

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR FINANCIAL QUARTER ENDED 30 NOVEMBER 2014**

	Individual quarter ended		Year-to-date ended	
	30/11/2014 RM'000	30/11/2013 RM'000	30/11/2014 RM'000	30/11/2013 RM'000
Revenue	389,942	528,072	804,192	1,018,301
Cost of sales	(345,844)	(468,017)	(720,417)	(905,524)
Gross profit	44,098	60,055	83,775	112,777
Other income	(87)	3,410	1,919	5,828
Distribution expenses	(17,175)	(20,036)	(31,822)	(39,358)
Administrative expenses	(19,392)	(25,921)	(36,791)	(48,502)
Other operating expenses	774	(2,307)	(533)	(4,520)
Finance costs	(2,336)	(3,401)	(5,150)	(6,911)
Share of results of a joint venture	(98)	-	(600)	-
Share of results of associates	-	-	-	-
Profit before taxation	5,784	11,800	10,798	19,314
Tax expense	(3,898)	(4,789)	(6,909)	(9,233)
Net profit	1,886	7,011	3,889	10,081
Net profit attributable to				
Equity holders of the Company	(457)	4,504	37	6,187
Non-controlling interests	2,343	2,507	3,852	3,894
	1,886	7,011	3,889	10,081
Earnings per ordinary share attributable to equity holders of the Company	Sen	Sen	Sen	Sen
Basic and diluted earnings per ordinary share	(0.21)	2.08	0.02	2.86

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

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL QUARTER ENDED 30 NOVEMBER 2014**

	Individual quarter ended		Year-to-date ended	
	30/11/2014	30/11/2013	30/11/2014	31/11/2013
	RM'000	RM'000	RM'000	RM'000
Net profit	1,886	7,011	3,889	10,081
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	7,265	(4,499)	4,343	(77)
Other comprehensive income, net of tax	7,265	(4,499)	4,343	(77)
Total comprehensive income	9,151	2,512	8,232	10,004
Total comprehensive (loss)/income attributable to				
Equity holders of the Company	2,450	2,952	1,849	6,931
Non-controlling interests	6,701	(440)	6,383	3,073
	9,151	2,512	8,232	10,004

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

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2014**

	Unaudited 30/11/2014 RM'000	Audited 31/5/2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	190,608	191,487
Investment properties	139	139
Investment in associates	2,509	2,509
Investment in a joint venture	380	980
Other investments	695	695
Intangible assets	3,353	3,634
Goodwill on consolidation	74,716	71,618
Deferred tax assets	30,423	29,649
Other receivable	1,430	1,592
	304,253	302,303
Current assets		
Inventories	119,820	125,563
Receivables	347,610	324,721
Amounts owing by associates	3,026	1,772
Amount owing by a joint venture	345	345
Derivative assets	17	17
Current tax assets	6,143	2,074
Other investments	1,898	3,635
Cash and cash equivalents	88,715	127,702
	567,574	585,829
TOTAL ASSETS	871,827	888,132
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	218,956	218,956
Reserves	63,780	61,931
Less : Treasury Shares, at cost	(2,112)	(2,108)
	280,624	278,779
Non-controlling interests	138,610	142,352
TOTAL EQUITY	419,234	421,131
LIABILITIES		
Non-current liabilities		
Borrowings	19,601	6,336
Deferred tax liabilities	13,268	13,461
Provision for retirement benefits	2,991	2,882
	35,860	22,679
Current liabilities		
Payables	211,244	232,177
Amounts owing to associates	527	523
Borrowings	202,921	210,986
Derivatives liabilities	-	-
Current tax payables	2,041	636
	416,733	444,322
Total Liabilities	452,593	467,001
TOTAL EQUITY AND LIABILITIES	871,827	888,132
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.30	1.29

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

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2014**

	Attributable to equity holders of the Company							Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share Premium RM'000	Capital reserve RM'000	Foreign exchange reserve RM'000	Capital redemption reserve RM'000	Treasury shares RM'000	Retained Profits RM'000			
Balance as at 1 June 2013	218,956	4,332	203	(53)	4,987	(2,056)	44,684	271,053	131,078	402,131
Total comprehensive income	-	-	-	157	-	-	9,566	9,723	15,678	25,401
Transactions with owners										
Repurchase of ordinary shares of the Company	-	-	-	-	-	(52)	-	(52)	-	(52)
Repurchase of ordinary shares of a subsidiary from non-controlling interest	-	-	-	-	-	-	-	-	(134)	(134)
Arising from accretion of equity interest in subsidiary	-	-	-	-	-	-	(1,945)	(1,945)	(1,710)	(3,655)
Additional interests acquired by non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	9,079	9,079
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	(11,639)	(11,639)
Balance as at 31 May 2014	218,956	4,332	203	104	4,987	(2,108)	52,305	278,779	142,352	421,131
Balance as at 1 June 2014	218,956	4,332	203	104	4,987	(2,108)	52,305	278,779	142,352	421,131
Total comprehensive (loss)/income	-	-	-	1,812	-	-	37	1,849	6,383	8,232
Transactions with owners										
Repurchase of ordinary shares of the Company	-	-	-	-	-	(4)	-	(4)	-	(4)
Repurchase of ordinary shares of a subsidiary from non-controlling interest	-	-	-	-	-	-	-	-	(13)	(13)
Capital repayment and reduction of a subsidiary	-	-	-	-	-	-	-	-	(10,020)	(10,020)
Winding up of a subsidiary	-	-	-	-	-	-	-	-	(92)	(92)
Balance at 30 November 2014	218,956	4,332	203	1,916	4,987	(2,112)	52,342	280,624	138,610	419,234

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2014**

	Year-to-date ended	
	30/11/2014 RM'000	30/11/2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,798	19,314
Adjustments for non-cash items	16,597	15,314
Operating profit before working capital changes	<u>27,395</u>	<u>34,628</u>
Inventories	5,743	52,663
Receivables	(22,892)	(62,405)
Payables	(20,927)	14,249
Group companies	(1,250)	1,810
Net cash generated from operations	<u>(11,931)</u>	<u>40,945</u>
Dividend received	-	8
Income tax paid	(10,379)	(7,530)
Retirement benefit paid	-	(36)
Net cash (used in)/generated from operating activities	<u>(22,310)</u>	<u>33,387</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,869)	(4,551)
Interest received	938	551
Capital reduction by a subsidiary paid to non-controlling interests	(10,021)	-
Additional investments by non-controlling interest in a subsidiary	-	9,763
Final cash distribution to non-controlling interest on winding up of a subsidiary	(92)	-
Purchase of other investments	1,737	(1,902)
Purchase of treasury shares of a subsidiary from non-controlling interests (Placement)/Withdrawal of short term deposits pledged to licensed banks	(13)	(31)
Net cash (used in)/generated from investing activities	<u>(17,242)</u>	<u>4,401</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(5,150)	(6,911)
Repayments of hire-purchase and lease creditors	2,945	(912)
Drawdown/(Repayments) of borrowings	4,271	(21,376)
Net proceed from sale /(purchase) of Company's own shares	(4)	(8)
Net cash used in financing activities	<u>2,062</u>	<u>(29,207)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(37,490)</u>	<u>8,581</u>
Cash and cash equivalents at the beginning of the financial year	107,603	51,564
Effect of exchange rate changes	(741)	(265)
Cash and cash equivalents at the end of the financial year	<u>69,372</u>	<u>59,880</u>
Cash and cash equivalents include the following:		
	RM'000	RM'000
Cash and bank balances	72,291	55,628
Bank overdrafts	(11,363)	(13,288)
Short term deposits	16,424	21,531
	<u>77,352</u>	<u>63,871</u>
Less : Short term deposits pledged to banks	(7,980)	(3,991)
	<u>69,372</u>	<u>59,880</u>

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



ANCOM BERHAD

(Company No. 8440-M)
Incorporated in Malaysia

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2014

A1. Basis of preparation

This Interim Financial Report of Ancom Berhad ("Ancom" or "the Company") and its subsidiaries ("Group") is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and Rule 9.22(2) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the Main Board ("Listing Requirements").

This Interim Financial Report of the Group should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 31 May 2014. These explanatory notes attached to the Interim Financial Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2014.

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

Amendments to:

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

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

A2. Auditors' report

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

A3. Seasonality or cyclicity

The operations of the Group were not significantly affected by any seasonal and cyclical factors.

A4. Items of unusual nature and amount

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

A5. Changes in estimates

There was no material changes in estimates of the amounts reported that have a material effect on the financial quarter ended 30 November 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 30 November 2014 except for the transactions described below.

At the previous Annual General Meeting held on 20 November 2014, the shareholders of the Company approved the proposed renewal of shareholders' mandate for the Company to repurchase up to 10% of its own ordinary shares. For the current quarter and financial period, the details of Company's own shares purchased by the Company and held as Treasury Shares and the Treasury Shares resold pursuant to Section 67A of the Companies Act, 1965 are detailed as follows:

Date Purchase	Number of shares purchased/ (resold)	Highest price RM	Lowest price RM	Average price RM	Total consideration paid/ (received) RM
October 2014	8,200	0.540	0.520	0.530	4,431
Total for the quarter	<u>8,200</u>				<u>4,431</u>

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

As at 30 November 2014, the Company holds 2,804,027 Treasury Shares at a cost of RM2,112,636.

A7. Dividends

There were no dividends declared and/or paid during the financial quarter ended 30 November 2014.

A8. Segmental results

Segmental information for the financial period ended 30 November 2014.

30 November 2014	Investment holdings and others RM'000	Agricultural and Industrial Chemicals RM'000	Logistics RM'000	Information Technology RM'000	Media RM'000	Polymer RM'000	Elimination RM'000	Total RM'000
Revenue								
External revenue	1,484	667,234	11,022	9,042	51,335	64,075	-	804,192
Inter-segment revenue	-	3,790	2,961	105	1,014	(1,571)	(6,299)	-
Total revenue	1,484	671,024	13,983	9,147	52,349	62,504		804,192
Segment results	(7,203)	16,171	1,394	502	(413)	6,131	(34)	16,548
Operating profits								16,548
Finance costs								(5,150)
Share of results of a joint venture								(600)
Share of results of associates								-
Profit before taxation								10,798
Tax expense								(6,909)
Net profit								3,889
30 November 2013								
Revenue								
External revenue	1,232	868,876	28,131	2,482	53,131	64,449	-	1,018,301
Inter-segment revenue	351	684	3,262	132	-	5	(4,434)	-
Total revenue	1,583	869,560	31,393	2,614	53,131	64,454		1,018,301
Segment results	(7,546)	27,789	2,883	(1,201)	(928)	6,605	(1,377)	26,225
Operating profits								26,225
Finance costs								(6,911)
Share of results of associates								-
Profit before taxation								19,314
Tax expense								(9,233)
Net profit								10,081

A9. Profit before taxation

	Individual quarter ended 30/11/2014 RM'000	Year-to-date ended 30/11/2014 RM'000
The profit before taxation is stated after charging/(crediting):		
Finance costs	2,336	5,150
Depreciation and amortisation	4,330	8,683
Provision for and write-off of receivables	332	403
Foreign exchange loss/(gain)	(231)	96
Interest income	(548)	(939)
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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 30 November 2014.

A11. Subsequent events

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

A12. Changes in composition of the Group

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

A13. Changes in contingent liabilities

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

A14. Capital commitments

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

	RM'000
Property, plant and equipment	
- Approved and contracted for	18,943
- Approved but not contracted for	79
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	19,022
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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 30 November 2014

For the six months ended 30 November 2014, the Group posted lower revenue of RM0.8 billion compared with RM1.02 billion in the corresponding period last year. Consequently, the Group posted lower profit before taxation ("PBT") of RM10.8 million compared with RM19.3 million in the corresponding period last year.

For the financial quarter ended 30 November 2014, the Group posted lower revenue of RM389.9 million compared with RM528.1 million in the corresponding quarter last year. Consequently, PBT of the Group decreased to RM5.8 million compared with RM11.8 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 30 November 2014

Investment Holding

The investment holding segment reported a segmental loss of RM3.0 million for the current financial quarter compared with RM3.4 million in corresponding quarter last year. The segmental loss is mainly due to corporate expenses incurred by the investment holding companies.

Agricultural and Industrial Chemicals

The division posted revenue of RM366.3 million for the current financial quarter compared with RM446.3 million recorded in the corresponding quarter last year. The lower revenue was mainly attributed to the lower sales in industrial chemicals business due to weak market sentiment. The agricultural chemical business also faced a slowdown in export sales in the current financial quarter on weaker demand from its overseas markets. As a result, the division posted a lower segmental profit of RM7.8 million in the current financial quarter compared with RM15.0 million a year ago.

Polymer

The Polymer Division achieved higher revenue of RM34.7 million for the current financial quarter, which represents a marginal increase of 0.6% from RM34.5 million in the corresponding quarter last year due to higher contribution by its manufacturing plant in Surabaya, Indonesia. Consequently, the Division registered higher PBT of RM3.8 million compared with RM3.2 million achieved in the same period last year.

Logistics

The Logistics Division posted lower revenue of RM6.9 million compared to RM15.9 million in the corresponding quarter last year. The lower revenue was primarily due to the disposal of SSM in December 2013 which its results are no longer accounted for in the current financial quarter. Segmental profit decreased to RM0.8 million from RM1.2 million in the corresponding quarter last year. The results were affected by higher costs of repairs and maintenance in the transportation operations.

Information Technology ("IT")

The IT Division achieved higher revenue of RM8.3 million compared with RM1.3 million in the corresponding quarter last year. The IT division reported a segment profit of RM0.5 million compared with segmental loss of RM0.7 million in the same period last year. The improvement result was due to better costs management and able to secure more profitable contracts.

Media

The Media division posted lower revenue of RM25.3 million compared with RM31.4 million in the corresponding financial quarter last year. However, the division posted a lower segmental loss of RM1.4 million in the current financial quarter compared with segment profit of RM0.1 million a year ago.

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

For the current financial quarter ended 30 November 2014, the Group posted revenue of RM389.9 million compared with RM414.3 million in the immediate preceding quarter. The lower revenue was mainly due to the weaker demand faced by the agricultural and industrial chemicals division. However, PBT has slightly improved to RM5.7 million in the current financial quarter from RM5.0 million in the immediate preceding quarter due to better cost management.

B3. Prospects for the financial year

Among the key business segments, Agricultural and Industrial Chemical Division and Polymer Division are expecting challenging business environment with continued pressure on profit margins as product suppliers and logistic providers seek higher prices. Competitions in the agricultural chemical business are expected to intensify due to aggressive price competitions. Growth in the Media Division is anticipated to be affected by the challenging economic conditions in Malaysia and regionally.

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 next 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	
	30/11/2014	30/11/2013	30/11/2014	30/11/2013
	RM'000	RM'000	RM'000	RM'000
Current tax expense based on profit for the financial period:				
Malaysian income tax	3,316	4,269	6,319	8,547
Foreign income tax	768	503	1,238	1,315
	<u>4,084</u>	<u>4,772</u>	<u>7,557</u>	<u>9,862</u>
Under/(over) provision in prior years:				
Malaysian income tax	(92)	-	(92)	-
Foreign income tax	-	-	-	-
	<u>3,992</u>	<u>4,772</u>	<u>7,465</u>	<u>9,862</u>
Deferred taxation:				
Transfer to/(from) deferred taxation	(94)	17	(556)	(629)
Under/(over) provision in prior years	-	-	-	-
	<u>3,898</u>	<u>4,789</u>	<u>6,909</u>	<u>9,233</u>

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

B6. Utilisation of proceeds

The Company does not have any unutilised proceeds raised from any corporate exercise.

B7. Status of corporate proposals

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

B8. Borrowings

	30/11/2014	31/5/2014
	RM'000	RM'000
SHORT TERM BORROWINGS		
Secured:		
Ringgit Malaysia	13,041	38,214
Indonesian Ruppiah	921	210
United States Dollar	36,637	23,517
Vietnamese Dong	1,705	1,495
	52,304	63,436
Unsecured:		
Ringgit Malaysia	149,921	144,659
United States Dollar	696	2,891
	150,617	147,550
Total short term borrowings	202,921	210,986
LONG TERM BORROWINGS		
Secured:		
Ringgit Malaysia	7,626	6,336
Indonesian Ruppiah	11,975	-
Total long term borrowings	19,601	6,336
TOTAL BORROWINGS	222,522	217,322

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

B9. Material litigation

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

B10. Dividend

No dividend has been paid or declared by the Company during the financial quarter ended 30 November 2014.

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	
	30/11/2014	30/11/2013	30/11/2014	30/11/2013
Number of ordinary shares ('000)	218,956	218,956	218,956	218,956
Less: Treasury shares ('000)	(2,112)	(2,669)	(2,112)	(2,669)
	216,844	216,287	216,844	216,287
Net profit attributable to ordinary equity holders of the Company (RM'000)	(457)	1,683	37	1,683
Basic earnings per ordinary share (sen)	(0.21)	0.78	0.02	0.78

Diluted earnings per share

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

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

B12. Disclosure of realised and unrealised profits

The breakdown of retained profits of the Group as at 30 November 2014 into realised and unrealised profits is as follows:

Total retained profits of the Group	RM'000
- Realised	69,401
- Unrealised	(13,268)
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	56,133
Less: Consolidation adjustments	3,791
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As per consolidated financial statements	<u>52,342</u>

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

Petaling Jaya
30 January 2015