



Financial Statements

Directors' Report	30
Statement by Directors	36
Statutory Declaration	36
Report of the Auditors	37
Balance Sheets	38
Income Statements	40
Statement of Changes in Equity	42
Cash Flow Statement	46
Notes to the Financial Statements	49

Directors' Report

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 May 2005.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to its subsidiary companies.

The principal activities of the subsidiary companies are disclosed in Note 49 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
(Loss)/Profit after tax	(12,431)	32,735
Minority interests	12,561	-
Net profit attributable to shareholders	130	32,735

DIVIDENDS

Since the end of the previous financial year, the Company had on 30 December 2004, paid a final ordinary dividend of 3 sen, less income tax, amounting to RM4,245,000 for the financial year ended 31 May 2004 instead of RM4,360,000 proposed for that financial year. The reduction in final dividend paid of RM115,000 was due to share buy back of 5,347,000 ordinary shares of RM1 each which, as at the book closure date to determine the entitlement for the final dividend, were retained as treasury shares by the Company in accordance with Section 67A (3A) (b) of the Companies' Act, 1965 ("Treasury Shares") and were therefore, not entitled to the final dividend.

The Directors proposed a final ordinary dividend of approximately 5 sen, less income tax, amounting to RM7,253,000 for the financial year ended 31 May 2005, by way of distribution of one (1) Treasury Share for every twenty (20) existing ordinary shares of RM1 each in the Company held at a date to be announced. The proposed final ordinary dividend is subject to the approval of the shareholders at the Company's forthcoming annual general meeting.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

Directors' Report

REPURCHASE OF SHARES

At the Extraordinary General Meeting held on 30 November 2004, the shareholders of the Company by an ordinary resolution renewed the authority given to the Directors to purchase the Company's own shares based on the following terms:

- (i) The number of shares to be purchased shall not be more than 15,074,000 ordinary shares being the number of ordinary shares which when aggregated with the 5,111,400 Treasury Shares held by the Company, representing not more than 10% of its issued and paid up share capital of 201,856,767 ordinary shares as at 20 October 2004;
- (ii) The amount to be utilised for the purchase of shares by the Company shall not exceed the total retained profits and share premium of the Company as at 31 May 2004; and
- (iii) The Directors may retain the ordinary shares so purchased as Treasury Shares and may resell such Treasury Shares or distribute the Treasury Shares as share dividend in a manner they deem fit in accordance with the Companies Act, 1965 and the applicable guidelines of Bursa Malaysia Securities Berhad.

The details of shares purchased by the Company during the financial year were as follows:

	Number of shares purchased	Purchase price			Total consideration RM'000
		Lowest RM	Highest RM	Average RM	
2004					
June	1,582,800	0.820	0.855	0.842	1,341
July	472,800	0.820	0.920	0.856	408
August	398,300	0.775	0.820	0.796	319
September	647,300	0.775	0.815	0.795	518
October	258,800	0.750	0.800	0.780	204
November	138,600	0.740	0.820	0.768	107
2005					
March	700,600	0.685	0.730	0.708	500
April	265,000	0.670	0.700	0.689	184
May	2,678,000	0.590	0.665	0.635	1,708
	7,142,200				5,289

The shares purchased above are retained by the Company as Treasury Shares pursuant to Section 67A (3A) (b) of the Companies Act, 1965.

Together with the 1,848,600 Treasury Shares held since the previous financial year, a total of 8,990,800 Treasury Shares at a total cost of RM6,762,000 were held by the Company as at 31 May 2005.

There is no resale or cancellation of Treasury Shares during the financial year.

Directors' Report

DIRECTORS

The Directors who held office since the date of the last report are:

Dato' Johari Razak	(Executive Chairman)
Dato' Siew Ka Wei	(Group Managing Director)
Dato' Siew Nim Chee	(Advisor)
Tan Sri Dato' Dr Lin See Yan	
Datuk Haji Mohamed Al Amin bin Haji Abdul Majid, JP	
Dato' Mohd Ismail bin Che Rus	
Chan Thye Seng	
Edmond Cheah Swee Leng	(Appointed on 30 August 2005)
Chieng Ing Huong	(Resigned on 31 May 2005)

Dato' Siew Nim Chee retires in accordance with Section 129(2) of the Companies Act, 1965. The Board recommends that Dato' Siew Nim Chee be re-appointed as Director of the Company pursuant to Section 129(6) of the Companies Act, 1965 and, to hold office until the conclusion of the next annual general meeting.

In accordance with Article 81 of the Company's Articles of Association, Dato' Mohd Ismail bin Che Rus and Chan Thye Seng retire from the Board by rotation at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

Edmond Cheah Swee Leng retires from the Board in accordance with Articles 87 of the Company's Articles of Association at the forthcoming annual general meeting and being eligible, offers himself for re-election.

DIRECTORS' INTERESTS

Except as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 which is stated below, no other Directors who held office at the end of the financial year had any beneficial interests in the ordinary shares of the Company and its related corporations during the financial year ended 31 May 2005:

Ordinary shares of RM1 each in the Company	Number of shares				Balance at 31.5.2005
	Balance at 1.6.2004	Bought	Sold	Cancelled	

Direct interests:

Dato' Johari Razak	748,688	-	-	-	748,688
Dato' Siew Ka Wei	12,832,300	230,300	-	-	13,062,600
Dato' Siew Nim Chee	120,000	-	(120,000)	-	-
Tan Sri Dato' Dr Lin See Yin	150,000	-	-	-	150,000

Indirect interests:

Dato' Siew Ka Wei	12,782,128	267,000	-	-	13,049,128
Chan Thye Seng	22,499,233	-	-	-	22,499,233

Directors' Report

DIRECTORS' INTERESTS *(continued)*

Shares in subsidiary companies	Balance at 1.6.2004	Number of shares			Balance at 31.5.2005
		Bought	Sold	Cancelled	

Ordinary shares of RM1 each in Nylex (Malaysia) Berhad

Direct interests:

Dato' Johari Razak	150,000	-	-	(75,000)	75,000
Tan Sri Dato' Dr Lin See Yan	50,000	-	(25,000)	(25,000)	-

Ordinary shares of RM1 each in MSTi Corporation Sdn. Bhd.

Indirect interests:

Dato' Siew Ka Wei	1,571,460	-	-	-	1,571,460
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Ordinary shares of RM0.50 each in Tamco Corporate Holdings Berhad

Direct interests:

Dato' Johari Razak	-	150,000	-	-	150,000
Datuk Haji Mohamed Al Amin bin Haji Abdul Majid, JP	-	6,750,000	(621,500)	-	6,128,500
Dato' Mohd Ismail bin Che Rus	-	375,000	(200,000)	-	175,000

By virtue of his interests in the shares of the Company, Dato' Siew Ka Wei is deemed to be interested in the shares of all the subsidiary companies to the extent the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 31 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements to which the Company is a party, during and at the end of the financial year, which had the object of enabling any Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Report

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) As at the end of the financial year

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) From the end of the financial year to the date of this report

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable or is likely to become enforceable, within the period of twelve months after the end of the financial year, which will or may substantially affect the abilities of the Group and of the Company to meet their obligations as and when they fall due.

(III) As at the date of this report

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

Directors' Report

SIGNIFICANT EVENTS AND EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

The significant events and events subsequent to the balance sheet date are disclosed in Notes 45 and 46 to the financial statements.

AUDITORS

The auditors, BDO Binder, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

Dato' Johari Razak

Director

Dato' Siew Ka Wei

Director

Petaling Jaya

15 September 2005

Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 38 to 108 have been drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of:

- (i) the state of affairs of the Group and of the Company as at 31 May 2005 and of their results for the financial year then ended; and
- (ii) the cash flows of the Group and of the Company for the financial year ended 31 May 2005.

On behalf of the Board,

Dato' Johari Razak
Director

Dato' Siew Ka Wei
Director

Petaling Jaya
15 September 2005

Statutory Declaration

I, Ahmad Johari bin Abdul Razak, being the Director primarily responsible for the financial management of Ancom Berhad, do solemnly and sincerely declare that the financial statements set out on pages 38 to 108 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Petaling Jaya,)
Selangor Darul Ehsan this)
15 September 2005)

Ahmad Johari bin Abdul Razak

Before me:

G. Vijayan@Baskaran, PPN (No. B014)
Pesuruhjaya Sumpah
Malaysia

Report of the Auditors

to the members of Ancom Berhad

We have audited the financial statements set out on pages 38 to 108.

These financial statements are the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
 - (ii) the state of affairs of the Group and of the Company as at 31 May 2005 and of their results and cash flows for the financial year then ended; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

We have considered the financial statements and the auditors' reports of the subsidiary companies of which we have not acted as auditors, as indicated in Note 49 to the financial statements, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Section 174(3) of the Act.

BDO Binder

AF : 0206

Chartered Accountants

Siew Kah Toong

1045/03/06 (J)

Partner

Kuala Lumpur

15 September 2005

Balance Sheets

as at 31 May 2005

		Group		Company	
	Note	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
ASSETS EMPLOYED					
PROPERTY, PLANT AND EQUIPMENT	6	297,569	272,124	21,671	28,997
INVESTMENT PROPERTY	7	390	2,100	-	-
INVESTMENT IN SUBSIDIARY COMPANIES	8	-	-	268,368	259,562
AMOUNTS OWING BY SUBSIDIARY COMPANIES	9	-	-	32,957	28,272
INVESTMENT IN ASSOCIATED COMPANIES	10	28,383	12,902	11,263	3,193
OTHER INVESTMENTS	11	9,807	15,935	5,998	12,214
INTANGIBLE ASSETS	12	13,043	11,341	-	-
DEFERRED TAX ASSETS	25	4,874	9,776	-	-
GOODWILL ON CONSOLIDATION	13	39,441	44,905	-	-
CURRENT ASSETS					
Inventories	14	171,373	142,767	-	-
Receivables	15	349,377	338,367	301	1,021
Amounts owing by subsidiary companies	16	-	-	4,639	4,137
Amounts owing by associated companies	17	633	248	263	4
Tax recoverable		16,711	16,857	5,877	5,153
Short term deposits with licensed banks	18	25,350	30,596	-	-
Cash and bank balances		41,145	39,251	9	25
		604,589	568,086	11,089	10,340
LESS: CURRENT LIABILITIES					
Payables	19	179,787	169,575	881	1,282
Amounts owing to subsidiary companies	16	-	-	40,810	49,685
Amounts owing to associated companies	17	26,221	16,482	81	-
Borrowings	20	208,667	206,676	12,726	18,257
Tax liabilities		1,713	1,151	-	-
		416,388	393,884	54,498	69,224
NET CURRENT ASSETS/(LIABILITIES)		188,201	174,202	(43,409)	(58,884)
		581,708	543,285	296,848	273,354

The attached notes form an integral part of the financial statements

Balance Sheets

as at 31 May 2005

		Group		Company	
	Note	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
FINANCED BY					
SHARE CAPITAL	23	201,857	201,857	201,857	201,857
RESERVES	24	90,514	65,853	97,874	69,166
LESS: TREASURY SHARES, AT COST		(6,762)	(1,473)	(6,762)	(1,473)
SHAREHOLDERS' EQUITY		285,609	266,237	292,969	269,550
MINORITY INTERESTS		133,248	148,797	-	-
DEFERRED AND LONG TERM LIABILITIES					
Borrowings	20	129,029	97,960	433	246
Deferred tax liabilities	25	27,493	24,121	3,446	3,558
Provision for retirement benefits	26	4,472	3,854	-	-
Advances from director of a subsidiary company	27	1,857	2,316	-	-
		581,708	543,285	296,848	273,354

The attached notes form an integral part of the financial statements

Income Statements

for the financial year ended 31 May 2005

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Continuing operations					
Operating revenue	28	1,101,600	972,903	42,035	28,757
Cost of sales		(967,814)	(828,948)	-	-
Gross profit		133,786	143,955	42,035	28,757
Other operating income	29	22,127	32,499	30,827	12,604
Selling and distribution costs		(51,515)	(46,550)	-	-
Administration expenses		(65,068)	(66,277)	(10,116)	(9,350)
Other operating expenses	29	(25,694)	(27,672)	(20,052)	(5,352)
Profit from operations		13,636	35,955	42,694	26,659
Finance costs		(16,108)	(16,243)	(1,852)	(5,987)
Share of results in associated companies		3,052	1,149	-	-
Profit before tax		580	20,861	40,842	20,672
Discontinuing operation					
	30				
Operating revenue	28	-	5,778	-	-
Cost of sales		-	(3,385)	-	-
Gross profit		-	2,393	-	-
Gain on disposal of a subsidiary company		-	15,020	-	-
Other operating income	29	-	103	-	-
Selling and distribution costs		-	(212)	-	-
Administrative expenses		-	(6)	-	-
Other operating expenses	29	-	(259)	-	-
Profit from operations		-	17,039	-	-
Finance cost		-	-	-	-
Profit before tax		-	17,039	-	-

The attached notes form an integral part of the financial statements.

Income Statements

for the financial year ended 31 May 2005

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Total operations					
Profit before tax	31	580	37,900	40,842	20,672
Tax expense	32				
Company and subsidiary companies					
- Continuing operations		12,102	12,055	8,107	3,288
- Discontinuing operations		-	570	-	-
Share of tax expense in associated companies		909	108	-	-
		(13,011)	(12,733)	(8,107)	(3,288)
(Loss)/Profit after tax		(12,431)	25,167	32,735	17,384
Minority interests		12,561	(9,338)	-	-
Net profit for the financial year		130	15,829	32,735	17,384
Earnings per ordinary share (sen)	33	0.06	8.06		
Gross dividend per ordinary share (sen)	34	5	13	5	13

The attached notes form an integral part of the financial statements.

Statement of Changes in Equity

for the financial year ended 31 May 2005

	Share capital RM'000	Share Premium RM'000	Merger Reserve RM'000	Revaluation reserve RM'000	Capital reserve RM'000	Foreign exchange reserve RM'000	Treasury shares RM'000	Capital redemption reserve RM'000	Retained profits RM'000	Total RM'000
GROUP										
Balance as at 31 May 2003	120,507	75,052	1,282	16,299	2,400	(3,145)	(4,142)	4,930	37,038	250,221
Issue of shares under ESOS	2,364	649	-	-	-	-	-	-	-	3,013
Private placement	11,700	-	-	-	-	-	-	-	-	11,700
Currency translation differences	-	-	-	-	-	664	-	-	-	664
Gain on disposal of treasury shares	-	701	-	-	-	-	-	-	-	701
Realisation of revaluation reserve upon disposal of a subsidiary company	-	-	-	(381)	-	-	-	-	381	-
Realisation of revaluation reserve upon partial disposal of shares in subsidiary companies	-	-	-	(171)	-	-	-	-	171	-
Dilution of interest in subsidiary companies	-	-	-	-	-	-	-	-	(1,364)	(1,364)
Net gain/(loss) not recognised in the consolidated income statements	-	701	-	(552)	-	664	-	-	(812)	1
Balance carried forward	134,571	76,402	1,282	15,747	2,400	(2,481)	(4,142)	4,930	36,226	264,935

The attached notes form an integral part of the financial statements.

Statement of Changes in Equity

for the financial year ended 31 May 2005

GROUP (contd.)

	Share capital RM'000	Share Premium RM'000	Merger Reserve RM'000	Revaluation reserve RM'000	Capital reserve RM'000	Foreign exchange reserve RM'000	Treasury shares RM'000	Capital redemption reserve RM'000	Retained profits RM'000	Total RM'000
Balance brought forward	134,571	76,402	1,282	15,747	2,400	(2,481)	(4,142)	4,930	36,226	264,935
Bonus issue	67,286	(67,286)	-	-	-	-	-	-	-	-
Repurchase of shares	-	-	-	-	-	-	(1,473)	-	-	(1,473)
Disposal of treasury shares	-	-	-	-	-	-	4,142	-	-	4,142
Redemption of redeemable preference shares by a subsidiary company	-	-	-	-	-	-	-	3	(3)	-
Net profit for the financial year	-	-	-	-	-	-	-	-	15,829	15,829
Dividends (Note 34)	-	-	-	-	-	-	-	-	(17,196)	(17,196)

Balance as at 31 May 2004	201,857	9,116	1,282	15,747	2,400	(2,481)	(1,473)	4,933	34,856	266,237
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Currency translation differences	-	-	-	-	-	(888)	-	-	-	(888)
Surplus on revaluation of property, plant and equipment	-	-	-	10,596	-	-	-	-	-	10,596
Deferred tax liabilities on revaluation surplus	-	-	-	(1,316)	-	-	-	-	-	(1,316)
Accretion of interest in subsidiary companies	-	-	-	-	-	-	-	-	20,409	20,409

Net gain/(loss) not recognised in the consolidated income statements	-	-	-	9,280	-	(888)	-	-	20,409	28,801
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Balance carried forward	201,857	9,116	1,282	25,027	2,400	(3,369)	(1,473)	4,933	55,265	295,038
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The attached notes form an integral part of the financial statements.

Statement of Changes in Equity

for the financial year ended 31 May 2005

	Share capital	Share premium	Merger Reserve	Revaluation reserve	Capital reserve	Foreign exchange reserve	Treasury shares	Capital redemption reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
GROUP (contd.)										
Balance brought forward	201,857	9,116	1,282	25,027	2,400	(3,369)	(1,473)	4,933	55,265	295,038
Share issue expenses	-	(25)	-	-	-	-	-	-	-	(25)
Repurchase of shares	-	-	-	-	-	-	(5,289)	-	-	(5,289)
Net profit for the financial year	-	-	-	-	-	-	-	-	130	130
Dividends (Note 34)	-	-	-	-	-	-	-	-	(4,245)	(4,245)
Balance as at 31 May 2005	201,857	9,091	1,282	25,027	2,400	(3,369)	(6,762)	4,933	51,150	285,609

The attached notes form an integral part of the financial statements.

Statement of Changes in Equity

for the financial year ended 31 May 2005

	Share capital RM'000	Share premium RM'000	Merger reserve RM'000	Revaluation reserve RM'000	Capital redemption reserve RM'000	Treasury shares RM'000	Retained profits RM'000	Total RM'000
COMPANY								
Balance as at 31 May 2003	120,507	75,052	32,495	11,553	4,917	(4,142)	10,897	251,279
Issue of shares under ESOS	2,364	649	-	-	-	-	-	3,013
Private placement	11,700	-	-	-	-	-	-	11,700
Bonus issue	67,286	(67,286)	-	-	-	-	-	-
Repurchase of shares	-	-	-	-	-	(1,473)	-	(1,473)
Disposal of treasury shares	-	-	-	-	-	4,142	-	4,142
Gain on disposal of treasury shares	-	701	-	-	-	-	-	701
Net gain not recognised in the income statement	-	701	-	-	-	-	-	701
Net profit for the financial year	-	-	-	-	-	-	17,384	17,384
Dividends (Note 34)	-	-	-	-	-	-	(17,196)	(17,196)
Balance as at 31 May 2004	201,857	9,116	32,495	11,553	4,917	(1,473)	11,085	269,550
Share issue expenses	-	(25)	-	-	-	-	-	(25)
Repurchase of shares	-	-	-	-	-	(5,289)	-	(5,289)
Realisation of revaluation reserve upon disposal of land and building	-	-	-	(3,922)	-	-	3,922	-
Surplus on revaluation of land and buildings	-	-	-	338	-	-	-	338
Deferred tax liabilities on revaluation reserve	-	-	-	(95)	-	-	-	(95)
Net gain not recognised in the income statement	-	-	-	(3,679)	-	-	3,922	243
Net profit for the financial year	-	-	-	-	-	-	32,735	32,735
Dividends (Note 34)	-	-	-	-	-	-	(4,245)	(4,245)
Balance as at 31 May 2005	201,857	9,091	32,495	7,874	4,917	(6,762)	43,497	292,969

The attached notes form an integral part of the financial statements.

Cash Flow Statements

for the financial year ended 31 May 2005

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	580	37,900	40,842	20,672
Adjustments for:				
Allowance for doubtful debts	1,357	1,462	-	-
Allowance for doubtful debts no longer required	(5)	(1,315)	-	-
Amortisation of intangible assets	3,742	4,179	-	-
Bad debts written off	6,304	6,203	-	51
Depreciation of property, plant and equipment	27,140	25,918	1,120	1,095
Development cost written off	-	11	-	-
Dividend income (gross)	(2,099)	(4,978)	(41,728)	(19,287)
Gain on disposal of subsidiary companies	-	(15,310)	(30,215)	-
Loss/(Gain) on disposal of investments	52	(12,492)	52	(12,492)
Gain on disposal of investment property	(1,150)	-	-	-
Impairment loss on investment in subsidiary companies	-	-	20,000	2,892
Investment in associated companies written off	-	49	-	-
Impairment loss on other investment	-	2,460	-	2,460
Impairment of goodwill in subsidiary companies	2,496	8,059	-	-
Interest expense	12,976	16,168	1,626	5,930
Interest income	(750)	(714)	(71)	(90)
Inventories written off	2,888	1,776	-	-
(Gain)/Loss on disposal of property, plant and equipment	(13,450)	(1,630)	(308)	(112)
(Gain)/Loss on disposal of associated companies	(565)	1,399	-	-
Loss on partial disposal of shares in subsidiary companies	-	2,727	-	-
Property, plant and equipment written off	98	486	77	332
Provision for retirement benefits	1,244	843	-	-
Share of results of associated companies	(3,052)	(1,149)	-	-
Revaluations deficit on property, plant and equipment	596	-	-	-
Translation adjustment	(209)	(4,413)	-	-
Unrealised loss/(gain) on foreign exchange	324	1,080	-	-
Surplus on non-consolidation of subsidiary companies	-	(549)	-	-
Operating profit/(loss) before working capital changes	38,517	68,170	(8,605)	1,451
Decrease/(Increase) in development properties expenditure	-	524	-	-
(Increase)/Decrease in inventories	(24,167)	(26,238)	-	-
(Increase)/Decrease in receivables	(5,522)	(64,609)	720	(742)
Increase/(Decrease) in payables	2,793	46,898	(401)	(1,099)
Decrease/(Increase) in amounts owing by associated companies	(385)	260	(259)	422
Increase in amounts owing to associated companies	9,412	-	81	-
Cash generated from/(used in) operations	20,648	25,005	(8,464)	32

The attached notes form an integral part of the financial statements.

Cash Flow Statements

for the financial year ended 31 May 2005

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Interest paid	(1,817)	(2,327)	(9)	(101)
Retirement benefits paid	(620)	(730)	-	-
Interest received	750	714	65	90
Dividend received	2,071	4,978	31,312	14,542
Tax (paid)/refund	(7,520)	(16,548)	1,378	-
Net cash from operating activities	13,512	11,092	24,282	14,563
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investment	(184)	-	-	-
Purchase of investment property	(390)	(1,131)	-	-
Proceeds from partial disposal of shares in subsidiary companies	-	264	-	-
Dividends received from associated company	300	450	-	-
Net advances to associated companies	-	(3,210)	-	-
Acquisition of subsidiary companies (Note 35)	(26,093)	-	-	-
Disposal of subsidiary companies (Note 36)	-	(3,414)	7,500	-
Withdrawal of short term deposits pledged to licensed banks	956	344	-	-
Proceeds from disposal of investments	6,260	59,393	6,260	59,393
Proceeds from disposal of investment property	3,250	-	-	-
Proceeds from disposal of property, plant and equipment	23,913	12,471	7,417	320
Purchase of additional shares in existing subsidiary companies	(5,025)	(252)	(4,106)	(1,883)
Purchase of intangible assets	(5,543)	(6,456)	-	-
Purchase of other investments	-	(16,849)	(96)	(16,709)
Purchase of property, plant and equipment (Note 38)	(24,306)	(17,406)	(125)	(1,853)
Purchase of shares in associated companies	-	(3,143)	-	(428)
Interest received from subsidiary and associated companies	-	-	6	-
Net (advances to)/repayment from subsidiary companies	-	-	(7,172)	4,149
Proceeds from disposal of shares in associated company	1,075	1,387	-	-
Acquisition of associated companies	(11,387)	-	(8,070)	-
Redemption of preference shares in subsidiary company	-	-	-	300
Subsidiary companies under winding-up not consolidated (Note 37)	-	229	-	-
Net cash (used in)/from investing activities	(37,174)	22,677	1,614	43,289

The attached notes form an integral part of the financial statements.

Cash Flow Statements

for the financial year ended 31 May 2005

	Group		Company	
	2005 RM	2004 RM	2005 RM'000	2004 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment to director of a subsidiary company	(529)	(853)	-	-
Proceeds from issue of ICULS to minority interests	3,173	-	-	-
Share issue expenses	(25)	-	(25)	-
Dividend paid	(4,245)	(17,196)	(4,245)	(17,196)
Dividends paid to minority interests	(1,174)	(2,213)	-	-
Interest paid	(11,159)	(13,841)	(1,617)	(5,829)
Issue of shares under private placement	-	11,700	-	11,700
Net repayment to subsidiary companies	-	-	(8,875)	(7,166)
Proceeds from sale of treasury shares	-	4,843	-	4,843
Proceeds from issue of shares to minority Interests	17,500	1,890	-	-
Proceeds from shares issued under the ESOS	-	3,013	-	3,013
Purchase of Company's own shares	(5,289)	(1,473)	(5,289)	(1,473)
Repayment of hire-purchase creditors	(4,444)	(3,014)	(426)	(488)
Net drawdown/(repayment) of borrowings	26,374	(14,005)	(4,510)	(45,000)
Net cash from/(used in) financing activities	20,182	(31,149)	(24,987)	(57,596)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,480)	2,620	909	256
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	52,788	49,338	(1,509)	(1,765)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(1,964)	830	-	-
	50,824	50,168	(1,509)	(1,765)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (NOTE 39)	47,344	52,788	(600)	(1,509)

The attached notes form an integral part of the financial statements.

Notes to the Financial Statements

31 May 2005

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at Level 14, Uptown 1, No. 1, Jalan SS 21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The principal place of business of the Company is located at 102-1002, Block A, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The financial statements are presented in Ringgit Malaysia (RM).

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, including foreign currency risk, liquidity risk, interest rate risk and credit risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies.

It is, and has been throughout the financial year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risk arising from the Group's financial instruments are foreign currency risk, liquidity risk, interest rate risk and credit risk. The management reviews and agrees policies for managing each of these risks and they are summarised below:

Foreign currency risk

The Group is exposed to foreign currency risk as a result of its net investments in overseas subsidiary companies and normal trading activities, both external and intra-Group, where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The Group's policy is to minimise the exposure of overseas operating subsidiary companies to transaction risk by matching local currency income against local currency costs.

Liquidity risk

It is the Group's policy to ensure continuity in servicing its cash obligations in the future by way of measuring and forecasting its cash commitments, monitoring and maintaining a level of cash and cash equivalents deemed adequate for the Group's operations.

Interest rate risk

The Group's exposure to interest rate risk arises mainly from the Group's borrowings and deposits, and is managed through the use of fixed and floating rate debts, and term and call deposits.

Credit risk

Cash deposits and receivables may give rise to credit risk which require the loss to be recognised if a counter party failed to perform as contracted. It is the Group's policy to monitor the financial standing of these counter-parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

Notes to the Financial Statements

31 May 2005

3. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services to its subsidiary companies.

The principal activities of the subsidiary companies are disclosed in Note 49 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

4. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention (as modified by the revaluation of certain land and buildings) unless otherwise indicated in the significant accounting policies.

The preparation of financial statements in conformity with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

5.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. The Company adopts both the acquisition and merger method of consolidation.

Under the acquisition method, the difference between the purchase price and the fair value of the attributable net assets of the subsidiary companies at the date of acquisition is treated as goodwill or negative goodwill arising on consolidation. Goodwill on consolidation is stated at cost less impairment losses, if any. Negative goodwill arising on consolidation is not recognised as income and is presented as separate item in the balance sheet. The results of the subsidiary companies acquired or disposed off during the financial year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal.

Under the merger method of accounting, the results of the subsidiary companies are presented as if the merger had been effected throughout the current and previous financial years. On consolidation, the excess of the normal value of the shares acquired over the cost of investment is treated as a merger reserve arising on consolidation. The results of subsidiary companies acquired are accounted for on a full year basis.

The gain or loss on disposal of a subsidiary company is the difference between the net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill on acquisition and exchange differences which were not previously recognised in the consolidated income statement.

Notes to the Financial Statements

31 May 2005

5. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

5.2 Basis of consolidation *(continued)*

Inter-company transactions and balances are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

Minority interest is measured at the minorities' share of net results and of net assets of subsidiary companies attributable to interests which are not owned directly by the Company or indirectly through the subsidiary companies.

5.3 Investments

(a) Subsidiary companies

A subsidiary company is a company in which the Group and the Company have power to exercise control over the financial and operating policies so as to obtain benefits from its activities.

Investment in subsidiary companies which are eliminated on consolidation are stated at cost less impairment losses, if any.

(b) Associated companies

An associated company is a company in which the Group and the Company have a long term equity interest and where the Group and the Company are in a position to exercise significant influence over the financial and operating policies of the investee company.

Investment in associated companies are stated at cost less impairment losses, if any.

Investment in associated companies are accounted for in the consolidated financial statements using the equity method of accounting. The Group's interests in associated companies are stated at costs plus adjustments to reflect changes in the Group's share of profits and losses in the associated companies.

Goodwill or negative goodwill arising on acquisition represents the difference between the costs of investment and the Group's share of the value of net assets of the associated companies at the date of acquisition.

Goodwill on acquisition is stated at cost less impairment losses, if any. Negative goodwill arising on acquisition is not recognised as income.

The Group's share of results and reserves less losses in the associated companies acquired or disposed off is included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal.

(c) Other investments

Investments in shares held as long term investments are stated at cost unless there is a permanent diminution in value of such investments. Such diminution in value is recognised as an expense in the period in which the diminution in value is identified.

5.4 Property, plant and equipment and depreciation

The gross carrying amounts of property, plant and equipment are initially measured at cost. Land and buildings, which have been subsequently revalued, are stated at valuation less accumulated depreciation and impairment losses, if any. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Notes to the Financial Statements

31 May 2005

5. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

5.4 Property, plant and equipment and depreciation *(continued)*

Land and buildings are revalued at a regular interval of at least once in every five years with additional valuations in the intervening years where market conditions indicate that the carrying values of the revalued land and buildings differ materially from the market values.

The surplus arising from such valuation is credited to shareholders' equity as a revaluation reserve and any subsequent deficit is charged against such surplus to the extent that the decrease offsets any increase. In all other cases, the deficit will be charged to the income statements.

For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus should be recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to shareholders' equity.

Upon disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement and the revaluation reserve related to those assets, if any, is transferred directly to retained profits.

Long term leasehold land and improvements to long term leasehold land are amortised over the lease period of 53-99 years. Ships are depreciated over 17-19 years after taking into account their estimated residual values. Building, plant and machinery under construction and freehold land are not depreciated. Depreciation on other property, plant and equipment is calculated to write off the costs of the assets on a straight line basis over their estimated useful lives at the following principal annual depreciation rates:

Buildings	2% - 10%
Plant, machinery and equipment	7% - 33%
Motor vehicles	10% - 20%
Office equipment, fixtures and fittings	5% - 33%
Renovation	2% - 10%

5.5 Investment property

Investment property are investments in freehold land and buildings that are not substantially occupied for use by, or in the operations of the Group and are held for investment potential and rental income. They are accounted for as long term investments and are stated at cost less impairment losses, if any, and are not depreciated.

Upon disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

5.6 Impairment of assets

The carrying amount of the Group's and Company's assets other than inventories, deferred tax assets, and financial assets, but including investments in subsidiary and associated companies, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount is less than the carrying amount of the asset. The impairment loss is recognised in the income statement immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation reserve account to the extent of the surplus credited from the previous revaluation for the same asset with the excess of the impairment loss charged to the income statement. All reversals of an impairment loss are recognised as income immediately in the income statement except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation reserve account of the same asset.

Notes to the Financial Statements

31 May 2005

5. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

5.6 Impairment of assets *(continued)*

The impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and subsequent external events have occurred that reverse the effect of the specific event. In respect of other assets, an impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5.7 Inventories

Inventories are valued at the lower of cost (determined on weighted average method) and net realisable value. Cost of raw materials, packing materials and consumables comprise the original cost of purchase plus the cost incurred in bringing the inventories to their present condition and location. Cost of finished goods and work-in-progress comprise the cost of raw materials, direct labour and an appropriate portion of manufacturing overheads.

5.8 Receivables

Receivables are carried at anticipated realisable value.

Known bad debts are written off and specific allowance is made for debts considered to be doubtful of collection. In addition, a general allowance based on a percentage of receivables is made to cover possible losses which are not specifically identified.

5.9 Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

5.10 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

5.11 Intangible assets

Technical know-how obtained for the manufacture of certain products of a subsidiary company is amortised over a period of twenty years commencing from the financial year when commercial production and operating revenue commences.

Registration fees for the right to trade certain products of certain subsidiary companies overseas are stated at cost less impairment losses, if any.

Dry docking cost incurred by the subsidiary companies which enhance the useful lives of the vessels are amortised over the period of the ship's next dry docking cycle ranging from one to five years.

Notes to the Financial Statements

31 May 2005

5. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

5.11 Intangible assets *(continued)*

Research and development expenditure are written off to the income statement as and when incurred except that development expenditure relating to specific projects with commercial viability and for which there is a clear indication of the marketability of the products being developed, is carried forward. Such expenditure is amortised over the period in which the benefits are expected to be derived commencing in the period in which the related sales are first made.

5.12 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Company.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive, obligation to make such payments as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Company and subsidiary companies incorporated in Malaysia make contributions to a statutory provident fund and recognise the contribution payable:

- (i) after deducting contributions already paid as a liability; and
- (ii) as an expense in the financial year in which the employees render their services.

(c) Provision for retirement benefits

Certain subsidiary companies are obliged under non-contributory retirement benefit schemes and collective bargaining agreements to pay retirement benefits to certain employees who retire or leave the companies' employment after fulfilling certain conditions. Provision for retirement benefits is computed based on the length of service and a proportion of the basis salary earnings of the employees in each particular year of service.

5.13 Income tax

Income tax in the financial statements for the financial year comprises current tax expense and deferred tax.

(a) Current tax expense

Current tax expense includes all domestic and foreign taxes which are based on taxable profits. Current tax expense also includes other taxes, such as withholding taxes, which are payable by a foreign subsidiary company or associated company on distributions to the Group and Company, and real property gains taxes payable on disposal of properties.

Notes to the Financial Statements

31 May 2005

5. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

5.13 Income tax *(continued)*

(b) Deferred tax

Deferred tax, which includes deferred tax liabilities and assets, is provided for under the liability method at the current tax rate in respect of all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base including unused tax losses and capital allowances.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and deferred tax liabilities relate to the same taxation authority.

5.14 Foreign currency transactions and translations

(a) Transactions and balances in foreign currencies

Transactions in foreign currencies are converted into Ringgit Malaysia (RM) at the rates of exchange ruling on transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Ringgit Malaysia (RM) at the approximate rates of exchange at the balance sheet date except where there are related or matching forward contracts in respect of trading transactions, in which case, the rates of exchange specified in those contracts are used.

All gains or losses arising from the settlement of foreign currency transactions and from translating foreign monetary assets and liabilities are taken up in the income statement.

(b) Translation of foreign currency financial statements

For consolidation purposes, the assets and liabilities of foreign entities are translated into Ringgit Malaysia (RM) at the rates ruling at the balance sheet date. Income statement items are translated at exchange rates at the dates of transactions. The translation differences arising therefrom are taken up and reflected in the foreign exchange reserve.

Goodwill arising on the acquisition of a foreign entity and fair value adjustments to the carrying amounts of assets and liabilities acquired are translated at the exchange rate at the date of transaction.

Notes to the Financial Statements

31 May 2005

5. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

5.14 Foreign currency transactions and translations *(continued)*

(c) Principal closing rates

The principal closing rates used in the translation of foreign currency amounts are as follows:

	2005 RM	2004 RM
1 US Dollar	3.79	3.79
1 Singapore Dollar	2.29	2.23
1 Australian Dollar	2.91	2.70
1 Chinese Renminbi	0.46	0.46
1 Hong Kong Dollar	0.46	0.49
1,000 Indonesia Rupiah	0.40	0.40
1 Euro	4.79	4.66
1 Sterling Pound	6.99	6.94
100 Japanese Yen	3.55	3.48

5.15 Assets acquired under hire-purchase and lease agreements

Assets acquired under hire-purchase and lease arrangements which transfer substantially all the risks and rewards of ownership to the Group and the Company are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

Finance charges are allocated to the income statement over the period of the agreements to give a constant periodic rate of charge on the remaining hire-purchase and lease liabilities.

5.16 Revenue recognition

Revenue from sale of goods and rendering of services is recognised in the income statement upon delivery of goods and customers' acceptance, and performance of services.

Revenue relating to property development are accounted for under the percentage of completion method. The stage of completion is determined based on the proportion of actual costs incurred to-date to the estimated total costs for each contract.

Interest income and rental income are recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividend income is recognised when the Group's or the Company's right to receive payment is established.

Freight income is recognised for cargoes loaded onto vessels up to the balance sheet date.

5.17 Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits and other short-term, highly liquid investments which are readily convertible to cash and which are subject to insignificant risk of changes in value.

Notes to the Financial Statements

31 May 2005

5. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

5.18 Segment information

Segment information is presented in respect of the Group's business and geographical segments. The primary reporting segment information is in respect of business segments as the Group's risk and return are affected predominantly by differences in the products it produces, while the secondary information is reported geographically.

A segment with a majority of operating income earned from providing products or services to external clients and whose operating results or assets are 10 percent or more of all the segments is reported separately.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise finance cost and corporate administration expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that is expected to be used for more than one period.

5.19 Financial instruments

5.19.1 Financial instruments recognised on the balance sheets

(a) Share capital

(i) Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are both classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

(ii) Share issue costs

Costs incurred directly attributable to the issuance of shares are accounted for as a deduction from share premium. Otherwise, they are charged to the income statement.

(iii) Dividends

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(iv) Purchase of own shares

Where the Company purchases its equity shares and the equity shares so purchased are retained as treasury shares, the consideration paid, including any attributable transaction costs, is deducted from total shareholders' equity until they are cancelled. Where the treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is shown as a movement in equity.

When the Treasury Shares are distributed as share dividend, the cost of the Treasury Shares will be reduced against the share premium account or the distributable reserves, or both.

(b) Borrowings

Interest bearing borrowings are recorded at the gross amount of proceeds received.

(c) Other financial instruments

The accounting policies for other financial instruments recognised on the balance sheet are disclosed in the individual policy associated with each item.

Notes to the Financial Statements

31 May 2005

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.19.2 Financial instruments not recognised on the balance sheets

Foreign currency forward contracts

Foreign currency forward contracts are used to hedge foreign exposures as a result of receipts and payments in foreign currency. Any gains or losses arising from contracts entered into as hedges of anticipated future transactions are deferred until the dates of such transactions at which time they are included in the measurement of such transactions.

All other gains or losses relating to hedged instruments are recognised in the income statement in the same period as the exchange differences on the underlying hedged items.

6. PROPERTY, PLANT AND EQUIPMENT

Group	Balance at 1.6.2004 RM'000	Additions RM'000	Disposals RM'000	Subsidiary companies acquired RM'000	Foreign exchange reserve RM'000	Written off RM'000	Reclassi- fication RM'000	Revalua- tion RM'000	Balance at 31.5.2005 RM'000	Net book value at 31.5.2005 RM'000	Net book value at 31.5.2004 RM'000
2005	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost/Valuation											
Freehold land and buildings											
- at 2000 valuation	5,762	-	-	538	-	-	(6,300)	-	-	-	5,639
- at 2005 valuation	-	-	-	-	-	-	12,340	13,077	25,417	25,417	-
Freehold land, at cost	6,021	-	-	-	-	-	(6,021)	-	-	-	5,604
Long leasehold land and buildings											
- at 1985 valuation	8,388	-	-	-	-	-	(8,388)	-	-	-	8,067
- at 2000 valuation	33,230	-	(6,000)	1,733	-	-	(28,963)	-	-	-	30,485
- at 2005 valuation	-	-	-	-	-	-	51,482	34,350	85,832	81,015	-
- at cost	45,783	214	(486)	-	949	-	(14,150)	(32,310)	-	-	40,611
Buildings											
- at 1985 valuation	3,301	-	-	-	-	-	(3,301)	-	-	-	2,488
- at 2005 valuation	-	-	-	-	-	-	41,080	271	41,351	41,035	-
- at cost	34,750	252	(3,512)	7,041	-	-	(37,779)	(752)	-	-	31,888
Leasehold improvements											
- at 2005 valuation	-	-	-	-	-	-	473	(366)	107	107	-
- at cost	493	-	-	-	-	-	(473)	-	20	15	141
Plant, machinery and equipment	177,174	14,657	(6,089)	5,937	303	-	91	-	192,073	92,929	92,130
Motor vehicles	33,601	5,131	(3,357)	599	282	-	-	-	36,256	20,179	20,151
Office equipment, fixtures and fittings	25,903	3,169	(1,261)	817	263	(52)	-	-	28,839	12,711	12,950
Building, plant and machinery under construction	4,023	3,408	-	-	-	-	(91)	-	7,340	7,340	4,023
Ships	21,124	-	-	-	-	-	-	-	21,124	12,942	13,708
Renovation	5,445	188	-	-	102	(78)	-	-	5,657	3,879	4,239
	404,998	27,019	(20,705)	16,665	1,899	(130)	-	14,270	444,016	297,569	272,124

Notes to the Financial Statements

31 May 2005

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Balance at 1.6.2004 RM'000	Charge for the financial year RM'000	Disposals RM'000	Subsidiary companies acquired RM'000	Foreign exchange reserve RM'000	Written off RM'000	Reclassi- fication RM'000	Revalua- tion RM'000	Balance at 31.5.2005 RM'000
2005									
Accumulated depreciation									
Freehold land and buildings									
- at 2000 valuation	123	50	(38)	-	-	-	(135)	-	-
- at 2005 valuation	-	-	-	-	-	-	552	(552)	-
Freehold land, at cost	417	-	-	-	-	-	(417)	-	-
Long leasehold land and buildings									
- at 1985 valuation	321	-	-	-	-	-	(321)	-	-
- at 2000 valuation	2,075	1,199	-	847	-	-	(4,121)	-	-
- at 2005 valuation	-	-	-	-	-	-	6,059	(1,242)	4,817
- at cost	5,173	1,324	(160)	-	97	-	(1,617)	(4,817)	-
Buildings									
- at 1985 valuation	813	-	-	-	-	-	(813)	-	-
- at 2005 valuation	-	-	-	-	-	-	4,240	(3,924)	316
- at cost	2,862	865	(1,582)	1,466	-	-	(3,427)	(184)	-
Leasehold improvements									
- at 2005 valuation	-	-	-	-	-	-	366	(366)	-
- at cost	352	19	-	-	-	-	(366)	-	5
Plant, machinery and equipment	84,705	14,464	(4,932)	4,418	152	-	-	-	98,807
Motor vehicles	13,450	4,458	(2,505)	599	75	-	-	-	16,077
Office equipment, fixtures and fittings	11,897	3,437	(1,025)	554	229	(21)	-	-	15,071
Building, plant and machinery under construction	-	-	-	-	-	-	-	-	-
Ships	7,416	766	-	-	-	-	-	-	8,182
Renovation	1,206	558	-	-	25	(11)	-	-	1,778
	130,810	27,140	(10,242)	7,884	578	(32)	-	(11,085)	145,053

Group	Balance at 1.6.2004 RM'000	Reclassi- fication RM'000	Revalua- tion RM'000	Balance at 31.5.2005 RM'000
2005				
Impairment Losses				
Long leasehold land and buildings				
- at 2000 valuation	670	(670)	-	-
- at 2005 valuation	-	670	(670)	-
Plant, machinery and equipment	337	-	-	337
Office equipment, fixtures and fittings	1,057	-	-	1,057
	2,064	-	(670)	1,394

Notes to the Financial Statements

31 May 2005

6. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Company	Balance at 1.6.2004 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Reclassi- fication RM'000	Revaluation RM'000	Balance at 31.5.2005 RM'000	Net book value at 31.5.2005 RM'000	Net book value at 31.5.2004 RM'000
2005									
Cost/Valuation									
Long leasehold land and buildings									
- at 2000 valuation	26,800	-	(7,500)	-	(19,300)	-	-	-	25,218
- at 2005 valuation	-	-	-	-	19,300	(1,130)	18,170	18,170	-
Motor vehicles	1,804	620	(278)	-	-	-	2,146	1,115	912
Office equipment, fixtures and fittings	1,860	22	(16)	(14)	-	-	1,852	995	1,233
Renovation	1,814	-	-	(78)	-	-	1,736	1,391	1,634
	32,278	642	(7,794)	(92)	-	(1,130)	23,904	21,671	28,997

Company	Balance at 1.6.2004 RM'000	Charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Reclassi- fication RM'000	Revaluation RM'000	Balance at 31.5.2005 RM'000
2005							
Accumulated depreciation							
Long leasehold land and buildings							
- at 2000 valuation	1,582	292	(406)	-	(1,468)	-	-
- at 2005 valuation	-	-	-	-	1,468	(1,468)	-
Motor vehicles	892	403	(264)	-	-	-	1,031
Office equipment, fixtures and fittings	627	249	(15)	(4)	-	-	857
Renovation	180	176	-	(11)	-	-	345
	3,281	1,120	(685)	(15)	-	(1,468)	2,233

(a) Net book value of property, plant and equipment acquired under hire-purchase agreement are as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Motor vehicles	10,371	8,003	771	327
Plant, machinery and equipment	424	-	-	-
Capital work in progress	2,239	-	-	-
Office equipment, fixtures and fittings	716	988	716	880
	13,750	8,991	1,487	1,207

(b) Certain property, plant and equipment of the Group at net book value of RM26,907,000 (2004: RM79,937,000) have been charged as securities for banking facilities granted to the Group as disclosed in Notes 22 to the financial statements.

(c) Certain land and buildings of the Group and of the Company were revalued by the Directors based on a valuation carried out in 2005 by the following independent qualified valuers using the open market value method:

- (i) Kuvenaraju Pachappen, member of the Institution of Surveyors, Malaysia, from COLLIERS Jordan Lee & Jaafar (PG) Sdn. Bhd.;

Notes to the Financial Statements

31 May 2005

6. PROPERTY, PLANT AND EQUIPMENT *(continued)*

- (ii) Judy Ong Mei-Chen, member of the Institution of Surveyors, Malaysia, from COLLIERS Jordan Lee & Jaafar Sdn. Bhd.; and
- (iii) Choo Sook Fun, member of the Institution of Surveyors, Malaysia, from COLLIERS Jordan Lee & Jaafar (S) Sdn. Bhd..
- (d) The carrying amount of the revalued assets of the Company and certain subsidiary companies that would have been carried at cost less accumulated depreciation cannot be determined from available records. Hence, the carrying amounts of the Group's and of the Company's property, plant and equipment, had the revalued assets been carried at cost less accumulated depreciation, are not disclosed.

7. INVESTMENT PROPERTIES

	Group	
	2005	2004
	RM'000	RM'000
Freehold land and buildings, at cost	390	2,100

8. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2005	2004
	RM'000	RM'000
Shares quoted in Malaysia - at cost	68,533	-
Unquoted shares - at cost	226,000	265,727
	294,533	265,727
Less: Impairment loss of investment in unquoted shares	(26,165)	(6,165)
	268,368	259,562
Market value of quoted shares	41,234	-

Quoted shares in Malaysia at carrying amount of RM68,533,000 (2004: Nil) have been pledged to a securities firm for facility granted to the Company (Note 22).

The subsidiary companies are listed in Note 49 to the financial statements.

8.1 Acquisition of subsidiary companies

During the financial year, the Group acquired the following subsidiary companies:

- (a) 60% equity interest in Decom Ltd ("Decom"), a company incorporated in Hong Kong SAR, for a maximum cash consideration of EUR4.6 million (equivalent to RM22.0 million). A sum of EUR1.0 million was paid in November 2004 with the remaining EUR3.6 million to be paid in the next 3 years subject to fulfillment of certain conditions in the conditional sale and purchase agreement. Goodwill arising on this acquisition amounting RM5.6 million has been accounted for using the acquisition method of accounting with effect from September 2004.

Notes to the Financial Statements

31 May 2005

8. INVESTMENT IN SUBSIDIARY COMPANIES *(continued)*

8.1 Acquisition of subsidiary companies *(continued)*

- (b) 100% equity interest in Nylex Specialty Chemicals Sdn. Bhd. (formerly known as Rhodia Consumer Specialities Malaysia Sdn Bhd) ("NSC") and 51% equity interest in Speciality Phosphates (Malaysia) Sdn. Bhd. ("SPM") for a total cash consideration of US\$5.3 million (equivalent to RM20.14 million, based on the exchange rate of RM3.80 to US\$1). Goodwill arising on this acquisition amounting RM4.4 million has been accounted for using the acquisition method of accounting with effect from March 2005.
- (c) 51% equity interest in Hikmat Ikhlas Sdn. Bhd. ("HI") for a cash consideration of RM153,000. Goodwill arising on this acquisition amounting to RM194,358 has been accounted for using the acquisition method of accounting with effect from October 2004.

The effect of the acquisition of Decom, NSC, SPM and HI on the financial results of the Group during the financial year is as follows:

	RM'000
Revenue	14,079
Operating costs	(14,093)
Decrease in Group net profit	(14)

The effect of the acquisition of Decom, NSC, SPM and HI on the financial position of the Group at the end of the financial year is as follows:

	RM'000
Property, plant and equipment	8,966
Goodwill	10,203
Investment in associates	5,858
Intangible assets	3,019
Inventories	6,359
Trade receivables	7,895
Other receivables, deposits and prepayments	16,181
Short term deposits and cash and bank balances	3,682
Amount owing by related companies	1,407
Trade payables	(4,453)
Other payables and accruals	(696)
Borrowings	(8,619)
Tax liabilities	(654)
Minority interests	(989)
Amount owing to related companies	(149)
Deferred tax liabilities	(1,079)
Increase in Group net assets	46,931

Details of the net assets acquired and cash flow arising from the acquisition are disclosed in Note 35 to the financial statements.

Notes to the Financial Statements

31 May 2005

8. INVESTMENT IN SUBSIDIARY COMPANIES *(continued)*

8.1 Acquisition of subsidiary companies *(continued)*

In the previous financial year, the Group acquired the following equity interests:

- (a) additional 1,152,000 ordinary shares of HK\$10 each representing 29.8% equity interest in CRC for cash consideration of HK\$6,125,000 (RM3,005,000 equivalent). Consequently, the Group's equity interest in CRC increased from 54.8% to 84.6%.
- (b) additional 1,006,008 new ordinary shares of RM1 each in HSO Business Systems Sdn. Bhd. ("HSO") at par for cash pursuant to an offer by the directors of HSO to take up the rights issue shares renounced by its shareholders. Consequently, the Group's equity interest in HSO increased from 25.1% to 47.8%.

8.2 Disposal of subsidiary companies

In the previous financial year, the Group disposed of the following equity interests:

- (a) 90% equity interest and 13,310 8% non-convertible cumulative redeemable preference shares in Material Performance Engineering Sdn. Bhd. ("MPE") for cash considerations of RM3,500,000 and RM1 respectively.
- (b) 70% equity interest in Wandeerfull Property and Development Sdn. Bhd. ("WPDSB") for cash consideration of RM4,791,000.
- (c) 50.1% equity interest in MSB Solutions Sdn. Bhd. ("MSB") for cash consideration of RM62,500.
- (d) 25.1% equity interest in HSO Business Solutions Sdn. Bhd. ("HSOB") for cash consideration of RM10.

The effects of the disposal of MPE, WPDSB, MSB and HSOB in the previous financial year on the financial results of the Group for the financial year ended 31 May 2004 were as follows:

	Up to the date of disposal 2004 RM'000
Operating revenue	11,559
Cost of sales	(7,536)
Operating costs	(1,786)
Gain on disposal of subsidiary companies	15,310
Profit from operations	17,547
Finance costs	(95)
	17,452
Tax expense	(570)
Increase in Group net profit	16,882

Notes to the Financial Statements

31 May 2005

8. INVESTMENT IN SUBSIDIARY COMPANIES *(continued)*

8.2 Disposal of subsidiary companies *(continued)*

The effects of the disposal of MPE, WPDSB, MSB and HSOB on the financial position of the Group at the end of the financial year ended 31 May 2004 were as follows:

	At the date of disposal 2004 RM'000
<hr/>	
Fair value of assets and liabilities disposed of:	
Property, plant and equipment	3,237
Intangible assets	62
Goodwill on consolidation	5
Development properties	25,735
Inventories	3,662
Receivables	5,402
Tax recoverable	292
Short term deposits	358
Cash and bank balances	11,499
Payables	(56,036)
Bank overdrafts	(89)
Short term bank borrowings	(2,661)
Hire-purchase creditors	(107)
	<hr/>
Decrease in Group net assets	(8,641)

The effects of the disposal of MPE, WPDSB, MSB and HSOB on the cash flows of the Group for the financial year ended 31 May 2004 are disclosed in Note 36 to the financial statements.

8.3 Non-consolidation of subsidiary companies

The consolidated financial statements of the Group do not deal with the following subsidiary companies which were in the process of winding-up in the previous financial year:

- (i) Sun Chemicals Sdn. Bhd.
- (ii) Consolidated Specialties Sdn. Bhd.
- (iii) ChemSing Chemicals Distribution (China) Limited

Notes to the Financial Statements

31 May 2005

8. INVESTMENT IN SUBSIDIARY COMPANIES *(continued)*

8.3 Non-consolidation of subsidiary companies *(continued)*

The effects of the non-consolidation of these companies on the financial results of the Group for the financial year ended 31 May 2004 were as follows:

	Up to the date of non- consolidation 2004 RM'000
Operating costs	(1)
Surplus arising from subsidiary companies not consolidated	549
Profit from operations	548
Tax expense	-
Increase in Group net profit	548

The effects of the non-consolidation of these companies on the financial position of the Group for the financial year ended 31 May 2004 were as follows:

	At the date of non- consolidation 2004 RM'000
Goodwill on consolidation	112
Tax recoverable	119
Receivables	1,086
Cash and bank balances	51
Payables	(1,637)
Decrease in Group net assets	(269)

The effects of the non-consolidation of these companies on the cash flows of the Group for the financial year ended 31 May 2004 were disclosed in Note 37 to the financial statements.

9. AMOUNTS OWING BY SUBSIDIARY COMPANIES

The amounts owing by subsidiary companies represent mainly advances and payments made on behalf which are unsecured, interest-free and not repayable within the next 12 months.

Notes to the Financial Statements

31 May 2005

10. INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Unquoted shares - at cost	25,887	10,752	11,263	3,193
Group's share of post acquisition results	2,496	2,150	-	-
	28,383	12,902	11,263	3,193

The Group's investment in associated companies is represented by:

Group's share of net assets	28,383	12,902
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The details of the associated companies are disclosed in Note 49 to the financial statements.

11. OTHER INVESTMENTS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Long term				
- shares quoted in Malaysia	2,887	2,887	2,887	2,887
- shares quoted outside Malaysia	-	7,409	-	7,409
- unquoted investments	6,920	8,099	3,111	4,378
	9,807	18,395	5,998	14,674
Less: Provision for diminution in value	-	(2,460)	-	(2,460)
	9,807	15,935	5,998	12,214

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Market value				
- quoted shares in Malaysia	1,199	1,224	1,199	1,224
- quoted shares outside Malaysia	-	4,806	-	4,806

Quoted shares in Malaysia at cost of RM2,887,000 (2004: RM2,887,000) are pledged to a securities firm for facility granted to the Company.

Notes to the Financial Statements

31 May 2005

12. INTANGIBLE ASSETS

	Group	
	2005 RM'000	2004 RM'000
At cost:		
Products registration fees	52	52
Technical know-how	1,344	740
Dry docking costs	4,859	7,473
Development expenditure	16,389	28,348
	22,644	36,613
Less: Accumulated amortisation	(9,601)	(25,272)
	13,043	11,341

13. GOODWILL ON CONSOLIDATION

	Group	
	2005 RM'000	2004 RM'000
At cost:		
As at beginning of the financial year	44,905	57,549
Arising from acquisition of subsidiary companies (Note 35)	10,203	-
Winding up of subsidiary companies	-	(112)
Arising from additional investment in subsidiary companies	-	2,994
Impairment of goodwill in subsidiary companies	(2,496)	(8,059)
Disposal of subsidiary companies	-	(4,882)
Realisation upon re-organisation of subsidiary companies	(13,171)	-
Partial disposal of subsidiary companies	-	(2,585)
As at end of the financial year	39,441	44,905

14. INVENTORIES

	Group	
	2005 RM'000	2004 RM'000
At cost:		
Raw materials	41,829	66,173
Packing materials	228	172
Work-in-progress	43,454	35,985
Finished goods	83,061	39,169
Consumables	2,597	1,064
	171,169	142,563
At net realisable value		
Finished goods	204	204
	171,373	142,767

Inventories of the Group with carrying amount of RM1,435,000 (2004: RM1,522,000) have been charged to a licensed bank for credit facilities granted to a subsidiary company.

Notes to the Financial Statements

31 May 2005

15. RECEIVABLES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade receivables	326,204	305,499	-	-
Less: Allowance for doubtful debts	(11,316)	(10,716)	-	-
	314,888	294,783	-	-
Other receivables	28,677	21,943	19	2
Less: Allowance for doubtful debts	(202)	(71)	-	-
	28,475	21,872	19	2
Deposits	1,248	2,828	153	156
Prepayments	4,766	18,884	129	863
	34,489	43,584	301	1,021
	349,377	338,367	301	1,021

In 2004, bad debts of RM668,000 have been written off against the allowance for doubtful debts.

The credit term offered by the Group in respect of trade receivables range from 30 to 180 days from date of invoice.

The currency exposure of the trade receivables and other receivables is as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Ringgit Malaysia	193,642	187,557	19	2
US Dollar	81,553	65,629	-	-
Singapore Dollar	10,653	10,247	-	-
Chinese Renminbi	38,855	39,179	-	-
Sterling Pound	1,787	-	-	-
Hong Kong Dollar	13,944	16,523	-	-
Euro	3,486	4,975	-	-
others	10,961	3,332	-	-
	354,881	327,442	19	2

Notes to the Financial Statements

31 May 2005

16. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

	Company	
	2005 RM'000	2004 RM'000
Amounts owing by subsidiary companies:		
- non-interest bearing amount	4,639	4,137
Amounts owing to subsidiary companies:		
- amount which bears interest at 8% (2004: 8%) per annum	9,907	39,338
- non-interest bearing amount	30,903	10,347
	40,810	49,685

The amounts owing by subsidiary companies represent balances arising from advances and payments made on behalf of the subsidiary companies which are unsecured, interest-free and have no fixed terms of repayment.

The amounts owing to subsidiary companies represent balances arising from advances and payments made on the Company's behalf by the subsidiary companies which are unsecured and have no fixed terms of repayment.

17. AMOUNTS OWING BY/TO ASSOCIATED COMPANIES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Amounts owing by associated companies	1,073	688	263	4
Less: Allowance for doubtful debts	(440)	(440)	-	-
	633	248	263	4

The amounts owing by associated companies represent balances arising from normal trade transactions and advances which are unsecured and have no fixed terms of repayment except for balances arising from trade transactions which are payable under normal trade credit terms. The advances bear interest at 8% (2004: 8%) per annum.

The amounts owing to associated companies represent balances arising from normal trade transactions which are unsecured, interest-free and payable under normal trade credit terms.

18. SHORT TERM DEPOSITS WITH LICENSED BANKS

Included in the short term deposits of the Group are amounts totalling RM1,696,000 (2004: RM2,640,000) which have been pledged to licensed banks for banking facilities granted to subsidiary companies.

Notes to the Financial Statements

31 May 2005

19. PAYABLES

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Trade payables	132,165	127,867	-	-
Other payables	29,659	27,200	394	861
Accruals	16,558	12,855	487	421
Amounts owing to directors of subsidiary companies	232	46	-	-
Amounts owing to minority shareholders of subsidiary companies	1,173	1,607	-	-
	179,787	169,575	881	1,282

Amounts owing to directors of subsidiary companies represent advances which are unsecured, interest-free and have no fixed terms of repayment.

Amounts owing to minority shareholders of subsidiary companies are in respect of trade transactions, dividends payable and advances which are unsecured, interest-free and have no fixed terms of repayment.

The credit term available to the Group in respect of trade payables range from 30 to 90 days from date of invoice.

The currency exposure of the payables, other than accruals, is as follows:

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	98,878	92,035	394	861
US Dollar	30,124	26,954	-	-
Singapore Dollar	7,296	3,135	-	-
Sterling Pound	3,408	59	-	-
Euro	2,824	2,570	-	-
Chinese Renminbi	10,465	15,674	-	-
Australian Dollar	444	53	-	-
Hong Kong Dollar	3,282	16,120	-	-
others	6,508	120	-	-
	163,229	156,720	394	861

Notes to the Financial Statements

31 May 2005

20. BORROWINGS

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Current liabilities				
Unsecured				
Bankers' acceptances	106,297	34,901	-	-
Revolving credits	34,391	103,035	11,890	11,400
Short term loan	28,760	3,145	-	-
Trust receipts	-	1,500	-	-
Bank overdrafts	13,931	9,069	609	1,534
Current portion of long term loans (Note 22)	1,288	359	-	-
	184,667	152,009	12,499	12,934
Secured				
Bankers' acceptances	311	647	-	-
Bank overdrafts	3,524	5,338	-	-
Hire-purchase and lease creditors (Note 21)	3,277	3,930	227	323
Revolving credits	2,000	2,000	-	-
Short term loan	3,910	3,813	-	-
Current portion of long term loans (Note 22)	10,978	38,939	-	5,000
	24,000	54,667	227	5,323
	208,667	206,676	12,726	18,257
Long term liabilities				
Unsecured				
Long term loans (Note 22)	15,496	787	-	-
Secured				
Hire-purchase and lease creditors (Note 21)	3,376	4,367	433	246
Long term loans (Note 22)	110,157	92,806	-	-
	113,533	97,173	433	246
	129,029	97,960	433	246

Notes to the Financial Statements

31 May 2005

20. BORROWINGS (continued)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Total borrowings				
Unsecured				
Bankers' acceptances	106,297	34,901	-	-
Revolving credits	34,391	103,035	11,890	11,400
Short term loan	28,760	3,145	-	-
Trust receipts	-	1,500	-	-
Bank overdrafts	13,931	9,069	609	1,534
Long term loans (Note 22)	16,784	1,146	-	-
	200,163	152,796	12,499	12,934
Secured				
Bankers' acceptances	311	647	-	-
Bank overdrafts	3,524	5,338	-	-
Hire-purchase and lease creditors (Note 21)	6,653	8,297	660	569
Revolving credits	2,000	2,000	-	-
Short term loan	3,910	3,813	-	-
Long term loans (Note 22)	121,135	131,745	-	5,000
	137,533	151,840	660	5,569
	337,696	304,636	13,159	18,503

Certain bankers' acceptances, bank overdrafts, trust receipts and revolving credits of the Group are secured by a fixed charge over the leasehold land and buildings of certain subsidiary companies as disclosed in Note 6 to the financial statements and are guaranteed by the Company.

The interest rates on the borrowings of the Group and of the Company range from 2.2% to 8.0% (2004: 0.5% to 9.8%) and 4.3% to 7.5% (2004: 4.3% to 7.5%) respectively.

The currency exposure of the borrowings is as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Ringgit Malaysia	284,058	239,323	13,159	18,503
Singapore Dollar	20,458	22,041	-	-
Australian Dollar	11,190	19,511	-	-
US Dollar	11,462	18,386	-	-
Euro	4,859	-	-	-
Hong Kong Dollar	3,837	3,545	-	-
Chinese Renminbi	1,832	1,830	-	-
	337,696	304,636	13,159	18,503

Notes to the Financial Statements

31 May 2005

20. BORROWINGS (continued)

The maturity dates of the borrowings and the exposure to interest risk are as follows:

	Islamic financing RM'000	Fixed rate RM'000	Floating Rate RM'000	Total RM'000
Group				
As at 31 May 2005				
Current liabilities:				
- within one year	7,000	8,604	193,459	209,063
Long term liabilities:				
- more than one year and less than five years	94,000	3,315	19,353	116,668
- more than five years	7,000	61	4,904	11,965
	108,000	11,980	217,716	337,696

Group				
As at 31 May 2004				
Current liabilities:				
- within one year	-	8,930	197,746	206,676
Long term liabilities:				
- more than one year and less than five years	80,000	4,367	13,593	97,960
	80,000	13,297	211,339	304,636

	Fixed rate RM'000	Floating Rate RM'000	Total RM'000
Company			
As at 31 May 2005			
Current liabilities:			
- within one year	227	12,499	12,726
Long term liabilities:			
- more than one year and less than five years	433	-	433
	660	12,499	13,159

Company			
As at 31 May 2004			
Current liabilities:			
- within one year	5,323	12,934	18,257
Long term liabilities:			
- more than one year and less than five years	246	-	246
	5,569	12,934	18,503

Notes to the Financial Statements

31 May 2005

21. HIRE-PURCHASE AND LEASE CREDITORS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Minimum hire-purchase and lease payments:				
- not later than one year	3,637	4,422	262	359
- later than one year and not later than five years	3,584	4,664	474	277
- later than five years	163	169	-	-
	7,384	9,255	736	636
Less: Future interest charges	(731)	(958)	(76)	(67)
Present value of hire-purchase and lease liabilities	6,653	8,297	660	569
Repayable as follows:				
Current liabilities:				
- not later than one year	3,277	3,930	227	323
Long term liabilities:				
- later than one year and not later than five years	3,238	4,234	433	246
- later than five years	138	133	-	-
	3,376	4,367	433	246
	6,653	8,297	660	569

22. LONG TERM LOANS

	Group	
	2005 RM'000	2004 RM'000
Secured		
Term loan I repayable by 4 equal bi-annual instalments of RM7,000,000 each commencing 18 months after the first drawdown	-	28,000
Term loan II repayable by 120 equal monthly instalments of S\$83,425 each commencing February 2000. The monthly instalments payable were reduced to S\$75,156 with effect from July 2003	6,394	7,963
Term loan III repayable by 120 equal monthly instalments of S\$27,578 each commencing May 2001. The monthly instalments payable were reduced to S\$25,711 with effect from July 2003	3,798	4,234
Term loan IV repayable by 95 equal monthly instalments of RM68,000 each commencing March 1999	56	845

Notes to the Financial Statements

31 May 2005

22. LONG TERM LOANS (continued)

	Group	
	2005 RM'000	2004 RM'000
Term loan V repayable by 6 equal semi-annual instalments of RM250,000 each commencing October 2004	1,000	1,500
Term loan VI repayable by 6 equal semi-annual instalments of RM250,000 each commencing October 2004	877	1,377
Term loan VII repayable by 60 equal monthly instalments of RM7,352 each commencing August 2002	119	195
Term loan VIII repayable by 60 equal monthly instalments of RM16,194 each commencing May 2003	331	494
Term loan IX repayable by 60 equal monthly instalments of RM20,470 each commencing January 2003	560	753
Term loan X repayable by 95 equal monthly instalments of RM182,000 each commencing March 1999	-	1,384
Term loan XI repayable by 3 instalments ranging between RM5,000,000 to RM10,000,000 commencing 19 November 2003	-	5,000
	13,135	51,745
Bai' Bithaman Ajil	108,000	80,000
	121,135	131,745
Unsecured		
Term loan XII repayable by 48 equal monthly instalments of RM166,670 each commencing 1 March 2006	8,000	-
Term loan XIII repayable by 60 equal monthly instalments of RM133,000 each commencing 12 months from the date of first/full drawdown	8,000	-
Term loan XIV repayable by 60 equal monthly instalments of RM36,412 each commencing since 2002	784	1,146
	16,784	1,146
	137,919	132,891
Repayable as follows:		
Current liabilities:		
- not later than one year	12,266	39,298
Long term liabilities		
- later than one year and not later than five years	113,749	93,593
- later than five years	11,904	-
	125,653	93,593
	137,919	132,891

Notes to the Financial Statements

31 May 2005

22. LONG TERM LOANS *(continued)*

During the previous financial year, Tamco Corporate Holdings Berhad, a subsidiary company, issued Bai' Bithaman Ajil Serial Bonds ("BBA Serial Bonds") of RM80,000,000. The BBA Serial Bonds are negotiable non-interest bearing primary bonds together with secondary bonds which face value represents the semi-annual profit payment on the BBA Serial Bonds. The BBA Serial Bonds are issued in 2 series with tenure of 3 years and 5 years respectively from the date of issue and are redeemable at 100% of their face value upon maturity.

The secondary bonds are redeemable semi-annually, the first redemption commencing 6 months after the issue date of the BBA Serial Bonds.

Tamco sold all its rights, benefits and title under an Asset Purchase Agreement at the purchase price of RM80,000,000 and immediately entered into an Asset Sale Agreement to repurchase these assets for RM100,580,000 being the aggregate of the purchase price and the profit for the BBA Serial Bonds. The profit rate ranges from 5.3% to 5.8% per annum.

The BBA Serial Bonds are secured by way of a negative pledge over all the present and future fixed and floating assets of Tamco.

During the financial year, Rhodemark Development Sdn. Bhd. ("RDSB"), a subsidiary company, signed an Asset Purchase Agreement to obtain RM28,000,000 under Bai' Bithaman Ajil ("BAA") Facility to redeem its term loan. The BAA Facility is repayable in 4 half-yearly instalments commencing 18 months after the first drawdown. The effective yield for the BBA Facility is 7.75%.

Other than as disclosed in Note 6 to the financial statements, the long term loans of the Group are further secured by:

- (i) a fixed and floating charge over all the assets of a subsidiary company;
- (ii) deed of assignment over rental proceeds derived from lease of chemical tank farm of a subsidiary company;
- (iii) quoted shares in subsidiary companies (Note 8); and
- (iv) certain short term deposits of subsidiary companies.

23. SHARE CAPITAL

	Group and Company			
	2005		2004	
	Number of shares	RM'000	Number of shares	RM'000
Ordinary shares of RM1 each:				
Authorised	500,000,000	500,000	500,000,000	500,000
Issued and fully paid:				
As at beginning of the financial year	201,856,767	201,857	120,507,195	120,507
Issues of ordinary shares under ESOS	-	-	2,364,000	2,364
Private placement	-	-	11,700,000	11,700
Bonus issues	-	-	67,285,572	67,286
As at end of the financial year	201,856,767	201,857	201,856,767	201,857

Notes to the Financial Statements

31 May 2005

23. SHARE CAPITAL *(continued)*

During the financial year, the Company purchased 7,142,200 of its ordinary shares from the open market at a total cost of RM5,289,000. As at 31 May 2005, these ordinary shares are being held as Treasury Shares as defined under Section 67A(3A)(b) of the Companies Act, 1965.

Of the total issued and fully paid-up ordinary shares, 8,990,800 (2004: 1,848,600) at cost of RM6,762,000 (2004: RM1,473,000) are held as Treasury Shares by the Company. The number of outstanding ordinary shares in issue after deducting the Treasury Shares is 192,865,967 ordinary shares of RM1 each as at 31 May 2005.

24. RESERVES

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
(i) Non-distributable				
Share premium	9,091	9,116	9,091	9,116
Merger reserve arising from consolidation	1,282	1,282	32,495	32,495
Revaluation reserve arising from revaluation of land and buildings	25,027	15,747	7,874	11,553
Capital reserve	2,400	2,400	-	-
Foreign exchange reserve	(3,369)	(2,481)	-	-
Capital redemption reserve	4,933	4,933	4,917	4,917
(ii) Distributable				
Retained profits	51,150	34,856	43,497	11,085
	90,514	65,853	97,874	69,166

Subject to the agreement of the Inland Revenue Board, the Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to distribute dividend out of all its retained profits as at 31 May 2005 without incurring additional tax liability.

25. DEFERRED TAX ASSETS/LIABILITIES

(a) The deferred tax assets/liabilities are made up of the following:

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Balance as at 1 June 2004/2003	14,345	10,164	3,558	3,438
Recognised in the income statements (Note 32):				
- current year	4,080	4,263	(207)	120
- underprovision in prior year	283	210	-	-
	4,363	4,473	(207)	120

Notes to the Financial Statements

31 May 2005

25. DEFERRED TAX ASSETS/LIABILITIES (continued)

(a) The deferred tax assets/liabilities are made up of the following: (continued)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Deferred tax liability on revaluation reserve	3,961	-	95	-
Deferred tax of subsidiary companies acquired	1,044	-	-	-
Exchange differences	(1,094)	(292)	-	-
As at end of the financial year	22,619	14,345	3,446	3,558
Represented by:				
- Deferred tax assets, net	(4,874)	(9,776)	-	-
- Deferred tax liabilities, net	27,493	24,121	3,446	3,558
	22,619	14,345	3,446	3,558

(b) The movements of deferred tax assets and liabilities during the financial year are as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Deferred tax assets				
Balance as at 1 June 2004/2003	9,776	13,421	-	-
Recognised in the income statements:				
Provisions	(970)	(452)	-	-
Unabsorbed capital allowances and tax losses	(5,015)	(3,446)	-	-
Disposal of subsidiary companies	-	(84)	-	-
	(5,985)	(3,982)	-	-
Acquisition of subsidiary companies	(111)	-	-	-
Exchange differences	1,194	337	-	-
As at end of the financial year	4,874	9,776	-	-
Deferred tax liabilities				
Balance as at 1 June 2004/2003	24,121	23,585	3,558	3,438
Recognised in the income statements:				
Excess of capital allowance over corresponding depreciation	(775)	378	-	150
Other taxable temporary differences	(631)	236	-	-
Disposal of subsidiary companies	-	(84)	-	-
Revaluation reserves	(216)	(39)	(207)	(30)
	(1,622)	491	(207)	120
Exchange differences	100	45	-	-
Revaluation reserves	3,961	-	95	-
Acquisition of subsidiary companies	933	-	-	-
As at end of the financial year	27,493	24,121	3,446	3,558

Notes to the Financial Statements

31 May 2005

25. DEFERRED TAX ASSETS/LIABILITIES *(continued)*

(c) The components of deferred tax assets and liabilities as at the end of the financial year comprise tax effect of:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Deferred tax assets				
Provisions	3,670	3,756	-	-
Unabsorbed capital allowances and tax losses	1,204	6,020	-	-
	4,874	9,776	-	-
Deferred tax liabilities				
Revaluation reserve	7,420	4,359	2,963	3,075
Excess of capital allowances over corresponding depreciation	17,757	17,651	483	483
Other taxable temporary differences	2,316	2,111	-	-
	27,493	24,121	3,446	3,558

(d) The amount of temporary differences for which no deferred tax assets have been recognised in the balance sheet are as follows:

	Group	
	2005 RM'000	2004 RM'000
Unabsorbed capital allowances and tax losses	78,555	51,942

Deferred tax assets have not been recognised in respect of these items as it is not probable that taxable profit of certain subsidiary companies will be available against which the deductible temporary differences can be utilised.

26. PROVISION FOR RETIREMENT BENEFITS

	Group	
	2005 RM'000	2004 RM'000
As at beginning of the financial year	3,854	3,716
Charged to income statement	1,244	843
Utilised during the financial year	(620)	(730)
Exchange differences	(6)	25
As at end of the financial year	4,472	3,854

Notes to the Financial Statements

31 May 2005

27. ADVANCES FROM DIRECTOR OF A SUBSIDIARY COMPANY

These advances are unsecured, interest-free and not repayable within the next twelve months.

28. OPERATING REVENUE

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Commission income	-	743	-	-
Sale of goods	1,083,288	912,671	-	-
Rendering of services	18,065	55,819	50	9,083
Rental income	24	2,958	186	297
Interest income	124	178	71	90
Dividend income (gross)	99	534	41,728	19,287
	1,101,600	972,903	42,035	28,757
Discontinuing operation				
Income from property development	-	5,778	-	-
	1,101,600	978,681	42,035	28,757

29. OTHER OPERATING INCOME/(EXPENSES)

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Included in other operating income are exceptional items as follows:				
Gain on disposal of associated company	565	-	-	-
Gain on disposal of property, plant and equipment	13,450	1,630	308	112
Gain on disposal of subsidiary companies	-	290	30,215	-
Surplus on non-consolidation of subsidiary companies	-	549	-	-
Gain on disposal of quoted investment	-	12,492	-	12,492
Included in other operating expenses are exceptional items as follows:				
Impairment of goodwill in subsidiary companies	2,496	8,059	-	-
Impairment loss on investment in subsidiary companies (Note 8)	-	-	20,000	2,892
Provision for diminution in value on investment quoted outside Malaysia	-	2,460	-	2,460
Loss on disposal of quoted investment	52	-	52	-
Reorganisational expenses	5,363	-	-	-
Loss on disposal of associated companies	-	1,399	-	-
Loss on partial disposal of shares in subsidiary companies	-	2,727	-	-
Revaluation deficit on properties	596	-	-	-

Notes to the Financial Statements

31 May 2005

29. OTHER OPERATING INCOME/(EXPENSES) (continued)

Group

As at 31 May 2005, the goodwill arising on consolidation of a subsidiary company based on its net tangible assets has declined significantly since the date of its acquisition due to its poor economic performance in the past few years. Consequently, an impairment loss of RM2,496,000 on this investment has been recognised to reflect its recoverable amount. The recoverable amount of this investment was determined by reference to its value in use.

As at 31 May 2004, the goodwill arising on consolidation of a subsidiary company based on its net tangible assets has declined significantly since the date of its acquisition due to its poor economic performance in the past few years. Consequently, an impairment loss of RM8,059,000 on this investment was recognised to reflect its recoverable amount. The recoverable amount of this investment was determined by reference to its value in use.

Company

As at 31 May 2005, the fair value of an investment in a subsidiary company based on its net tangible assets has declined significantly since the date of its acquisition due to its poor economic performance in the past few years. Consequently, an impairment loss of RM20,000,000 on this investment has been recognised to reflect its recoverable amount. The recoverable amount of this investment was determined by reference to its value in use.

As at 31 May 2004, the fair value of an investment in a subsidiary company based on its net tangible assets has declined significantly since the date of its acquisition due to its poor economic performance in the past few years. Consequently, an impairment loss of RM2,892,000 on this investment was recognised to reflect its recoverable amount. The recoverable amount of this investment was determined by reference to its value in use.

30. DISCONTINUING OPERATION

In July 2003, the Group completed the disposal of its entire 70% equity interest in WPDSB for cash consideration of RM4,791,000 and ceased to be involved in property development.

The effects of the discontinuing operation on the financial position of the Group as at the end of the financial year ended 31 May 2004 were as follows:

	At the date of discontinuing operation RM'000
Property, plant and equipment	6
Development properties	25,735
Inventories	2,326
Receivables	2,272
Tax recoverable	253
Short term deposits	358
Cash and bank balance	11,350
Payables	(50,898)
Tax liabilities	-
Total net liabilities disposed of	(8,598)
Minority interest	(1,631)
	(10,229)
Proceeds from disposal	(4,791)
Gain on disposal	(15,020)

There was no tax charges arising from the above disposal.

There was no discontinue operation during the financial year.

Notes to the Financial Statements

31 May 2005

31. PROFIT BEFORE TAX

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging:				
Allowance for doubtful debts	1,357	1,462	-	-
Amortisation of intangible assets	3,742	4,179	-	-
Auditors' remuneration:				
- statutory:				
- current year	894	726	23	18
- (over)/under provision in prior years	(4)	(16)	5	5
- non-statutory	314	128	68	128
Bad debts written off	6,304	6,203	-	51
Depreciation of property, plant and equipment	27,140	25,918	1,120	1,095
Development cost written off	-	11	-	-
Directors' remuneration:				
Fees				
- payable by the Company	193	194	193	194
- payable by the subsidiary companies	173	142	-	-
Salaries and other emoluments				
- paid by the Company	3,056	1,763	3,056	1,763
- paid by the subsidiary companies	1,779	1,836	-	-
Fees paid to a company in which a director of a subsidiary company has interests	50	12	-	-
Interest expense on:				
- bank overdrafts	1,817	2,327	9	101
- term loans, revolving credits and bankers' acceptance	3,333	6,595	379	1,554
- advances from subsidiary companies	-	-	1,181	4,211
- others	7,826	7,246	57	64
Inventories written off	2,888	1,776	-	-
Investment in associated companies written off	-	49	-	-
Loss on foreign exchange:				
- realised	-	-	-	2
- unrealised	324	1,080	-	-
Property, plant and equipment written off	98	486	77	332
Provision for retirement benefits	1,244	843	-	-
Rental of:				
- land and premises	6,555	6,394	257	299
- others	3,333	2,387	-	-

Notes to the Financial Statements

31 May 2005

31. PROFIT BEFORE TAX (continued)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
And crediting:				
Allowance for doubtful debts no longer required	5	1,315	-	-
Bad debts recovered	-	14	-	-
Dividend (gross) from investment in shares quoted:				
- in Malaysia	99	184	99	184
- outside Malaysia	-	350	-	350
Dividend (gross) from investment in unquoted shares	2,000	4,444	-	-
Dividend (gross) from subsidiary companies				
- quoted	-	-	784	-
- unquoted	-	-	40,845	18,753
Gain on disposal of investment property	1,150	-	-	-
Realised gain on foreign exchange	3,698	5,741	-	-
Interest income from:				
- advances to an associated company	-	-	6	-
- others	750	714	65	90
Rental income from:				
- a subsidiary company	-	-	186	297
- others	1,470	3,106	-	-

The monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Company and the Group are estimated at RM66,800 (2004: RM66,800).

32. TAX EXPENSE

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Current tax expense based on profit for the financial year:				
Malaysia income tax	7,197	8,482	8,314	4,000
Foreign income tax	364	493	-	-
	7,561	8,975	8,314	4,000
Deferred tax (Note 25)	4,080	4,263	(207)	120
	11,641	13,238	8,107	4,120
Under/(Over) provision in prior years:				
- taxation	178	(823)	-	(832)
- deferred tax	283	210	-	-
	461	(613)	-	(832)
	12,102	12,625	8,107	3,288
Share of tax in associated companies	909	108	-	-
	13,011	12,733	8,107	3,288

Notes to the Financial Statements

31 May 2005

32. TAX EXPENSE (continued)

The reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Profit before tax	580	37,900	40,842	20,672
Taxation at Malaysian statutory tax rate of 28% (2004: 28%)	162	10,612	11,436	5,788
Tax effect in respect of:				
Depreciation on non-qualifying property, plant and equipment	177	496	-	-
Non-allowable expense	5,919	10,288	6,218	2,669
Non-taxable income	(3,448)	(9,563)	(9,530)	(3,529)
Tax incentives and allowances	(294)	(1,238)	-	(677)
Deferred tax assets not recognised	10,038	5,306	-	-
Reduction in statutory tax rate on chargeable income up to RM500,000 (2004: RM500,000)	(111)	(118)	-	-
Real Property Gain Tax	804	-	190	-
Utilisation of previously unrecognised deferred tax assets	(1,421)	(1,570)	-	(101)
Higher tax rates in foreign jurisdiction	31	451	-	-
Crystallisation of deferred tax liabilities on revaluation reserve	(216)	(39)	(207)	(30)
Utilisation of previously unrecognised deferred tax liabilities on withholding tax	-	(106)	-	-
Utilisation of reinvestment allowances	-	(1,289)	-	-
Others	-	8	-	-
Share of tax in associated companies	909	108	-	-
	12,550	13,346	8,107	4,120
Under/(Over) provision in prior years:				
- taxation	178	(823)	-	(832)
- deferred tax	283	210	-	-
	461	(613)	-	(832)
Tax expense for the financial year	13,011	12,733	8,107	3,288

33. EARNINGS PER ORDINARY SHARE

The earnings per ordinary share for the financial year have been calculated based on the consolidated profit after tax and minority interests of RM130,000 (2004: RM15,829,000) and the weighted average number of 198,327,309 (2004: 196,302,550) ordinary shares in issue during the financial year.

Notes to the Financial Statements

31 May 2005

34. DIVIDENDS

	Group and Company			
	2005		2004	
	Gross dividend per share Sen	Amount of dividend net of tax RM'000	Gross dividend per share Sen	Amount of dividend net of tax RM'000
Tax exempt interim dividend paid	-	-	10	13,457
Final dividend proposed	5	7,253	3	4,360
	5	7,253	13	17,817

As proposed in the previous financial year, a final dividend of 3% less income tax for the financial year ended 31 May 2004 was approved by the shareholders at the Annual General Meeting held on 30 November 2004 and an amount of RM4,245,000 was paid on 30 December 2004 as against the proposed amount of RM4,360,000. The reduction in final dividend paid of RM115,000 was due the share buy back of 5,347,000 ordinary shares of RM1 each which, as at the entitlement date, were retained as Treasury Shares by the Company in accordance with Section 67A (3A) (b) of the Companies Act, 1965 ('Treasury Shares') and were therefore, not entitled to the final dividend.

The Directors proposed a final ordinary dividend of approximately 5 sen, less income tax, amounting to RM7,253,000 for the financial year ended 31 May 2005, by way of distribution of one (1) Treasury Share for every twenty (20) existing ordinary shares of RM1 each in the Company held at a date to be announced. The proposed final ordinary dividend is subject to the approval of the shareholders at the Company's forthcoming annual general meeting.

The financial statements for the current financial year do not reflect this proposed dividend. This dividend, if approved by shareholders, will be accounted for as an appropriation of retained profits in the financial year ending 31 May 2006.

35. ACQUISITION OF SUBSIDIARY COMPANIES

During the financial year, the Group acquired Decom, NSC, SPM and HI. The fair value of the assets acquired and liabilities assumed are as follows:

	Group 2005 RM'000
Property, plant and equipment	8,781
Inventories	7,033
Trade receivables	8,577
Other receivables, deposits and prepayments	246
Short term deposits and cash and bank balances	4,364
Investment in associates	2,785
Amount owing by related companies	3,060
Trade payables	(4,171)
Other payables and accruals	(918)
Borrowings	(5,282)
Amount owing to related companies	(1,740)
Tax liabilities	(517)
Deferred tax liabilities	(1,044)
Minority interests	(919)

Notes to the Financial Statements

31 May 2005

35. ACQUISITION OF SUBSIDIARY COMPANIES *(continued)*

	Group 2005 RM'000
Net assets acquired	20,255
Goodwill on consolidation	10,203
Total purchase consideration discharged by cash	30,458
Less: Cash and bank balances of the subsidiary companies acquired	(4,365)
Cash flow on acquisition, net of cash and bank balances acquired	26,093

There were no acquisition of subsidiary companies in the financial year ended 31 May 2004.

36. DISPOSAL OF SUBSIDIARY COMPANIES

	Group 2004 RM'000
In the last financial year, the group disposed of MPE, WPDSB, MSB and HSOB. The fair values of assets and liabilities disposed of were as follows:	
Property, plant and equipment	3,237
Goodwill on consolidation	5
Intangible assets	62
Development properties	25,735
Inventories	3,662
Receivables	5,402
Tax recoverable	292
Short term deposits	358
Cash and bank balances	11,499
Bank overdrafts	(89)
Payables	(56,036)
Hire-purchase creditors	(107)
Short term bank borrowings	(2,661)
Total net assets disposed of	(8,641)
Goodwill on consolidation	4,878
Minority interest	(1,830)
Gain on disposal of investment	15,310
	9,717
Capitalised as investment	(1,363)
Total disposal proceeds	8,354
Cash and cash equivalents in subsidiary companies disposed of	(11,768)
Cash outflow on disposal, net of cash and cash equivalents disposed of	(3,414)

There are no disposal of subsidiary companies during the current financial year.

Notes to the Financial Statements

31 May 2005

37. SUBSIDIARY COMPANIES UNDER WINDING-UP NOT CONSOLIDATED

There were no subsidiary companies under winding-up not consolidated during the current financial year.

The effects of the non-consolidation of the subsidiary companies in 2004 mentioned in Note 8 on the cash flow of the Group were as follows:

	Group 2004 RM'000
Goodwill on consolidation	112
Tax recoverable	119
Receivables	1,086
Payables	(1,637)
Surplus arising from subsidiary companies not consolidated	549
Cash flow on subsidiary companies under winding-up not consolidated	229

38. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Purchase of property, plant and equipment (Note 6)	27,019	22,295	642	2,104
Financed by hire-purchase and lease arrangements	(2,713)	(4,889)	(517)	(251)
Cash payments on purchase of property, plant and equipment	24,306	17,406	125	1,853

39. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Bank overdrafts	(17,455)	(14,407)	(609)	(1,534)
Short term deposits	25,350	30,596	-	-
Cash and bank balances	41,145	39,251	9	25
	49,040	55,440	(600)	(1,509)
Less:				
Pledged with licensed banks:				
- short term deposits	(1,696)	(2,640)	-	-
- cash and bank balances	-	(12)	-	-
	47,344	52,788	(600)	(1,509)

Notes to the Financial Statements

31 May 2005

39. CASH AND CASH EQUIVALENTS *(continued)*

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
The currency exposure on cash and bank balances is as follows:				
Ringgit Malaysia	30,947	30,764	9	25
Singapore Dollar	796	3,691	-	-
US Dollar	2,328	2,217	-	-
Hong Kong Dollar	3,119	124	-	-
Chinese Renminbi	2,883	2,455	-	-
Others	1,072	-	-	-
	41,145	39,251	9	25

The interest rates of the deposits during the financial year range from 2.2% to 3.0% (2004: 0.5% to 3.7%) per annum.

The short term deposits have maturity periods ranging from 30 days to 210 days (2004: 12 days to 365 days). Bank balances and deposits are held at call with licensed banks.

40. FINANCIAL INSTRUMENTS

(a) Credit risk

As at 31 May 2005, the Group has trade receivables of RM314,888,000 (2004: RM294,783,000), net of allowance for doubtful debts of RM11,316,000 (2004: RM10,716,000), and placement of RM25,350,000 (2004: RM30,596,000) in short term deposits with some major financial institutions in Malaysia and overseas. Other than as mentioned, the Group has no significant concentration of credit risk. The maximum exposures to credit risk are represented by the carrying amounts of the financial assets in the balance sheet.

(b) Foreign currency risk

During the financial year, the Group entered into forward foreign currency contracts to manage exposure to currency risk for receivables and payables where the receivables and payables are denominated in a currency other than the functional currency of the Group. The notional amounts of the forward foreign exchange contracts which mature within one year and which are outstanding as at 31 May 2005 are as follow:

	Currency	Notional amount	
		2005	2004
		RM'000	RM'000
Forward contract used to hedge trade receivables	US Dollar	55,049	56,087
	Singapore Dollar	715	313
	Euro	-	4,952
		55,764	61,352

Notes to the Financial Statements

31 May 2005

40. FINANCIAL INSTRUMENTS (continued)

(b) Foreign currency risk (continued)

	Currency	Notional amount	
		2005 RM'000	2004 RM'000
Forward contract used to hedge trade payables	Japanese Yen	670	1,303
	Sterling Pound	2,212	9,838
	Euro	476	1,929
	US Dollar	-	968
	Singapore Dollar	-	32
		3,358	14,070
Forward contract used to hedge future sales	US Dollar	104,566	13,845
	Singapore Dollar	4,173	-
		108,739	13,845
Forward contract used to hedge future purchases	Japanese Yen	-	312
	Sterling Pound	-	5,990
		-	6,302

(c) Fair values

The carrying amounts of the financial assets and liabilities of the Group and of the Company as at the balance sheet date approximate their fair values except as set out below:

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
As at 31 May 2005				
Recognised				
Quoted investments other than quoted investments in a subsidiary company	2,887	1,199	2,887	1,199
Unquoted investments	6,920	#	3,111	#
Amounts owing by subsidiary companies	-	-	37,596	*
Advances from directors of subsidiary companies	2,089	-	-	-
As at 31 May 2004				
Recognised				
Quoted investments other than quoted investments in a subsidiary company	7,836	6,030 ⁺	7,836	6,030 ⁺
Unquoted investments	8,099	#	4,378	#
Amounts owing by subsidiary companies	-	-	28,272	*
Advances from directors of subsidiary companies	2,362	-	-	-

Notes to the Financial Statements

31 May 2005

40. FINANCIAL INSTRUMENTS *(continued)*

(c) Fair values *(continued)*

- + Fair value in 2004 represents the market value of the investments quoted in Malaysia and the estimate net selling price of the investment quoted outside Malaysia.
- # It is not practical to estimate the fair value of the long term unquoted investments because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs. The Company believes that the carrying amount of the investments other than golf membership represents the recoverable value as the Group and the Company's share of net tangible assets reported by the investee companies as at 31 May 2005 amounted to RM18,346,000 (2004: RM10,436,000) and RM14,593,000 (2004: RM1,414,000) respectively.
- * It is not practical to estimate the fair value of amounts owing by subsidiary companies and advances from directors of subsidiary companies. This is principally due to the lack of fixed repayment terms and the inability to estimate fair value without incurring excessive costs. However, the Company does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received.

The following methods and assumptions are used to determine the fair value of financial instruments:

- (i) The carrying amounts of other financial assets and liabilities maturing within 12 months approximate their fair values due to the relatively short term maturity of these financial instruments.
- (ii) The fair values of quoted investments in Malaysia are their quoted market prices at the balance sheet date.
- (iii) The fair values of the borrowings are estimated by discounting future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

41. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group	
	2005 RM'000	2004 RM'000
Sales to:		
- Nufarm Technologies (Malaysia) Sdn. Bhd.	-	1,853
- Info One Services Sdn. Bhd.	-	346
- Ancom Kimia Sdn. Bhd.	3,042	19
- Transmare-Chemie (S) Pte Ltd	587	-
Purchases from:		
- Ancom Kimia Sdn. Bhd.	188,028	195,551
- iSpring Capital Sdn. Bhd.	115	-
Commission paid and payable to Nufarm Technologies (Malaysia) Sdn. Bhd.	-	456
Insurance premium paid to Pacific & Orient Insurance Co. Berhad	967	1,222
Sales proceed from the disposal of 5% equity interest in Tubex Sdn. Bhd., a subsidiary company, to Datuk Haji Ismail bin Haji Hashim	-	250
Sales proceed from the disposal of 13,310 8% Non-convertible Cumulative Redeemable Preference Shares and 2,502,000 ordinary shares in MPE to Botco Sdn. Bhd.	-	3,500

Notes to the Financial Statements

31 May 2005

41. SIGNIFICANT RELATED PARTY TRANSACTIONS *(continued)*

	Group	
	2005 RM'000	2004 RM'000
Rental income received from Transmare-Chemie (S) Pte Ltd	110	-
Freight and demurrage income from Ancom Kimia Sdn. Bhd.	985	587
Rental of tank received and receivable from ChemQuest Trading Sdn. Bhd.	105	182
Warehouse rental received and receivable from ChemQuest Trading Sdn. Bhd.	120	120

These transactions are entered into in the ordinary course of business and have been established under negotiated terms.

The relationships between the Group and the related parties other than that stated below are disclosed in Note 49 to the financial statements.

Identity of related party

Relationship with the Group

Pacific & Orient Insurance Co. Berhad

A company in which a director of the Company has a substantial indirect shareholding

Info One Services Sdn. Bhd.

A corporate shareholder of a subsidiary company

Datuk Haji Ismail bin Haji Hashim

A director of subsidiary companies

Botco Sdn. Bhd.

A company in which a major shareholder/director is related to a Director of the Company

ChemQuest Trading Sdn. Bhd.

A company related to a corporate shareholders of a subsidiary company

42. CAPITAL COMMITMENTS

Capital expenditure not provided for in the financial statements are as follows:

	Group	
	2005 RM'000	2004 RM'000
In respect of purchase of property, plant and equipment:		
Authorised and contracted for	22,383	21,567
Authorised but not contracted for	-	773
	22,383	22,340

Notes to the Financial Statements

31 May 2005

43. NON-CANCELLABLE OPERATING LEASE COMMITMENTS

	Group	
	2005 RM'000	2004 RM'000
Future minimum lease payments:		
- not later than one year	336	1,238
- later than one year and not later than five years	1,281	1,734
- later than five years	4,882	5,203
	6,499	8,175

44. CONTINGENT LIABILITIES

Unsecured

	Group	
	2005 RM'000	2004 RM'000
Bills discounted with banks	924	1,516
Potential performance-based consideration of acquisitions	16,700	-
	17,624	1,516

In addition to the above, as reported in the last financial year, a subsidiary company was contingently liable for a sales tax claim of approximately RM6,052,000 by the Director General of Customs Malaysia. The management of the subsidiary company were of the opinion that the claim has no merit and probably would not require an outflow of resources. Accordingly, no provision had been made in the financial statements pending the outcome of the subsidiary company's appeal to the Ministry of Finance.

In February 2005, the Ministry of Finance, in response to the appeal of the subsidiary company, issued a letter to allow the appeal.

Company - Unsecured

As at 31 May 2005, the Company has given corporate guarantees amounting to RM18,851,600 (2004: RM18,484,000) to financial institutions for credit facilities granted to and utilised by certain subsidiary companies.

45. SIGNIFICANT EVENTS

During the financial year:

- (i) The Company sold its entire 1,363,000 ordinary shares of RM1 each representing 24.9% equity interest in MPE to Total Oil Industries Sdn. Bhd. at par for cash.
- (ii) Pursuant to a capital reconstruction exercise announced in September 2002, Nylex (Malaysia) Berhad ("Nylex"), a subsidiary company, completed its capital reduction and capital consolidation exercise as well as the capital distribution of its entire shareholding in Tamco to the shareholders of Nylex on the basis of two (2) ordinary shares of RM0.50 each in Tamco for every one (1) ordinary share of RM1 each held in Nylex after the capital reduction and capital consolidation by Nylex.

Notes to the Financial Statements

31 May 2005

45. SIGNIFICANT EVENTS *(continued)*

- (ii) Tamco further undertook a special bumiputra issue of 35,000,000 new ordinary shares of RM0.50 each to certain Bumiputra directors of Nylex and Tamco and other Bumiputra investors at par for cash.

Consequently, RDSB's shareholding in Tamco was reduced from 51.93% to 44.93%.

Tamco was listed on the MESDAQ market of Bursa Malaysia Securities Berhad on 6 July 2004.

- (iii) The Company completed the sale of the entire equity interest in Perusahaan Kimia Gemilang Sdn. Bhd. ("PKG"), Fempro Sdn. Bhd., Kumpulan Kesuma Sdn. Bhd. and Wedon Sdn. Bhd. (collectively known as "Chemical Companies") pursuant to the sale and purchase agreement entered into between Nylex and the Company in September 2002 for RM64,427,000, and the 64,427,000 new Nylex ordinary shares of RM1 each issued by Nylex to the Company to satisfy the purchase consideration were listed on the Bursa Malaysia Securities Berhad in July 2004.

Consequently, the Company's effective interest in the Chemical Companies was reduced from 100% to 53.0% while its effective interest in Nylex increased from 26.0% to 53.0%.

- (iv) Tamco completed the conditional sale and purchase agreement ("SPA") to acquire 600,000 ordinary shares of HK\$1 each representing 60% equity interest of the issued and fully paid-up share capital of Decom, a company incorporated in Hong Kong SAR, for a maximum cash consideration of EUR4.6 million, when it made the initial payment of EUR1.0 million in November 2004. The remaining consideration is payable subject to the terms and conditions of the SPA being met.

Decom is principally engaged in the distribution and development of medium voltage switchgear and other power products and related services.

- (v) Nylex completed the acquisition of 2,052,102 ordinary shares of RM1 each representing the entire equity interest in NSC and 255,002 ordinary shares of RM1 each representing 51% equity interest in SPM for a total cash consideration of US\$5.3 million (equivalent to RM20.14 million, based on the exchange rate of RM3.80 to US\$1).

NSC and SPM are both incorporated in Malaysia. NSC is principally involved in the manufacture and sale of phosphoric acid, which is mainly used as a degumming agent in the refining of oil palm while SPM is principally involved in the manufacture and sale of sodium hexa meta phosphate, which is used as an ingredient in food additives and preservatives.

- (vi) Ancom Overseas Ventures Sdn. Bhd. a wholly owned subsidiary of the Company, completed the sale of its entire 100,000 ordinary shares of RM1 each representing 20% equity in Transmare-Chemie (Malaysia) Sdn. Bhd., a company incorporated in Malaysia, for cash consideration of RM1,000,000.

- (vii) Nylex and Malaysian Roofing Industries Sdn. Bhd. ("MRI"), a 70% owned subsidiary of Nylex, completed the sale of certain assets of MRI relating to the business of manufacturing, trading, sale and supply of roofing tiles for an aggregate cash consideration of RM11.3 million.

- (viii) The Company's proposed re-organisation involving the acquisition by Synergy Trans-Link Sdn. Bhd. ("STL") of its subsidiaries engaging in the transportation and logistic business, namely, Ancom Ship Management Sdn. Bhd., Synergy Concept Sdn. Bhd., Synergy Point Sdn. Bhd., Pengangkutan Cogent Sdn. Bhd., SM Integrated Transware Pte. Ltd. and Ancom-ChemQuest Terminals Sdn. Bhd. ("ACQT") for total consideration of RM19,609,000 be satisfied by the issuance of 154,223,776 new ordinary shares of RM0.10 each and 39,217,234 zero coupon irredeemable convertible unsecured loan stocks ("ICULS") by STL was approved by the Securities Commission and the Foreign Investment Committee subject to, inter-alia, the condition that ACQT, a 51%-owned subsidiary of the Company, is required to increase its bumiputra shareholding by 1.87% within two (2) years after the completion of the proposed acquisition by STL.

Notes to the Financial Statements

31 May 2005

45. SIGNIFICANT EVENTS *(continued)*

- (viii) This transaction, except for the increase in ACQT's bumiputra's shareholdings, was completed during the financial year. At the same time, Synergy Tanker Sdn. Bhd., a wholly owned subsidiary of the Company, also completed the sale of 3,210,815 ordinary shares of S\$1 each representing 45.61% equity interest in SM Integrated Transware Pte. Ltd., a company incorporated in the Republic of Singapore, to STL for consideration of RM13,304,000 satisfied by the issuance of 67,167,648 new ordinary shares of RM0.10 each and 26,607,542 ICULS by STL.

Upon completion of the transaction above, all the transportation and logistic companies in the Group named above became 100% owned subsidiaries of STL, other than ACQT which is 51% owned by STL. The Company holds 73.4% equity in STL.

- (ix) PKG sold a piece of land measuring 2,623.9 square metres in the Kuala Lumpur town centre area together with a bungalow erected thereon for cash consideration of RM16.0 million.
- (x) The Company acquired a total of 276,100 ordinary shares of RM1 each representing 25.1% equity interest in Meru Utama Sdn. Bhd. ("MU"), a company incorporated in Malaysia, for total cash consideration of RM8 million.

MU is principally involved in management and rental of media spaces.

- (xi) Additional 795,994 ordinary shares of HK\$10 each in ChemResources China (Agencies) Limited ("CRC") pursuant to new shares issue by CRC for cash consideration of HK\$7,960,000 (RM3,899,000 equivalent). The Group's equity interest in CRC was diluted from 84.6% to 83.3%.

46. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

The followings are the significant events subsequent to the balance sheet date:

- (i) In June 2005, the Company further acquired 53,000 ordinary shares of RM1 each representing 4.9% equity interest in MU for a consideration of RM1.6 million.
- (ii) In July 2005, the Company completed the proposed renounceable rights issue of 97,771,983 warrants ("Warrants") at an issue price of RM0.02 per Warrant on the basis of one (1) Warrant for every two (2) existing ordinary shares of RM1 each in the Company. The Warrants were listed on the Bursa Malaysia Securities Berhad on 1 July 2005.
- (iii) In July 2005, Ancom Energy & Services Sdn Bhd entered into a conditional share sale agreement to sell its entire 4,250,000 ordinary shares of RM1 each representing 85% equity interest in Tubex Sdn Bhd, a company incorporated in Malaysia, for cash consideration of RM16.3 million. This transaction is pending completion.

47. NUMBER OF EMPLOYEES AND STAFF COSTS

	Group		Company	
	2005	2004	2005	2004
Number of employees, including Executive Directors, at the end of the financial year	2,124	2,006	29	28

The staff costs recognised in the income statements are as follow:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Salaries and wages	78,781	75,302	4,151	2,757
Defined contribution plan	7,949	7,759	432	288
Other employee benefits	5,137	2,778	33	32
	91,867	85,839	4,616	3,077

Notes to the Financial Statements

31 May 2005

48. SEGMENTAL INFORMATION

The Group's operations comprise the following main business segments:

Investment holding	:	Investment holding
Agricultural and industrial chemicals	:	Manufacture and sale of agricultural and industrial chemical products
Oil and gas services	:	Supply of goods and services to oil and gas industry
Logistic	:	Ship-owning, ship-operating, transportation, container haulage, bulk cargo handling, chemicals warehousing and related services
Discontinuing operation	:	Property development
Information technology ("IT")	:	Provision of IT services and sales of computer hardware and software
Polymer	:	Manufacturing and marketing of polymer products
Engineering	:	Trading, contracting and marketing in electrical engineering products
Building products	:	Manufacture and marketing of metal roof tiles
Others	:	Dormant and inactive companies

The inter-segment transactions were entered in the normal course of business and were on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Notes to the Financial Statements

31 May 2005

48. SEGMENTAL INFORMATION

(a) Business segment

2005	Agricultural and industrial chemicals and oil and gas services										Conso- lidated RM'000
	Investment holding RM'000	Industrial chemicals RM'000	Oil and gas services RM'000	Logistic RM'000	IT RM'000	Polymer RM'000	Engineering RM'000	Building products RM'000	Others RM'000	Elimination RM'000	
Revenue											
External sales	247	590,351	22,101	45,042	3,166	118,559	305,619	16,515	-	-	1,101,600
Inter-segment sales	42,571	21,361	-	6,598	1,994	135	19	-	-	(72,678)	-
Total	42,818	611,712	22,101	51,640	5,160	118,694	305,638	16,515	-	(72,678)	1,101,600
Result											
Segment results	(13,332)	25,052	(2,365)	6,776	(2,400)	3,583	(1,746)	(530)	-	-	15,038
Unallocated corporate expenses											(1,402)
Operating profits											13,636
Finance cost											(16,108)
Share of results of associated companies	1,610	1,407	-	-	-	-	35	-	-	-	3,052
Profit before tax											580
Tax expense											(13,011)
Profit from ordinary activities											(12,431)
Minority interests											12,561
Net profit for the financial year											130

Notes to the Financial Statements

31 May 2005

48. SEGMENTAL INFORMATION (continued)

(a) Business segment

2005	Investment holding RM'000	Agricultural and industrial chemicals RM'000	Oil and gas services RM'000	Logistic RM'000	IT RM'000	Polymer RM'000	Engineering RM'000	Building products RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Other information											
Segment assets	387,293	276,921	24,304	95,056	6,269	147,934	341,168	17,000	-	(392,270)	903,675
Investment in associated companies	16,242	1,036	-	-	-	-	11,105	-	-	-	28,383
Goodwill on consolidation											39,441
Unallocated corporate assets											5,012
Total assets											976,511
Segment liabilities	74,851	95,539	3,160	10,158	3,391	32,197	86,639	4,005	-	(108,958)	200,982
Unallocated corporate liabilities											11,355
Total liabilities											212,337
Capital expenditure	642	9,352	635	1,391	117	15,828	9,801	133	-	-	37,899
Unallocated capital expenditure											103
Depreciation and amortisation	1,126	1,317	2,470	7,074	1,651	9,270	7,886	-	-	-	30,794
Unallocated depreciation											88
Non-cash expenses, other than depreciation and amortisation	101	30	277	(6)	330	2,494	9,492	2,496	-	-	15,214
Unallocated non-cash expenses, other than depreciation and amortisation											113

Notes to the Financial Statements

31 May 2005

48. SEGMENTAL INFORMATION (continued)

(a) Business segment

2004	Agricultural and										Consolidated
	Investment holding	industrial chemicals	Oil and gas services	Logistic	Discontinuing operation	IT	Polymer	Engineering products	Others	Elimination	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue											
External sales	709	506,064	23,664	43,885	5,778	3,380	117,192	261,755	-	-	978,681
Inter-segment sales	28,133	30,887	-	5,291	390	648	-	-	-	(65,349)	-
Total	28,842	536,951	23,664	49,176	6,168	4,028	117,192	261,755	-	(65,349)	978,681
Result											
Segment results	(3,073)	9,238	(10,020)	6,457	17,039	(460)	12,049	25,464	15	-	55,975
Unallocated corporate expenses											(2,981)
Operating profits											52,994
Finance costs											(16,243)
Share of results of associated companies	-	736	-	-	-	(147)	-	560	-	-	1,149
Profit before tax											37,900
Tax expense											(12,733)
Profit from ordinary activities											25,167
Minority interests											(9,338)
Net profit for the financial year											15,829

Notes to the Financial Statements

31 May 2005

48. SEGMENTAL INFORMATION (continued)

(a) Business segment

2004	Agricultural and										Consolidated
	Investment holding	industrial chemicals	Oil and gas services	Logistic	Discontinuing operation	IT	Polymer	Engineering products	Others	Elimination	dated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other information											
Segment assets	379,364	224,120	28,353	100,784	-	9,130	114,094	351,203	15,278	-	838,993
Investment in associated companies	-	6,063	-	-	-	1,772	-	5,067	-	-	12,902
Goodwill on consolidation											44,905
Unallocated corporate assets											13,736
Total assets											910,536
Segment liabilities	55,694	79,216	3,576	12,630	-	3,237	24,462	88,136	3,725	-	167,714
Unallocated corporate liabilities											24,513
Total liabilities											192,227
Capital expenditure	2,105	1,384	762	7,167	-	529	5,559	10,441	519	-	28,466
Unallocated capital expenditure											17
Depreciation and amortisation	1,751	2,233	2,456	6,594	27	1,541	7,174	8,403	475	-	30,007
Unallocated depreciation											90
Non-cash expenses, other than depreciation and amortisation	4,242	8,121	10,497	125	-	76	(666)	3,973	80	-	26,448
Unallocated non-cash expenses, other than depreciation and amortisation											96

Notes to the Financial Statements

31 May 2005

48. SEGMENTAL INFORMATION *(continued)*

(b) Geographical segment

The Group operates mainly in Malaysia. It also has operations in Singapore, China, Hong Kong, Australia and Indonesia. In determining the geographical segments of the Group, revenue is based on the geographical location of customers. Total assets and capital expenditure are based on the geographical location of assets.

	Revenue		Segment assets		Capital expenditure	
	2005	2004	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	557,737	505,150	692,326	663,019	19,509	22,886
Singapore	113,029	66,020	76,402	63,588	2,006	3,868
Philippines	44,225	30,766	-	-	-	-
China	108,494	144,305	70,534	69,985	2,239	1,115
Hong Kong	19,722	30,847	12,615	11,620	2,822	11
Australia	11,410	7,974	18,247	18,846	323	93
Indonesia	44,576	36,757	33,551	11,933	11,000	493
Middle East	98,269	68,660	-	-	-	-
Europe	5,694	12,474	-	-	-	-
Thailand	32,680	23,036	-	-	-	-
Other countries	65,764	52,692	-	2	-	-
	1,101,600	978,681	903,675	838,993	37,899	28,466

49. SUBSIDIARY AND ASSOCIATED COMPANIES

Details of subsidiary companies are as follows:

Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2005	2004	
Direct:				
Ancom Crop Care Sdn. Bhd.	Malaysia	100%	100%	Manufacture and marketing of agricultural chemical products
Polytensides Sdn. Bhd.	Malaysia	100%	100%	Manufacture and sale of agricultural chemical products and chemicals
Timber Preservatives Sdn. Bhd.	Malaysia	51%	51%	Manufacture and distribution of timber preservatives and related chemical products
▪ Sun Chemicals Sdn. Bhd.	Malaysia	-	100%	Dormant - In the process of winding up

Notes to the Financial Statements

31 May 2005

49. SUBSIDIARY AND ASSOCIATED COMPANIES *(continued)*

Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2005	2004	
Direct:				
Ancom Overseas Ventures Sdn. Bhd.	Malaysia	100%	100%	Investment holding company and provision of management services
Ancom Energy & Services Sdn. Bhd.	Malaysia	50.2%	55.0%	Supply of goods and services to oil and gas industry
Elderberry Sdn. Bhd.	Malaysia	100%	100%	Dormant
Synergy Tanker Sdn. Bhd.	Malaysia	100%	100%	Investment holding
WorldSQL.com Sdn. Bhd.	Malaysia	100%	100%	Provision of business to business exchange portal services, portal development services, web and multimedia design and other related services
* Syarikat Wandeerfull Sdn. Bhd.	Malaysia	100%	100%	Investment holding, dealing in and subletting of land
▪ Bullion Mining and Developments Sendirian Berhad	Malaysia	100%	100%	Property development and investment holding. The Company has temporary ceased operation
* Rhodemark Development Sdn. Bhd.	Malaysia	50.1%	50.1%	Investment holding
HSO Business Systems Sdn. Bhd.	Malaysia	47.8%	47.8%	Trading of computer hardware and software and rendering of IT related consulting services
MSTi Corporation Sdn. Bhd.	Malaysia	50.1%	50.1%	Trading of computer hardware and software and rendering of IT related consulting services
Synergy Trans-Link Sdn. Bhd.	Malaysia	73.4%	-	Investment holding

Notes to the Financial Statements

31 May 2005

49. SUBSIDIARY AND ASSOCIATED COMPANIES *(continued)*

Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2005	2004	
Indirect:				
Fermpro Sdn. Bhd.	Malaysia	54.0%	100%+	Manufacture and marketing of ethanol, carbon dioxide and other related chemical products
Perusahaan Kimia Gemilang Sdn. Bhd.	Malaysia	54.0%	100%+	Trading in petrochemicals and industrial chemicals
Kumpulan Kesuma Sdn. Bhd.	Malaysia	54.0%	100%+	Manufacture and marketing of sealants and adhesive products
Wedon Sdn. Bhd.	Malaysia	54.0%	100%+	Marketing of sealants and adhesive products
Ancom-ChemQuest Terminals Sdn. Bhd.	Malaysia	37.4%	51.0%+	Build, own, operate, lease and manage chemical tank farm and warehouse
Synergy Concepts Sdn. Bhd.	Malaysia	73.4%	100%+	Ship-owning and ship-operating
Synergy Point Sdn. Bhd.	Malaysia	73.4%	100%+	Ship-owning and ship-operating
Ancom Ship Management Sdn. Bhd.	Malaysia	73.4%	100%+	Ship management services
OrganiGro Sdn. Bhd.	Malaysia	77.4%	77.4%	Manufacture and marketing of organic fertilizers
Ancom Garden Products Sdn. Bhd.	Malaysia	100%	100%	Trading of gardening products
▪ Consolidated Specialties Sdn. Bhd.	Malaysia	-	100%	Dormant - In the process of winding up
* Ancom do Brasil Ltda	Brazil	99.9%	99.9%	Dormant. Holder of licenses for certain agricultural chemical products
* Ancom Australia Pty. Ltd.	Australia	100%	100%	Dormant. Holder of licenses for certain agricultural chemical products

Notes to the Financial Statements

31 May 2005

49. SUBSIDIARY AND ASSOCIATED COMPANIES (continued)

Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2005	2004	
Indirect:				
* Malancom Agrochemicals (Pty.) Limited	South Africa	100%	100%	Dormant. Holder of licenses for certain agricultural chemical products
* ChemResources China (Agencies) Limited	Hong Kong	83.3%	84.6%	Distributor of printing ink solvent and industrial chemicals
■* ChemSing Chemicals Distribution (China) Limited	Hong Kong	-	25.5%	Dormant. In the process of members' voluntary liquidation
Tubex Sdn. Bhd.	Malaysia	42.7%	42.7%	Provide threading and ancillary services
Akra Engineering Sdn. Bhd.	Malaysia	41.0%	41.0%	Manufacture of steel structures for oil and gas industries and other related maintenance and engineering services
AES Mayak Sdn. Bhd.	Malaysia	50.2%	50.2%	Dormant
Indah Segar Sdn. Bhd.	Malaysia	42.7%	42.7%	Technical and consulting services in the field of corrosion protection, material design, evaluation and environment engineering related work activities
Hikmat Ikhlas Sdn. Bhd.	Malaysia	25.6%	- °	Trading and contracting in electrical engineering products
* SM Integrated Transware Pte. Ltd.	Singapore	73.4%	51.0%	Providing transportation, container haulage, bulk cargo handling, chemical warehousing and drumming services
* Pengangkutan Cogent Sdn. Bhd.	Malaysia	73.4%	35.7%	Providing transportation and related services
* Dynamic Chemical Trading Pte. Ltd.	Singapore	48.6%	100%	Trading in industrial chemicals

Notes to the Financial Statements

31 May 2005

49. SUBSIDIARY AND ASSOCIATED COMPANIES *(continued)*

Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2005	2004	
Indirect:				
* Wandeerfull Industries Sdn. Bhd.	Malaysia	100%	100%	Dormant
* Nylex (Malaysia) Berhad	Malaysia	54.0%	26.0%	Investment holding and the manufacture and marketing of vinyl-coated fabrics, calendered film and sheeting and other polymer products, including geotextiles and prefabricated sub-soil drainage systems
* Nycon Manufacturing Sdn. Bhd.	Malaysia	54.0%	26.0%	Manufacture and marketing of rotomoulded plastic products, including bulk chemical containers, road barriers, playground equipment and disposal bins
* Malaysian Roofing Industries Sdn. Bhd.	Malaysia	37.8%	18.2%	Manufacture and marketing of metal roofing tiles. Ceased operations after sale of assets
* Zonson Sports (Malaysia) Sdn. Bhd.	Malaysia	54.0%	20.8%	Dormant - ceased operations
* Logislease Sdn. Bhd.	Malaysia	-	26%	Strike-off from the Companies Commission of Malaysia ("CCM") with effect from 17 January 2005
* PT Indomalay Ekatana Roofing Industries	Indonesia	26.5%	12.7%	Manufacture and marketing of metal roofing tiles
* PT Nylex Indonesia	Indonesia	35.1%	-	Manufacture, marketing and distribution of PVC and PU leather cloth
* Nylex Specialty Chemicals Sdn. Bhd. (formerly known as Rhodia Consumer Specialties Malaysia Sdn. Bhd.)	Malaysia	54.0%	-	Manufacture and sale of phosphoric acid

Notes to the Financial Statements

31 May 2005

49. SUBSIDIARY AND ASSOCIATED COMPANIES (continued)

Company	Country of Incorporation	Effective Equity Interest 2005	Effective Equity Interest 2004	Principal Activities
Indirect:				
* Speciality Phosphates (Malaysia) Sdn. Bhd.	Malaysia	27.5%	-	Manufacture and sale of chemicals
* Tamco Corporate Holdings Berhad	Malaysia	25.5%	26.0%	Design, manufacture, supply, installation, commissioning and maintenance of switchgear equipment and systems for power distribution and motor control
* Tamco Systems (Malaysia) Sdn. Bhd.	Malaysia	25.5%	26.0%	Trading and contracting in electrical engineering products
* Tamco Systems (Singapore) Pte. Ltd.	Singapore	25.5%	26.0%	Trading and contracting in electrical engineering products
* Tamco Systems (Hong Kong) Limited	Hong Kong	25.5%	26.0%	Trading and contracting in electrical engineering products
* Tamco Malaysia Sdn. Berhad	Malaysia	-	26.0%	Dormant - In the process of being deregistered
* Tamco Components Sdn. Bhd. (formerly known as Tamco Industries Sdn. Bhd.)	Malaysia	17.0%	26.0%	Manufacturing and marketing of low voltage switchgear
* Tamco Shanghai Switchgear Company Limited	China	25.5%	26.0%	Manufacture and marketing of switchgear and related products
* A.C.N. 103777359 Pty Limited (formerly known as Tamco Electrical Industries Australia Pty. Limited)	Australia	25.5%	26.0%	Dormant - In the process of being deregistered
* Tamco Gulf Enterprises Sdn. Bhd.	Malaysia	-	26.0%	Dormant - In the process of being deregistered
* Tamco Static Systems (Far East) Limited	Hong Kong	25.5%	26.0%	Dormant

Notes to the Financial Statements

31 May 2005

49. SUBSIDIARY AND ASSOCIATED COMPANIES (continued)

Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2005	2004	
Indirect:				
* TEE Power & Engineering Sdn. Bhd.	Malaysia	25.5%	26.0%	Dormant
* Tamco Electrical Industries Australia Pty Limited (formerly known as Universal Motor Kontrol Pty. Limited)	Australia	25.5%	26.0%	Manufacture and marketing of switchgear and related products
* Kontrol Sales Pty. Limited	Australia	25.5%	26.0%	Dormant
* PT Kontrol Ragam Indonesia	Indonesia	25.5%	26.0%	Manufacture and trading of control switchboard
* Universal Motor Kontrol Hong Kong Limited	Hong Kong	25.5%	26.0%	Sales and marketing of switchgear and related products
* Tamco Electrical & Electronics (Singapore) Pte Ltd.	Singapore	25.5%	26.0%	Dormant
* Tamco PTX Technology (Singapore) Pte Ltd.	Singapore	25.5%	-	Dormant
* Decom Limited	Hong Kong	15.3%	-	Distribution and development of medium voltage switchgear and other power products and related services
* Tamco System Technology (Shanghai) Co.	China	25.5%	-	Dormant
I-Enterprise Online.Com Sdn. Bhd.	Malaysia	25.6%	25.6%	Provision of IT services

* Not audited by BDO Binder or member firms of BDO International.

▪ In the process of deregistration/members' voluntary liquidation.

+ Direct interest held by the Company in 2004.

° An associated company in previous financial year.

Notes to the Financial Statements

31 May 2005

49. SUBSIDIARY AND ASSOCIATED COMPANIES *(continued)*

Details of associated companies are as follows:

Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2005	2004	
Direct:				
* Nufarm Technologies (Malaysia) Sdn. Bhd.	Malaysia	49.0%	49.0%	Trading in timber wood preservative and other chemical products
* iSpring Capital Sdn. Bhd.	Malaysia	42.0%	40.0%	Providing and sourcing private equity finance and providing related consultancy services, business accelaration and other value added facilities and services to technology ventures
* Vision IP Services Sdn. Bhd.	Malaysia	36.1%	33.3%	Providing call centre services
Indirect:-				
Ancom Kimia Sdn. Bhd.	Malaysia	16.1%	30.0%	Distributor of petrochemicals and industrial chemicals
* Transmare - Chemie (Singapore) Pte. Ltd.	Singapore	36.0%	36.0%	Distributor of printing ink solvent and industrial chemicals
Transmare - Chemie (Malaysia) Sdn. Bhd.	Malaysia	-	20.0%	Distributor of printing ink solvent and industrial chemicals
+ Ancom Philippines Inc.	Philippines	39.6%	39.6%	Dormant. Holder of licenses for certain agricultural chemical products
* Decom GmbH	Germany	15.3%	-	Provision of management services
* Deteg GmbH	Germany	11.5%	-	Manufacture and sale of medium voltage switchgear
* German Switchcraft GmbH	Germany	9.2%	-	Manufacture and sale of medium voltage switchgear
▪ Hikmat Ikhlas Sdn. Bhd.	Malaysia	-	12.8%	Trading and contracting in electrical engineering products

Notes to the Financial Statements

31 May 2005

49. SUBSIDIARY AND ASSOCIATED COMPANIES *(continued)*

Details of associated companies are as follows:

Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2005	2004	
Indirect:-				
* Suistulin Sdn. Bhd.	Malaysia	12.8%	13.0%	Dormant - In the process of being deregistered
* Tamco Chongqing Switchgear Company Limited	China	12.5%	12.7%	Manufacturing and marketing of switchgear and related products
* Sinaran Takhta-Tamco Sdn. Bhd.	Malaysia	-	7.8%	This company was wound up by the KL High Court on 5/11/2003 and is currently in the process of being liquidated
* Etah Shanghai Electric Co. Ltd	China	5.1%	5.2%	Manufacture and sales of transformers and related products
* CGIS (Shanghai) Electrics Ltd	China	4.1%	-	Manufacture and sale of medium voltage switchgear
* I & D Switchgear Sdn. Bhd.	Malaysia	4.8%	-	Manufacture and sale of medium voltage switchgear
* Guangxi Yinhe Decom Electric Co Ltd.	China	4.8%	-	Manufacture and sale of medium voltage switchgear

* Not audited by BDO Binder or member firms of BDO International.

+ Audited by member firms of BDO International.

▪ Became a subsidiary company during the current financial year.

50. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Board of Directors on 15 September 2005.

Additional Information

in compliance with Part A, Appendix 9C of the Listing Requirements of Bursa Malaysia Securities Berhad

SHARE BUY BACK

The Company purchased a total of 7,142,200 ordinary shares in the Company pursuant to Section 67A of the Companies Act, 1965 during the financial year, the details of which are in the Directors' Report.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company did not issue any options or convertible securities during the financial year.

Subsequent to the financial year, the Company completed its renounceable rights issue of warrants ("Warrants") at an issue price of RM0.02 per Warrant on the basis of one (1) Warrant for every two (2) existing ordinary shares of RM1 each held in the Company. A total of 97,771,983 Warrants were issued and allotted on 23 June 2005. The Warrants were listed on Bursa Malaysia Securities Berhad on 1 July 2005.

UTILISATION OF PROCEEDS

The Company did not raise proceeds from any corporate exercise during the financial year.

AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMME

The Company did not sponsor any ADR or GDR programme during the financial year.

SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant authorities during the financial year.

NON-AUDIT FEE

A total of RM68,000 was paid to the external auditors of the Company in the financial year for non-audit assignments.

VARIATION IN RESULTS

There were no material variances between the results for the financial year ended 31 May 2005 and the unaudited results previously announced. The Company did not announce any profit estimates, forecasts and projections for the financial year.

PROFIT GUARANTEE

The Company did not give any profit guarantee in respect of the financial year ended 31 May 2005.

MATERIAL CONTRACTS INVOLVING DIRECTORS'/MAJOR SHAREHOLDERS' INTERESTS

During the financial year, the Group did not enter into any material contracts involving the Directors'/major shareholders' interests.

REVALUATION POLICY

During the financial year, the Group's properties, other than buildings on leased land and investment properties, were stated at the revaluation amount as determined by a firm of professional valuers.

The Group will revalue its properties, other than buildings on leased land and investment properties, once in every five (5) years.

Additional Information

in compliance with Part A, Appendix 9C of the Listing Requirements of Bursa Malaysia Securities Berhad

RECURRENT RELATED PARTY TRANSACTIONS (“RRPT”)

During the financial year, details of the RRPT pursuant to the shareholders’ mandate obtained in the last annual general meeting of the Company are as follows :

Related Party	Nature of Transaction	Interested directors, major shareholders and connected persons	Value of RRPT (RM)
Pacific & Orient Insurance Co. Berhad	Purchase of general insurance	Pacific & Orient Berhad Chan Thye Seng	966,971
MSTi Corporation Sdn Bhd and its subsidiaries namely: - i-Enterprise Online.com Sdn Bhd - HSO Business Systems Sdn Bhd	Purchase of computer hardware/ software and receiving of IT related consultancy services Provision of management services by holding company	Dato’ Siew Nim Chee Dato’ Siew Ka Wei Siew Ka Kheong Datin Young Ka Mun Quek Lay Kheng Silver Dollars Sdn Bhd Siew Nim Chee & Sons Sdn Bhd	1,847,774
Broad-Link Logistic Sdn Bhd	Provision of transport services to SM Integrated Transware Pte Ltd (“SMIT”) Receive of documentation services (Preparation/application of custom forms/clearance, etc.) from SMIT Provision of pack truck services to Pengangkutan Cogent Sdn Bhd	Lim Eng Poh	- - 222,676

List of Properties

as at 31 May 2005

Location	Tenure	Land area	Descriptions	Net book value as at 31 May 2005 (RM'000)	Date of Acquisition / Revaluation
Ancom Berhad					
1. Q.T.(R) 4353 Mukim of Damansara Daerah Klang Selangor	Unexpired leasehold interest of 63 years (Expiring on 20 April 2068)	2.22 hectares	Office and factory buildings Age of buildings: approximately 35 years	12,150	18 May 2005
2. P.T. 4227 Mukim of Kapar Daerah Klang Selangor	Unexpired leasehold interest of 81 years (Expiring on 9 June 2086)	2.52 hectares	Office and factory buildings Age of buildings: approximately 14 years	6,020	18 May 2005
OrganiGro Sdn Bhd					
1. P.T. 2978 Mukim of Chuping, Perlis	Unexpired leasehold interest of 54 years (Expiring on 7 February 2059)	0.81 hectare	Office and factory buildings Age of buildings: approximately 3 years	3,405 (Value for building only)	18 May 2005
and Part of P.T. 1113 Mukim of Chuping Perlis	Unexpired leasehold interest of 41 years (Expiring on 22 November 2046)	0.08 hectare			
Ancom Energy & Services Sdn Bhd					
1. Lot 153, Section 5, Phase 2B, Pulau Indah, Industrial Park, West Port, Selangor	Unexpired leasehold interest of 94 years (Expiring on 05 March 2099)	0.22 hectare	Office and factory buildings Age of buildings: approximately 3.5 years	1,400	18 May 2005
	(Land held under Master Title P.N.7938, Lot 74075)				

List of Properties

as at 31 May 2005

Location	Tenure	Land area	Descriptions	Net book value as at 31 May 2005 (RM'000)	Date of Acquisition / Revaluation
Ancom Energy & Services Sdn Bhd (Cont'd.)					
2. Lot 140, Section 4, Phase 2B, Pulau Indah Industrial Park, West Port, Selangor	Unexpired leasehold interest of 96 years (Expiring on 25 July 2101) <i>(Land held under Master Title P.N. 7938, Lot 74075)</i>	0.22 hectare	Vacant land	450	18 May 2005
Tubex Sdn Bhd					
1. Kawasan Perindustrian Baru KSB, Phase 2, Kemaman Supply Base, Kemaman, Terengganu	(Renewable annually)	N/A	Office and covered workshop Age of building: approximately 9 years	284 <i>(Value for building only)</i>	N/A
Akra Engineering Sdn Bhd					
1. Lot 118, Senawang Industrial Estate, Seremban, Negeri Sembilan	Unexpired leasehold interest of 68 years (Expiring on 22 March 2073)	0.81 hectare	Office with covered workshop Age of building: approximately 30 years	2,780	18 May 2005
Ancom-ChemQuest Terminals Sdn Bhd					
1. Jeti Petrokimia, Pelabuhan Barat Pelabuhan Klang Selangor	Unexpired lease period of 19 years (Expiring on 31 August 2024)	N/A	Office and warehouse Age of building: approximately 8 years	569 <i>(Value for building only)</i>	N/A

List of Properties

as at 31 May 2005

Location	Tenure	Land area	Descriptions	Net book value as at 31 May 2005 (RM'000)	Date of Acquisition / Revaluation
SM Integrated Transware Pte Ltd					
1. 32 Tanjong Penjur Singapore 609028	Unexpired lease period of 42 years (Expiring on 30 June 2047)	N/A	Office and warehouse Age of building: approximately 18 years	19,275 (S\$8,402,000) <i>(Value for building only)</i>	N/A
2. 52 Tanjong Penjur Singapore 609034	Unexpired lease period of 4 years (Expiring on 30 June 2009)	N/A	Warehouse and yard Age of building: approximately 26 years	1,071 (S\$467,000) <i>(Value for building only)</i>	N/A
3. 7 Kwong Min Road Singapore 628710	Unexpired lease period of 23 years (Expiring on 30 July 2028)	N/A	Office and warehouse Age of building: approximately 4 years	7,162 (S\$3,122,000) <i>(Value for building only)</i>	N/A
Syarikat Wandeerfull Sdn Bhd					
1. Apartment 8E Kayangan Apartments Genting Highlands Pahang	Freehold	190 sq.m.	Apartment Age of building: approximately 26 years	220	N/A
2. Shoplot No. 1.30 First Floor Wisma Cosway Kuala Lumpur	Freehold	40 sq.m.	Shoplot Age of building: approximately 29 years	150	N/A
3. Geran 11679 Lot 40268 Mukim of Batu, Daerah Wilayah Persekutuan	Freehold	597 sq.m.	Vacant land	20	N/A

List of Properties

as at 31 May 2005

Location	Tenure	Land area	Descriptions	Net book value as at 31 May 2005 (RM'000)	Date of Acquisition / Revaluation
Nylex (Malaysia) Berhad					
1. Q.T.(R) 32 Persiaran Selangor, Section 15, Shah Alam Industrial Estate, 40200 Shah Alam, Selangor	Unexpired leasehold interest of 65 years (Expiring on 19 July 2070)	2.93 hectares	Office and factory buildings Age of buildings: approximately 34 years	21,000	18 May 2005
2. H.S.(D) 209 Persiaran Selangor, Section 15, Shah Alam Industrial Estate, 40200 Shah Alam, Selangor	Unexpired leasehold interest of 70 years (Expiring on 10 February 2075)	1.21 hectares	Warehouse, factory and buildings Age of buildings: approximately 25 years	8,000	18 May 2005
Fermpro Sdn Bhd					
1. H.S.(M) 748, Lot 1113 Mukim of Chuping Perlis	Unexpired leasehold interest of 41 years (Expiring on 22 November 2046)	1.62 hectares	Office and factory buildings Age of buildings: approximately 17 years	4,337	18 May 2005
2. H.S.(M) 1804, Plot 3 & 4, PT924A Mukim of Chuping Perlis	Unexpired leasehold interest of 54 years (Expiring on 7 February 2059)	2.43 hectares	Spent molasses treatment pond	500	18 May 2005
3. H.S.(M) 1803, P.T. 2978 Mukim of Chuping Perlis	Unexpired leasehold interest of 54 years (Expiring on 7 February 2059)	0.81 hectare	Office and factory buildings Age of buildings: approximately 3 years	495 (Value for land only)	18 May 2005
and Part of P.T.1113 Mukim of Chuping Perlis	Unexpired leasehold interest of 41 years (Expiring on 22 November 2046)	0.08 hectare			

List of Properties

as at 31 May 2005

Location	Tenure	Land area	Descriptions	Net book value as at 31 May 2005 (RM'000)	Date of Acquisition / Revaluation
Perusahaan Kimia Gemilang Sdn Bhd					
1. Lot 1219 and 1229 Mukim 12, Seberang Perai Selatan Pulau Pinang	Freehold	0.12 hectare	1½ storey semi- detached factory Age of building: approximately 11 years	590	18 May 2005
2. PT 4228 Mukim of Kapar Daerah Klang Selangor	Unexpired leasehold interest of 81 years (expiring 9 June 2086)	2.85 hectares	Office and warehouse Age of building: approximately 14 years	6,930	18 May 2005
Nylex Specialty Chemicals Sdn Bhd					
1. H.S.(M) 5507 PT 593 Persiaran Raja Lumu Pandamaran Industrial Estate Port Klang	Unexpired leasehold interest of 69 years (Expiring on 1 September 2074)	0.81 hectare	Warehouse, factory and office buildings Age of buildings: approximately 30 years	7,000	18 May 2005
2. H.S. (M) 6588 PT 624 Persiaran Raja Lumu Pandamaran Industrial Estate Port Klang	Unexpired leasehold interest of 71 years (Expiring on 19 February 2076)	0.83 hectare	Warehouse, factory and office buildings Age of buildings: approximately 30 years		
Tamco Corporate Holdings Berhad					
1. H.S.(D) 7524 2A, Jalan 13/2, Petaling Jaya Selangor	Unexpired leasehold interest of 68 years (Expiring on 16 December 2073)	1.31 hectares	Office and factory buildings Age of buildings: approximately 20 to 30 years	18,700	18 May 2005

List of Properties

as at 31 May 2005

Location	Tenure	Land area	Descriptions	Net book value as at 31 May 2005 (RM'000)	Date of Acquisition / Revaluation
Tamco Corporate Holdings Berhad (cont'd)					
2. H.M.30892, Lot 24 Mukim of Kapar Daerah Klang Selangor	Freehold	2.75 hectares	Office and factory buildings Age of buildings: approximately 13.5 years	18,300	18 May 2005
Tamco Shanghai Switchgear Company Ltd					
1. 1997-000180 & 1997-000181 You Ai Village Tangwan Town Minhang District Shanghai, China	Unexpired leasehold interest of 40 years (Expiring on 2 October 2045)	3.34 hectares	Office and factory buildings Age of buildings: approximately 12 years	7,917	31 January 1997

Analysis of Shareholdings

as at 30 August 2005

No. Of Holders Of Each Class Of Equity Securities

Class of securities : Ordinary shares of RM1.00 each ("Shares")
 Total no. issued : 201,856,767
 No. of holders : 10,821

Class of securities : Three (3)-Year Warrants 2005/2008 of RM0.02 each ("Warrants")
 Total no. issued : 97,771,983
 No. of holders : 3,332

Distribution Schedule

Holdings	No. of holders	Total Holdings	%
Shares			
Less than 100	57	2,067	0.00
100 to 1,000	561	442,557	0.23
1,001 to 10,000	8,277	30,572,822	16.20
10,001 to 100,000	1,799	44,830,464	23.76
100,001 to less than 5% of issued Shares	125	85,960,285	45.56
5% and above of issued Shares	2	26,885,072	14.25
	10,821	188,693,267	100.00
Treasury shares	-	13,163,500	-
	10,821	201,856,767	100.00
Warrants			
Less than 100	44	2,228	0.00
100 to 1,000	304	267,024	0.27
1,001 to 10,000	1,965	9,076,072	9.28
10,001 to 100,000	900	29,697,127	30.38
100,001 to less than 5% of issued Warrants	118	52,104,916	53.29
5% and above of issued Warrants	1	6,624,616	6.78
	3,332	97,771,983	100.00

Substantial Holders

	Direct		Indirect	
	No.	%	No.	%
Shares				
Dato' Siew Ka Wei	12,832,300	6.80	12,782,128 ^(a)	6.77
Pacific & Orient Berhad	17,249,233	9.14	5,250,000 ^(b)	2.78
Chan Thye Seng	-	-	22,499,233 ^(c)	11.92
Warrants				
Dato' Siew Ka Wei	4,039,550	4.13	4,509,663 ^(a)	4.61
Pacific & Orient Berhad	6,624,616	6.78	-	-
Chan Thye Seng	-	-	6,624,616 ^(c)	6.78

Note :

- (a) Held through Silver Dollars Sdn Bhd, Siew Nim Chee & Sons Sdn Bhd, Siew Ka Kheong, Datin Young Ka Mun and Quek Lay Kheng.
- (b) Held through Pacific & Orient Insurance Co. Berhad, a wholly-owned subsidiary of Pacific & Orient Berhad.
- (c) Deemed interest by virtue of his shareholding in Pacific & Orient Berhad.

Analysis of Shareholdings

as at 30 August 2005

Directors' Holdings

Direct	Indirect		No.	%
	No.	%		
Shares				
Dato' Johari Razak	748,688	0.40	-	-
Dato' Siew Ka Wei	12,832,300	6.80	12,782,128 ^(a)	6.77
Tan Sri Dato' Dr Lin See Yan	150,000	0.08	-	-
Chan Thye Seng	-	-	22,499,233 ^(b)	11.92
Warrants				
Dato' Johari Razak	377,705	0.39	-	-
Dato' Siew Ka Wei	4,039,550	4.13	4,509,663 ^(a)	4.61
Tan Sri Dato' Dr Lin See Yan	75,000	0.08	-	-
Chan Thye Seng	-	-	6,624,616 ^(b)	6.78

Note :

- (a) Held through Silver Dollars Sdn Bhd, Siew Nim Chee & Sons Sdn Bhd, Siew Ka Kheong, Datin Young Ka Mun and Quek Lay Kheng.
- (b) Deemed interest by virtue of his shareholding in Pacific & Orient Berhad.

Analysis of Shareholdings

as at 30 August 2005

Thirty Largest Holders As Per Record of Depositors

(Without aggregating securities from different securities accounts belonging to the same person)

Shares

Name	No.	%
1. Pacific & Orient Berhad	12,584,233	6.67
2. Lembaga Tabung Haji	9,635,839	5.11
3. HDM Nominees (Tempatan) Sdn Bhd - <i>HDM Capital Sdn Bhd for Siew Ka Wei</i>	6,689,300	3.55
4. Lim Chui Kui @ Lim Chooi Kui	6,481,854	3.44
5. Mayban Nominees (Asing) Sdn Bhd - <i>Sword Investments Private Limited</i>	6,478,250	3.43
6. Pacific & Orient Berhad	4,665,000	2.47
7. Malaysia Nominees (Tempatan) Sendirian Berhad - <i>Silver Dollars Sdn Bhd</i>	4,421,482	2.34
8. Malaysia Nominees (Tempatan) Sendirian Berhad - <i>Siew Nim Chee & Sons Sdn Bhd</i>	4,046,547	2.14
9. Pacific & Orient Insurance Co Berhad	3,453,000	1.83
10. EB Nominees (Tempatan) Sendirian Berhad - <i>E & O Developers Sdn Bhd</i>	3,305,000	1.75
11. Southern Nominees (Tempatan) Sdn Bhd - <i>Domestic Star Sdn Bhd</i>	3,300,000	1.75
12. ECM Libra Securities Nominees (Tempatan) Sdn Bhd - <i>ECM Libra Partners Sdn Bhd for Siew Ka Wei</i>	3,165,500	1.68
13. HDM Nominees (Tempatan) Sdn Bhd - <i>HDM Capital Sdn Bhd for Siew Nim Chee & Sons Sdn Bhd</i>	3,000,000	1.59
14. Malaysia Nominees (Tempatan) Sendirian Berhad - <i>Tan Sri Dato' Thong Yaw Hong</i>	2,250,000	1.19
15. Southern Investment Bank Berhad - <i>Employee's Provident Fund</i>	1,829,000	0.97
16. EB Nominees (Tempatan) Sendirian Berhad - <i>Eastern & Oriental Berhad</i>	1,652,500	0.88
17. Chua Ching Geh	1,535,550	0.81
18. Pacific & Orient Insurance Co Berhad	1,438,500	0.76
19. Malaysia Nominees (Tempatan) Sendirian Berhad - <i>Siew Ka Wei</i>	1,378,500	0.73
20. Kam Loong Mining Sdn Bhd	1,360,043	0.72
21. Public Nominees (Tempatan) Sdn Bhd - <i>William Chung Thin Seng</i>	921,550	0.49
22. Howe Yoon Chong	900,000	0.48
23. Astro (M) Sdn Bhd	863,475	0.46
24. Mayban Nominees (Asing) Sdn Bhd - <i>Baxterley Holdings Private Limited</i>	839,250	0.44
25. Ng Wing Kong	747,211	0.40
26. Cimsec Nominees (Tempatan) Sdn Bhd - <i>Ahmad Johari bin Tun Abdul Razak</i>	713,278	0.38
27. Siew Ka Kheong	689,000	0.36
28. TA Nominees (Tempatan) Sdn Bhd - <i>Zulfadzli bin Mohd Yusoff</i>	687,000	0.36
29. Employees Provident Fund Board - <i>Seksyen Depositori Pusat</i>	675,000	0.36
30. Tan Aik Kuai	621,000	0.33
Total	90,326,862	47.87

Analysis of Shareholdings

as at 30 August 2005

Thirty Largest Holders As Per Record of Depositors

(Without aggregating securities from different securities accounts belonging to the same person)

Warrants

Name	No.	%
1. Pacific & Orient Berhad	6,624,616	6.78
2. Mayban Nominees (Asing) Sdn Bhd - <i>Sword Investments Private Limited</i>	3,220,750	3.29
3. HDM Nominees (Tempatan) Sdn Bhd - <i>HDM Capital Sdn Bhd for Siew Ka Wei</i>	2,494,650	2.55
4. Lim Chui Kui @ Lim Chooi Kui	2,340,927	2.40
5. Chua Ching Geh	2,217,775	2.27
6. Ng Chee Sim	2,035,000	2.08
7. TCL Nominees (Tempatan) Sdn Bhd - <i>Lee Wee Lian</i>	1,799,900	1.84
8. Ho Yip Yin	1,755,000	1.80
9. Malaysia Nominees (Tempatan) Sendirian Berhad - <i>Siew Nim Chee & Sons Sdn Bhd</i>	1,723,273	1.76
10. Malaysia Nominees (Tempatan) Sendirian Berhad - <i>Silver Dollars Sdn Bhd</i>	1,510,741	1.55
11. Chong Kah An	1,505,000	1.54
12. Ku Lian Sin	1,200,000	1.23
13. United Overseas Nominees (Tempatan) Sdn Bhd - <i>Palanisamy A/L Kuppusamy</i>	1,130,600	1.16
14. Chin Teck Soon	1,000,000	1.02
15. HDM Nominees (Tempatan) Sdn Bhd - <i>HDM Capital Sdn Bhd for Siew Nim Chee & Sons Sdn Bhd</i>	1,000,000	1.02
16. United Overseas Nominees (Tempatan) Sdn Bhd - <i>Ghandhi Mathy A/P R S Palanisamy</i>	969,700	0.99
17. OSK Nominees (Tempatan) Sdn Berhad - <i>Nor Aziah binti Abdullah</i>	858,000	0.88
18. Southern Investment Bank Berhad - <i>Employee's Provident Fund</i>	855,650	0.88
19. Citicorp Nominees (Tempatan) Sdn Bhd - <i>Chong Chee Ken</i>	752,000	0.77
20. Pak Cheow Koon Jason	620,000	0.63
21. Ong Chin Sean	605,900	0.62
22. Cheah Kuan Beng	600,000	0.61
23. TA Nominees (Tempatan) Sdn Bhd - <i>Loh Tai Cheong @ Chin Tai Cheong</i>	600,000	0.61
24. Lim Li Li	500,000	0.60
25. Chua Eng Ho Wa'a @ Chua Eng Wah	500,000	0.51
26. Citicorp Nominees (Tempatan) Sdn Bhd - <i>Mok Wan Seng</i>	500,000	0.51
27. Ng Ah Chai	488,600	0.50
28. Liu, Ching-An	469,000	0.48
29. Tham Kum Thoun	460,000	0.47
30. Howe Yoon Chong	450,000	0.46
Total	40,787,082	41.81

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 36th Annual General Meeting of the Company will be held at Kristal Ballroom 1, 1st Floor, West Wing, Hilton Petaling Jaya, No. 2 Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan on 25 October 2005 at 2.30 p.m. to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS

1. To receive the audited accounts, reports of the Directors and the Auditors thereon for the financial year ended 31 May 2005 ; **(Please refer Explanatory Note 1)**
2. To approve the distribution of a share dividend of 1 treasury share for every 20 existing ordinary shares of RM1 each held, fractions of treasury shares to be disregarded, in respect of the financial year ended 31 May 2005 ; **[Resolution 1]**
3. To approve Directors' fees for the financial year ended 31 May 2005 ; **[Resolution 2]**
4. To re-elect the following Directors who retire pursuant to the Company's Articles of Association:
 - 4.1 Dato' Mohd Ismail bin Che Rus (Article 81) **[Resolution 3]**
 - 4.2 Chan Thye Seng (Article 81) **[Resolution 4]**
 - 4.3 Edmond Cheah Swee Leng (Article 87) **[Resolution 5]**
5. To re-appoint Dato' Siew Nim Chee, a Director who retires pursuant to Section 129 of the Companies Act, 1965 to hold office until the next annual general meeting of the Company ; **[Resolution 6]**
6. To re-appoint BDO Binder as Auditors of the Company and to authorise the Board of Directors to fix their remuneration; **[Resolution 7]**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions :

7. Proposed Issuance Of New Ordinary Shares Of RM1 Each Pursuant To Section 132D of the Companies Act, 1965

"THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965, to issue new ordinary shares of RM1 each in the Company from time to time and upon such terms and conditions to such persons and for such purposes as the Directors may deem fit provided that the aggregate number of new ordinary shares to be issued pursuant to this resolution does not exceed ten (10) per centum of the total issued share capital of the Company and that such authority shall commence upon the passing of this resolution until the conclusion of the next annual general meeting of the Company AND THAT the Directors are further authorised to make such applications to Bursa Malaysia Securities Berhad and to do all such things and upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company for the listing of and quotation for the new ordinary shares to be issued pursuant to this resolution."

[Resolution 8]

Notice of Annual General Meeting

8. Proposed Renewal Of Shareholders' Mandate To Purchase Ancom Berhad's Own Shares ("Proposed Share Buy-Back Mandate Renewal")

"THAT subject to the provisions of the Companies Act, 1965 ("Act"), the Articles of Association of the Company, the regulations and guidelines issued from time to time by Bursa Malaysia Securities Berhad ("Bursa Securities") or any other regulatory authorities, the Directors be and are hereby authorised to utilise an amount not exceeding the total audited share premium and retained profits of the Company as at 31 May 2005 of RM9,091,000 and RM43,497,000 respectively to purchase such number of ordinary shares of the Company provided that the ordinary shares so purchased shall [in aggregate with the treasury shares as defined under section 67A of the Act ("Treasury Shares") then still held by the Company] not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being AND THAT such authority shall commence upon the passing of this resolution until the conclusion of the next annual general meeting of the Company unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting AND THAT the Directors may cancel the ordinary shares so purchased or to retain same as Treasury Shares and may distribute the Treasury Shares as share dividend or may resell same in a manner they deem fit and expedient as prescribed by the Act and the applicable regulations and guidelines of Bursa Securities and any other relevant authorities for the time being in force AND THAT authority be and is hereby given to the Directors to take all such steps to implement, finalise and to give effect to the aforesaid transactions with full power to assent to any conditions modifications variations and amendments as may be imposed by the relevant authorities and to do all such acts and things and upon such terms and conditions as the Directors may in their discretion deem fit and expedient in the best interest of the Company in accordance with the aforesaid Act, regulations and guidelines."

[Resolution 9]

9. Proposed Renewal And Proposed New Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature ("Proposed RRPT Mandate")

"THAT subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, the Company shall be mandated to enter into the recurrent related party transactions of a revenue or trading nature and with those related parties as specified in the section 3.4 of the Circular to Shareholders dated 3 October 2005 subject further to the following:

- (i) that the transactions are in the ordinary course of business, made on arm's length and on normal commercial terms and are on terms not more favourable than those generally available to the public and not to the detriment of the minority shareholders;
- (ii) that disclosure is made in the annual report a breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year with particulars of the types of transactions made and the names of the related parties involved in each type of transactions made and their relationships with the Company and that such approval shall unless revoked or varied by an ordinary resolution by the shareholders of the Company in general meeting commence upon the passing of this resolution and shall remain valid until the conclusion of the next annual general meeting of the Company or after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act ; and
- (iii) that the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

[Resolution 10]

Notice of Annual General Meeting

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as Special Resolution :

10. Proposed Amendment To The Articles Of Association Of The Company

“THAT the existing Article 142 be deleted in its entirety and that the following new Article 142 be adopted :

New Article 142

Payment of dividend, interest or other money payable in cash, by cheque or warrant or electronic transfer

Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or paid via electronic transfer of remittance to the account provided by the holder who is named on the Register of Members and/or Record of Depositors. Every such cheque or warrant or electronic transfer of remittance shall be made payable to the order of the person to whom it is sent or remitted, and the payment of any such cheque or warrant or electronic transfer of remittance shall operate as a good discharge to the Company in respect of the dividend, interest or other money payable in cash represented thereby notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon, or the instruction for the electronic transfer of remittance, has been forged. Every such cheque or warrant or electronic transfer of remittance shall be sent or remitted at the risk of the person entitled to the money thereby represented.”

[Resolution 11]

11. Other Ordinary Business

To transact any other business that may be transacted at an annual general meeting of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

By order of the Board,

CHOO SE ENG
WONG WEI FONG

Secretaries

Petaling Jaya
3 October 2005

NOTES

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote for him. A proxy may but need not be a member of the Company.
2. In the case of a corporate shareholder, the instrument appointing a proxy shall be under its Common Seal or its attorney.
3. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 14, Uptown 1, No.1 Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting.

Notice of Annual General Meeting

EXPLANATORY NOTES

1. Item 1 of the Agenda

This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval by the shareholders for the audited financial statements and hence, is not put forward for voting.

2. Item 7 of the Agenda

Resolution 8 proposed under item 7 of the Agenda, if passed, will give the Directors authority to issue and allot new ordinary shares up to an amount not exceeding 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the best interest of the Company. This authority will commence from the date of this Annual General Meeting and, unless earlier revoked or varied by the shareholders of the Company at a general meeting, expire at the next annual general meeting.

3. Item 8 of the Agenda

Resolution 9 proposed under item 8 of the Agenda, if passed, will give the Directors authority to purchase and/or hold up to 10% of the total issued and paid-up share capital of the Company for the time being. This authority will commence from the date of this Annual General Meeting and, unless earlier revoked or varied by the shareholders of the Company at a general meeting, expire at the next annual general meeting.

4. Item 9 of the Agenda

Resolution 10 proposed under item 9 of the Agenda, if passed, will give the Company authority to enter into recurring transactions of a revenue or trading nature with its related parties as defined in the Listing Requirements of Bursa Malaysia Securities Berhad. This authority will commence from the date of this Annual General Meeting and, unless earlier revoked or varied by the shareholders of the Company at a general meeting, expire at the next annual general meeting.

5. Item 10 of the Agenda

Resolution 11 proposed under item 10 of the Agenda, if passed, will enable the Company to effect the payment of dividend, interest or other money payable in cash directly into the shareholders' account opened and maintained with a financial institution in Malaysia acceptable to the Company as a value added service to the shareholders.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

1. The venue, date and time of the Company's 36th Annual General Meeting are as follows:

Venue : Kristal Ballroom 1, 1st Floor, West Wing, Hilton Petaling Jaya
No. 2 Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan
Date : 25 October 2005
Time : 2.30p.m.

2. The name of Directors who are standing for re-election at this Annual General Meeting:

(i) Under Article 81 of the Company's Articles of Association:

- Dato' Mohd Ismail bin Che Rus
- Chan Thye Seng

(ii) Under Article 87 of the Company's Articles of Association:

- Edmond Cheah Swee Leng

(ii) Under Section 129 of the Companies Act, 1965:

- Dato' Siew Nim Chee

3. The attendance record at Board Meetings and other details of the above named Directors required under Appendix 8A of the Listing Requirements of Bursa Malaysia Securities Berhad can be found on pages 17 to 21 – Statement on Corporate Governance and pages 6 to 8 – Board of Directors in this Annual Report.



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

MCD No.
No. of shares held

I/We _____
(Full Name In Block Letters)

of _____
(Full Address)

being (a) member(s) of ANCOM BERHAD, hereby appoint(s) _____

_____ (Full Name In Block Letters)

of _____ or _____
(Full Address)

_____ (Full Name In Block Letters)

of _____ or _____
(Full Address)

failing *him / her, the Chairman of the Meeting as *my / our proxy to attend and to vote for *me / us on *my / our behalf at the 36th Annual General Meeting of the Company to be held at Kristal Ballroom 1, 1st Floor, West Wing, Hilton Petaling Jaya, No. 2 Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan on 25 October 2005 at 2.30 p.m. or any adjournment thereof and to vote as indicated below -

Item	Agenda			
1.	To receive Audited Accounts and Reports			
		Resolution	For	Against
2.	To approve the distribution of a share dividend	1		
3.	To approve Directors' fees	2		
4.	To re-elect the following Directors who retire pursuant to the Company's Articles of Association :			
	Dato' Mohd Ismail bin Che Rus (Article 81)	3		
	Chan Thye Seng (Article 81)	4		
	Edmond Cheah Swee Leng (Article 87)	5		
5.	To re-appoint Dato' Siew Nim Chee who retires pursuant to Section 129 of the Companies Act, 1965	6		
6.	To re-appoint Auditors	7		
7.	To approve the issue of new ordinary shares	8		
8.	To approve the renewal of share buy-back mandate	9		
9.	To approve the renewal and new recurring related party transaction mandate	10		
10.	To approve the proposed amendment to Article 142 of the Company's Articles of Association	11		

(Please indicate with "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.)

Dated this _____ day of _____ 2005

[Signature / Common Seal of shareholder(s)]
[*Delete if not applicable]

Telephone no. during office hours : _____

Notes:

- A member entitled to attend and vote is entitled to appoint a proxy to attend and vote for him. A proxy may but need not be a member of the Company.
- In the case of a corporate shareholder, the instrument appointing a proxy shall be under its Common Seal or its attorney.
- Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 14, Uptown 1, No.1 Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting.

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AFFIX
STAMP

ANCOM BERHAD

(Company No. : 8440-M)

Registered Office :

c/o PFA Corporate Services Sdn Bhd

Level 14, Uptown 1,

No.1 Jalan SS21/58,

Damansara Uptown,

47400 Petaling Jaya,

Selangor Darul Ehsan

Malaysia

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www.ancom.com.my

