

ANCOM BERHAD (Company No: 8440-M)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL QUARTER ENDED 30 NOVEMBER 2011**

	Individual quarter ended		Accumulated quarters ended	
	30-11-2011	30-11-2010	30-11-2011	30-11-2010
	RM'000	RM'000	RM'000	RM'000
Operating revenue	439,801	312,815	826,682	667,026
Cost of sales	(392,427)	(267,828)	(728,514)	(588,262)
Gross profit	47,374	44,987	98,168	78,764
Other income	293	(535)	3,277	2,401
Distribution expenses	(18,861)	(18,409)	(35,423)	(34,578)
Administrative expenses	(19,462)	(19,211)	(40,111)	(42,000)
Other operating expenses	(2,637)	(4,974)	(9,190)	(7,437)
Finance costs	(3,084)	(2,351)	(6,028)	(5,548)
Share of results of associates	-	(71)	-	(71)
Profit/(loss) before taxation	3,623	(564)	10,693	(8,469)
Tax expense	(3,335)	(2,888)	(7,689)	(4,683)
Net profit/(loss)	288	(3,452)	3,004	(13,152)
Net profit/(loss) attributable to				
Equity holders of the Company	(2,591)	(6,181)	(3,554)	(15,276)
Minority interests	2,879	2,729	6,558	2,124
	288	(3,452)	3,004	(13,152)
Earnings/(loss) per ordinary share attributable to equity holders of the Company	Sen	Sen	Sen	Sen
Basic loss per ordinary share	(1.20)	(2.86)	(1.64)	(7.06)
Diluted earnings per ordinary share	N/A	N/A	N/A	N/A

TOTAL COMPREHENSIVE INCOME				
Net profit/(loss)	288	(3,452)	3,004	(13,152)
Foreign currency translation	4,011	1,544	3,518	(785)
Total comprehensive income	4,299	(1,908)	6,522	(13,937)
Total comprehensive income attributable to				
Equity holders of the Company	125	(5,172)	(1,331)	(16,061)
Minority interests	4,174	3,264	7,853	2,124
	4,299	(1,908)	6,522	(13,937)

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2011.

ANCOM BERHAD (Company No: 8440-M)
(Incorporated in Malaysia)
UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2011

	Unaudited 30-11-2011 RM'000	Audited 31-05-2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	234,298	227,156
Investment properties	351	353
Investment in associates	4,324	4,324
Other investments	6,519	6,150
Intangible assets	25,379	24,218
Goodwill on consolidation	79,471	74,380
Deferred tax assets	31,279	30,430
	381,621	367,011
Current assets		
Inventories	138,343	150,524
Receivables	345,582	319,329
Amount owing by associates	5,949	7,847
Current tax assets	3,761	6,387
Other investments	406	2,368
Cash and cash equivalents	64,998	90,267
	559,039	576,722
TOTAL ASSETS	940,660	943,733
<u>EQUITY AND LIABILITES</u>		
Equity attributable to equity holders of the Company		
Share capital	218,956	218,956
Reserves	87,630	88,970
Less : Treasury Shares, at cost	(2,073)	(2,073)
	304,513	305,853
Minority interests	127,564	121,854
TOTAL EQUITY	432,077	427,707
LIABILITIES		
Non-current liabilities		
Borrowings	37,944	22,157
Deferred tax liabilities	15,156	14,855
Government grant	1,600	1,600
Provision for retirement benefits	3,388	3,476
	58,088	42,088
Current liabilities		
Payables	236,634	239,407
Amounts owing to associates	12	18
Borrowings	213,113	232,511
Current tax payables	736	2,002
	450,495	473,938
Total Liabilites	508,583	516,026
TOTAL EQUITY AND LIABILITES	940,660	943,733
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.41	1.41

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2011.

ANCOM BERHAD (Company No: 8440-M)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 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
30 November 2011												
At 1 June 2011	218,956	4,332	155	25,707	48	(9,838)	(2,073)	4,987	63,579	305,853	121,854	427,707
Total comprehensive income	-	-	-	-	-	2,223	-	-	(3,554)	(1,331)	7,853	6,522
Transactions with owners												
Dividends paid to minority interests of subsidiary	-	-	-	-	-	-	-	-	-	-	(2,152)	(2,152)
Balance at 30 November 2011	218,956	4,332	155	25,707	48	(7,615)	(2,073)	4,987	60,025	304,522	127,555	432,077
30 November 2010												
Balance at 1 June 2010	218,956	4,332	155	24,039	48	(8,015)	(2,073)	4,987	76,879	319,308	116,454	435,762
Total comprehensive income	-	-	-	-	-	(785)	-	-	(15,276)	(16,061)	2,124	(13,937)
Transactions with owners												
Dividends paid to minority interests of subsidiary	-	-	-	-	-	-	-	-	-	-	(1,291)	(1,291)
Balance at 30 November 2010	218,956	4,332	155	24,039	48	(8,800)	(2,073)	4,987	61,603	303,247	117,287	420,534

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2011.

ANCOM BERHAD (Company No: 8440-M)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2011

	Accumulated quarters ended	
	30-11-2011	30-11-2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,693	(8,469)
Adjustments for non-cash items	19,936	12,946
Operating profit before working capital changes	30,629	4,477
Net changes in working capital	(16,704)	39,882
Net cash generated from operating activities	13,925	44,359
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash generated from/(used in) investing activities	(20,844)	(14,389)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash used in financing activities	(315)	(20,335)
Net increase / (decrease) in cash and cash equivalents	(7,234)	9,635
Cash and cash equivalents at the beginning of the financial year	67,781	87,536
Effect of exchange rate changes	(1,414)	(456)
	66,367	87,080
Cash and cash equivalents at the end of the financial year	59,133	96,715

Cash and cash equivalents include the following:

	RM'000	RM'000
Cash and bank balances	47,663	83,537
Bank overdrafts	(1,982)	(6,688)
Short term deposits	17,335	28,852
	63,016	105,701
Less : Short term deposits pledged to banks	(3,883)	(8,986)
	59,133	96,715

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2011



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

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2011

A1. Basis of preparation

The Interim Financial Report of the Ancom Berhad ("Ancom" or "the Company") and its subsidiaries ("Group") is unaudited and has been prepared in accordance with the Financial Reporting Standard ("FRS") 134: Interim Financial Reporting and Rule 9.22(2) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the Main Board ("Listing Requirements").

The Interim Financial Report of the Group should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 31 May 2011. These explanatory notes attached to the Interim Financial Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2011.

The significant accounting policies and methods of computation adopted by the Group in this Report are consistent with those adopted in the most recent Audited Financial Statements for the year ended 31 May 2011 except for the adoption of the following new and revised FRSS, IC Interpretations and Amendments to FRSS which are applicable and relevant to the Group's operations:

	Effective for annual periods beginning on or after
FRS 1 <i>First-time Adoption of Financial Reporting Standards</i>	1 July 2010
FRS 3 <i>Business Combinations (revised)</i>	1 July 2010
Amendments to FRS 2 <i>Share-based Payment</i>	1 July 2010
Amendments to FRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 July 2010
Amendments to FRS 127 <i>Consolidated and Separate Financial Statements</i>	1 July 2010
Amendments to FRS 138 <i>Intangible Assets</i>	1 July 2010
Amendments to IC Interpretation 9 <i>Reassessment of Embedded Derivatives</i>	1 July 2010
IC Interpretation 12 <i>Service Concession Arrangements</i>	1 July 2010
IC Interpretation 16 <i>Hedges of a Net Investment in a Foreign Operation</i>	1 July 2010
IC Interpretation 17 <i>Distributions of Non-cash Assets to Owners</i>	1 July 2010
Amendments to FRS 1: <i>Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters</i>	1 January 2011
Amendments to FRS 1: <i>Additional Exemptions for First-time</i>	1 January 2011

	Effective for annual periods beginning on or after
<i>Adopters</i>	
Amendments to FRS 2: <i>Share based Payment - Group Cash settled Share based Payment Transactions</i>	1 January 2011
Amendments to FRS 7: <i>Improving Disclosures about Financial Instruments</i>	1 January 2011
Improvements to FRS issued in 2010	1 January 2011
IC Interpretation 4 <i>Determining Whether An Arrangement contains a Lease</i>	1 January 2011
IC Interpretation 18 <i>Transfers of Assets from Customers</i>	1 January 2011
TR 3 Guidance on disclosure of Translations to IFRS	1 January 2011

Except for the changes in accounting policies arising from the adoption of the revised FRS 3 and the amendments to FRS 127, as well as the new disclosures required under the Amendments to FRS 7, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 3 and the amendments to FRS 127 are summarised below.

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 Statement of Cash Flows, FRS 112 Income Taxes, FRS 121 The Effects of Changes in Foreign Exchange Rates, FRS 128 Investments in Associates and FRS 131 Interests in Joint Ventures. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests.

Other than the above, the significant accounting policies adopted by the Group in this Report are consistent with those used in the Audited Financial Statements of the Group for the financial year ended 31 May 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 2011 was not qualified.

A3. Seasonal or Cyclical Factors

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

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

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

A5. Material Changes in Estimates

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

A6. Changes in Debts and Equity Securities

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

As at 30 November 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.

ANCOM BERHAD (Company No. 8440-M)
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Explanatory notes to the Interim Financial Report for the quarter ended 30 November 2011

A8. Segmental Results

30 November 2011	Investment holdings and others		Agricultural and Industrial Chemicals		Logistics	Information Technology	Media	Polymer	Engineering	Building Products	Elimination	Total
	RM'000	RM'000	RM'000	RM'000								
Revenue												
External revenue	1,442	695,909	25,928	1,799	29,981	71,623	-	-	-	-	-	826,682
Inter-segment revenue	6,756	1,813	3,687	202	1,307	-	-	-	-	-	(13,765)	-
Total revenue	8,198	697,722	29,615	2,001	31,288	71,623	-	-	-	-	-	826,682
Segment results	(12,813)	23,693	4,914	(843)	(5,996)	7,682	-	-	-	-	84	16,721
Operating profits												16,721
Finance costs												(6,028)
Share of results of associates												-
Loss before taxation												10,693
Tax expense												(7,689)
Net profit for the period												3,004
30 November 2010												
Revenue												
External revenue	25	522,115	24,910	3,564	23,699	65,831	-	26,882	-	-	-	667,026
Inter-segment revenue	-	936	4,414	29	827	63	-	-	-	-	(6,269)	-
Total revenue	25	523,051	29,324	3,593	24,526	65,894	-	26,882	-	-	-	667,026
Segment results	(10,635)	7,900	5,049	(508)	(14,279)	9,295	-	318	-	-	-	(2,850)
Operating profits												(2,850)
Finance costs												(5,548)
Share of results of associates												(71)
Profit before taxation												(8,469)
Tax expense												(4,683)
Net loss for the period												(13,152)

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 2011.

The carrying value of the Group's land and building are stated at valuation less accumulated depreciation and impairment losses. The carrying amounts of other plant and equipment are stated at cost less accumulated depreciation and impairment losses.

A10. Events Subsequent to the Reporting Period

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

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.

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

The Group's contingent liabilities stood at RM15.5 million as at 30 November 2011.

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

B1. Review of Group's Performance

For the financial quarter ended 30 November 2011, the Group posted higher revenue of RM439.8 million compared with RM312.8 million a year ago. Profit before taxation ("PBT") improved to RM3.7 million against loss before taxation of RM0.6 million in the same corresponding quarter last year.

For the six months ended 30 November 2011, the Group posted higher revenue of RM826.7 million compared with RM667.0 million a year ago. Profit before taxation ("PBT") improved to RM10.7 million against loss before taxation of RM8.5 million in the same corresponding period last year.

Overall, the Group posted higher revenue across all major business segments. The Agricultural and Industrial Chemical Division remained the largest business segment. The division posted strong revenue growth during the financial quarter on a more favourable operating environment compared with previous financial year. In addition, lower operating costs in the Media Division also contributed to the favourable Group's results.

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 improved to RM439.8 million from RM387.9 million in the immediate preceding quarter. However, PBT decreased to RM3.7 million from RM7.1 million in the immediate preceding quarter. Despite higher revenue, the Group posted a lower PBT for the quarter under review compared to the immediate preceding quarter. The continuing global economic uncertainty has given rise to price competitions in the chemical industry. The price competition and the influx of cheaper imports have put pressure on the profit margin of the Group.

B3. Prospects

Based on the improved performance of the Group compared to the previous financial year, the Directors expect, barring any unforeseen circumstances, the performance of the Group shall remain satisfactory for the remaining of the financial year.

B4. Variance from Profit Forecasts and Profit Guarantees

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

B5. Taxation

	Individual quarter ended		Financial year ended	
	30-11-2011 RM'000	30-11-2010 RM'000	30-11-2011 RM'000	30-11-2010 RM'000
Current tax expense based on profit for the financial period:				
Malaysian income tax	3,818	4,704	7,963	7,764
Foreign income tax	633	500	1,245	1,339
	4,451	5,204	9,208	9,103
Under/(over) provision in prior years:				
Malaysian income tax	-	20	(3)	(62)
	4,451	5,224	9,205	9,041
Deferred taxation:				
Transfer to/(from) deferred taxation	(1,116)	(2,314)	(1,516)	(4,336)
Under/(over) provision in prior years	-	(22)	-	(22)
	3,335	2,888	7,689	4,683

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

There were no purchases of marketable securities for the current quarter.

The details of the Group's investments in quoted securities as at 30 November 2011 were as follows:

	31-05-2011 RM'000	31-05-2011 RM'000
At costs	1,200	1,200
At book value	891	970
At market value	891	970

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

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 30 November 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	3,435	3,598

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 was 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

	30-11-2011	31-05-2011
	RM'000	RM'000
SHORT TERM BORROWINGS		
Secured:		
Ringgit Malaysia	23,347	48,903
Singapore Dollar	1,982	359
Indonesian Ruppiah	2,094	-
United States Dollar	41,733	49,802
Vietnamese Dong	1,425	1,458
	70,581	100,522
Unsecured:		
Ringgit Malaysia	137,287	113,634
United States Dollar	3,701	-
Singapore Dollar	218	863
Hong Kong Dollar	1,286	3,087
Indonesian Ruppiah	41	11,444
	142,533	129,028
Total short term borrowings	213,114	229,550
LONG TERM BORROWINGS		
Secured:		
Ringgit Malaysia	10,713	21,243
Singapore Dollar	1,356	-
Indonesian Ruppiah	3,316	-
Vietnamese Dong	1,010	2,094
	16,395	23,337
Unsecured:		
Ringgit Malaysia	21,516	1,394
Singapore Dollar	-	333
Indonesian Ruppiah	32	54
	21,548	1,781
Total long term borrowings	37,943	25,118
TOTAL BORROWINGS	251,057	254,668

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 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	
	30-11-2011	30-11-2010	30-11-2011	30-11-2010
Number of ordinary shares ('000)	218,956	218,956	218,956	218,956
Less: Treasury shares ('000)	(2,711)	(2,711)	(2,711)	(2,711)
	216,245	216,245	216,245	216,245
Net loss attributable to ordinary equity holders of the Company (RM'000)	(2,591)	(6,181)	(3,554)	(15,276)
Basic loss per ordinary share (sen)	(1.20)	(2.86)	(1.64)	(7.06)

Fully diluted earnings per share

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

B15 Disclosure of realised and unrealised profits

Bursa Securities has, on 25 March 2010 and 20 December 2010, issued directives requiring all listed issuers to disclose the breakdown of unappropriated profits or accumulated losses as at the end of the reporting period, on a group basis, into realised and unrealised profits or losses, as the case may be, in the notes to its quarterly reports.

The breakdown of retained profits of the Group as at 30 November 2011, pursuant to the format prescribed by Bursa securities, is as follows:

	RM'000
Total retained profits of the Group	
- Realised	24,300
- Unrealised	13,072
	<u>37,372</u>
Less: Consolidation adjustments	<u>22,653</u>
As per consolidated financial statements	<u>60,025</u>

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

Petaling Jaya
20 January 2012