corporate expenses												(9,359)
Operating profits												4,607
Finance costs												(8,736)
Share of results of associates												(71)
Loss before taxation												(4,200)
Tax expense												(6,216)
Net loss of continuing operations												(10,416)
28 February 2010												
Revenue												
External revenue	176	920,041	-	39,318	17,177	29,824	-	-	92,010	-	-	1,098,546
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	176	920,041	-	39,318	17,177	29,824	-	-	92,010	-	-	1,098,546
Segment results	(8,093)	49,484	1,795	5,203	360	(15,729)	(226)	10,919	-	-	-	43,713
Unallocated corporate expenses												(8,678)
Operating profits												35,035
Finance costs												(7,522)
Share of results of associates												-
Profit before taxation												27,513
Tax expense												(10,440)
Net profit of continuing operations												17,073

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 2010.

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

A10. Events Subsequent to the Reporting Period

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 financial statements for the current financial year except as disclosed in Note B9.

A11. Effects of Changes in Composition of the Group

There were no material changes in the composition of the Group for the current quarter and financial year-to-date including business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinuing operations except as disclosed in Note B9.

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

The Group's contingent liabilities stood at RM14 million as at 28 February 2011.

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

B1. Review of Group's Performance

For the nine months ended 28 February 2011, the Group posted lower revenue of RM1.01 billion compared with RM1.10 billion a year ago. In the same period, the Group posted loss before taxation from continuing operations of RM4.2 million against profit before taxation ("PBT") of RM27.5 million in the same period last year.

The Group results reflect primarily lower sales contribution from the Agricultural & Industrial Chemical Division. Sales for the division declined to RM813.9 million from RM920.0 million a year ago due to weaker demand and lower prices for the industrial chemical products. The industry is facing an oversupply situation and stiff competition in the region.

On a quarterly basis, revenue for the current financial quarter ended 28 February 2011 was RM367.1 million compared with RM362.1 million in the same quarter last year. PBT in the quarter amounted to RM6.6 million against PBT of RM5.7 million in the same quarter last year. The improvement in the current quarter results was achieved with higher sales posted by the media division.

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 RM367.1 million from RM351.6 in the immediate preceding quarter. Consequently, PBT rose to RM2.6 million against RM0.7 million in the immediate preceding quarter. Better performance was partially attributed to the improved contribution from the media division in the current quarter.

B3. Prospects

Based on the improved performance for the current quarter, the Directors expect, barring any unforeseen circumstances, the performance in the remaining quarter in the current financial year to be better.

B4. Variance from Profit Forecasts and Profit Guarantees

Not applicable as the Company did not provide any profit forecast and profit guarantee in respect of the current financial quarter.

B5. Taxation

	Individual quarter ended		Financial year ended	
	28-02-2011	28-02-2010	28-02-2011	28-02-2010
	RM'000	RM'000	RM'000	RM'000
Current tax expense based on profit for the financial period:				
Malaysian income tax	1,877	2,119	9,641	10,685
Foreign income tax	338	1,650	995	4,451
	<u>2,215</u>	<u>3,769</u>	<u>10,636</u>	<u>15,136</u>
Under/(over) provision in prior years:				
Malaysian income tax	-	(175)	(62)	(175)
	<u>2,215</u>	<u>3,594</u>	<u>10,574</u>	<u>14,961</u>
Deferred taxation:				
Transfer to/(from) deferred taxation	-	(378)	(4,336)	(4,521)
Under/(over) provision in prior years	-	-	(22)	-
	<u>2,215</u>	<u>3,216</u>	<u>6,216</u>	<u>10,440</u>

The taxation charge for the period is due to losses in certain subsidiaries that are not available for set-off against taxable profits in other companies within the Group.

B6. Sale of Unquoted Investments and/or Properties

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

B7. Quoted Investments

During the financial quarter, the Group incurred RM0.11 million loss from the disposal of certain marketable securities. There were no purchases of marketable securities for the current quarter.

The details of the Group's investments in quoted securities as at 28 February 2011 were as follows:

	28-02-2011	31-05-2010
	RM'000	RM'000
At costs	1,201	3,857
At book value	1,264	4,647
At market value	<u>844</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

During the financial quarter, Ancom Logistics Berhad (“ALB”), a subsidiary of the Company had completed the following corporate proposals:

- (a) Proposed Restructuring Scheme on 10 January 2011 whilst the Proposed Special Issue to Bumiputra Investors was completed on 27 February 2011; and
- (b) Disposal of Ancom Electrical (Malaysia) Sdn Bhd and Ancom Systems (Singapore) Pte Ltd together with its wholly-owned subsidiaries, Ancom Electrical & Environmental (Singapore) Pte Ltd, Ancom Electrical (Hong Kong) Limited and Ancom Electrical (Guangzhou) Limited on 31 January 2011.

Other than 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. Derivatives Financial Instruments

The Group has entered into forward foreign exchange contracts to manage the exposure to foreign exchange risk when the Company and its subsidiaries enter into transactions that are not denominated in their functional currencies.

Forward foreign exchange contracts are recognised on the contract dates and are measured at fair value with changes in fair value recognised in profit or loss.

The outstanding forward foreign exchange contracts as at 28 February 2011, are as follows:

Type of Derivatives	Currency	Contract/ Notional Value RM'000	Fair Value RM'000
Forward foreign exchange contract - Less than 1 year	United States Dollar	3,568	3,556

There have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objectives and policies since the previous financial year end.

B12. Changes in Pending Material Litigation

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

B13. Dividends

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

B13. Group's Borrowings

	28-02-2011	31-05-2010 (As restated)
	RM'000	RM'000
SHORT TERM BORROWINGS		
Secured:		
Ringgit Malaysia	41,458	48,903
Singapore Dollar	1,955	359
United States Dollar	35,359	36,807
Vietnamese Dong	2,648	1,458
	81,420	87,527
Unsecured:		
Ringgit Malaysia	139,546	113,634
United States Dollar	2,492	-
Singapore Dollar	56	863
Hong Kong Dollar	-	3,087
Indonesian Ruppiah	13,233	11,444
	155,327	129,028
Total short term borrowings	236,747	216,555
LONG TERM BORROWINGS		
Secured:		
Ringgit Malaysia	14,056	21,243
Singapore Dollar	-	-
Vietnamese Dong	1,171	2,094
	15,227	23,337
Unsecured:		
Ringgit Malaysia	8,840	1,394
Singapore Dollar	342	333
Indonesian Ruppiah	61	54
	9,243	1,781
Total long term borrowings	24,470	25,118
TOTAL BORROWINGS	261,217	241,673

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

B14. Earnings Per Share

Basic earnings per share

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

	Individual quarter ended		Accumulated quarters ended	
	28-02-2011	28-02-2010	28-02-2011	28-02-2010
Number of ordinary shares ('000)	218,956	218,956	218,956	218,956
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)				
- Continuing	796	(1,418)	(15,084)	1,058
- Discontinued operations	(1,583)	373	(979)	700
	(787)	(1,045)	(16,063)	1,758
Basic earnings/(loss) per ordinary share (sen)				
- Continuing	0.36	(0.65)	(6.89)	0.48
- Discontinued operations	(0.72)	0.17	(0.45)	0.32
	(0.36)	(0.48)	(7.34)	0.80

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 Wai Foong
Lim Lee Kuan
Choo Se Eng
Secretaries

Petaling Jaya
27 April 2011