

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL QUARTER ENDED 28 FEBRUARY 2014**

| | Individual quarter ended | | Year-to-date ended | |
|---|--------------------------|----------------------|----------------------|----------------------|
| | 28-02-2014 RM'000 | 28-02-2013 RM'000 | 28-02-2014 RM'000 | 28-02-2013 RM'000 |
| Revenue | 397,533 | 476,605 | 1,415,834 | 1,507,124 |
| Cost of sales | (347,738) | (426,914) | (1,253,262) | (1,359,470) |
| Gross profit | 49,795 | 49,691 | 162,572 | 147,654 |
| Other income | 20,710 | 878 | 26,538 | 3,186 |
| Distribution expenses | (18,893) | (16,542) | (58,251) | (54,046) |
| Administrative expenses | (28,075) | (26,579) | (76,577) | (71,729) |
| Other operating expenses | (3,175) | (1,372) | (7,695) | (16,082) |
| Finance costs | (2,035) | (3,046) | (8,946) | (9,181) |
| Share of results of associates | - | (1,021) | - | (1,021) |
| Profit/(loss) before taxation | 18,327 | 2,009 | 37,641 | (1,219) |
| Tax expense | (4,100) | (4,457) | (13,333) | (10,626) |
| Net profit/(loss) | 14,227 | (2,448) | 24,308 | (11,845) |
| Net profit/(loss) attributable to | | | | |
| Equity holders of the Company | 3,762 | (2,778) | 9,949 | (15,448) |
| Non-controlling interests | 10,465 | 330 | 14,359 | 3,603 |
| | 14,227 | (2,448) | 24,308 | (11,845) |
| Earnings/(loss) per ordinary share attributable to equity holders of the Company | Sen | Sen | Sen | Sen |
| Basic earnings/(loss) per ordinary share | 1.74 | (1.28) | 4.60 | (7.14) |
| Diluted earnings per ordinary share | N/A | N/A | N/A | N/A |
| OTHER COMPREHENSIVE INCOME/(LOSS) | | | | |
| Net profit/(loss) | 14,227 | (2,448) | 24,308 | (11,845) |
| Foreign currency translation | 2,007 | 2,188 | 1,930 | (3,286) |
| Total comprehensive income | 16,234 | (260) | 26,238 | (15,131) |
| Total comprehensive income/(loss) attributable to | | | | |
| Equity holders of the Company | 4,080 | (1,552) | 11,011 | (16,933) |
| Non-controlling interests | 12,154 | 1,292 | 15,227 | 1,802 |
| | 16,234 | (260) | 26,238 | (15,131) |

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 2013 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2014**

| | Unaudited 28-02-2014 RM'000 | Audited 31-05-2013 RM'000 |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 192,039 | 228,418 |
| Investment properties | 145 | 145 |
| Investment in associates | 2,540 | 3,509 |
| Other investments | 735 | 735 |
| Intangible assets | 12,076 | 15,243 |
| Goodwill on consolidation | 78,203 | 74,529 |
| Deferred tax assets | 32,993 | 32,735 |
| Other receivable | 1,966 | 1,966 |
| | 320,697 | 357,280 |
| Current assets | | |
| Inventories | 146,668 | 190,756 |
| Receivables | 330,945 | 348,414 |
| Amount owing by associates | 1,541 | 3,731 |
| Derivative assets | 12 | 39 |
| Current tax assets | 3,112 | 855 |
| Other investments | 3,083 | 863 |
| Cash and cash equivalents | 103,015 | 69,224 |
| | 588,376 | 613,882 |
| TOTAL ASSETS | 909,073 | 971,162 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 218,956 | 218,956 |
| Reserves | 61,510 | 54,153 |
| Less : Treasury Shares, at cost | (2,064) | (2,056) |
| | 278,402 | 271,053 |
| Non-controlling interests | 144,781 | 131,078 |
| TOTAL EQUITY | 423,183 | 402,131 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Borrowings | 31,820 | 13,273 |
| Deferred tax liabilities | 13,632 | 14,768 |
| Provision for retirement benefits | 2,792 | 2,862 |
| | 48,244 | 30,903 |
| Current liabilities | | |
| Payables | 224,671 | 263,304 |
| Amounts owing to associates | 523 | 508 |
| Borrowings | 208,543 | 271,742 |
| Derivatives liabilities | 2 | 1 |
| Current tax payables | 3,907 | 2,573 |
| | 437,646 | 538,128 |
| Total Liabilities | 485,890 | 569,031 |
| TOTAL EQUITY AND LIABILITIES | 909,073 | 971,162 |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | 1.29 | 1.25 |

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 2013 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 2014**

| | Attributable to equity holders of the Company | | | | | | | | | | 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 | Total RM'000 | Foreign | Capital | | |
| Balance as at 1 June 2012 | 218,956 | 4,332 | 203 | 2,038 | 4,987 | (2,281) | 70,434 | 298,669 | 122,691 | 5,252 | 421,360 | (16,745) |
| Total comprehensive income/(loss) | - | - | - | (2,091) | - | - | (19,906) | (21,997) | - | - | 225 | - |
| Transactions with owners | | | | | | | | | | | | |
| Resold of ordinary shares of the Company | - | - | - | - | - | 225 | - | 225 | - | - | - | - |
| Repurchase of ordinary shares of a subsidiary from non-controlling interest | - | - | - | - | - | - | - | - | (396) | - | (396) | - |
| Net dilution of equity interest in subsidiaries | - | - | - | - | - | - | (5,608) | (5,608) | 8,542 | - | 2,934 | - |
| Arising from accretion of equity interest in subsidiary | - | - | - | - | - | - | (236) | (236) | (1,728) | - | (1,964) | - |
| Additional non-controlling interests arising on business combination | - | - | - | - | - | - | - | - | 571 | - | 571 | - |
| Dividends paid to non-controlling interests of subsidiaries | - | - | - | - | - | - | - | - | (3,854) | - | (3,854) | - |
| Balance as at 31 May 2013 | 218,956 | 4,332 | 203 | (53) | 4,987 | (2,056) | 44,684 | 271,053 | 131,078 | 131,078 | 402,131 | (3,854) |
| Balance as at 1 June 2013 | 218,956 | 4,332 | 203 | (53) | 4,987 | (2,056) | 44,684 | 271,053 | 131,078 | 131,078 | 402,131 | (3,854) |
| Total comprehensive income/(loss) | - | - | - | 1,062 | - | - | 9,949 | 11,011 | 15,227 | - | 26,238 | - |
| Transactions with owners | | | | | | | | | | | | |
| Additional interest in subsidiary | - | - | - | - | - | - | - | - | - | 10,210 | 10,210 | - |
| Dividends paid to non-controlling shareholders of subsidiary | - | - | - | - | - | - | - | - | (11,638) | - | (11,638) | - |
| Arising from accretion of equity interest in subsidiary | - | - | - | - | - | - | (3,655) | (3,655) | - | - | (3,655) | - |
| Repurchase of ordinary shares of the Company | - | - | - | - | - | (8) | - | (8) | - | - | (8) | - |
| Repurchase of ordinary shares of the a subsidiary | - | - | - | - | - | - | - | - | (95) | - | (95) | - |
| Balance at 28 February 2014 | 218,956 | 4,332 | 203 | 1,009 | 4,987 | (2,064) | 50,978 | 278,401 | 144,782 | 144,782 | 423,183 | (95) |

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 2013 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 28 FEBRUARY 2014**

| | Year-to-date ended | |
|--|--------------------|----------------|
| | 28-02-2014 | 28-02-2013 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit/(loss) before taxation | 33,988 | (1,219) |
| Adjustments for non-cash items | 2,382 | 38,562 |
| Operating profit before working capital changes | 36,370 | 37,343 |
| Inventories | 44,088 | 40,694 |
| Receivables | 10,890 | (24,983) |
| Payables | (35,282) | (36,312) |
| Group companies | 2,325 | 4,679 |
| Net cash generated from operations | 58,391 | 21,421 |
| Dividend received | 14 | - |
| Income tax paid | (14,219) | (8,839) |
| Retirement benefit paid | (36) | (36) |
| Net cash generated from operating activities | 44,150 | 12,546 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Dividend received | 986 | - |
| Purchase of property, plant and equipment | (4,964) | (11,421) |
| Interest received | 985 | 932 |
| Proceeds from partial sale of a subsidiary | 46,296 | - |
| Additional investments by non-controlling interest in a subsidiary | 10,213 | - |
| Proceed from sale/(purchase) of other investments | (2,221) | - |
| Proceeds from sale of marketable securities | - | 24 |
| Proceeds from sale of other investments | - | 747 |
| Withdrawal of short term deposits pledged to licensed banks | 557 | 41 |
| Others | - | (723) |
| Net cash generated from/(used in) investing activities | 51,852 | (10,400) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid to non-controlling interest of subsidiaries | (11,638) | (2,233) |
| Interest paid | (8,947) | (9,182) |
| Repayments of hire-purchase and lease creditors | (1,270) | (1,655) |
| Drawdown/(repayments) of borrowings | (39,050) | 5,440 |
| Purchase of treasury shares of a subsidiary from non-controlling interests | (96) | - |
| Net proceed from sale /(purchase) of Company's own shares | (8) | 184 |
| Net cash used in financing activities | (61,009) | (7,446) |
| Net increase / (decrease) in cash and cash equivalents | 34,993 | (5,300) |
| Cash and cash equivalents at the beginning of the financial year | 51,564 | 66,083 |
| Effect of exchange rate changes | (71) | 3,276 |
| Cash and cash equivalents at the end of the financial year | 86,486 | 64,059 |
| Cash and cash equivalents include the following: | | |
| | RM'000 | RM'000 |
| Cash and bank balances | 63,188 | 67,059 |
| Bank overdrafts | (12,524) | (15,942) |
| Short term deposits | 39,827 | 15,820 |
| | 90,491 | 66,937 |
| Less : Short term deposits pledged to banks | (4,005) | (2,878) |
| | 86,486 | 64,059 |

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 2013 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 2014

A1. Basis of preparation

This 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 2013, the Group prepared its financial report in accordance with Malaysian Financial Reporting Standards ("MFRS").

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 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 2013.

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 2013 except for the newly-issued Malaysian Accounting Standards Board approved accounting framework - Malaysian Financial Reporting Standards ("MFRS"), Amendments to MFRS and IC Interpretations ("IC Int.") to be applied by all Entities Other Than Private Entities for the financial periods beginning on or after 1 January 2013:

| | |
|----------|--|
| MFRS 3 | Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004) |
| MFRS 10 | Consolidated Financial Statements |
| MFRS 11 | Joint Arrangements |
| MFRS 12 | Disclosure of Interests in Other Entities |
| MFRS 13 | Fair Value Measurements |
| MFRS 119 | Employee Benefits |
| MFRS 127 | Separate Financial Statements |
| MFRS 127 | Consolidated and Separate Financial Statements (IAS27 as revised by IASB in December 2003) |
| MFRS 128 | Investments in Associates and Joint Ventures |

Amendments to:

| | |
|---------|--|
| MFRS 1 | First-time Adoption of Malaysian Financial Reporting Standard Government Loans |
| MFRS 1 | First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle) |
| MFRS 7 | Disclosure – Offsetting Financial Assets and Financial Liabilities |
| MFRS 10 | Consolidated Financial Statements: Transition Guidance |
| MFRS 11 | Joint Arrangements: Transition Guidance |

| | |
|----------|--|
| MFRS 12 | Disclosure of Interests in Other Entities: Transition Guidance |
| MFRS 101 | Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101) |
| MFRS 101 | Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle) |
| MFRS 116 | Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle) |
| MFRS 132 | Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle) |
| MFRS 134 | Interim Financial Reporting (Annual Improvements 2009-2011 Cycle) |
| IC Int.2 | Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009-2011 Cycle) |

The adoption of the above did not have any significant effects on this report upon their initial application.

A2 Changes in accounting policies

Other than the MFRS, amendments to MFRS and IC Int. disclosed in Note A1 above, the significant accounting policies adopted by the Group in this Interim Financial Report are consistent with those adopted in the Group's most recent Audited Financial Statements for the financial year ended 31 May 2013.

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 28 February 2014.

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 20 November 2013, 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 | | | | | |
| Nov-13 | 21,600 | 0.360 | 0.360 | 0.360 | 7,827 |
| Total for the quarter | <u>21,600</u> | | | | <u>7,827</u> |
| Balance brought forward | 2,694,227 | | | | 2,056,088 |
| Balance as at balance sheet date | <u>2,715,827</u> | | | | <u>2,063,915</u> |

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

As at 28 February 2014, the Company holds 2,715,827 Treasury Shares at a cost of RM2,063,915.

A7. Dividends

There were no dividends declared and/or paid during the financial quarter and period ended 28 February 2014.

A8. Segmental results

Segmental information for the financial period ended 28 February 2014.

| | Investment holdings and others | | Agricultural and Industrial Chemicals | | Logistics | | Information Technology | | Media | | 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 | | |
| 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 | 9,814 | 1,203,157 | 38,760 | 8,728 | 78,807 | 90,389 | | 1,415,834 | | | | | | |
| Segment results | 1,112 | 40,174 | 3,430 | (1,895) | (3,637) | 7,946 | (543) | 46,587 | | | | | | |
| Operating profits | | | | | | | | 46,587 | | | | | | |
| Finance costs | | | | | | | | (8,946) | | | | | | |
| Share of results of associates | | | | | | | | - | | | | | | |
| Profit before taxation | | | | | | | | 37,641 | | | | | | |
| Tax expense | | | | | | | | (13,333) | | | | | | |
| Net profit | | | | | | | | 24,308 | | | | | | |
| 28 February 2013 | | | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | | | |
| External revenue | 2,380 | 1,305,528 | 39,316 | 13,631 | 53,630 | 92,639 | - | 1,507,124 | | | | | | |
| Inter-segment revenue | 3,016 | 136 | 4,941 | 260 | - | 123 | (8,476) | | | | | | | |
| Total revenue | 5,396 | 1,305,664 | 44,257 | 13,891 | 53,630 | 92,762 | | 1,507,124 | | | | | | |
| Segment results | (31,466) | 37,630 | 4,168 | 59 | (13,366) | 11,377 | 581 | 8,983 | | | | | | |
| Operating profits | | | | | | | | 8,983 | | | | | | |
| Finance costs | | | | | | | | (9,181) | | | | | | |
| Share of results of associates | | | | | | | | (1,021) | | | | | | |
| Loss before taxation | | | | | | | | (1,219) | | | | | | |
| Tax expense | | | | | | | | (10,626) | | | | | | |
| Net loss | | | | | | | | (11,845) | | | | | | |

A9. Profit/(loss) before taxation

| | Individual quarter ended 28-02-2014 RM'000 | Year-to-date ended 28-02-2014 RM'000 |
|--|---|---|
| The profit before taxation is stated after charging/(crediting): | | |
| Finance costs | 2,035 | 8,946 |
| Depreciation and amortisation | 5,352 | 16,729 |
| Provision for and write-off of receivables | 1,911 | 3,028 |
| Provision for and write-off of inventories | 1,623 | 2,066 |
| Loss/(gain) on disposal of quoted or unquoted investments | - | - |
| (Gain)/loss of disposal of a subsidiary | (20,559) | (20,559) |
| Loss/(gain) on disposal of properties | - | - |
| Dividend income | - | (14) |
| Foreign exchange loss/(gain) | (712) | 2,472 |
| Interest income | (434) | (985) |
| Impairment of an associate | 700 | 1,000 |
| Impairment of goodwill | - | - |
| Fair value loss/(gain) on derivatives | (56) | (10) |
| Fair value loss/(gain) on investments | (4) | (19) |
| | <u>(4)</u> | <u>(19)</u> |

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 2014.

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

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 other than the disposal of Sinsenmoh Transportation Pte Ltd in December 2013.

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 | 21,628 |
| - Approved but not contracted for | 118 |
| | <u>21,746</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 period financial quarter ended 28 February 2014

For the nine months ended 28 February 2014, the Group posted revenue of RM1.42 billion compared with RM1.51 billion in the corresponding period last year. Despite lower revenue, the Group posted a profit before taxation ("PBT") of RM37.6 million compared with loss before taxation of RM1.2 million in the corresponding period last year.

For the financial quarter ended 28 February 2014, the Group posted revenue of RM397.5 million compared with RM476.6 million in the corresponding quarter last year. The Group recorded a PBT of RM18.3 million in the current financial quarter compared with RM2.0 million in the corresponding quarter last year.

The improved PBT in the current financial quarter and year-to-date is primarily attributed to the one-off gain of RM20.6 million arising from the disposal of a subsidiary, Sinsenmoh Transportation Pte Ltd ("SSM") in December 2013.

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 2014

Investment Holding

The investment holding segment reported a segmental profit for the quarter of RM8.7 million compared to a segmental loss of RM8.5 million in the corresponding quarter last year. The segmental profit in the current financial quarter is primarily due to the gain from the disposal of SSM.

Agricultural and Industrial Chemicals

The division posted revenue of RM333.6 million for the current financial quarter compared with RM404.3 million recorded in the corresponding quarter last year. The lower revenue growth was mainly attributed to the slower industrial chemical business in Malaysia and Singapore. However, segmental profit improved to RM12.4 million from RM10.9 million a year ago with better profit margins from production efficiencies.

Polymer

The Polymer division achieved lower revenue of RM26.0 million for the current financial quarter, which represents a decrease of 18.4% from RM31.8 million in the corresponding quarter last year. Consequently, the Division registered lower segmental profit of RM1.3 million compared with RM4.8 million achieved in the same period last year. While local Polymer sales remain weak, sales by our Indonesian factory were only marginally lower. The continued weakness of the Indonesian Rupiah and the increase in raw material prices has eroded our margins.

Logistics

During the financial quarter ended 28 February 2014, revenue from the Logistics segment decreased to RM7.4 million compared with RM14.0 million in the corresponding quarter last year. Segmental profit decreased accordingly to RM0.6 million compared with RM0.9 million a year ago. With the completion of SSM disposal, the results of SSM are no longer accounted for in the current financial quarter.

Information Technology

The division posted revenue of RM6.1 million compared with RM9.0 million in the corresponding quarter last year. The division posted a segmental loss of RM0.7 million compared with a segmental profit of RM0.6 million last year. The continued pressure on profit margins from the competitive biddings in the local IT industry remained the key problem faced by the division. Further, the division is incurring start-up costs relating to the establishment of a new IT related business.

Media

The revenue of the Media division increased to RM25.7 million compared with RM18.4 million in the corresponding financial quarter last year. The division posted segmental loss of RM2.7 million in the current financial quarter compared with RM3.4 million a year ago. The Media Division revenue has improved with its aggressive marketing efforts. Included in the results for the current financial quarter are impairments provided for certain assets in the division.

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 2014, the Group posted revenue of RM397.5 million compared with RM528.1 million in the immediate preceding quarter. The lower revenue was mainly due to the lower demand in the industrial chemical division. However, PBT of improved to RM20.8 million from RM12.8 million in the immediate preceding quarter, mainly attributed to the one-off gain from the sale of SSM.

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. 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.

There remained uncertainties in the global economic conditions, which may have an impact to the Group's business. The Board will continue to exercise caution in managing the Group's business 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 remaining of the 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 | |
|---|--------------------------|--------------|--------------------|---------------|
| | 28-02-2014 | 28-02-2013 | 28-02-2014 | 28-02-2013 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax expense based on profit for the financial period: | | | | |
| Malaysian income tax | 4,099 | 4,420 | 12,646 | 9,428 |
| Foreign income tax | - | 38 | 1,315 | 1,726 |
| | 4,099 | 4,458 | 13,961 | 11,154 |
| Under/(over) provision in prior years: | | | | |
| Malaysian income tax | - | - | - | (493) |
| Foreign income tax | - | - | - | - |
| | 4,099 | 4,458 | 13,961 | 10,661 |
| Deferred taxation: | | | | |
| Transfer to/(from) deferred taxation | 1 | (1) | (628) | (35) |
| Under/(over) provision in prior years | - | - | - | - |
| | 4,100 | 4,457 | 13,333 | 10,626 |

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

| | 28-02-2014 RM'000 | 31-05-2013 RM'000 |
|------------------------------------|----------------------|----------------------|
| SHORT TERM BORROWINGS | | |
| Secured: | | |
| Ringgit Malaysia | 40,376 | 22,068 |
| Singapore Dollar | - | 598 |
| Indonesian Ruppiah | 564 | 1,884 |
| United States Dollar | 50,941 | 68,610 |
| Vietnamese Dong | - | 5,264 |
| | 91,881 | 98,424 |
| Unsecured: | | |
| Ringgit Malaysia | 114,377 | 168,404 |
| United States Dollar | 2,211 | 2,262 |
| Singapore Dollar | - | 2,636 |
| Hong Kong Dollar | - | - |
| Indonesian Ruppiah | 74 | 16 |
| | 116,662 | 173,318 |
| Total short term borrowings | 208,543 | 271,742 |
| LONG TERM BORROWINGS | | |
| Secured: | | |
| Ringgit Malaysia | 7,265 | 11,754 |
| Singapore Dollar | - | 1,098 |
| Indonesian Ruppiah | - | 157 |
| Vietnamese Dong | - | - |
| | 7,265 | 13,009 |
| Unsecured: | | |
| Ringgit Malaysia | 24,555 | 256 |
| Singapore Dollar | - | - |
| Indonesian Ruppiah | 1 | 8 |
| | 24,556 | 264 |
| Total long term borrowings | 31,821 | 13,273 |
| TOTAL BORROWINGS | 240,364 | 285,015 |

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 | |
|--|--------------------------|------------|--------------------|------------|
| | 28-02-2014 | 28-02-2013 | 28-02-2014 | 28-02-2013 |
| Number of ordinary shares ('000) | 218,956 | 218,956 | 218,956 | 218,956 |
| Less: Treasury shares ('000) | (2,715) | (2,711) | (2,715) | (2,711) |
| | 216,241 | 216,245 | 216,241 | 216,245 |
| Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000) | 3,762 | (2,778) | 9,949 | (15,448) |
| Basic earnings/(loss) per ordinary share (sen) | 1.74 | (1.28) | 4.60 | (7.14) |

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 28 February 2014 into realised and unrealised profits is as follows:

| | |
|--|---------------|
| Total retained profits of the Group | RM'000 |
| - Realised | 44,899 |
| - Unrealised | 15,632 |
| | <u>60,531</u> |
| Less: Consolidation adjustments | (15,847) |
| As per consolidated financial statements | <u>44,684</u> |

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

Petaling Jaya
30 April 2014