

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR FINANCIAL QUARTER ENDED 30 NOVEMBER 2012**

|   | Individual quarter ended |            | Year-to-date ended |            |
|---|--------------------------|------------|--------------------|------------|
|   | 30-11-2012               | 30-11-2011 | 30-11-2012         | 30-11-2011 |
|   | RM'000                   | RM'000     | RM'000             | RM'000     |
| Operating revenue   | <b>514,805</b>           | 439,801    | <b>1,030,519</b>   | 826,682    |
| Cost of sales   | <b>(462,752)</b>         | (392,427)  | <b>(932,556)</b>   | (728,514)  |
| Gross profit  | <b>52,053</b>            | 47,374     | <b>97,963</b>      | 98,168     |
| Other income  | <b>1,109</b>             | 293        | <b>2,308</b>       | 3,277      |
| Distribution expenses   | <b>(19,930)</b>          | (18,861)   | <b>(37,504)</b>    | (35,423)   |
| Administrative expenses   | <b>(22,743)</b>          | (19,462)   | <b>(45,150)</b>    | (40,111)   |
| Other operating expenses  | <b>(11,225)</b>          | (2,637)    | <b>(14,710)</b>    | (9,190)    |
| Finance costs   | <b>(2,989)</b>           | (3,084)    | <b>(6,135)</b>     | (6,028)    |
| Share of results of associates  | -                        | -          | -                  | -          |
| (Loss)/profit before taxation   | <b>(3,725)</b>           | 3,623      | <b>(3,228)</b>     | 10,693     |
| Tax expense   | <b>(3,716)</b>           | (3,335)    | <b>(6,169)</b>     | (7,689)    |
| Net (loss)/profit   | <b>(7,441)</b>           | 288        | <b>(9,397)</b>     | 3,004      |
| <b>Net (loss)/profit attributable to</b>  |                          |            |                    |            |
| Equity holders of the Company   | <b>(8,690)</b>           | (2,591)    | <b>(12,670)</b>    | (3,554)    |
| Minority interests  | <b>1,249</b>             | 2,879      | <b>3,273</b>       | 6,558      |
|   | <b>(7,441)</b>           | 288        | <b>(9,397)</b>     | 3,004      |
| <b>(Loss)/earnings per ordinary share attributable to equity holders of the Company</b> | <b>Sen</b>               | Sen        | <b>Sen</b>         | Sen        |
| Basic loss per ordinary share   | <b>(4.02)</b>            | (1.20)     | <b>(5.86)</b>      | (1.64)     |
| Diluted earnings per ordinary share   | <b>N/A</b>               | N/A        | <b>N/A</b>         | N/A        |
| <b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>  |                          |            |                    |            |
| Net (loss)/profit   | <b>(7,441)</b>           | 288        | <b>(9,397)</b>     | 3,004      |
| Foreign currency translation  | <b>(3,464)</b>           | 4,011      | <b>(5,474)</b>     | 3,518      |
| Total comprehensive income  | <b>(10,905)</b>          | 4,299      | <b>(14,871)</b>    | 6,522      |
| <b>Total comprehensive income/(loss) attributable to</b>                                |                          |            |                    |            |
| Equity holders of the Company   | <b>(10,406)</b>          | 125        | <b>(15,381)</b>    | (1,331)    |
| Minority interests  | <b>(499)</b>             | 4,174      | <b>510</b>         | 7,853      |
|   | <b>(10,905)</b>          | 4,299      | <b>(14,871)</b>    | 6,522      |

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2012.

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 30 NOVEMBER 2012**

|   | Unaudited<br>30-11-2012<br>RM'000 | Audited<br>31-05-2012<br>RM'000 |
|---|-----------------------------------|---------------------------------|
| <b>ASSETS</b>   |                                   |                                 |
| <b>Non-current assets</b>   |                                   |                                 |
| Property, plant and equipment   | 226,963                           | 233,222                         |
| Investment properties   | 149                               | 151                             |
| Investment in associates  | 2,127                             | 2,515                           |
| Other investments   | 2,370                             | 4,027                           |
| Intangible assets   | 19,327                            | 21,893                          |
| Goodwill on consolidation   | 73,498                            | 75,992                          |
| Deferred tax assets   | 31,906                            | 32,259                          |
|   | <b>356,340</b>                    | <b>370,059</b>                  |
| <b>Current assets</b>   |                                   |                                 |
| Inventories   | 128,301                           | 188,935                         |
| Receivables   | 362,966                           | 351,826                         |
| Amount owing by associates  | 6,138                             | 8,250                           |
| Current tax assets  | 3,119                             | 5,134                           |
| Other investments   | 563                               | 2,156                           |
| Cash and cash equivalents   | 88,361                            | 85,812                          |
|   | <b>589,448</b>                    | <b>642,113</b>                  |
| <b>TOTAL ASSETS</b>   | <b>945,788</b>                    | <b>1,012,172</b>                |
| <b><u>EQUITY AND LIABILITIES</u></b>  |                                   |                                 |
| <b>Equity attributable to equity holders of the Company</b>                             |                                   |                                 |
| Share capital   | 218,956                           | 218,956                         |
| Reserves  | 66,613                            | 81,994                          |
| Less : Treasury Shares, at cost   | (2,048)                           | (2,281)                         |
|   | <b>283,521</b>                    | <b>298,669</b>                  |
| Minority interests  | 131,299                           | 122,691                         |
| <b>TOTAL EQUITY</b>   | <b>414,820</b>                    | <b>421,360</b>                  |
| <b>LIABILITIES</b>  |                                   |                                 |
| <b>Non-current liabilities</b>  |                                   |                                 |
| Borrowings  | 50,686                            | 20,202                          |
| Deferred tax liabilities  | 13,663                            | 13,803                          |
| Government grant  | 600                               | 600                             |
| Provision for retirement benefits   | 2,718                             | 2,846                           |
|   | <b>67,667</b>                     | <b>37,451</b>                   |
| <b>Current liabilities</b>  |                                   |                                 |
| Payables  | 255,517                           | 311,296                         |
| Amounts owing to associates   | 12                                | 13                              |
| Borrowings  | 206,793                           | 239,986                         |
| Derivatives liabilities   | 31                                | 469                             |
| Current tax payables  | 948                               | 1,597                           |
|   | <b>463,301</b>                    | <b>553,361</b>                  |
| <b>Total Liabilities</b>  | <b>530,968</b>                    | <b>590,812</b>                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b>945,788</b>                    | <b>1,012,172</b>                |
| <b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b> | <b>1.31</b>                       | <b>1.38</b>                     |

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2012.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2012**

|  | Attributable to equity holders of the Company |                         |                          |                               |                           |                                    |                           |                                      |                            |                 | Minority interests<br>RM'000 | Total equity<br>RM'000 |  |
|--|---|-------------------------|--------------------------|-------------------------------|---------------------------|------------------------------------|---------------------------|--------------------------------------|----------------------------|-----------------|------------------------------|------------------------|--|
|  | Share capital<br>RM'000                       | Share Premium<br>RM'000 | Merger reserve<br>RM'000 | Revaluation reserve<br>RM'000 | Capital reserve<br>RM'000 | Foreign exchange reserve<br>RM'000 | Treasury shares<br>RM'000 | Capital redemption reserve<br>RM'000 | Retained Profits<br>RM'000 | Total<br>RM'000 |                              |                        |  |
| <b>30 November 2012</b>  |   |                         |                          |                               |                           |                                    |                           |                                      |                            |                 |                              |                        |  |
| <b>At 1 June 2012</b>  | 218,956                                       | 4,332                   | 155                      | 25,352                        | 48                        | (7,445)                            | (2,281)                   | 4,987                                | 54,565                     | 298,669         | 122,691                      | 421,360                |  |
| Total comprehensive income   | -   | -                       | -                        | (2,711)                       | -                         | (2,711)                            | -                         | -                                    | (12,670)                   | (15,381)        | 510                          | (14,871)               |  |
| <b>Transactions with owners</b>  |   |                         |                          |                               |                           |                                    |                           |                                      |                            |                 |                              |                        |  |
| Net sale/(purchase) of treasury shares   | -   | -                       | -                        | -                             | -                         | -                                  | 233                       | -                                    | -                          | 233             | (323)                        | (90)                   |  |
| Dilution of equity interest in a subsidiary                                    | -   | -                       | -                        | -                             | -                         | -                                  | -                         | -                                    | -                          | -               | 12,526                       | 12,526                 |  |
| Acquisition of remaining shares of a subsidiary from non-controlling interests | -   | -                       | -                        | -                             | -                         | -                                  | -                         | -                                    | -                          | -               | (1,872)                      | (1,872)                |  |
| Dividends paid to minority interests of subsidiary                             | -   | -                       | -                        | -                             | -                         | -                                  | -                         | -                                    | -                          | -               | (2,233)                      | (2,233)                |  |
| <b>Balance at 30 November 2012</b>   | <b>218,956</b>                                | <b>4,332</b>            | <b>155</b>               | <b>25,352</b>                 | <b>48</b>                 | <b>(10,156)</b>                    | <b>(2,048)</b>            | <b>4,987</b>                         | <b>41,895</b>              | <b>283,521</b>  | <b>131,299</b>               | <b>414,820</b>         |  |
| <b>30 November 2011</b>  |   |                         |                          |                               |                           |                                    |                           |                                      |                            |                 |                              |                        |  |
| <b>Balance at 1 June 2011</b>  | 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                  |  |
| <b>Transactions with owners</b>  |   |                         |                          |                               |                           |                                    |                           |                                      |                            |                 |                              |                        |  |
| Dividends paid to minority interests of subsidiary                             | -   | -                       | -                        | -                             | -                         | -                                  | -                         | -                                    | -                          | -               | (2,152)                      | (2,152)                |  |
| <b>Balance at 30 November 2011</b>   | <b>218,956</b>                                | <b>4,332</b>            | <b>155</b>               | <b>25,707</b>                 | <b>48</b>                 | <b>(7,615)</b>                     | <b>(2,073)</b>            | <b>4,987</b>                         | <b>60,025</b>              | <b>304,522</b>  | <b>127,555</b>               | <b>432,077</b>         |  |

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2012.

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2012**

|   | Year-to-date ended |                 |
|---|--------------------|-----------------|
|   | 30-11-2012         | 30-11-2011      |
|   | RM'000             | RM'000          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                             |                    |                 |
| (Loss)/profit before taxation   | (3,228)            | 10,693          |
| Adjustments for non-cash items  | 31,837             | 18,697          |
| Operating profit before working capital changes                         | <u>28,609</u>      | <u>29,390</u>   |
| Inventories   | 60,635             | 12,180          |
| Receivables   | (8,137)            | (19,229)        |
| Payables  | (59,312)           | (2,777)         |
| Group companies   | 2,110              | 1,530           |
| Net cash generated from operations                                      | <u>23,905</u>      | <u>21,094</u>   |
| Dividend received   | -                  | -               |
| Income tax paid   | (4,580)            | (6,878)         |
| Retirement benefit paid   | (36)               | (291)           |
| Net cash generated from operating activities                            | <u>19,289</u>      | <u>13,925</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                             |                    |                 |
| Dividend received   | -                  | -               |
| Purchase of property, plant and equipment                               | (5,346)            | (18,411)        |
| Interest received   | 619                | 195             |
| Purchase of intangible assets   | (940)              | (5,137)         |
| Proceeds from sale of marketable securities                             | 44                 | -               |
| Proceeds from sale of other investments                                 | 747                | 1,591           |
| Withdrawal/(placement) of short term deposits pledged to licensed banks | (27)               | 918             |
| Net cash generated from/(used in) investing activities                  | <u>(4,903)</u>     | <u>(20,844)</u> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                             |                    |                 |
| Dividends paid to minority interest of subsidiaries                     | (2,233)            | (2,170)         |
| Interest paid   | (6,136)            | (6,027)         |
| Repayments of hire-purchase and lease creditors                         | (1,830)            | (529)           |
| Drawdown/(repayments) of borrowings                                     | (879)              | 8,411           |
| Net proceeds from re-sale/(re-purchase) of Company's own shares         | 233                | -               |
| Net cash used in financing activities                                   | <u>(10,845)</u>    | <u>(315)</u>    |
| <b>Net increase / (decrease) in cash and cash equivalents</b>           | <u>3,541</u>       | <u>(7,234)</u>  |
| <b>Cash and cash equivalents at the beginning of the financial year</b> | <u>66,083</u>      | <u>67,781</u>   |
| <b>Effect of exchange rate changes</b>                                  | <u>(1,489)</u>     | <u>(1,414)</u>  |
| <b>Cash and cash equivalents at the end of the financial year</b>       | <u>68,135</u>      | <u>59,133</u>   |
| Cash and cash equivalents include the following:                        |                    |                 |
|   | RM'000             | RM'000          |
| Cash and bank balances  | 63,317             | 47,663          |
| Bank overdrafts   | (16,290)           | (1,982)         |
| Short term deposits   | 25,044             | 17,335          |
|   | <u>72,071</u>      | <u>63,016</u>   |
| Less : Short term deposits pledged to banks                             | (3,936)            | (3,883)         |
|   | <u>68,135</u>      | <u>59,133</u>   |

The Condensed Financial Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2012.



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

**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2012**

**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 Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and Rule 9.22(2) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the Main Board ("Listing Requirements"). For the financial periods up and including the financial year ended 31 May 2012, the Group prepared its financial report in accordance with Financial Reporting Standards ("FRSs").

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 2012. 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 2012.

The Group has adopted MFRSs with effect from the current interim financial period.

New MFRSs applicable and relevant to the Group's operations:

| <b>Title</b>  | <b>Effective Date</b> |
|---|-----------------------|
| MFRS 1 <i>First-time Adoption of Malaysian Financial Reporting Standards</i>    | 1 January 2012        |
| MFRS 2 <i>Share-based Payment</i>   | 1 January 2012        |
| MFRS 3 <i>Business Combinations</i>   | 1 January 2012        |
| MFRS 4 <i>Insurance Contracts</i>   | 1 January 2012        |
| MFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>      | 1 January 2012        |
| MFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>               | 1 January 2012        |
| MFRS 7 <i>Financial Instruments: Disclosures</i>                                | 1 January 2012        |
| MFRS 8 <i>Operating Segments</i>  | 1 January 2012        |
| MFRS 101 <i>Presentation of Financial Statements</i>                            | 1 January 2012        |
| MFRS 102 <i>Inventories</i>   | 1 January 2012        |
| MFRS 107 <i>Statement of Cash Flows</i>   | 1 January 2012        |
| MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> | 1 January 2012        |
| MFRS 110 <i>Events After the Reporting Period</i>                               | 1 January 2012        |
| MFRS 111 <i>Construction Contracts</i>  | 1 January 2012        |
| MFRS 112 <i>Income Taxes</i>  | 1 January 2012        |
| MFRS 116 <i>Property, Plant and Equipment</i>                                   | 1 January 2012        |
| MFRS 117 <i>Leases</i>  | 1 January 2012        |
| MFRS 118 <i>Revenue</i>   | 1 January 2012        |

| <b>Title</b>   | <b>Effective Date</b> |
|--|-----------------------|
| MFRS 119 <i>Employee Benefits</i>  | 1 January 2012        |
| MFRS 120 <i>Accounting for Government Grants and Disclosure of Government Assistance</i>   | 1 January 2012        |
| MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i>   | 1 January 2012        |
| MFRS 123 <i>Borrowing Costs</i>  | 1 January 2012        |
| MFRS 124 <i>Related Party Disclosures</i>  | 1 January 2012        |
| MFRS 126 <i>Accounting and Reporting by Retirement Benefit Plans</i>   | 1 January 2012        |
| MFRS 127 <i>Consolidated and Separate Financial Statements</i>   | 1 January 2012        |
| MFRS 128 <i>Investments in Associates</i>  | 1 January 2012        |
| MFRS 129 <i>Financial Reporting in Hyperinflationary Economies</i>   | 1 January 2012        |
| MFRS 131 <i>Interests in Joint Ventures</i>  | 1 January 2012        |
| MFRS 132 <i>Financial Instruments: Presentation</i>  | 1 January 2012        |
| MFRS 133 <i>Earnings Per Share</i>   | 1 January 2012        |
| MFRS 134 <i>Interim Financial Reporting</i>  | 1 January 2012        |
| MFRS 136 <i>Impairment of Assets</i>   | 1 January 2012        |
| MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>   | 1 January 2012        |
| MFRS 138 <i>Intangible Assets</i>  | 1 January 2012        |
| MFRS 139 <i>Financial Instruments: Recognition and Measurement</i>   | 1 January 2012        |
| MFRS 140 <i>Investment Property</i>  | 1 January 2012        |
| MFRS 141 <i>Agriculture</i>  | 1 January 2012        |
| Improvements to MFRSs (2008)   | 1 January 2012        |
| Improvements to MFRSs (2009)   | 1 January 2012        |
| Improvements to MFRSs (2010)   | 1 January 2012        |
| IC Interpretation 1 <i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i>                              | 1 January 2012        |
| IC Interpretation 2 <i>Members' Shares in Co-operative Entities and Similar Instruments</i>                                      | 1 January 2012        |
| IC Interpretation 4 <i>Determining Whether an Arrangement Contains a Lease</i>   | 1 January 2012        |
| IC Interpretation 5 <i>Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds</i>  | 1 January 2012        |
| IC Interpretation 6 <i>Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment</i> | 1 January 2012        |
| IC Interpretation 7 <i>Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyper inflationary Economies</i>  | 1 January 2012        |
| IC Interpretation 9 <i>Reassessment of Embedded Derivatives</i>  | 1 January 2012        |
| IC Interpretation 10 <i>Interim Financial Reporting and Impairment</i>   | 1 January 2012        |
| IC Interpretation 12 <i>Service Concession Arrangements</i>  | 1 January 2012        |
| IC Interpretation 13 <i>Customer Loyalty Programmes</i>  | 1 January 2012        |
| IC Interpretation 14 <i>MFRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>  | 1 January 2012        |
| IC Interpretation 15 <i>Agreements for the Construction of Real Estate</i>   | 1 January 2012        |
| IC Interpretation 16 <i>Hedges of a Net Investment in a Foreign Operation</i>  | 1 January 2012        |
| IC Interpretation 17 <i>Distributions of Non-cash Assets to Owners</i>   | 1 January 2012        |
| IC Interpretation 18 <i>Transfers of Assets from Customers</i>   | 1 January 2012        |
| IC Interpretation 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i>  | 1 January 2012        |
| IC Interpretation 107 <i>Introduction of the Euro</i>  | 1 January 2012        |
| IC Interpretation 110 <i>Government Assistance - No Specific Relation to Operating Activities</i>                                | 1 January 2012        |
| IC Interpretation 112 <i>Consolidation - Special Purpose Entities</i>  | 1 January 2012        |
| IC Interpretation 113 <i>Jointly Controlled Entities - Non-Monetary Contributions by Venturers</i>                               | 1 January 2012        |

| <b>Title</b>  | <b>Effective Date</b> |
|---|-----------------------|
| IC Interpretation 115 <i>Operating Leases - Incentives</i>  | 1 January 2012        |
| IC Interpretation 125 <i>Income Taxes - Changes in the Tax Status of an Entity or its Shareholders</i>    | 1 January 2012        |
| IC Interpretation 127 <i>Evaluating the Substance of Transactions Involving the Legal Form of a Lease</i> | 1 January 2012        |
| IC Interpretation 129 <i>Service Concession Arrangements: Disclosures</i>                                 | 1 January 2012        |
| IC Interpretation 131 <i>Revenue - Barter Transactions Involving Advertising Services</i>                 | 1 January 2012        |
| IC Interpretation 132 <i>Intangible Assets - Web Site Costs</i>   | 1 January 2012        |

The Directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

New MFRS that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 July 2012 are as follows:

| <b>Title</b>   | <b>Effective Date</b> |
|--|-----------------------|
| MFRS 9 <i>Financial Instruments</i>  | 1 January 2015        |
| MFRS 10 <i>Consolidated Financial Statements</i>   | 1 January 2013        |
| MFRS 11 <i>Joint Arrangements</i>  | 1 January 2013        |
| MFRS 12 <i>Disclosure of Interests in Other Entities</i>   | 1 January 2013        |
| MFRS 13 <i>Fair Value Measurement</i>  | 1 January 2013        |
| MFRS 127 <i>Separate Financial Statements</i>  | 1 January 2013        |
| MFRS 128 <i>Investments in Associates and Joint Ventures</i>   | 1 January 2013        |
| Amendments to MFRS 101 <i>Presentation of Items of Other Comprehensive Income</i>  | 1 July 2012           |
| MFRS 119 <i>Employee Benefits (revised)</i>  | 1 January 2013        |
| Amendments to MFRS 1 <i>Government Loans</i>   | 1 January 2013        |
| Amendments to MFRS 7 <i>Disclosures - Offsetting Financial Assets and Financial Liabilities</i>  | 1 January 2013        |
| Amendments to MFRS 132 <i>Offsetting Financial Assets and Financial Liabilities</i>  | 1 January 2014        |
| <i>Mandatory Effective Date of MFRS 9 and Transition Disclosures</i>   | 1 January 2015        |
| Amendments to MFRSs <i>Annual Improvements 2009 - 2011 Cycle</i>   | 1 January 2013        |
| Amendments to MFRS 10, MFRS 11 and MFRS 12 <i>Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance</i> | 1 January 2013        |
| MFRS 3 <i>Business Combinations</i> (as issued by the International Accounting Standards Board ('IASB') in March 2004)   | 1 January 2013        |
| MFRS 127 <i>Consolidated and Separate Financial Statements</i> (as issued by the IASB in December 2003)  | 1 January 2013        |
| IC Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>  | 1 January 2013        |

The Group is in the process of assessing the impact of implementing the MFRS framework since the effects would only be observable for the financial year ending 31 May 2014.

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 2012.

**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 2012 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 period except for the transactions described below.

At the previous Annual General Meeting held on 23 November 2011, the shareholders of the Company approved the proposed renewal of shareholders' mandate for the Company to repurchase up to 10% of its own ordinary shares. For the current quarter and financial period, the details of Company's own shares purchased by the Company and held as Treasury Shares and the Treasury Shares resold pursuant to Section 67A of the Companies Act, 1965 are detailed as follows:

| <b>Date</b>           | <b>Number of shares purchased/ (resold)</b> | <b>Highest price RM</b> | <b>Lowest price RM</b> | <b>Average price RM</b> | <b>Total consideration paid/ (received) RM</b> |
|-----------------------|---|-------------------------|------------------------|-------------------------|--|
| <b>Purchase</b>       |   |                         |                        |                         |  |
| Jun-12                | 233,500                                     | 0.390                   | 0.355                  | 0.371                   | 86,538   |
| Jul-12                | 74,900                                      | 0.390                   | 0.350                  | 0.379                   | 28,396   |
| Aug-12                | 176,200                                     | 0.390                   | 0.370                  | 0.382                   | 67,393   |
| Sep-12                | 628,000                                     | 0.390                   | 0.380                  | 0.386                   | 243,268  |
| Oct-12                | -   | -                       | -                      | -                       | -  |
| Nov-12                | 10,000                                      | 0.385                   | 0.435                  | 0.419                   | 4,186  |
| Total for the quarter | <u>1,122,600</u>                            |                         |                        |                         | <u>429,781</u>                                 |
| <b>Resold</b>         |   |                         |                        |                         |  |
| Oct-12                | <u>(1,735,000)</u>                          | 0.455                   | 0.435                  | 0.442                   | <u>(767,338)</u>                               |

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

As at 30 November 2012, the Company holds 2,669,627 Treasury Shares at a cost of RM2,047,949.



**A7. Dividend Paid**

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

**A8. Profit/(loss) before Taxation**

|   | <b>Individual quarter ended<br/>30-11-2012<br/>RM'000</b> | <b>Year-to-date ended<br/>30-11-2012<br/>RM'000</b> |
|---|---|---|
| Consolidated statement of comprehensive income include the following: |   |   |
| Finance costs   | <b>2,989</b>  | <b>6,135</b>  |
| Depreciation and amortisation   | <b>7,078</b>  | <b>16,012</b>                                       |
| Provision for and write-off of receivables                            | <b>(173)</b>  | <b>(540)</b>  |
| Provision for and write-off of inventories                            | <b>247</b>  | <b>631</b>  |
| Loss/(gain) on disposal of quoted or unquoted investments             | <b>8,895</b>  | <b>8,895</b>  |
| Loss/(gain) on disposal of properties                                 | -   | -   |
| Dividend income   | <b>(10)</b>   | <b>(10)</b>   |
| Foreign exchange loss/(gain)  | <b>805</b>  | <b>2,115</b>  |
| Interest income   | <b>(307)</b>  | <b>(619)</b>  |
| Impairment of goodwill  | -   | <b>1,398</b>  |
| Fair value loss/(gain) on derivatives                                 | <b>(33)</b>   | <b>(2)</b>  |
| Fair value loss/(gain) on investments                                 | <b>32</b>   | <b>44</b>   |

**A9. Segmental Results**

Segmental information for the financial quarter ended 30 November 2012

| 30 November 2012                 | Investment and Industrial holdings and others |         |        |        |         |        | Agricultural and Industrial Chemicals |           |        | Logistics and Information Technology |        |        | Media and Polymer |        | Elimination |        | 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            | RM'000 | RM'000      | RM'000 | RM'000 | RM'000 |
| <b>Revenue</b>                   |   |         |        |        |         |        |                                       |           |        |                                      |        |        |                   |        |             |        |        |        |
| External revenue                 | 1,443   | 901,171 | 27,043 | 4,705  | 35,235  | 60,922 | -                                     | 1,030,519 |        |                                      |        |        |                   |        |             |        |        |        |
| Inter-segment revenue            | 538   | 89      | 3,183  | 187    | -       | 69     | (4,066)                               | -         |        |                                      |        |        |                   |        |             |        |        |        |
| Total revenue                    | 1,981   | 901,260 | 30,226 | 4,892  | 35,235  | 60,991 |                                       | 1,030,519 |        |                                      |        |        |                   |        |             |        |        |        |
| Segment results                  | (22,942)                                      | 26,725  | 3,287  | (523)  | (9,978) | 6,554  | (216)                                 | 2,907     |        |                                      |        |        |                   |        |             |        |        |        |
| Operating profits                |   |         |        |        |         |        |                                       | 2,907     |        |                                      |        |        |                   |        |             |        |        |        |
| Finance costs                    |   |         |        |        |         |        |                                       | (6,135)   |        |                                      |        |        |                   |        |             |        |        |        |
| Share of results of associates   |   |         |        |        |         |        |                                       | -         |        |                                      |        |        |                   |        |             |        |        |        |
| Loss before taxation             |   |         |        |        |         |        |                                       | (3,228)   |        |                                      |        |        |                   |        |             |        |        |        |
| Tax expense                      |   |         |        |        |         |        |                                       | (6,169)   |        |                                      |        |        |                   |        |             |        |        |        |
| <b>Net loss for the period</b>   |   |         |        |        |         |        |                                       | (9,397)   |        |                                      |        |        |                   |        |             |        |        |        |
| <b>30 November 2011</b>          |   |         |        |        |         |        |                                       |           |        |                                      |        |        |                   |        |             |        |        |        |
| <b>Revenue</b>                   |   |         |        |        |         |        |                                       |           |        |                                      |        |        |                   |        |             |        |        |        |
| 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   |   |         |        |        |         |        |                                       | -         |        |                                      |        |        |                   |        |             |        |        |        |
| Profit before taxation           |   |         |        |        |         |        |                                       | 10,693    |        |                                      |        |        |                   |        |             |        |        |        |
| Tax expense                      |   |         |        |        |         |        |                                       | (7,689)   |        |                                      |        |        |                   |        |             |        |        |        |
| <b>Net profit for the period</b> |   |         |        |        |         |        |                                       | 3,004     |        |                                      |        |        |                   |        |             |        |        |        |

**A10. 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 2012.

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.

**A11. 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 Interim Financial Statements.

**A12. Effects of Changes in Composition of the Group**

During the financial quarter ended 30 November 2012:

- (a) The Company's interest in Nylex (Malaysia) Berhad ("Nylex") was diluted from 48.18% to 44.06% with the disposal of 8,500,000 ordinary shares of RM1.00 in Nylex in the open market for RM4,539,479. The resultant loss on dilution amounted to RM7,986,432.
- (b) The Group acquired the entire 3 ordinary shares of RM1.00 each and subscribed for additional 97 new ordinary shares of RM1.00 each in Pureplay Interactive Sdn Bhd ("PISB") (formerly known as Fancy Attractive Sdn Bhd) at par for cash.

Other than the above, there were no other material changes in the composition of the Group for the current quarter and financial year-to-date including business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinuing operations.

**A13. Changes in Contingent Liabilities or Contingent Assets Since the Last Annual Balance Sheet Date**

The Group's contingent liabilities stood at RM16.5 million as at balance sheet date.

**A14. Capital commitments**

The capital commitments as at balance sheet date are as follows:

|                                   | <b>RM'000</b> |
|-----------------------------------|---------------|
| Property, plant and equipment     |               |
| - Approved and contracted for     | 465           |
| - Approved but not contracted for | 455           |
|                                   | <u>920</u>    |

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

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

**Overall review for the current financial quarter and six months ended 30 November 2012**

For the six months ended 30 November 2012, the Group posted a revenue of RM1.03 billion compared with RM826.7 million in the corresponding period last year. Operationally, profit before taxation ("PBT") was RM5.7 million for the current financial period. However due to the RM7.99 million non-recurring losses from the partial disposal of a subsidiary and RM0.91 million loss from the disposal of other investment, the Group posted loss before taxation ("LBT") of RM3.2 million for the current financial period compared with RM10.7 million in the corresponding period last year.

For the current financial quarter ended 30 November 2012, the Group posted revenue of RM514.8 million compared with RM439.8 million in the corresponding quarter last year. Operational PBT improved to RM5.2 million compared with RM3.6 million in the corresponding quarter last year. Higher results from the agricultural chemical business were the main contributor to the better operational performance. However due to non-recurring losses of RM7.99 million from the partial disposal of a subsidiary and RM0.91 million in the disposal of other investment, the Group posted loss before taxation ("LBT") of RM3.2 million for the current financial period.

**Review of business segments for the financial quarter ended 30 November 2012**

*Agricultural and Industrial Chemicals*

The division posted a revenue of RM451.8 million for the current financial quarter compared with RM375.2 million recorded in the corresponding quarter last year. The increase is mainly due to strong revenue growth in the Industrial Chemical products in Indonesia. Further, the additional capacity install last year for the Agricultural Chemical business to cater for demands from the overseas markets has contributed to the growth in revenue. Overall, the division posted higher segmental profit of RM15.0 million in the current financial quarter compared RM12.4 million corresponding quarter last year.

*Polymer*

The Polymer division posted a revenue of RM33.3 million for the current financial quarter compared with RM36.1 million in the corresponding quarter last year. Competition from cheap imports continues to weigh down on us and this has caused a decrease in revenue for products manufactured in our Shah Alam factory, for both the local and export markets. Revenue from Surabaya plant in Indonesia remains strong and this has enabled the Division to maintain a segmental profit of RM4.3 million.

*Logistics*

In the financial quarter ended 30 November 2012, the division posted a marginal increase in revenue to RM14.7 million from RM14.5 million in the corresponding quarter last year. Higher revenue from the tank farm business, primarily due to the continuous strong demand, has helped cushioned the slower growth in the transportation and warehousing businesses. Segmental profit for the current financial quarter declined to RM1.1 million as compared with RM2.3 million in the corresponding quarter last year.

Increased competition in the transportation sector has affected the profit margins. The Group is looking at increasing its capacity utilisation of its transportation business through closer tie-ups with major customers and its related companies to improve the overall profitability.

#### Information Technology

The revenue from the division grew to RM1.4 million for the current financial quarter compared to RM0.5 million in the corresponding quarter last year. This helped to lower the segmental loss of the division marginally to RM0.2 million from RM0.3 million last year. Nevertheless, the division continues to face pressure on its profit margins due to competitive biddings in the local IT industry.

#### Media

The revenue of the Media division fell to RM14.7 million compared to RM15.9 million in the corresponding quarter last year. The lower revenue is mainly due to delays in the in-charge of contracts. Nevertheless, segmental loss decreased marginally to RM4.7 million from RM4.8 million in the corresponding quarter last year despite lower revenue due to lower cost of productions.

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

For the current financial quarter ended 30 November 2012, the Group posted revenue of RM514.8 million compared with RM515.7 million in the immediate preceding quarter. Operational PBT was RM5.2 million in the current quarter compared with RM0.5 million in the immediate preceding quarter. The improved operational results are primarily attributed to the better performance of the agricultural chemicals business. However, due to non-recurring losses of RM7.99 million from the partial disposal of a subsidiary and RM0.91 million in the disposal of other investment, the Group LBT for the current financial quarter was RM3.7 million.

### **B3. Prospects**

In light of the uncertainties currently faced by the industrial chemical sector, the Board will continue to exercise caution in managing the business of the Group. The Board is exploring ways to consolidate the Group's business for better synergistic benefits.

The Directors expect, barring any unforeseen circumstances, the performance of the Group shall remain satisfactory for the remaining quarters 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 |            | Year-to-date ended |            |
|---|--------------------------|------------|--------------------|------------|
|   | 30-11-2012               | 30-11-2011 | 30-11-2012         | 30-11-2011 |
|   | RM'000                   | RM'000     | RM'000             | RM'000     |
| Current tax expense based on profit for the financial period: |                          |            |                    |            |
| Malaysian income tax  | 1,943                    | 3,818      | 5,008              | 7,963      |
| Foreign income tax  | 985                      | 633        | 1,688              | 1,245      |
|   | <b>2,928</b>             | 4,451      | <b>6,696</b>       | 9,208      |
| Under/(over) provision in prior years:                        |                          |            |                    |            |
| Malaysian income tax  | -                        | -          | (493)              | (3)        |
| Foreign income tax  | -                        | -          | -                  | -          |
|   | <b>2,928</b>             | 4,451      | <b>6,203</b>       | 9,205      |
| Deferred taxation:  |                          |            |                    |            |
| Transfer to/(from) deferred taxation                          | 788                      | (1,116)    | (34)               | (1,516)    |
| Under/(over) provision in prior years                         | -                        | -          | -                  | -          |
|   | <b>3,716</b>             | 3,335      | <b>6,169</b>       | 7,689      |

The effective rate of taxation for the Group is higher than the statutory tax rate mainly due to losses in certain subsidiaries that are not available for set-off against taxable profits in other companies within the Group.

**B6. Utilisation of proceeds**

Not applicable as the Company has not raised any proceeds from any of its corporate exercises.

**B7. Status of Corporate Proposals**

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

**B8. Group's Borrowings**

|                                    | <b>30-11-2012</b> | 31-05-2012 |
|------------------------------------|-------------------|------------|
|                                    | <b>RM'000</b>     | RM'000     |
| <b>SHORT TERM BORROWINGS</b>       |                   |            |
| Secured:                           |                   |            |
| Ringgit Malaysia                   | <b>25,224</b>     | 23,596     |
| Singapore Dollar                   | <b>234</b>        | 2,276      |
| Indonesian Ruppiah                 | <b>1,901</b>      | 2,027      |
| United States Dollar               | <b>34,249</b>     | 52,864     |
| Vietnamese Dong                    | <b>5,412</b>      | 2,554      |
|                                    | <b>67,020</b>     | 83,317     |
| Unsecured:                         |                   |            |
| Ringgit Malaysia                   | <b>137,919</b>    | 156,175    |
| United States Dollar               | -                 | -          |
| Singapore Dollar                   | <b>1,830</b>      | 458        |
| Hong Kong Dollar                   | -                 | -          |
| Indonesian Ruppiah                 | <b>24</b>         | 32         |
|                                    | <b>139,773</b>    | 156,665    |
| <b>Total short term borrowings</b> | <b>206,793</b>    | 239,982    |
| <b>LONG TERM BORROWINGS</b>        |                   |            |
| Secured:                           |                   |            |
| Ringgit Malaysia                   | <b>9,694</b>      | 10,147     |
| Singapore Dollar                   | <b>917</b>        | 911        |
| Indonesian Ruppiah                 | <b>1,109</b>      | 2,196      |
| Vietnamese Dong                    | <b>191</b>        | 200        |
|                                    | <b>11,911</b>     | 13,454     |
| Unsecured:                         |                   |            |
| Ringgit Malaysia                   | <b>38,754</b>     | 6,725      |
| Singapore Dollar                   | -                 | -          |
| Indonesian Ruppiah                 | <b>21</b>         | 27         |
|                                    | <b>38,775</b>     | 6,752      |
| <b>Total long term borrowings</b>  | <b>50,686</b>     | 20,206     |
| <b>TOTAL BORROWINGS</b>            | <b>257,479</b>    | 260,188    |

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

**B9. Changes in Pending Material Litigation**

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

**B10. 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.

**B11. Earnings Per Share**Basic earnings per share

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

|   | Individual quarter ended |            | Year-to-date ended |            |
|---|--------------------------|------------|--------------------|------------|
|   | 30-11-2012               | 30-11-2011 | 30-11-2012         | 30-11-2011 |
| <b>Number of ordinary shares ('000)</b>   | <b>218,956</b>           | 218,956    | <b>218,956</b>     | 218,956    |
| <b>Less: Treasury shares ('000)</b>   | <b>(2,669)</b>           | (2,711)    | <b>(2,669)</b>     | (2,711)    |
|   | <b>216,287</b>           | 216,245    | <b>216,287</b>     | 216,245    |
| <b>Net loss attributable to ordinary equity holders of the Company (RM'000)</b> | <b>(8,690)</b>           | (2,591)    | <b>(12,670)</b>    | (3,554)    |
| <b>Basic loss per ordinary share (sen)</b>                                      | <b>(4.02)</b>            | (1.20)     | <b>(5.86)</b>      | (1.64)     |

Fully diluted earnings per share

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

**B12. 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 the balance sheet date, pursuant to the format prescribed by Bursa securities, is as follows:

|  |               |
|--|---------------|
| Total retained profits of the Group      | <b>RM'000</b> |
| - Realised                               | 39,895        |
| - Unrealised                             | 15,663        |
|  | <u>55,558</u> |
| Less: Consolidation adjustments          | (13,663)      |
| As per consolidated financial statements | <u>41,895</u> |

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

Petaling Jaya  
30 January 2013