

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL QUARTER ENDED 31 AUGUST 2012**

	Individual quarter ended		Year-to-date ended	
	31-08-2012	31-08-2011	31-08-2012	31-08-2011
	RM'000	RM'000	RM'000	RM'000
Operating revenue	515,714	386,881	515,714	386,881
Cost of sales	(469,804)	(336,087)	(469,804)	(336,087)
Gross profit	45,910	50,794	45,910	50,794
Other income	1,199	2,984	1,199	2,984
Distribution expenses	(17,574)	(16,562)	(17,574)	(16,562)
Administrative expenses	(22,407)	(20,649)	(22,407)	(20,649)
Other operating expenses	(3,485)	(6,553)	(3,485)	(6,553)
Finance costs	(3,146)	(2,944)	(3,146)	(2,944)
Share of results of associates	-	-	-	-
Profit/(loss) before taxation	497	7,070	497	7,070
Tax expense	(2,453)	(4,354)	(2,453)	(4,354)
Net profit/(loss)	(1,956)	2,716	(1,956)	2,716
Net profit/(loss) attributable to				
Equity holders of the Company	(3,980)	(963)	(3,980)	(963)
Minority interests	2,024	3,679	2,024	3,679
	(1,956)	2,716	(1,956)	2,716
Earnings/(loss) per ordinary share attributable to equity holders of the Company	Sen	Sen	Sen	Sen
Basic loss per ordinary share	(1.84)	(0.45)	(1.84)	(0.45)
Diluted earnings per ordinary share	N/A	N/A	N/A	N/A
TOTAL COMPREHENSIVE INCOME				
Net profit/(loss)	(1,956)	2,716	(1,956)	2,716
Foreign currency translation	(2,010)	(493)	(2,010)	(493)
Total comprehensive income	(3,966)	2,223	(3,966)	2,223
Total comprehensive income attributable to				
Equity holders of the Company	(4,975)	(1,456)	(4,975)	(1,456)
Minority interests	1,009	3,679	1,009	3,679
	(3,966)	2,223	(3,966)	2,223

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

ANCOM BERHAD (Company No: 8440-M)
(Incorporated in Malaysia)
UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2012

	Unaudited 31-08-2012 RM'000	Audited 31-05-2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	228,762	233,222
Investment properties	151	151
Investment in associates	2,911	2,515
Other investments	4,103	4,027
Intangible assets	21,685	21,893
Goodwill on consolidation	75,099	75,992
Deferred tax assets	32,585	32,259
	365,296	370,059
Current assets		
Inventories	170,831	188,935
Receivables	372,911	351,826
Amount owing by associates	5,722	8,250
Current tax assets	2,900	5,134
Other investments	595	2,156
Cash and cash equivalents	68,630	85,812
	621,589	642,113
TOTAL ASSETS	986,885	1,012,172
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	218,956	218,956
Reserves	77,019	81,994
Less : Treasury Shares, at cost	(2,464)	(2,281)
	293,511	298,669
Minority interests	122,415	122,691
TOTAL EQUITY	415,926	421,360
LIABILITIES		
Non-current liabilities		
Borrowings	18,110	20,202
Deferred tax liabilities	13,320	13,803
Government grant	600	600
Provision for retirement benefits	2,884	2,846
	34,914	37,451
Current liabilities		
Payables	275,730	311,296
Amounts owing to associates	80	13
Borrowings	258,583	239,986
Derivatives liabilities	31	469
Current tax payables	1,621	1,597
	536,045	553,361
Total Liabilities	570,959	590,812
TOTAL EQUITY AND LIABILITIES	986,885	1,012,172
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.36	1.38

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

ANCOM BERHAD (Company No: 8440-M)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2012

	Year-to-date ended	
	31-08-2012	31-08-2011
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	497	7,070
Adjustments for non-cash items	11,730	9,878
Operating profit before working capital changes	12,227	16,948
Inventories	18,104	(11,408)
Receivables	(19,962)	9,087
Payables	(39,102)	1,723
Group companies	2,595	1,530
Net cash generated from operations	(26,138)	17,880
Dividend received	-	-
Income tax paid	(995)	(2,664)
Retirement benefit paid	(36)	(463)
Net cash generated from operating activities	(27,169)	14,753
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	-	-
Purchase of property, plant and equipment	(2,353)	(6,610)
Interest received	312	101
Purchase of intangible assets	(419)	(3,314)
Proceeds from sale of marketable securities	12	-
Proceeds from sale of other investments	-	1,591
Withdrawal/(placement) of short term deposits pledged to licensed banks	(14)	-
Net cash generated from/(used in) investing activities	(2,462)	(8,232)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to minority interest of subsidiaries	(980)	(2,170)
Interest paid	(3,147)	(2,944)
Repayments of hire-purchase and lease creditors	(1,215)	(638)
Drawdown/(repayments) of borrowings	17,720	(13,032)
Purchase of Company's own shares	(182)	-
Net cash used in financing activities	12,196	(18,784)
Net increase / (decrease) in cash and cash equivalents	(17,435)	(12,263)
Cash and cash equivalents at the beginning of the financial year	66,083	67,781
Effect of exchange rate changes	230	(493)
Cash and cash equivalents at the end of the financial year	48,878	55,025
Cash and cash equivalents include the following:		
	RM'000	RM'000
Cash and bank balances	52,998	52,796
Bank overdrafts	(15,829)	(9,554)
Short term deposits	15,632	20,808
	52,801	64,050
Less : Short term deposits pledged to banks	(3,923)	(9,025)
	48,878	55,025

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



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

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 AUGUST 2012

A1. Basis of preparation

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

The Interim Financial Report of the Group should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 31 May 2012. These explanatory notes attached to the Interim Financial Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2012.

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

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

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

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

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

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

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

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 impact of implementing the MFRS framework since the effects would only be observable for the financial year ending 31 May 2014.

Other than the above, the significant accounting policies adopted by the Group in this Report are consistent with those used in the Audited Financial Statements of the Group for the financial year ended 31 May 2012.

A2. Audit Report of the Preceding Audited Financial Statements

The audit report for the Group's Audited Financial Statements for the financial year ended 31 May 2012 was not qualified.

A3. Seasonal or Cyclical Factors

The interim business operations of the Group were not materially affected by any seasonal or cyclical factors.

A4. Unusual Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows

The Group's assets, liabilities, equity, net income or cash flows were not affected by items that are material and unusual because of their nature, size or incidence in the current period.

A5. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current period.

A6. Changes in Debts and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayments of debt and equity securities for the current quarter and financial period except for the purchase of Company's own shares held as Treasury Shares.

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

Date	Number of shares	Highest price RM	Lowest price RM	Average price RM	Total consideration RM
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
Total for the quarter	484,600				182,327
Balance brought forward	3,282,027				2,281,433
Balance as at balance sheet date	3,766,627				2,463,760

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

A7. Dividend Paid

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

A8. Profit/(loss) before Taxation

	Individual quarter ended 31-08-2012 RM'000	Year-to-date ended 31-08-2012 RM'000
Consolidated statement of comprehensive income include the following:		
Finance costs	3,146	3,146
Depreciation and amortisation	8,934	8,934
Provision for and write-off of receivables	(367)	(367)
Provision for and write-off of inventories	384	384
Loss/(gain) on disposal of quoted or unquoted investments	-	-
Loss/(gain) on disposal of properties	-	-
Dividend income	-	-
Foreign exchange loss/(gain)	1,310	1,310
Interest income	(312)	(312)
Impairment of goodwill	1,398	1,398
Fair value loss/(gain) on derivatives	31	31
Fair value loss/(gain) on investments	12	12

A9. Segmental Results

Segmental information for the financial quarter ended 31 August 2012

31 August 2012	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
Revenue								
External revenue	640	449,367	14,025	3,491	20,548	27,643	-	515,714
Inter-segment revenue	65	45	1,503	-	-	36	(1,649)	-
Total revenue	705	449,412	15,528	3,491	20,548	27,679		515,714
Segment results	(7,101)	11,710	2,142	(309)	(5,312)	2,225	288	3,643
Operating profits								3,643
Finance costs								(3,146)
Share of results of associates								-
Loss before taxation								497
Tax expense								(2,453)
Net loss for the period								(1,956)
31 August 2011								
Revenue								
External revenue	705	321,167	13,386	1,297	14,785	35,541		386,881
Inter-segment revenue	6,175	1,394	1,753	202	575	-	(10,099)	-
Total revenue	6,880	322,561	15,139	1,499	15,360	35,541		386,881
Segment results	(5,356)	11,298	2,578	(574)	(1,237)	3,305	-	10,014
Operating profits								10,014
Finance costs								(2,944)
Share of results of associates								-
Profit before taxation								7,070
Tax expense								(4,354)
Net loss for the period								2,716

A10. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward, without amendments, from the Audited Financial Statements for the financial year ended 31 May 2012.

The carrying value of the Group's land and building are stated at valuation less accumulated depreciation and impairment losses. The carrying amounts of other plant and equipment are stated at cost less accumulated depreciation and impairment losses.

A11. Events Subsequent to the Reporting Period

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

A12. Effects of Changes in Composition of the Group

During the financial quarter ended 31 August 2012, the Company acquired the entire two ordinary shares of RM1/= each in Ascension Lab Sdn Bhd (formerly known as Subur Wiramaju Sdn Bhd) at par for cash.

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

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

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

A14. Capital commitments

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

	RM'000
Property, plant and equipment	
- Approved and contracted for	2,068
- Approved but not contracted for	608
	<u>2,676</u>

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

B1. Review of Group's Performance

The Group posted revenue of RM515.7 million for the financial quarter ended 31 August 2012 compared with RM386.9 million in the corresponding quarter last year. Profit before taxation ("PBT") for the current financial quarter declined to RM0.5 million compared with RM7.1 million a year ago.

Agricultural and Industrial Chemicals

The division posted revenue of RM449.4 million for the current financial quarter compared with RM322.6 million recorded in the corresponding quarter last year. The increase is due to stronger export sales during the quarter. However, margins for industrial chemicals products were eroded due to higher product supply costs and aggressive price competitions in the export markets. On the local front, poor demand from the local palm oil refineries has affected the revenue and profit from the industrial chemicals business. Nevertheless, better profit margins from the agricultural chemicals business have partially offset these effects. Overall, the division posted higher segmental profit of RM11.7 million in the current financial quarter compared RM11.3 million a year ago.

Polymer

The Polymer division posted revenue of RM27.7 million for the current financial quarter compared with RM35.5 million in the corresponding quarter last year. The decrease in revenue is mainly due to intense competition from cheap imports as well as the shorter business days resulting from maintenance works at the Shah Alam plant. Consequently, the segmental profit declined to RM2.2 million compared with RM3.3 million a year ago.

Logistics

In the financial quarter ended 31 August 2012, the division posted higher revenue of RM15.5 million compared with RM15.1 million in the corresponding quarter last year. The higher revenue for the current financial year was primarily due to continuous growth in the tank farm and transportation businesses in Malaysia. However, segmental profit for the current financial quarter declined to RM2.1 million as compared with RM2.6 million in the corresponding quarter last year. The segmental profit was affected by higher operational costs incurred on upkeep of vehicles and equipment.

Information Technology

The revenue from the division grew to RM3.5 million for the current financial quarter compared to RM1.5 million a year ago with larger numbers of contracts completed. Segmental loss decreased to RM0.3 million from RM0.6 million last year on higher revenue. Nevertheless, the division continues to face pressure on its profit margins due to competitive biddings in the local IT industry.

Media

The revenue of the Media division increased to RM20.5 million compared to RM15.4 million in the corresponding quarter last year. The revenue growth came from the higher in-charge of advertising contracts which the division has built-up since the last

financial year. However, segmental loss increased to RM5.3 million from RM1.2 million in the corresponding quarter last year on higher production and fixed costs.

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

During the quarter under review, the Group revenue increased to RM515.7 million compared with RM507.5 million in the immediate preceding quarter. The Group posted PBT of RM0.5 million compared with a loss before taxation of RM3.6 million in the immediate preceding quarter. The loss before taxation in the immediate preceding was due to higher operating costs and impairments charges incurred.

B3. Prospects

In light of the global economic uncertainties, which may have an impact on the Group's operations, the Board will continue to exercise caution in managing the business going forward.

The Directors expect, barring any unforeseen circumstances, the performance of the Group shall remain satisfactory for the remaining quarters of the financial year.

B4. Variance from Profit Forecasts and Profit Guarantees

Not applicable as the Company did not provide any profit forecast and profit guarantee in respect of the current financial quarter.

B5. Taxation

	Individual quarter ended		Year-to-date ended	
	31-08-2012	31-08-2011	31-08-2012	31-08-2011
	RM'000	RM'000	RM'000	RM'000
Current tax expense based on profit for the financial period:				
Malaysian income tax	3,065	4,145	3,065	4,145
Foreign income tax	703	612	703	612
	3,768	4,757	3,768	4,757
Under/(over) provision in prior years:				
Malaysian income tax	(493)	(3)	(493)	(3)
Foreign income tax	-	-	-	-
	3,275	4,754	3,275	4,754
Deferred taxation:				
Transfer to/(from) deferred taxation	(822)	(400)	(822)	(400)
Under/(over) provision in prior years	-	-	-	-
	2,453	4,354	2,453	4,354

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

B6. Utilisation of proceeds

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

B7. Status of Corporate Proposals

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

B8. Group's Borrowings

	31-08-2012	31-05-2012
	RM'000	RM'000
SHORT TERM BORROWINGS		
Secured:		
Ringgit Malaysia	25,351	23,596
Singapore Dollar	346	2,276
Indonesian Ruppiah	1,965	2,027
United States Dollar	66,916	52,864
Vietnamese Dong	3,348	2,554
	97,926	83,317
Unsecured:		
Ringgit Malaysia	158,015	156,175
United States Dollar	-	-
Singapore Dollar	2,619	458
Hong Kong Dollar	-	-
Indonesian Ruppiah	23	32
	160,657	156,665
Total short term borrowings	258,583	239,982
LONG TERM BORROWINGS		
Secured:		
Ringgit Malaysia	9,226	10,147
Singapore Dollar	913	911
Indonesian Ruppiah	1,638	2,196
Vietnamese Dong	197	200
	11,974	13,454
Unsecured:		
Ringgit Malaysia	6,109	6,725
Singapore Dollar	-	-
Indonesian Ruppiah	28	27
	6,137	6,752
Total long term borrowings	18,111	20,206
TOTAL BORROWINGS	276,694	260,188

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

B9. Changes in Pending Material Litigation

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

B10. Dividends

The Directors do not recommend the payment of any dividend for the current quarter. There were no dividends declared for the current financial year-to-date.

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

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

	Individual quarter ended		Year-to-date ended	
	31-08-2012	31-08-2011	31-08-2012	31-08-2011
Number of ordinary shares ('000)	218,956	218,956	218,956	218,956
Less: Treasury shares ('000)	(2,736)	(2,711)	(2,736)	(2,711)
	<u>216,220</u>	<u>216,245</u>	<u>216,220</u>	<u>216,245</u>
Net loss attributable to ordinary equity holders of the Company (RM'000)	(3,980)	(963)	(3,980)	(963)
Basic loss per ordinary share (sen)	(1.84)	(0.45)	(1.84)	(0.45)

Fully diluted earnings per share

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

B12. Disclosure of realised and unrealised profits

Bursa Securities has, on 25 March 2010 and 20 December 2010, issued directives requiring all listed issuers to disclose the breakdown of unappropriated profits or accumulated losses as at the end of the reporting period, on a group basis, into realised and unrealised profits or losses, as the case may be, in the notes to its quarterly reports.

The breakdown of retained profits of the Group as at the balance sheet date, pursuant to the format prescribed by Bursa securities, is as follows:

Total retained profits of the Group	RM'000
- Realised	7,735
- Unrealised	13,320
	<u>21,055</u>
Less: Consolidation adjustments	29,530
As per consolidated financial statements	<u>50,585</u>

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

Petaling Jaya
29 October 2012