

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR FINANCIAL QUARTER ENDED 29 FEBRUARY 2016**

	Individual quarter ended		Year-to-date ended	
	29/2/2016	28/2/2015	29/2/2016	28/2/2015
	RM'000	RM'000	RM'000	RM'000
Revenue	<b>331,671</b>	339,636	<b>1,136,966</b>	1,143,828
Cost of sales	<b>(291,130)</b>	(299,346)	<b>(1,009,665)</b>	(1,019,763)
Gross profit	<b>40,541</b>	40,290	<b>127,301</b>	124,065
Other income	<b>1,943</b>	4,292	<b>6,043</b>	6,211
Distribution expenses	<b>(15,678)</b>	(15,935)	<b>(49,585)</b>	(47,757)
Administrative expenses	<b>(20,481)</b>	(19,649)	<b>(59,357)</b>	(56,440)
Other operating expenses	<b>(284)</b>	(2,496)	<b>(1,394)</b>	(3,029)
Finance costs	<b>(2,272)</b>	(3,007)	<b>(8,531)</b>	(8,157)
Share of results of a joint venture	-	(380)	-	(980)
Profit before taxation	<b>3,769</b>	3,115	<b>14,477</b>	13,913
Tax expense	<b>(3,511)</b>	(6,126)	<b>(13,180)</b>	(13,035)
Net profit for the financial period	<b>258</b>	(3,011)	<b>1,297</b>	878
<b>Net (loss)/profit attributable to</b>				
Equity holders of the Company	<b>(216)</b>	(2,272)	<b>(1,800)</b>	(2,235)
Non-controlling interests	<b>474</b>	(739)	<b>3,097</b>	3,113
	<b>258</b>	(3,011)	<b>1,297</b>	878
<b>(Loss)/Earnings per ordinary share attributable to equity holders of the Company</b>	<b>Sen</b>	Sen	<b>Sen</b>	Sen
Basic and diluted earnings per ordinary share	<b>(0.10)</b>	(1.05)	<b>(0.83)</b>	(1.03)

The Unaudited Condensed Income Statement should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2015 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR FINANCIAL QUARTER ENDED 29 FEBRUARY 2016**

	Individual quarter ended		Year-to-date ended	
	29/2/2016	28/2/2015	29/2/2016	28/2/2015
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	258	(3,011)	1,297	878
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation	(156)	6,830	19,761	11,173
Other comprehensive income, net of tax	(156)	6,830	19,761	11,173
<b>Total comprehensive income</b>	<b>102</b>	<b>3,819</b>	<b>21,058</b>	<b>12,051</b>
<b>Total comprehensive income attributable to</b>				
Equity holders of the Company	(239)	490	6,396	2,339
Non-controlling interests	341	3,329	14,662	9,712
	<b>102</b>	<b>3,819</b>	<b>21,058</b>	<b>12,051</b>

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 2015 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 29 FEBRUARY 2016**

	Unaudited 29/2/2016 RM'000	Audited 31/5/2015 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	232,161	228,382
Investment properties	132	132
Investment in associates	1,802	1,802
Investment in a joint venture	540	480
Other investments	8,158	9,686
Intangible assets	4,582	3,094
Goodwill on consolidation	90,306	79,908
Deferred tax assets	25,811	26,557
	<b>363,492</b>	<b>350,041</b>
<b>Current assets</b>		
Inventories	129,879	114,487
Receivables	345,164	328,794
Amounts owing by associates	4,635	2,971
Amount owing by a joint venture	51	51
Derivative assets	-	-
Current tax assets	2,521	3,988
Other investments	1,684	1,511
Cash and cash equivalents	95,102	122,663
	<b>579,036</b>	<b>574,465</b>
Non-current assets held for sales	-	51
<b>TOTAL ASSETS</b>	<b>942,528</b>	<b>924,557</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	218,956	218,956
Reserves	73,210	66,814
Less : Treasury Shares, at cost	(2,327)	(2,127)
	<b>289,839</b>	<b>283,643</b>
Non-controlling interests	149,302	138,318
<b>TOTAL EQUITY</b>	<b>439,141</b>	<b>421,961</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	26,273	19,371
Deferred tax liabilities	13,432	13,751
Provision for retirement benefits	3,421	3,198
	<b>43,126</b>	<b>36,320</b>
<b>Current liabilities</b>		
Payables	202,614	228,832
Amounts owing to associates	300	30
Borrowings	251,312	233,710
Derivatives liabilities	-	23
Current tax payables	6,035	3,681
	<b>460,261</b>	<b>466,276</b>
<b>Total Liabilities</b>	<b>503,387</b>	<b>502,596</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>942,528</b>	<b>924,557</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>	<b>1.34</b>	<b>1.31</b>

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 2015 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 29 FEBRUARY 2016**

	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			
	<b>Balance as at 1 June 2014</b>	218,956	4,332	203	104	4,987	(2,108)			
Total comprehensive income	-	-	-	4,960	-	-	2,166	<b>7,126</b>	10,274	<b>17,400</b>
<b>Transactions with owners</b>										
Dividend paid	-	-	-	-	-	-	(2,162)	<b>(2,162)</b>	-	<b>(2,162)</b>
Repurchase of ordinary shares of the Company	-	-	-	-	-	(19)	-	<b>(19)</b>	-	<b>(19)</b>
Repurchase of ordinary shares of a subsidiary from non-controlling interest	-	-	-	-	-	-	-	-	(19)	<b>(19)</b>
Acquisition of non-controlling interest of a subsidiary	-	-	-	-	-	-	(583)	<b>(583)</b>	(67)	<b>(650)</b>
Capital repayment of a subsidiary	-	-	-	-	-	-	-	-	(10,020)	<b>(10,020)</b>
Disposal of equity interest of subsidiaries	-	-	-	-	-	-	502	<b>502</b>	(964)	<b>(462)</b>
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	(3,146)	<b>(3,146)</b>
Winding up of a subsidiary	-	-	-	-	-	-	-	-	(92)	<b>(92)</b>
<b>Balance as at 31 May 2015</b>	<b>218,956</b>	<b>4,332</b>	<b>203</b>	<b>5,064</b>	<b>4,987</b>	<b>(2,127)</b>	<b>52,228</b>	<b>283,643</b>	<b>138,318</b>	<b>421,961</b>
<b>Balance as at 1 June 2015</b>	218,956	4,332	203	5,064	4,987	(2,127)	52,228	<b>283,643</b>	138,318	<b>421,961</b>
Total comprehensive (loss)/income	-	-	-	8,196	-	-	(1,800)	<b>6,396</b>	14,662	<b>21,058</b>
<b>Transactions with owners</b>										
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	97	<b>97</b>
Repurchase of ordinary shares of the Company	-	-	-	-	-	(200)	-	<b>(200)</b>	-	<b>(200)</b>
Repurchase of ordinary shares of a subsidiary from non-controlling interest	-	-	-	-	-	-	-	-	(214)	<b>(214)</b>
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	(3,561)	<b>(3,561)</b>
<b>Balance at 29 February 2016</b>	<b>218,956</b>	<b>4,332</b>	<b>203</b>	<b>13,260</b>	<b>4,987</b>	<b>(2,327)</b>	<b>50,428</b>	<b>289,839</b>	<b>149,302</b>	<b>439,141</b>

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 2015 and the accompanying notes to this Interim Financial Report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE FINANCIAL QUARTER ENDED 29 FEBRUARY 2016**

	Year-to-date ended	
	29/2/2016 RM'000	28/2/2015 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	14,477	13,913
Adjustments for non-cash items	22,887	26,136
Operating profit before working capital changes	37,364	40,049
Inventories	(15,392)	11,145
Receivables	(12,627)	18,961
Payables	(27,476)	(43,772)
Group companies	(1,395)	(1,593)
Net cash generated used in operations	(19,526)	24,790
Dividend received	-	(5)
Income tax paid	(8,932)	(16,414)
Net cash generated used in operating activities	(28,458)	8,371
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(7,305)	(28,155)
Interest received	1,302	1,423
Capital reduction by a subsidiary paid to non-controlling interests	-	(10,021)
Final cash distribution to non-controlling interest on winding up of a subsidiary	-	(92)
Purchase/(disposal) of intangible assets	(1,877)	5
Purchase/(disposed) of other investments	1,355	1,205
Acquisition of a subsidiary	(650)	-
Purchase of treasury shares of a subsidiary from non-controlling interests	(214)	(13)
Placement of short term deposits pledged to licensed banks	(54)	(1,109)
Others	(60)	(645)
Net cash used in from investing activities	(7,503)	(37,402)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(8,531)	(8,157)
Dividend paid	-	(2,162)
(Repayments)/Drawdown of hire-purchase and lease creditors	(2,380)	2,452
Drawdown/(Repayments) of borrowings	20,974	16,808
Dividends paid to non-controlling interest of subsidiaries	-	(3,146)
Purchase of ordinary shares of the Company from owners	(200)	(19)
Net cash from/(used in) financing activities	6,302	5,776
<b>Net decrease in cash and cash equivalents</b>	(29,659)	(23,255)
<b>Cash and cash equivalents at the beginning of the financial year</b>	101,389	107,603
<b>Effect of exchange rate changes</b>	(3,732)	(741)
<b>Cash and cash equivalents at the end of the financial year</b>	67,998	83,607
Cash and cash equivalents include the following:		
	RM'000	RM'000
Cash and bank balances	72,551	75,849
Bank overdrafts	(19,533)	(12,966)
Short term deposits	22,551	27,891
	75,569	90,774
Less : Short term deposits pledged to banks	(7,462)	(7,061)
Short term deposits with maturity more than 3 months	(109)	(106)
	67,998	83,607

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 2015 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 29 FEBRUARY 2016**

**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 2015. 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 2015.

For the financial periods up and including the financial year ended 31 May 2015, the Group prepared its financial report in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRSs"). 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 2015 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 2015:

**Accounting Standards and amendments:**

Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions  
Amendments to MFRSs Annual Improvements to MFRSs 2010 - 2012 Cycle  
Amendments to MFRSs Annual Improvements to MFRSs 2011 - 2013 Cycle  
Amendments to MFRSs Annual Improvements to 2012-2014 Cycle  
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associates or Joint Venture  
Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception  
Amendments to MFRS 101 Disclosure Initiative  
Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation  
Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations  
Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants  
Amendments to MFRS 127 Equity Method in Separate Financial Statements  
MFRS 14 Regulatory Deferral Accounts

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 2015 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 29 February 2016.

**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 29 February 2016 except for the transactions described below.

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:

<b>Date Purchase</b>	<b>Number of shares purchased/ (resold)</b>	<b>Highest price RM</b>	<b>Lowest price RM</b>	<b>Average price RM</b>	<b>Total consideration paid/ (received) RM</b>
July 2015	106,700	0.45	0.39	0.42	42,881
August 2015	165,700	0.43	0.34	0.35	61,388
September 2015	72,200	0.37	0.34	0.36	25,629
October 2015	30,100	0.41	0.37	0.38	11,359
November 2015	51,100	0.42	0.38	0.38	20,048
December 2015	49,000	0.40	0.40	0.40	19,520
January 2016	15,200	0.46	0.39	0.41	5,955
February 2016	35,000	0.41	0.37	0.39	13,250
Total for the financial period	<u>525,000</u>				<u>200,029</u>

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

As at 29 February 2016, the Company holds 3,361,627 Treasury Shares at a cost of RM2,327,238.

**A7. Dividends**

There was no dividend declared and/or paid during the financial quarter ended 29 February 2016.

## A8. Segmental results

Segmental information for the financial period ended 29 February 2016.

	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
<b>29 February 2016</b>								
<b>Revenue</b>								
External revenue	2,725	941,035	15,991	4,571	88,102	84,542	-	1,136,966
Inter-segment revenue	2,520	2,801	5,266	140	-	-	(10,727)	-
Total revenue	5,245	943,836	21,257	4,711	88,102	84,542		1,136,966
Segment results	(12,047)	28,695	1,717	276	(4,823)	8,847	343	23,008
Operating profits								23,008
Finance costs								(8,531)
Profit before taxation								14,477
Tax expense								(13,180)
<b>Net profit</b>								1,297
<b>28 February 2015</b>								
<b>Revenue</b>								
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	3,533	944,527	21,072	11,010	81,162	92,507		1,143,828
Segment results	(11,796)	24,087	2,196	228	(240)	8,625	(50)	23,050
Operating profits								23,050
Finance costs								(8,157)
Share of results of joint ventures								(980)
Profit before taxation								13,913
Tax expense								(13,035)
<b>Net profit</b>								878



**A9. Profit before taxation**

	<b>Individual quarter ended 29/2/2016 RM'000</b>	<b>Year-to-date ended 29/2/2016 RM'000</b>
The profit before taxation is stated after charging/(crediting):		
Finance costs	2,272	8,531
Depreciation and amortisation	4,421	14,091
Provision for and write-off of inventories	76	386
Fair value gain/(loss) on investment	20	(17)
Fair value loss on derivatives	6	6
Foreign exchange gain	(3,637)	(8,533)
Interest income	(765)	(1,302)
Reversal of Impairment on receivable	69	(75)
	<u>69</u>	<u>(75)</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 29 February 2016.

**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 RM28.9 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:

	<b>RM'000</b>
Property, plant and equipment	
- Approved and contracted for	47,216
- Approved but not contracted for	-
	<u>47,216</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 29 February 2016**

For the nine months ended 29 February 2016, the Group recorded constant revenue of RM1.14 billion in the current and corresponding period last year. Nevertheless, Profit before taxation ("PBT") increased to RM14.5 million compared with RM13.9 million in the corresponding period last year.

For the financial quarter ended 29 February 2016, the Group posted lower revenue of RM331.7 million compared with RM339.6 million in the corresponding quarter last year. However, PBT increased to RM3.8 million compared with RM3.1 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 29 February 2016**

##### Investment Holding

The investment holding segment reported a higher segmental loss of RM5.6 million for the current financial quarter compared with RM4.6 million in the corresponding quarter last year. The segmental loss in the current financial quarter mainly incurred for payroll and corporate expenses.

##### Agricultural and Industrial Chemicals

The division achieved lower revenue of RM269.9 million for the current financial quarter compared with RM273.5 million recorded in the corresponding quarter last year. The decline in revenue was mainly due to lower contribution from the Industrial Chemical products. Nevertheless, the division posted a higher segmental profit of RM9.6 million in the current financial quarter compared with RM7.9 million a year ago mainly due to better margin on agricultural chemicals products .

##### Polymer

The Polymer Division recorded lower revenue of RM27.9 million for the current financial quarter, which represents a decrease of 7.5% from RM30.1 million in the corresponding quarter last year mainly due to lower contribution by films and coated fabrics segment and lower demand for its geosynthetics drainage products. However, as a result of the capitalisation of loan interest relating to the new calendar project during the quarter and higher margin achieved for certain products, the Division registered higher PBT of RM3.3 million compared with RM2.5 million in the same period last year.

##### Logistics

The Logistics Division posted lower revenue of RM6.4 million compared to RM7.1 million in the corresponding quarter last year. Consequently, the division posted loss before taxation of RM0.2 million from RM0.8 million in the corresponding quarter last year, mainly due to stiff competition in the trucking business while warehousing business remain stable.

### Information Technology ("IT")

The IT Division recorded lower revenue of RM1.5 million compared with RM1.8 million in the corresponding quarter last year. The lower revenue was primarily due to the disposal of MSTi in February 2015 which its results are no longer accounted for in the current financial quarter. However, the division posted break-even results for the current financial quarter as compared to loss before taxation of RM0.3 million in the corresponding quarter last year as competitions remain stiff in the IT industry.

### Media

The Media division posted lower revenue of RM28.0 million compared with RM28.8 million in the corresponding financial quarter last year. Consequently, the division posted a segmental loss of RM1.6 million in the current financial quarter compared with PBT of RM0.2 million in the corresponding quarter last year. Despite the slowdown in advertising spending in Malaysia, the media division managed to post higher revenue for the current financial quarter, but profit margins have been eroded on higher operating costs.

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

For the current financial quarter ended 29 February 2016, the Group posted revenue of RM331.7 million compared with RM339.6 million in the immediate preceding quarter. The lower revenue was mainly due to lower demand in the agricultural and industrial chemicals segment. Consequently, PBT has decreased to RM3.8 million in the current financial quarter from RM6.5 million in the immediate preceding quarter.

## **B3. Current year prospects**

The key business segments, Agricultural and Industrial Chemical Division and Polymer Division are expecting challenging business environments with continued pressure on profit margins amid oil price and currency volatility. The continued weakness in the domestic economy has affected the advertising industry generally. The Media Division will face pressure on its sales under the prevailing economic conditions.

As there remain uncertainties in the global economic situations, which may have an impact to the Group's businesses, the Board will continue to exercise caution in managing the Group's businesses for the rest of the 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.

**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	
	29/2/2016	28/2/2015	29/2/2016	28/2/2015
	RM'000	RM000	RM'000	RM000
Current tax expense based on profit for the financial period:				
Malaysian income tax	2,857	4,878	10,888	11,197
Foreign income tax	1,010	583	1,726	1,821
	<b>3,867</b>	5,461	<b>12,614</b>	13,018
Under/(over) provision in prior years:				
Malaysian income tax	(398)	(19)	(397)	(111)
Foreign income tax	-	-	-	-
	<b>3,469</b>	5,442	<b>12,217</b>	12,907
Deferred taxation:				
Transfer to/(from) deferred taxation	42	684	963	128
Under/(over) provision in prior years	-	-	-	-
	<b>3,511</b>	6,126	<b>13,180</b>	13,035

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**

	29/2/2016 RM'000	31/5/2015 RM'000
<b>SHORT TERM BORROWINGS</b>		
Secured:		
Ringgit Malaysia	47,257	49,244
Indonesian Ruppiah	1,860	2,343
United States Dollar	31,732	33,785
Vietnamese Dong	4,910	-
	<b>85,759</b>	<b>85,372</b>
Unsecured:		
Ringgit Malaysia	161,586	146,743
United States Dollar	3,967	1,595
	<b>165,553</b>	<b>148,338</b>
<b>Total short term borrowings</b>	<b>251,312</b>	<b>233,710</b>
<b>LONG TERM BORROWINGS</b>		
Secured:		
Ringgit Malaysia	22,162	8,861
Indonesian Ruppiah	4,111	10,510
<b>Total long term borrowings</b>	<b>26,273</b>	<b>19,371</b>
<b>TOTAL BORROWINGS</b>	<b>277,585</b>	<b>253,081</b>

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**

There was no dividend declared and/or paid during the financial quarter ended 29 February 2016.

## 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	
	29/2/2016	28/2/2015	29/2/2016	28/2/2015
Number of ordinary shares ('000)	218,956	218,956	218,956	218,956
Less: Treasury shares ('000)	(2,327)	(2,112)	(2,327)	(2,127)
	<u>216,629</u>	<u>216,844</u>	<u>216,629</u>	<u>216,829</u>
<b>Net (loss)/profit attributable to ordinary equity holders of the Company (RM'000)</b>	<b>(216)</b>	<b>(2,272)</b>	<b>(1,800)</b>	<b>(2,235)</b>
<b>Basic earnings per ordinary share (sen)</b>	<b>(0.10)</b>	<b>(1.05)</b>	<b>(0.83)</b>	<b>(1.03)</b>
<u>Diluted earnings per share</u>				

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

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The breakdown of retained profits of the Group as at 29 February 2016 into realised and unrealised profits is as follows:

Total retained profits of the Group	<b>RM'000</b>
- Realised	32,800
- Unrealised	<u>12,379</u>
	45,179
Less: Consolidation adjustments	<u>(5,249)</u>
As per consolidated financial statements	<u>50,428</u>

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

Petaling Jaya  
27 April 2016