

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR FINANCIAL QUARTER ENDED 28 FEBRUARY 2015**

| | Individual quarter ended | | Year-to-date ended | |
|---|--------------------------|-----------|--------------------|-------------|
| | 28/2/2015 | 28/2/2014 | 28/2/2015 | 28/2/2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 339,636 | 397,533 | 1,143,828 | 1,415,834 |
| Cost of sales | (299,346) | (347,738) | (1,019,763) | (1,253,262) |
| Gross profit | 40,290 | 49,795 | 124,065 | 162,572 |
| Other income | 4,292 | 20,710 | 6,211 | 26,538 |
| Distribution expenses | (15,935) | (18,893) | (47,757) | (58,251) |
| Administrative expenses | (19,649) | (28,075) | (56,440) | (76,577) |
| Other operating expenses | (2,496) | (3,175) | (3,029) | (7,695) |
| Finance costs | (3,007) | (2,035) | (8,157) | (8,946) |
| Share of results of a joint venture | (380) | - | (980) | - |
| Share of results of associates | - | - | - | - |
| Profit before taxation | 3,115 | 18,327 | 13,913 | 37,641 |
| Tax expense | (6,126) | (4,100) | (13,035) | (13,333) |
| Net (loss)/profit | (3,011) | 14,227 | 878 | 24,308 |
| Net (loss)/profit attributable to | | | | |
| Equity holders of the Company | (2,272) | 3,762 | (2,235) | 9,949 |
| Non-controlling interests | (739) | 10,465 | 3,113 | 14,359 |
| | (3,011) | 14,227 | 878 | 24,308 |
| (Loss)/Earnings per ordinary share attributable to equity holders of the Company | Sen | Sen | Sen | Sen |
| Basic and diluted earnings per ordinary share | (1.05) | 1.74 | (1.03) | 4.60 |

The Unaudited Condensed Income Statement should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2014 and the accompanying notes to this Interim Financial Report.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL QUARTER ENDED 28 FEBRUARY 2015**

| | Individual quarter ended | | Year-to-date ended | |
|--|--------------------------|-----------|--------------------|-----------|
| | 28/2/2015 | 28/2/2014 | 28/2/2015 | 28/2/2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Net (loss)/profit | (3,011) | 14,227 | 878 | 24,308 |
| Other comprehensive income | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Foreign currency translation | 6,830 | 2,007 | 11,173 | 1,930 |
| Other comprehensive income, net of tax | 6,830 | 2,007 | 11,173 | 1,930 |
| Total comprehensive income | 3,819 | 16,234 | 12,051 | 26,238 |
| Total comprehensive (loss)/income attributable to | | | | |
| Equity holders of the Company | 490 | 4,080 | 2,339 | 11,011 |
| Non-controlling interests | 3,329 | 12,154 | 9,712 | 15,227 |
| | 3,819 | 16,234 | 12,051 | 26,238 |

The Unaudited Condensed Statement of Comprehensive Income should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2014 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2015**

| | Unaudited 28/2/2015 RM'000 | Audited 31/5/2014 RM'000 |
|---|----------------------------------|--------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 207,289 | 191,487 |
| Investment properties | 139 | 139 |
| Investment in associates | 2,509 | 2,509 |
| Investment in a joint venture | - | 980 |
| Other investments | 695 | 695 |
| Intangible assets | 3,194 | 3,634 |
| Goodwill on consolidation | 78,750 | 71,618 |
| Deferred tax assets | 29,845 | 29,649 |
| Other receivable | 1,592 | 1,592 |
| | 324,013 | 302,303 |
| Current assets | | |
| Inventories | 114,418 | 125,563 |
| Receivables | 305,763 | 324,721 |
| Amounts owing by associates | 3,463 | 1,772 |
| Amount owing by a joint venture | 345 | 345 |
| Derivative assets | 17 | 17 |
| Current tax assets | 5,604 | 2,074 |
| Other investments | 2,430 | 3,635 |
| Cash and cash equivalents | 103,739 | 127,702 |
| | 535,779 | 585,829 |
| TOTAL ASSETS | 859,792 | 888,132 |
| <u>EQUITY AND LIABILITIES</u> | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 218,956 | 218,956 |
| Reserves | 61,525 | 61,931 |
| Less : Treasury Shares, at cost | (2,127) | (2,108) |
| | 278,354 | 278,779 |
| Non-controlling interests | 138,726 | 142,352 |
| TOTAL EQUITY | 417,080 | 421,131 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Borrowings | 18,542 | 6,336 |
| Deferred tax liabilities | 13,424 | 13,461 |
| Provision for retirement benefits | 3,079 | 2,882 |
| | 35,045 | 22,679 |
| Current liabilities | | |
| Payables | 188,397 | 232,177 |
| Amounts owing to associates | 620 | 523 |
| Borrowings | 217,628 | 210,986 |
| Derivatives liabilities | - | - |
| Current tax payables | 1,022 | 636 |
| | 407,667 | 444,322 |
| Total Liabilities | 442,712 | 467,001 |
| TOTAL EQUITY AND LIABILITIES | 859,792 | 888,132 |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | 1.29 | 1.29 |

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 2014 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 QUARTER ENDED 28 FEBRUARY 2015**

| | Attributable to equity holders of the Company | | | | | | | Total RM'000 | Non- controlling interests RM'000 | Total equity RM'000 |
|---|---|----------------------------|------------------------------|--|--|------------------------------|-------------------------------|-----------------|--|---------------------------|
| | Share capital RM'000 | Share Premium RM'000 | Capital reserve RM'000 | Foreign exchange reserve RM'000 | Capital redemption reserve RM'000 | Treasury shares RM'000 | Retained Profits RM'000 | | | |
| Balance as at 1 June 2013 | 218,956 | 4,332 | 203 | (53) | 4,987 | (2,056) | 44,684 | 271,053 | 131,078 | 402,131 |
| Total comprehensive income | - | - | - | 157 | - | - | 9,566 | 9,723 | 15,678 | 25,401 |
| Transactions with owners | | | | | | | | | | |
| Repurchase of ordinary shares of the Company | - | - | - | - | - | (52) | - | (52) | - | (52) |
| Repurchase of ordinary shares of a subsidiary from non-controlling interest | - | - | - | - | - | - | - | - | (134) | (134) |
| Arising from accretion of equity interest in subsidiary | - | - | - | - | - | - | (1,945) | (1,945) | (1,710) | (3,655) |
| Additional interests acquired by non-controlling interests of a subsidiary | - | - | - | - | - | - | - | - | 9,079 | 9,079 |
| Dividends paid to non-controlling interests of subsidiaries | - | - | - | - | - | - | - | - | (11,639) | (11,639) |
| Balance as at 31 May 2014 | 218,956 | 4,332 | 203 | 104 | 4,987 | (2,108) | 52,305 | 278,779 | 142,352 | 421,131 |
| Balance as at 1 June 2014 | 218,956 | 4,332 | 203 | 104 | 4,987 | (2,108) | 52,305 | 278,779 | 142,352 | 421,131 |
| Total comprehensive (loss)/income | - | - | - | 4,574 | - | - | (2,235) | 2,339 | 9,712 | 12,051 |
| Transactions with owners | | | | | | | | | | |
| Dividend paid | - | - | - | - | - | - | (2,162) | (2,162) | - | (2,162) |
| Dividends paid to non-controlling interests of subsidiaries | - | - | - | - | - | - | - | - | (3,146) | (3,146) |
| Acquisition of non-controlling interest of a subsidiary | - | - | - | - | - | - | (583) | (583) | (67) | (650) |
| Repurchase of ordinary shares of the Company | - | - | - | - | - | (19) | - | (19) | - | (19) |
| Repurchase of ordinary shares of a subsidiary from non-controlling interest | - | - | - | - | - | - | - | - | (13) | (13) |
| Capital repayment and reduction of a subsidiary | - | - | - | - | - | - | - | - | (10,020) | (10,020) |
| Winding up of a subsidiary | - | - | - | - | - | - | - | - | (92) | (92) |
| Balance at 28 February 2015 | 218,956 | 4,332 | 203 | 4,678 | 4,987 | (2,127) | 47,325 | 278,354 | 138,726 | 417,080 |

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 2014 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 28 FEBRUARY 2015**

| | Year-to-date ended | |
|---|--------------------|---------------|
| | 28/2/2015 | 28/2/2014 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 13,912 | 37,641 |
| Adjustments for non-cash items | 26,136 | (1,271) |
| Operating profit before working capital changes | 40,048 | 36,370 |
| Inventories | 11,145 | 44,088 |
| Receivables | 18,961 | 10,890 |
| Payables | (43,772) | (35,282) |
| Group companies | (1,593) | 2,325 |
| Net cash generated from operations | 24,789 | 58,391 |
| Dividend received | (5) | 14 |
| Income tax paid | (16,414) | (14,219) |
| Retirement benefit paid | - | (36) |
| Net cash generated from operating activities | 8,370 | 44,150 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Dividend received | 5 | 986 |
| Purchase of property, plant and equipment | (28,155) | (4,964) |
| Interest received | 1,423 | 985 |
| Capital reduction by a subsidiary paid to non-controlling interests | (10,021) | - |
| Proceeds from partial sale of a subsidiary | - | 46,296 |
| Additional investments by non-controlling interest in a subsidiary | - | 10,213 |
| Final cash distribution to non-controlling interest on winding up of a subsidiary | (92) | - |
| Purchase of intangible assets | 5 | - |
| Sale/(Purchase) of other investments | 1,205 | (2,221) |
| Acquisition of non-controlling interest of a subsidiary | (650) | - |
| Purchase of treasury shares of a subsidiary from non-controlling interests | (13) | (96) |
| (Placement)/Withdrawal of short term deposits pledged to licensed banks | (1,109) | 557 |
| Net cash (used in)/generated from investing activities | (37,402) | 51,756 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid to non-controlling interest of subsidiaries | (3,146) | (11,638) |
| Interest paid | (8,157) | (8,947) |
| Repayments of hire-purchase and lease creditors | 2,452 | (1,270) |
| Drawdown/(Repayments) of borrowings | 16,808 | (39,050) |
| Purchase of ordinary shares of the Company from owners | (19) | (8) |
| Net cash from/(used in) financing activities | 5,776 | (60,913) |
| Net (decrease)/increase in cash and cash equivalents | (23,256) | 34,993 |
| Cash and cash equivalents at the beginning of the financial year | 107,603 | 51,564 |
| Effect of exchange rate changes | (741) | (71) |
| Cash and cash equivalents at the end of the financial year | 83,606 | 86,486 |
| Cash and cash equivalents include the following: | | |
| | RM'000 | RM'000 |
| Cash and bank balances | 75,849 | 63,188 |
| Bank overdrafts | (12,967) | (12,524) |
| Short term deposits | 27,891 | 39,827 |
| | 90,773 | 90,491 |
| Less : Short term deposits pledged to banks | (7,061) | (4,005) |
| Short term deposits with maturity more than 3 months | (106) | - |
| | 83,606 | 86,486 |

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 2014 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 QUARTER ENDED 28 FEBRUARY 2015

A1. Basis of preparation

This Interim Financial Report of Ancom Berhad ("Ancom" or "the Company") and its subsidiaries ("Group") is unaudited and has been prepared in accordance with 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").

This 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 2014. 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 2014.

For the financial periods up and including the financial year ended 31 May 2014, the Group prepared its financial report in accordance with Malaysian Financial Reporting Standards ("MFRS"). The accounting policies and methods of computation adopted by the Group in this Interim Financial Report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 May 2014 except for the adoption of the following Amendments to MFRSs and IC Interpretation (collectively referred to as "pronouncements") which are applicable to the Group for the financial year beginning 1 June 2014:

Amendments to:

| | |
|------------|--|
| MFRS 10 | Consolidated Financial Statements: Investment Entities |
| MFRS 12 | Disclosure of Interests in Other Entities: Investment Entities |
| MFRS 127 | Separate Financial Statements (2011): Investment Entities |
| MFRS 132 | Offsetting Financial Assets and Financial Liabilities |
| MFRS 136 | Recoverable Amount Disclosures for Non-Financial Assets |
| MFRS 132 | Novation of Derivatives and Continuation of Hedge Accounting |
| IC Int. 21 | Levies |

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group.

A2. Auditors' report

The audited financial statements of Ancom and its subsidiaries for the financial year ended 31 May 2014 were not subject to any audit qualification.

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 financial year.

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 28 February 2015.

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 28 February 2015 except for the transactions described below.

At the previous Annual General Meeting held on 20 November 2014, 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 Purchase | Number of shares purchased/ (resold) | Highest price RM | Lowest price RM | Average price RM | Total consideration paid/ (received) RM |
|----------------------------------|---|-------------------------|------------------------|-------------------------|--|
| October 2014 | 8,200 | 0.540 | 0.520 | 0.530 | 4,431 |
| February 2015 | 31,600 | 0.445 | 0.435 | 0.443 | 14,071 |
| Total for the quarter | <u>39,800</u> | | | | <u>18,502</u> |
| Balance brought forward | <u>2,795,827</u> | | | | <u>2,108,205</u> |
| Balance as at balance sheet date | <u>2,835,627</u> | | | | <u>2,126,707</u> |

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

As at 28 February 2015, the Company holds 2,835,627 Treasury Shares at a cost of RM2,126,707.

A7. Dividends

During the financial quarter ended 28 February 2015, a final single tier dividend of 1.00 sen per ordinary share was paid on 23 January 2015 in respect of the financial year ended 31 May 2014.

No dividend has been declared and/or paid in respect of the current financial year.

A8. Segmental results

Segmental information for the financial period ended 28 February 2015.

| | Investment holdings and others RM'000 | Agricultural and Industrial Chemicals RM'000 | Logistics RM'000 | Information Technology RM'000 | Media RM'000 | Polymer RM'000 | Elimination RM'000 | Total RM'000 |
|-------------------------------------|--|---|---------------------|-------------------------------------|-----------------|-------------------|-----------------------|------------------|
| 28 February 2015 | | | | | | | | |
| Revenue | | | | | | | | |
| External revenue | 2,129 | 940,643 | 16,639 | 10,782 | 79,481 | 94,154 | - | 1,143,828 |
| Inter-segment revenue | 1,404 | 3,884 | 4,433 | 228 | 1,681 | (1,647) | (9,983) | - |
| Total revenue | <u>3,533</u> | <u>944,527</u> | <u>21,072</u> | <u>11,010</u> | <u>81,162</u> | <u>92,507</u> | | <u>1,143,828</u> |
| Segment results | (10,562) | 24,087 | 2,196 | 228 | (240) | 9,908 | (1,284) | <u>24,333</u> |
| Operating profits | | | | | | | | 24,333 |
| Finance costs | | | | | | | | (9,441) |
| Share of results of a joint venture | | | | | | | | (980) |
| Profit before taxation | | | | | | | | <u>13,912</u> |
| Tax expense | | | | | | | | (13,035) |
| Net profit | | | | | | | | <u>877</u> |
| 28 February 2014 | | | | | | | | |
| Revenue | | | | | | | | |
| External revenue | 1,624 | 1,202,436 | 34,041 | 8,537 | 78,807 | 90,389 | - | 1,415,834 |
| Inter-segment revenue | 8,190 | 721 | 4,719 | 191 | - | - | (13,821) | - |
| Total revenue | <u>9,814</u> | <u>1,203,157</u> | <u>38,760</u> | <u>8,728</u> | <u>78,807</u> | <u>90,389</u> | | <u>1,415,834</u> |
| Segment results | 1,112 | 40,174 | 3,430 | (1,895) | (3,637) | 7,946 | (543) | <u>46,587</u> |
| Operating profits | | | | | | | | 46,587 |
| Finance costs | | | | | | | | (8,946) |
| Profit before taxation | | | | | | | | <u>37,641</u> |
| Tax expense | | | | | | | | (13,333) |
| Net profit | | | | | | | | <u>24,308</u> |

A9. Profit before taxation

| | Individual quarter ended 28/2/2015 RM'000 | Year-to-date ended 28/2/2015 RM'000 |
|--|--|--|
| The profit before taxation is stated after charging/(crediting): | | |
| Finance costs | 3,007 | 8,157 |
| Depreciation and amortisation | 4,358 | 13,042 |
| Provision for and write-off of receivables | - | 403 |
| Provision for and write-off of inventories | - | - |
| Loss/(gain) on disposal of property, plant and equipment | (89) | (89) |
| Dividend income | (5) | (5) |
| Foreign exchange loss/(gain) | (3,163) | (3,067) |
| Interest income | (485) | (1,424) |
| Impairment of receivables | 379 | 2,269 |
| | <hr/> | <hr/> |

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 28 February 2015.

A11. Subsequent events

There were no material events subsequent to the end of the financial year up to the date of this Report that have not been reflected in the Interim Financial Statements.

A12. Changes in composition of the Group

There was 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.

A13. Changes in contingent liabilities

The Group's contingent liabilities stood at RM23.8 million as at the end of the reporting period.

A14. Capital commitments

The capital commitments as at the end of the reporting date are as follows:

| | RM'000 |
|-----------------------------------|---------------|
| Property, plant and equipment | |
| - Approved and contracted for | 9,088 |
| - Approved but not contracted for | 88 |
| | <hr/> |
| | 9,176 |
| | <hr/> |

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

B1. Review of Group's performance

Overall review for the period financial quarter ended 28 February 2015

For the nine months ended 28 February 2015, the Group posted lower revenue of RM1.1 billion compared with RM1.4 billion in the corresponding period last year. Consequently, the Group posted lower profit before taxation ("PBT") of RM13.9 million compared with RM37.6 million in the corresponding period last year.

For the financial quarter ended 28 February 2015, the Group posted lower revenue of RM339.6 million compared with RM397.5 million in the corresponding quarter last year. PBT of the Group decreased to RM3.1 million compared with RM18.3 million in the corresponding quarter last year.

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 28 February 2015

Investment Holding

The investment holding segment reported a segmental loss of RM3.4 million for the current financial quarter compared with a segment profit of RM8.7 million in corresponding quarter last year. The segmental profit in the corresponding quarter last year was mainly due to the gain from disposal of a subsidiary.

Agricultural and Industrial Chemicals

The division posted revenue of RM273.5 million for the current financial quarter compared with RM333.6 million recorded in the corresponding quarter last year. The lower revenue was mainly attributed to the lower sales in industrial chemicals businesses due to weak market sentiment. As a result, the division posted a lower segmental profit of RM7.9 million in the current financial quarter compared with RM12.4 million a year ago.

Polymer

The Polymer Division achieved higher revenue of RM30.0 million for the current financial quarter, which represents a marginal increase of 15.9% from RM25.9 million in the corresponding quarter last year due to higher contribution by its cuspaton division and also the manufacturing plant in Surabaya, Indonesia. The Division registered higher PBT of RM3.7 million compared with RM1.3 million achieved in the same period last year.

Logistics

The Logistics Division posted lower revenue of RM7.1 million compared to RM7.3 million in the corresponding quarter last year. The lower revenue was primarily due to lower demand for third party transportation services. Despite lower revenue, segmental profit improved to RM0.8 million from RM0.5 million in the corresponding quarter last year, mainly due to better performance in the tank farm business.

Information Technology ("IT")

The IT Division achieved lower revenue of RM1.8 million compared with RM6.1 million in the corresponding quarter last year while its segmental loss decreased to RM0.3 million compared with RM0.7 million in the corresponding quarter last year. The improved result was primarily due to better costs management after restructuring of its operations.

Media

The Media division posted higher revenue of RM28.8 million compared with RM25.7 million in the corresponding financial quarter last year. The division posted a segmental profit of RM0.2 million in the current financial quarter compared with segment loss of RM2.7 million a year ago. The division posted a commendable result despite a challenging operating environment in the media industry.

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

For the current financial quarter ended 28 February 2015, the Group posted revenue of RM339.6 million compared with RM389.9 million in the immediate preceding quarter. The lower revenue was mainly due to the weaker demand faced by the agricultural and industrial chemicals division. Consequently, PBT has decreased to RM3.1 million in the current financial quarter from RM5.8 million in the immediate preceding quarter.

B3. Prospects for the financial year

Among the key business segments, Agricultural and Industrial Chemical Division and Polymer Division are expecting challenging business environments with continued pressure on profit margins as product suppliers and logistic providers seek higher prices. Competition in the agricultural chemical business is expected to intensify due to aggressive pricing. The continued weakness in the domestic economy has affected the advertising industry in general. The Media Division will face pressure on its sales growth under the prevailing economic conditions.

There remains uncertainties in the global economic conditions, which may have an impact to the Group's businesses, the Board will continue to exercise caution in managing the Group's businesses in the coming financial year. The Board will continue to explore ways to improve revenue growth while strengthening its operational and productivity efficiencies.

The Board is of the view that, barring unforeseen circumstances, the financial performance and prospects of the Group will be satisfactory in the rest of this financial year.

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 | |
|---|--------------------------|--------------|--------------------|---------------|
| | 28/2/2015 | 28/2/2014 | 28/2/2015 | 28/2/2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax expense based on profit for the financial period: | | | | |
| Malaysian income tax | 4,878 | 4,099 | 11,197 | 12,647 |
| Foreign income tax | 583 | - | 1,821 | 1,315 |
| | <u>5,461</u> | <u>4,099</u> | <u>13,018</u> | <u>13,962</u> |
| Under/(over) provision in prior years: | | | | |
| Malaysian income tax | (19) | - | (111) | - |
| Foreign income tax | - | - | - | - |
| | <u>5,442</u> | <u>4,099</u> | <u>12,907</u> | <u>13,962</u> |
| Deferred taxation: | | | | |
| Transfer to/(from) deferred taxation | 684 | 1 | 128 | (629) |
| Under/(over) provision in prior years | - | - | - | - |
| | <u>6,126</u> | <u>4,100</u> | <u>13,035</u> | <u>13,333</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

| | 28/2/2015 | 31/5/2014 |
|------------------------------------|------------------|----------------|
| | RM'000 | RM'000 |
| SHORT TERM BORROWINGS | | |
| Secured: | | |
| Ringgit Malaysia | 11,981 | 38,214 |
| Indonesian Ruppiah | 1,359 | 210 |
| United States Dollar | 24,907 | 23,517 |
| Vietnamese Dong | 1,670 | 1,495 |
| | 39,917 | 63,436 |
| Unsecured: | | |
| Ringgit Malaysia | 177,711 | 144,659 |
| United States Dollar | - | 2,891 |
| | 177,711 | 147,550 |
| Total short term borrowings | 217,628 | 210,986 |
| LONG TERM BORROWINGS | | |
| Secured: | | |
| Ringgit Malaysia | 6,798 | 6,336 |
| Indonesian Ruppiah | 11,744 | - |
| Total long term borrowings | 18,542 | 6,336 |
| TOTAL BORROWINGS | 236,170 | 217,322 |

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. Dividend

During the financial quarter ended 28 February 2015, a final single tier dividend of 1.00 sen per ordinary share was paid on 23 January 2015 in respect of the financial year ended 31 May 2014.

No dividend has been declared and/or paid in respect of 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 | |
|--|--------------------------|-----------|--------------------|-----------|
| | 28/2/2015 | 28/2/2014 | 28/2/2015 | 28/2/2014 |
| Number of ordinary shares ('000) | 218,956 | 218,956 | 218,956 | 218,956 |
| Less: Treasury shares ('000) | (2,127) | (2,715) | (2,127) | (2,715) |
| | 216,829 | 216,241 | 216,829 | 216,241 |
| Net (loss)/profit attributable to ordinary equity holders of the Company (RM'000) | (2,272) | 3,762 | (2,235) | 9,949 |
| Basic earnings per ordinary share (sen) | (1.05) | 1.74 | (1.03) | 4.60 |

Diluted earnings per share

Diluted earnings per share is the same as basic earnings per share as there is no dilutive potential ordinary share.

The Company does not have convertible securities at the end of the reporting periods.

B12. Disclosure of realised and unrealised profits

The breakdown of retained profits of the Group as at 28 February 2015 into realised and unrealised profits is as follows:

| | |
|--|----------------------|
| Total retained profits of the Group | RM'000 |
| - Realised | 64,509 |
| - Unrealised | <u>(13,424)</u> |
| | 51,085 |
| Less: Consolidation adjustments | <u>3,760</u> |
| As per consolidated financial statements | <u><u>47,325</u></u> |

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

Petaling Jaya
30 April 2015