

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL YEAR ENDED 31 MAY 2013**

	Individual quarter ended		Year-to-date ended	
	31-05-2013	31-05-2012	31-05-2013	31-05-2012
	RM'000	RM'000	RM'000	RM'000
Revenue	525,383	507,958	2,032,507	1,750,204
Cost of sales	(469,664)	(457,214)	(1,829,134)	(1,553,271)
Gross profit	55,719	50,744	203,373	196,933
Other income	718	3,819	3,904	8,767
Distribution expenses	(21,393)	(12,260)	(75,439)	(65,607)
Administrative expenses	(28,712)	(29,713)	(100,441)	(94,011)
Other operating expenses	(499)	(9,468)	(16,581)	(21,694)
Finance costs	(4,048)	(4,421)	(13,229)	(13,868)
Share of results of associates	548	(313)	(473)	(313)
Profit/(loss) before taxation	2,333	(1,612)	1,114	10,207
Tax expense	(3,927)	(1,455)	(14,553)	(9,803)
Net (loss)/profit	(1,594)	(3,067)	(13,439)	404
Net (loss)/profit attributable to				
Equity holders of the Company	(4,486)	(5,416)	(19,934)	(9,014)
Non-controlling interests	2,892	2,349	6,495	9,418
	(1,594)	(3,067)	(13,439)	404
(Loss)/earnings per ordinary share attributable to equity holders of the Company	Sen	Sen	Sen	Sen
Basic loss per ordinary share	(2.07)	(2.50)	(9.22)	(4.17)
Diluted earnings per ordinary share	N/A	N/A	N/A	N/A
TOTAL COMPREHENSIVE INCOME/(LOSS)				
Net (loss)/profit	(1,594)	(3,067)	(13,439)	404
Foreign currency translation	(926)	3,744	(4,212)	2,905
Total comprehensive income	(2,520)	677	(17,651)	3,309
Total comprehensive income/(loss) attributable to				
Equity holders of the Company	(5,092)	(3,367)	(22,025)	(6,976)
Minority interests	2,572	4,044	4,374	10,285
	(2,520)	677	(17,651)	3,309

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2012 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2013**

	Unaudited 31-05-2013 RM'000	Audited 31-05-2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	231,017	233,222
Investment properties	149	151
Investment in associates	2,042	2,515
Other investments	2,370	4,027
Intangible assets	14,961	21,893
Goodwill on consolidation	74,528	75,992
Deferred tax assets	32,735	32,259
	357,802	370,059
Current assets		
Inventories	190,790	188,935
Receivables	351,861	351,826
Amount owing by associates	2,449	8,250
Current tax assets	1,732	5,134
Other investments	599	2,156
Cash and cash equivalents	69,536	85,812
	616,967	642,113
TOTAL ASSETS	974,769	1,012,172
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to equity holders of the Company		
Share capital	218,956	218,956
Reserves	59,969	81,994
Less : Treasury Shares, at cost	(2,056)	(2,281)
	276,869	298,669
Non-controlling interests	129,412	122,691
TOTAL EQUITY	406,281	421,360
LIABILITIES		
Non-current liabilities		
Borrowings	43,357	20,202
Deferred tax liabilities	13,689	13,803
Government grant	-	600
Provision for retirement benefits	2,862	2,846
	59,908	37,451
Current liabilities		
Payables	261,581	311,296
Amounts owing to associates	524	13
Borrowings	244,022	239,986
Derivatives liabilities	31	469
Current tax payables	2,421	1,597
	508,579	553,361
Total Liabilities	568,487	590,812
TOTAL EQUITY AND LIABILITIES	974,768	1,012,172
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.28	1.38

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2012 and the accompanying notes to this Interim Financial Report.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MAY 2013**

	Attributable to equity holders of the Company									Minority interests RM'000	Total equity RM'000
	Share capital RM'000	Share Premium 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		
31 May 2013											
At 1 June 2012	218,956	4,332	25,352	203	(7,445)	(2,281)	4,987	54,565	298,669	122,691	421,360
Effects of adopting Malaysian Financial Reporting Standards ("MFRS") 1	-	-	(25,352)	-	9,838	-	-	15,514	-	-	-
As restated	218,956	4,332	-	203	2,393	(2,281)	4,987	70,079	298,669	122,691	421,360
Total comprehensive income	-	-	-	-	(2,091)	-	-	(19,934)	(22,025)	4,374	(17,651)
Transactions with owners											
Net sale/(purchase) of treasury shares	-	-	-	-	-	225	-	-	225	(396)	(171)
Net dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	-	-	8,109	8,109
Acquisition of remaining shares of a subsidiary from non-controlling interests	-	-	-	-	-	-	-	-	-	(1,872)	(1,872)
Increase in paid-up capital in a subsidiary	-	-	-	-	-	-	-	-	-	360	360
Dividends paid to minority interests of subsidiary	-	-	-	-	-	-	-	-	-	(3,854)	(3,854)
Balance at 31 May 2013	218,956	4,332	-	203	302	(2,056)	4,987	50,145	276,869	129,412	406,281
31 May 2012											
Balance at 1 June 2011	218,956	4,332	25,707	203	(9,838)	(2,073)	4,987	63,579	305,853	121,854	427,707
Effects of adopting MFRS 1	-	-	(25,352)	-	9,838	-	-	15,514	-	-	-
As restated	218,956	4,332	355	203	-	(2,073)	4,987	79,093	305,853	121,854	427,707
Total comprehensive income	-	-	(355)	-	2,393	-	-	(9,014)	(6,976)	10,285	3,309
Transactions with owners											
Winding up of subsidiary	-	-	-	-	-	-	-	-	-	(1,980)	(1,980)
Repurchase of ordinary shares of the Company	-	-	-	-	-	(208)	-	-	(208)	-	(208)
Repurchase of ordinary shares of subsidiaries from the non-controlling interests	-	-	-	-	-	-	-	-	-	(305)	(305)
Dividends paid to minority interests of subsidiary	-	-	-	-	-	-	-	-	-	(7,163)	(7,163)
Balance at 31 May 2012	218,956	4,332	-	203	2,393	(2,281)	4,987	70,079	298,669	122,691	421,360

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2012 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 31 MAY 2013**

	Year-to-date ended	
	31-05-2013	31-05-2012
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	1,113	10,207
Adjustments for non-cash items	52,239	57,524
Operating profit before working capital changes	53,352	67,731
Inventories	(1,855)	(41,395)
Receivables	176	(41,310)
Payables	(52,753)	72,153
Group companies	6,311	(408)
Net cash generated from operations	5,231	56,771
Dividend received	10	6
Income tax paid	(10,909)	(12,294)
Retirement benefit paid	(36)	(593)
Net cash generated from operating activities	(5,704)	43,890
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(22,239)	(24,587)
Interest received	1,343	821
Proceeds from sale of property, plant and equipment	753	746
Proceeds from partial sale of a subsidiary	2,937	-
Distribution of surplus assets to non-controlling interests on winding-up	-	(1,980)
Purchase of additional shares in existing subsidiaries	(1,872)	-
Purchase of intangible assets	-	(6,750)
Purchase of other investments	8	(1,811)
Proceeds from sale of marketable securities	-	-
Proceeds from sale of other investments	1,656	3,946
Withdrawal/(placement) of short term deposits pledged to licensed banks	(54)	5,101
Others	-	1
Net cash generated from/(used in) investing activities	(17,468)	(24,513)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to minority interest of subsidiaries	(3,854)	(7,163)
Interest paid	(13,230)	(13,868)
Repayments of hire-purchase and lease creditors	2,079	(3,266)
Drawdown/(repayments) of borrowings	24,513	3,080
Purchase of treasury shares of a subsidiary from non-controlling interests	(397)	(305)
Net proceed from sale /(purchase) of Company's own shares	225	-
Net cash used in financing activities	9,336	(21,522)
Net increase / (decrease) in cash and cash equivalents	(13,836)	(2,145)
Cash and cash equivalents at the beginning of the financial year	66,083	67,782
Effect of exchange rate changes	774	446
Cash and cash equivalents at the end of the financial year	53,021	66,083
Cash and cash equivalents include the following:		
	RM'000	RM'000
Cash and bank balances	54,275	69,996
Bank overdrafts	(12,395)	(15,820)
Short term deposits	15,261	15,816
	57,141	69,992
Less : Short term deposits pledged to banks	(3,963)	(3,909)
	53,178	66,083

The Unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2012 and the accompanying notes to this Interim Financial Report.



ANCOM BERHAD

(Company No. 8440-M)
Incorporated in Malaysia

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 MAY 2013

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 Malaysian Financial Reporting Standards ("MFRS").

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:

Title	Effective Date
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
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

Title	Effective Date
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
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
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

Title	Effective Date
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 adoption of the above standards and interpretations did not have any material impact on the financial statements of the Group.

New MFRSs and interpretations that have been issued, but yet to be effective and adopted, for annual periods beginning on or after 1 July 2012 are as follows:

Title	Effective Date
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 financial impact of implementing the New MFRSs and interpretations above since the effects would only be observable for the financial year ending 31 May 2014.

A2. Audit report of the preceding audited financial statements

The auditors did not qualify the audited financial statements of the Group for the financial year ended 31 May 2012.

A3. Seasonality or cyclicity

The operations of the Group were not significantly affected by any seasonal and cyclical factors.

A4. Items of unusual nature and amount

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. Changes in estimates

There was no material changes in estimates of the amounts reported that have a material effect on the financial quarter ended 31 May 2013.

A6. Debt and equity securities

There was no issuance, cancellation, repurchase, resale or repayment of debt securities and equity securities during the financial quarter ended 31 May 2013 except for the transactions described below.

At the previous Annual General Meeting held on 21 November 2012, 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:

Date	Number of shares purchased/ (resold)	Highest price RM	Lowest price RM	Average price RM	Total consideration paid/ (received) RM
Purchase					
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
Dec-12	4,600	0.380	0.380	0.380	1,790
May-13	20,000	0.315	0.315	0.315	6,349
Total for the quarter	<u>1,147,200</u>				<u>437,920</u>
Resold					
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 31 May 2013, the Company holds 2,694,227 Treasury Shares at a cost of RM2,056,088.

A7. Dividends

There were no dividends declared and/or paid during the financial year ended 31 May 2013.

A8. Segmental results

Segmental information for the financial year ended 31 May 2013.

	Investment holdings and others	Agricultural and Industrial Chemicals	Logistics	Information Technology	Media	Polymer	Elimination	Total
31 May 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
External revenue	2,964	1,754,270	52,653	15,605	81,630	125,385	-	2,032,507
Inter-segment revenue	24,348	428	5,993	413	-	18	(31,200)	-
Total revenue	27,312	1,754,698	58,646	16,018	81,630	125,403		2,032,507
Segment results	(33,630)	47,386	6,420	(803)	(19,126)	14,751	(166)	14,832
Operating profits								14,832
Finance costs								(13,244)
Share of results of associates								(473)
Loss before taxation								1,115
Tax expense								(14,711)
Net loss								(13,596)
31 May 2012								
Revenue								
External revenue	2,883	1,479,092	51,643	10,720	70,517	135,349		1,750,204
Inter-segment revenue	21,570	2,265	7,542	360	-	5	(31,742)	-
Total revenue	24,453	1,481,357	59,185	11,080	70,517	135,354		1,750,204
Segment results	(28,106)	43,482	8,332	(746)	(14,388)	15,013	801	24,388
Operating profits								24,388
Finance costs								(13,868)
Share of results of associates								(313)
Profit before taxation								10,207
Tax expense								(9,803)
Net profit								404

A9. Profit/(loss) before taxation

	Individual quarter ended 31-05-2013 RM'000	Year-to-date ended 31-05-2013 RM'000
The profit before taxation is stated after charging/(crediting):		
Finance costs	4,048	13,229
Depreciation and amortisation	2,557	26,626
Provision for and write-off of receivables	3,283	2,721
Provision for and write-off of inventories	391	1,271
Loss/(gain) on disposal of quoted or unquoted investments	(2,814)	6,081
Loss/(gain) on disposal of properties	441	441
Dividend income	-	(10)
Foreign exchange loss/(gain)	(1,003)	1,018
Interest income	(411)	(1,343)
Impairment of goodwill	-	1,398
Fair value loss/(gain) on derivatives	(187)	(38)
Fair value loss/(gain) on investments	(16)	8

A10. Valuation of property, plant and equipment

The Group did not carry out any valuation on its property, plant and equipment during the financial quarter ended 31 May 2013.

A11. Subsequent events

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. Changes in composition of the Group

During the financial year, the Company's interest in Nylex (Malaysia) Berhad ("Nylex") was diluted from 48.18% to 45.51% with the following transactions:

- (a) disposal of 8,500,000 ordinary shares of RM1.00 in Nylex in the open market for RM4,539,479; and
- (b) purchase of 2,802,700 ordinary shares of RM1.00 in Nylex from the open market for RM1,602,560.

The resultant loss on net dilution in the Company's interest in Nylex amounted to RM5,171,928.

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

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:

	RM'000
Property, plant and equipment	
- Approved and contracted for	1,127
- Approved but not contracted for	97
	<u>1,224</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 year ended 31 May 2013

For the current financial quarter ended 31 May 2013, the Group posted revenue of RM525.4 million compared with RM508.0 million in the corresponding quarter last year. Profit before taxation ("PBT") improved to RM2.3 million compared with a loss before taxation ("LBT") of RM1.6 million in the corresponding quarter last year.

For the financial year ended 31 May 2013, the Group posted revenue of RM2.03 billion compared with RM1.75 billion last year. Operationally, the Group reported PBT of RM1.1 million for the current financial year compared to PBT of RM10.2 million last year. The decrease in PBT for the current financial year was primarily attributed to non-recurring losses arising from the dilution of interest in a subsidiary as announced previously.

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.

Review of business segments for the financial quarter ended 31 May 2013

Investment Holding

The investment holding incurred lower segmental loss for the quarter of RM2.2 million compared to RM2.3 million in the corresponding quarter last year. The segmental losses in the division are comprised mainly of corporate expenses incurred.

Agricultural and Industrial Chemicals

The division posted revenue of RM449.0 million for the current financial quarter compared with RM437.6 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. However, the division posted decrease in segmental profit of RM9.7 million in the current financial quarter compared RM10.3 million corresponding quarter last year. Despite better sales, profit margins of the division were eroded due to stronger competition into both the local and regional industrial chemical markets.

Polymer

The Polymer division posted revenue of RM32.6 million for the current financial quarter compared with RM34.1 million in the corresponding quarter last year. Although competition from cheaper imports still affects the profit margins, the situations have improved in the current quarter. In the current financial quarter, although the division posted higher revenue, segmental profit remained at RM3.2 million compared with the corresponding quarter last year.

Logistics

In the financial quarter ended 31 May 2013, the division posted revenue of RM14.4 million compared to RM15.5 million in the corresponding quarter last year. Although its

tank farm business reported higher revenue, the slowdown in transportation business has partially eroded its overall revenue. Segmental profit for the current financial quarter improved to RM2.3 million as compared with RM1.8 million in the corresponding quarter last year. Higher segmental profit is mainly attributed to lower maintenance and operational costs.

Information Technology

The revenue from the division fell to RM2.1 million for the current financial quarter compared to RM3.9 million in the corresponding quarter last year. The division posted segmental loss of RM0.9 million compared with a segmental profit of RM0.4 million last year. Lack of large projects and costs overrun in certain projects have affected the results in the quarter. 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 increased to RM28.0 million in the current financial quarter compared to RM18.1 million in the corresponding financial quarter last year. The revenue grew substantially due to aggressive marketing campaigns and promotions. As a result, segmental loss decreased to RM5.8 million from RM10.4 million in the corresponding quarter last year.

B2. Material change in the results for the current quarter as compared with the immediate preceding quarter

For the current financial quarter ended 31 May 2013, the Group posted revenue of RM525.4 million compared with RM476.7 million in the immediate preceding quarter. The Group posted RM2.3 million PBT for the current financial quarter compared to RM2.0 million PBT in the immediate preceding quarter. The revenue growth was primarily driven by the Agricultural and Industrial Chemicals Division.

B3. Prospects

Among the key business segments, Agricultural and Industrial Chemical Division should perform satisfactorily but there is pressure on profit margins as product suppliers and logistic providers seek higher prices. Logistics Division should maintain its performance with its existing capacities and utilisations. The Polymer Division is expected to be satisfactory despite stiff competitions from cheaper imports. After undergoing structural and operational reorganisation in the past, Media division is now in a better position for future growth.

Nevertheless, in light of the uncertainties in the world and regional economies, the Board is of the view that the business condition for the next financial year ending 31 May 2014 will continue to be challenging. The Board will continue to explore ways to consolidate the Group's business for better synergistic benefits.

B4. Forecast profit, profit guarantee and internal targets

The Group did not provide any profit forecast, profit guarantee and internal targets in any publicly available documents or announcements.

B5. Tax expense

	Individual quarter ended		Year-to-date ended	
	31-05-2013	31-05-2012	31-05-2013	31-05-2012
	RM'000	RM'000	RM'000	RM'000
Current tax expense based on profit for the financial period:				
Malaysian income tax	(1,209)	1,917	8,219	10,539
Foreign income tax	1,424	1,333	3,150	2,578
	<u>215</u>	<u>3,250</u>	<u>11,369</u>	<u>13,117</u>
Under/(over) provision in prior years:				
Malaysian income tax	1,923	31	1,430	28
Foreign income tax	-	(3)	-	(3)
	<u>2,138</u>	<u>3,278</u>	<u>12,799</u>	<u>13,142</u>
Deferred taxation:				
Transfer to/(from) deferred taxation	1,789	(338)	1,754	(1,854)
Under/(over) provision in prior years	-	(1,485)	-	(1,485)
	<u>3,927</u>	<u>1,455</u>	<u>14,553</u>	<u>9,803</u>

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

The Company does not have any unutilised proceeds raised from any corporate exercise.

B7. Status of corporate proposals

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

B8. Borrowings

	31-05-2013	31-05-2012
	RM'000	RM'000
SHORT TERM BORROWINGS		
Secured:		
Ringgit Malaysia	25,060	23,596
Singapore Dollar	598	2,276
Indonesian Ruppiah	1,884	2,027
United States Dollar	68,610	52,864
Vietnamese Dong	5,264	2,554
	101,416	83,317
Unsecured:		
Ringgit Malaysia	137,692	156,175
United States Dollar	2,262	-
Singapore Dollar	2,636	458
Hong Kong Dollar	-	-
Indonesian Ruppiah	16	32
	142,606	156,665
Total short term borrowings	244,022	239,982
LONG TERM BORROWINGS		
Secured:		
Ringgit Malaysia	8,756	10,147
Singapore Dollar	1,098	911
Indonesian Ruppiah	157	2,196
Vietnamese Dong	-	200
	10,011	13,454
Unsecured:		
Ringgit Malaysia	33,338	6,725
Singapore Dollar	-	-
Indonesian Ruppiah	8	27
	33,346	6,752
Total long term borrowings	43,357	20,206
TOTAL BORROWINGS	287,379	260,188

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

B9. 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.

B11. Earnings per shareBasic 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	
	31-05-2013	31-05-2012	31-05-2013	31-05-2012
Number of ordinary shares ('000)	218,956	218,956	218,956	218,956
Less: Treasury shares ('000)	(2,669)	(2,711)	(2,669)	(2,711)
	<u>216,287</u>	<u>216,245</u>	<u>216,287</u>	<u>216,245</u>
Net loss attributable to ordinary equity holders of the Company (RM'000)	(4,486)	(5,416)	(19,934)	(9,014)
Basic loss per ordinary share (sen)	(2.07)	(2.50)	(9.22)	(4.17)

Fully diluted earnings per share

The Company does not have convertible securities as at the balance sheet date.

B12. Disclosure of realised and unrealised profits

The breakdown of retained profits of the Group as at 31 May 2013 into realised and unrealised profits is as follows:

Total retained profits of the Group	RM'000
- Realised	49,672
- Unrealised	15,689
	<u>65,361</u>
Less: Consolidation adjustments	<u>(15,216)</u>
As per consolidated financial statements	<u>50,145</u>

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

Petaling Jaya
31 July 2013