ANCOM LOGISTICS BERHAD

(Incorporated in Malaysia)
(Company No : 6614-W)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2010

THE FIGURES HAVE NOT BEEN AUDITED

	Individual Quarter		Cummulative 6 months ended	
	30.11.2010	**30.11.2009**	**30.11.2010**	**30.11.2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	9,514	13,983	26,883	24,670
Cost of sales	(7,013)	(10,908)	(20,161)	(18,872)
Gross profit	2,501	3,075	6,722	5,798
Other income	817	56	951	140
Selling and distribution expenses	(1,685)	(1,645)	(3,462)	(3,278)
Administrative expenses	(2,291)	(1,205)	(3,889)	(2,377)
Other expenses	(18)	(121)	(4)	(191)
(Loss) / profit from operations	(676)	160	318	92
Finance costs	(218)	(229)	(451)	(464)
Loss before taxation	(894)	(69)	(133)	(372)
Taxation	(256)	(109)	(690)	(183)
Loss for the quarter	(1,150)	(178)	(823)	(555)
Attributable to:				
Shareholders of the parent	(1,150)	(178)	(823)	(555)
Minority interests	-	-	-	-
	(1,150)	(178)	(823)	(555)
Loss per share attributable to shareholders of the parent (sen):				
- Basic	(0.44)	(0.07)	(0.32)	(0.21)
- basic - Discontinued operation	-	-	-	-
- Diluted	N/A	N/A	N/A	N/A

The corresponding comparatives for the previous reporting quarter have been restated

The Condensed Consolidated Income Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2010 and the accompanying notes to the Interim Financial Report.

ANCOM LOGISTICS BERHAD

(Incorporated in Malaysia)

(Company No : 6614-W)

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 NOVEMBER 2010

	30.11.2010 RM'000 (Unaudited)	31.05.2010 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	14,187	14,388
Investment in associates	3,902	3,902
Intangible assets	337	346
Deferred tax assets	299	299
	18,725	18,935
Current assets		
Inventories	10,049	8,561
Trade receivables	5,979	15,048
Other receivables	2,213	1,421
Tax recoverable	8	276
Short term deposits with licensed banks	5,402	4,674
Cash and bank balances	8,479	7,682
	32,130	37,662
TOTAL ASSETS	50,855	56,597
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	51,898	51,898
Translation reserve	(4,424)	(4,500)
Accumulated losses	(22,468)	(21,645)
Total equity	25,006	25,753
Non-current liabilities		
Deferred tax liabilities	80	78
	80	78
Current liabilities		
Trade payables	6,473	10,496
Other payables	5,730	6,190
Amount due to immediate holding company	11,350	11,037
Amount due to related companies	41	41
Borrowings	1,721	2,819
Provision for taxation	454	183
	25,769	30,766
Total liabilities	25,849	30,844
TOTAL EQUITY AND LIABILITIES	50,855	56,597
Net assets per share (RM)	**0.10**	**0.10**

The Condensed Consolidated Balance Sheet should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2010 and the accompanying notes to the Interim Financial Report.

ANCOM LOGISTICS BERHAD

(Incorporated in Malaysia)
(Company No : 6614-W)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2010

THE FIGURES HAVE NOT BEEN AUDITED

	Attributable to Equity Holders of the Parent					
	Share capital RM'000	Non-distributable Translation reserve RM'000	Distributable Retained profits RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
Financial period ended 30 November 2010						
Balance as at 1 June 2010	51,898	(4,500)	(21,645)	25,753	-	25,753
Currency translation differences, representing net loss recognised directly in equity	-	76	-	76	-	76
Net loss for the financial period	-	-	(823)	(823)	-	(823)
Total recognised income and expenses for the financial period	-	76	(823)	(747)	-	(747)
Balance as at 30 November 2010	51,898	(4,424)	(22,468)	25,006	-	25,006
Financial period ended 30 November 2009						
Balance as at 1 June 2009	51,898	(3,176)	(19,271)	29,451	-	29,451
Currency translation differences, representing net gain recognised directly in equity	-	(297)	-	(297)	-	(297)
Net loss for the financial period	-	-	(555)	(555)	-	(555)
Total recognised income and expenses for the financial period	-	(297)	(555)	(852)	-	(852)
Balance as at 30 November 2009	51,898	(3,473)	(19,826)	28,599	-	28,599

The 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 2010 and the accompanying notes to the Interim Financial Report.

ANCOM LOGISTICS BERHAD
(Incorporated in Malaysia)
(Company No : 6614-W)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2010

THE FIGURES HAVE NOT BEEN AUDITED

	Cumulative 6 months ended	
	30.11.2010	**30.11.2009**
	RM'000	**RM'000**
Cash flow from operating activities		
Loss before taxation	(133)	(372)
Adjustments for non-cash items	1,342	901
Operating (loss) / profit before working capital changes	1,209	529
Net changes in working capital	2,198	(3,403)
Net cash generated from / (used in) operating activities	3,407	(2,874)
Cash flow from investing activities		
Net cash used in generated from investing activities	(410)	(141)
Cash flow from financing activities		
Net cash used in financing activities	(1,762)	(2,157)
Net increase / (decrease) in cash and cash equivalents	1,235	(5,172)
Cash and cash equivalent at the beginning of the financial quarter	12,119	13,720
Effects of exchange rate changes	76	(297)
Cash and cash equivalent at the end of the financial quarter	13,430	8,251

The cash and cash equivalents comprise:

Cash and bank balances	8,479	4,627
Short term deposits with licensed banks	5,402	4,169
Bank overdrafts	(451)	(545)
	13,430	8,251

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2010 and the accompanying notes to the Interim Financial Report.

ANCOM LOGISTICS BERHAD
(Incorporated in Malaysia)
(Company No: 6614-W)

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2010

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134

1 Basis of preparation

The Interim Financial Report of Ancom Logistics Berhad ("ALB") and its subsidiaries ("Group") is unaudited and has been prepared in accordance with the Financial Reporting Standards ("FRS") 134: Interim Financial Reporting and Rule 9.22(b) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market ("ACE Listing Requirements").

The Interim Financial Report of the Group should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 31 May 2010. 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 2010.

The significant accounting policies and methods of computation adopted by the Group in this Report are consistent with those adopted in the most recent Audited Financial Statements for the year ended 31 May 2010 except for the adoption of the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations which are applicable to the Group for the financial year beginning 1 June 2010 and are relevant to its operations:

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs
FRS 132	Financial Instruments: Presentation
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 8	Operating Segments
Amendments to FRS 107	Statement of Cash Flows
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110	Events After the Balance Sheet Date
Amendments to FRS 116	Property, Plant and Equipments
Amendments to FRS 117	Leases
Amendments to FRS 118	Revenue

Amendments to FRS 119	Employee Benefits
Amendments to FRS 120	Accounting for Government Grants
Amendments to FRS 123	Borrowing Costs
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 128	Investments in Associates
Amendments to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendments to FRS 131	Interest in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 138	Intangible Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions

The adoption of the above FRSs, amendments and interpretations do not have any significant impact on the interim financial information of the Group except for the adoption of the following FRSs as set out below:

FRS 8 – Operating Segments

The Group determined that the operating segments were the same as the business segments previously identified under FRS 114 Segment Reporting. The adoption of this Standard does not have any effect on the financial position or results of the Group.

FRS 101 - Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statement. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' is required to be shown in a statement of comprehensive income which can be presented as a single statement or two statements (comprising the income statement and statement of comprehensive income). The Group has elected to present the statement of comprehensive income in two statements. As a result, the Group has presented all owner changes in equity in the consolidated statement of changes in equity whilst all non-owner changes in equity have been presented in the consolidated statement of comprehensive income. Certain comparative figures have been reclassified to conform to the current period's presentation. This revised FRS does not have any impact on the financial position and results of the Group since these changes affect only the presentation of items of income and expenses.

Amendment to FRS 117 - Leases

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as prepaid lease payment on the statement of financial position. With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incident to ownership lie. Accordingly, the Group has changed the classification of certain leasehold lands from operating leases to finance leases in the current quarter. This change in classification has no effect to the profit or loss of the current period ended 30 November 2010 or the comparative prior period. The effect of the reclassification to the comparative of the prior year's statement of financial position is as follows:

31 May 2010	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Property, plant and equipment	4,833	9,555	14,388
Prepaid lease payment	9,555	(9,555)	-

Amendments to FRS 139 Financial Instruments: Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives are recognised on their settlement dates. Outstanding derivatives at the balance sheet date were not recognised. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognised at contract dates when, and only when, the Company or any subsidiary becomes a party to the contractual provisions of the instruments.

With the adoption of FRS 139, financial assets and financial liabilities recognised and unrecognised in the prior financial year are classified into the following categories:

Pre-FRS 139	Post-FRS 139
Long-term equity investments	Available for sale investments
Current investments	Financial assets at fair value through profit or loss
Unrecognised derivative assets	Financial assets at fair value through profit or loss
Long-term borrowings	Financial liabilities at amortised cost
Unrecognised derivative liabilities	Financial liabilities at fair value through profit or loss

The measurement bases applied to the financial assets and financial liabilities in the prior financial year were changed to conform to the measurement standards of FRS 139 in the current quarter. At initial recognition, all financial assets and financial liabilities are measured at their fair value. However, the financial instrument not at fair value through profit or loss should be measured at their fair value plus transaction costs directly attributable to the acquisition or issuance of the instruments.

Subsequent to their initial recognition, the financial assets and financial liabilities are measured as follows:

Category	Measurement basis
Financial instruments at fair value through profit or loss	At fair value through profit or loss
Loans and receivables	At amortised cost effective interest method
Available for sale investments	At fair value through other comprehensive income, unless fair value cannot be reliably measured, in which case, they are measured at cost.
Loans and other financial liabilities	At amortised cost effective interest method

All financial assets other than those classified as at fair value through profit or loss are subject to impairment test of FRS 139.

In accordance with FRS 139, the recognition, derecognition and measurement requirements are applied prospectively from 1 June 2010 by the Group.

Other than above, the significant accounting policies adopted by the Group in this Report are consistent with those used in the Audited Financial Statements of the Group for the financial year ended 31 May 2010.

2 Changes in accounting policies

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 2010.

3 Auditors' report on preceding annual financial statements

The auditors did not qualify the Group's Audited Financial Statements for the financial year ended 31 May 2010.

4 Seasonality or cyclicality of interim operations

During the financial quarter ended 30 November 2010, the operations of the Group were not significantly affected by any seasonal and cyclical factors.

5 Items of unusual nature and amount

During the financial quarter ended 30 November 2010, there were no items affecting the assets, liabilities, equity, net income or cash flows of the Group that are unusual by reason of their nature, size or incidence.

6 Changes in estimates

There were no changes in estimates that have a material effect on the results for the financial quarter ended 30 November 2010.

7 Debt and equity securities

There were no issuances, cancellations, repurchases and resale of debt securities and equity securities during the financial quarter ended 30 November 2010.

8 Dividends paid

There was no dividend paid during the financial quarter ended 30 November 2010.

9 Segmental information

The consolidated results of the Group for the financial quarter ended 30 November 2010, analysed by business segment, are as follow:

	Investment Holding RM'000	System integration & trading RM'000	Elimination RM'000	Consolidated RM'000
Financial period ended 30-Nov-10				
External sales	-	26,883		26,883
Inter-segment sales	-	-	-	-
Total revenue	-	26,883	-	26,883
Segment results	(1,462)	1,761		299
Finance costs				(451)
Interest income				19
Loss before taxation				(133)
Taxation				(690)
Net loss attributable to shareholders				(823)

	Investment Holding RM'000	System integration & trading RM'000	Elimination RM'000	Consolidated RM'000
Financial period ended 30-Nov-09				
External sales	-	24,670	-	24,670
Inter-segment sales	-	-	-	-
Total revenue	-	24,670	-	24,670
Segment results	(972)	1,056	-	84
Finance costs				(464)
Interest income				8
Loss before taxation				(372)
Taxation				(183)
Net loss attributable to shareholders				(555)

10 Carrying amount of revalued assets

The valuations of property, plant and equipment have been brought forward, without amendments, from the Group's Audited Financial Statements for the financial year ended 31 May 2010.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

11 Subsequent events

There were no material events subsequent to the end of the financial quarter ended 30 November 2010 up to the date of the Interim Financial Report except as disclose in Note 8 of Section B.

12 Changes in composition of the Group

There were no material changes in the composition of the Group for the financial quarter ended 30 November 2010 up to the date of the Interim Financial Report.

13 Contingent liabilities

	Company	
	30-11-2010	**31-05-2010**
	RM'000	**RM'000**
Unsecured:		
Guarantees given to financial institutions for facilities granted to a subsidiary	3,000	3,000

B. ADDITIONAL INFORMATION REQUIRED BY THE ACE LISTING REQUIREMENTS

1 Performance review for the current financial quarter against previous financial year corresponding quarter

The Group posted RM9.5 million of revenue for financial quarter ended 30 November 2010 which was 32% lower compared to the corresponding quarter last year. These were mainly due to the decrease in revenue generated from Singapore and Hong Kong operations.

The Group also reported a much higher loss after taxation of RM1.2 million compared to a loss after tax of RM0.1 million in the same quarter last financial year. These were due to charging out of restructuring expenses by the ALB.

2 Material change in the results for the current financial quarter as compared with immediate preceding financial quarter

The Group reported a loss after tax of RM0.8 million compared to a profit after tax of RM0.3 million in the immediate preceding financial quarter. This is mainly due to decline in revenue as the delivery of major project in the Malaysia operation has been rescheduled.

3 Prospects for this financial year

The Proposed Restructuring, except for Proposed Special Issue, was completed on 11 January 2011 as disclosed in Note 8 of Part B.

Barring unforeseen circumstances, The Board is of the opinion that the Group's new business will operate in a satisfactory manner.

4 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.

5 Taxation

	Individual Quarter		Cummulative 6 months ended	
	30.11.2010	**30.11.2009**	**30.11.2010**	**30.11.2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Continuing operations				
Income tax:				
Malaysian	256	109	690	183
Over/(under) provision in prior years				
Malaysian	-	-	-	-
Deferred taxation:				
Relating to originating and reversal				
Under provision in prior years	-	-	-	-
	256	109	690	183

6 Sale of unquoted investments and properties

There were no disposals of unquoted investments and properties for the current financial quarter ended 30 November 2010 and at the date of this Interim Financial Report.

7 Quoted securities

There were no purchases of quoted securities for the financial quarter ended 30 November 2010 and at the date of this Interim Financial Report. As at balance sheet date, the Group has no investment in quoted securities.

8 Status of Corporate Proposal

On 16 November 2009, Ancom Berhad ("Ancom") and ALB announced the following proposals (collectively referred to as "Proposed ALB Restructuring Scheme"):

(a) Proposed disposal of a piece of leasehold land together with two (2) blocks of single storey warehouses annexe with double storey offices with postal address of No. 2A, Jalan 13/2, 46200 Petaling Jaya, Selangor to Ancom at a market price to be appraised by an Independent Valuer. The disposal consideration of the proposed disposal is to be settled by off-setting against an inter-company advance owing by ALB to Ancom amounting to RM10 million and the remaining by off-setting against the purchase consideration for the acquisition by ALB of Ancom's equity interest in Synergy Trans-Link Sdn. Bhd. ("STL") ("Proposed Disposal");

(b) Proposed reduction of RM0.10 of the par value of each existing ordinary share of RM0.20 each in ALB ("ALB Shares") under Section 64(1) of the Companies Act, 1965 ("Act") ("Proposed Capital Reduction");

(c) Proposed acquisition of 418,895,518 ordinary shares of RM0.10 each in STL representing the entire equity interest in STL which include its three subsidiaries, namely, Ancom ChemQuest Terminals Sdn. Bhd. ("ACT"), SinSenMoh Transportation Pte. Ltd. ("SSM") and Pengangkutan Cogent Sdn. Bhd. ("PCSB") ("collectively referred to as "Subsidiaries") from Ancom, Synergy Tanker Sdn. Bhd. ("STSB") and Lim Hock Heng ("LHH") (collectively referred to as "Vendors of STL") for a purchase consideration of RM42,236,117 to be satisfied by such number of new ordinary shares of RM0.10 each in ALB ("ALB New Shares") ("Consideration Shares") at an issue price of RM0.13 per ALB New Share after the settlement of the outstanding consideration pursuant to the Proposed Disposal ("Proposed Acquisition of STL Group");

(d) Proposed exemption to Ancom and persons acting in concert with it ("PAC") from the obligation to undertake a mandatory offer for all the remaining Tamco New Shares not already owned by Ancom and its PAC pursuant to the Proposed Acquisition of STL Group ("Proposed Exemption"); and

(e) Proposed special issue of up to 14,000,000 ALB New Shares at an indicative issue price of RM0.13 per ALB New Share to Bumiputera investors to be approved by the Ministry of International Trade and Industry ("MITI") ("Proposed Special Issue").

The Proposed ALB Restructuring Scheme is expected to be completed in the financial year ending 31 May 2011. It is not expected to have any impact on the earnings of the Ancom Group for the financial year ending 31 May 2010. Upon completion, the Proposed ALB Restructuring Scheme is expected to give rise to rental income to the

Ancom Group in future, increasing Ancom's shareholding in ALB which shall improve the earnings of the Ancom Group. However, Ancom will not have the direct earnings from the STL Group after the completion of the exercise.

On 31 December 2009, ALB and Ancom entered into a supplemental agreement ("SA") to agree that the Disposal Consideration shall be fixed at RM25,000,000, after having considered the independent market valuation report dated 23 December 2009, to be settled in the manner stated above subject to the fulfillment of certain conditions precedent stated there in the SA.

On 28 January 2010, Ancom and ALB entered into a letter of variation in relation to the Proposed Acquisition of the Property by Ancom from ALB whereby the terms for the settlement of the purchase consideration of RM25,000,000 are as follows:-

(i) first, by off-setting RM15,000,000 against the disposal consideration for the Proposed Disposal of STL by Ancom to ALB; and

(ii) by off-setting the remaining purchase consideration against the inter-company advance(s) owing by ALB to Ancom.

As such, the actual amount of the inter-company advances owing by ALB to Ancom which will be used to settle the purchase consideration is subject to the confirmation by the relevant authority on the valuation of the Property.

On the same date, ALB entered into a letter of variation with the Vendors of STL whereby the terms of the settlement of the disposal consideration of RM22,304,893 to Ancom by ALB shall be satisfied by ALB in the following manner instead:-

(i) RM7,304,893 via the issuance of 56,191,485 new ALB New Shares at an issue price of RM0.13 per ALB New Share; and

(ii) remaining RM15,000,000 by off-setting against part of the purchase consideration in relation to the Proposed Acquisition of Property.

On 3 February 2010, the Securities Commission ("SC") had, vide its letter, notified that the application to the SC under Practice Note 2.9.1 of the Malaysian Code on Take-overs and Mergers 1998 ("Code") for an exemption to Ancom and its PAC, from the obligation to undertake a mandatory offer to acquire the remaining ordinary shares in ALB not already held by Ancom and its PAC ("Proposed Exemption") upon completion of the Proposed Disposal of STL which forms part of the Proposed Restructuring Scheme of ALB would only be considered by the SC after the following conditions have been met pursuant to Practice Note 2.9.1 of the Code:-

(i) Approval from the independent holders of voting shares of ALB, on a poll in a general meeting in which the interested parties are to abstain from voting. The result of the poll has to be confirmed by an independent auditor;

(ii) Providing competent independent advice regarding the Proposed Exemption to the shareholders of ALB. The appointment of the independent adviser and the independent advice circular to the shareholders are to be first approved and consented by SC respectively; and

(iii) Ancom and its PAC are to submit declarations (to be furnished after the general meeting) addressed to the SC, attesting that Ancom and its PAC have not purchased shares in ALB subsequent to the discussion in relation to the Ancom Proposals (the date of the discussion is to be stated) and until the granting of the Proposed Exemption by the SC (if so decided).

Further, Ancom is required to provide reasons for the substantial percentage of votes that are against and abstained from voting (excluding the abstinence by the interested parties) on the Proposed Exemption.

On 24 June 2010, the Bursa Malaysia Securities Berhad approved the Proposed ALB Restructuring Scheme subject to, inter-alia:

(i) A moratorium to be imposed on the Consideration Shares pursuant to the Proposed Acquisition of STL Group by ALB in the manner disclosed in Section 3.19 of the ACE Market Requirement; and

(ii) ALB and its advisers must fully comply with the relevant provisions under the ACE Market Listing Requirements pertaining to the implementation of the Proposed ALB Restructuring Scheme.

On 7 September 2010, the Proposed ALB Restructuring Scheme was approved by ALB's shareholders at an Extraordinary General Meeting.

On 15 October 2010, SC has approved the Proposed Exemption and on 4 November 2010, the High Court of Malaya confirmed and sanctioned the Company's Petition for an Order for reduction of the Company's share capital pursuant to Section 64(1) of the Act in respect of the Proposed Capital Reduction.

Except for the Proposed Special Issue, the other proposals of the Restructuring Scheme (Proposed Disposal, Proposed Acquisition of STL Group, the Proposed Capital Reduction and the Proposed Exemption) have been completed as at the date of this Report. ALB will make the relevant announcement on the status of the Proposed Special Issue in due course.

Save for the above, there were no corporate proposals announced but not completed as at the date of this Report.

9 Group borrowings

Group borrowings denominated in their functional currencies are as follows:

	As at 30.11.2010 RM'000	As at 31.05.2010 RM'000
Short term borrowings		
Secured:		
Ringgit Malaysia	-	96
US Dollar	-	-
Unsecured:		
Ringgit Malaysia	1,721	2,723
	1,721	2,819
Long term borrowings		
Secured:		
Ringgit Malaysia	-	-
	-	-
	1,721	2,819

Note: Foreign currencies denominated borrowings are stated at Ringgit Malaysia equivalent as at the reporting dates stated above.

10 Off balance sheet financial instruments

The Group does not have any off balance sheet financial instruments as at the date of this Interim Financial Report.

11 Material litigation

The Group does not have any material litigation as at the date of this Interim Financial Report.

12 Dividends payable

The Directors do not propose and pay any dividend for the quarter ended 30 November 2010.

13 Loss per share

(a) Basic loss per share

The basic loss per share is calculated by dividing the net loss attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the financial period of 259,487,720 (2008: 259,487,720) shares.

(b) Fully diluted loss per share

The Company has no potential ordinary shares in issue as at the balance sheet date and therefore, diluted loss per share has not been presented.

BY ORDER OF THE BOARD
Choo Se Eng
Stephen Geh Sim Whye
Secretaries
Petaling Jaya

25 January 2011