

**ANCOM LOGISTICS BERHAD** (Company No.: 6614-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2015**

	Individual quarter ended		Year-to-date ended	
	30.11.2015	30.11.2014	30.11.2015	30.11.2014
	RM'000	RM'000	RM'000	
Revenue	<b>8,644</b>	7,574	<b>16,648</b>	15,462
Cost of sales	<b>(6,599)</b>	(5,828)	<b>(13,129)</b>	(11,898)
Gross profit	<b>2,045</b>	1,746	<b>3,519</b>	3,564
Other income	<b>236</b>	341	<b>932</b>	450
Administrative expenses	<b>(1,690)</b>	(1,698)	<b>(3,181)</b>	(3,295)
Other operating expenses	-	-	-	-
	<b>591</b>	389	<b>1,270</b>	719
Finance costs	<b>(16)</b>	(14)	<b>(25)</b>	(37)
Profit before taxation	<b>575</b>	375	<b>1,245</b>	682
Tax expense	<b>(254)</b>	(244)	<b>(621)</b>	(413)
Net profit	<b>321</b>	131	<b>624</b>	269
<b>Profit attributable to:</b>				
Equity holders of the Company	<b>30</b>	(267)	<b>(86)</b>	(338)
Non-controlling interests	<b>291</b>	398	<b>710</b>	607
	<b>321</b>	131	<b>624</b>	269
<b>Earnings/(Loss) per ordinary share attributable to equity holders of the Company</b>	<b>Sen</b>	Sen	<b>Sen</b>	Sen
- Basic	<b>0.01</b>	(0.06)	<b>(0.02)</b>	(0.07)

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

**ANCOM LOGISTICS BERHAD** (Company No.: 6614-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2015**

	Individual quarter ended		Year-to-date ended	
	30/11/2015	30/11/2014	30/11/2015	30/11/2014
	RM'000	RM'000	RM'000	RM'000
Net profit	<b>321</b>	131	<b>624</b>	269
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	<b>321</b>	<b>131</b>	<b>624</b>	<b>269</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<b>30</b>	(267)	<b>(86)</b>	(71)
Non-controlling interests	<b>291</b>	398	<b>710</b>	209
	<b>321</b>	<b>131</b>	<b>624</b>	<b>138</b>

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

**ANCOM LOGISTICS BERHAD** (Company No.: 6614-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 NOVEMBER 2015**

	Unaudited 30/11/2015 RM'000	Audited 31/5/2015 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	32,225	34,003
Investment in associate	1,802	1,802
Intangible assets	57	-
Deferred tax assets	-	30
	<b>34,084</b>	<b>35,835</b>
<b>Current assets</b>		
Inventories	513	400
Trade and other receivables	11,797	16,223
other current assets	676	637
Tax recoverable	-	396
Other investments	1,389	868
Short term deposits with licensed banks	109	109
Cash and bank balances	9,579	5,542
	<b>24,063</b>	<b>24,175</b>
Non-current assets held for sale	-	51
	<b>24,063</b>	<b>24,226</b>
<b>TOTAL ASSETS</b>	<b>58,147</b>	<b>60,061</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Trade payables	1,936	2,219
Other payables	2,674	4,185
Loan and borrowings	759	1,041
Provision for taxation	297	677
	<b>5,666</b>	<b>8,122</b>
<b>Net current assets</b>	<b>18,397</b>	<b>16,053</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	5,986	6,016
Loan and borrowings	443	495
	<b>6,429</b>	<b>6,511</b>
<b>TOTAL LIABILITIES</b>	<b>12,095</b>	<b>14,633</b>
<b>NET ASSETS</b>	<b>46,052</b>	<b>45,428</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>		
Share capital	23,664	23,664
Reserves	8,526	8,526
Accumulated loss	(1,643)	(1,557)
	<b>30,547</b>	<b>30,633</b>
<b>Non-controlling interests</b>	<b>15,505</b>	<b>14,795</b>
<b>TOTAL EQUITY</b>	<b>46,052</b>	<b>45,428</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>58,147</b>	<b>60,061</b>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<b>0.06</b>	<b>0.06</b>

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

**ANCOM LOGISTICS BERHAD** (Company No.: 6614-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2015**

	Attributable to equity holders of the Company				Total RM'000	Non- controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Merger reserve RM'000	Accumulated loss RM'000			
As at 1 June 2014	47,329	6,414	8,526	(11,164)	<b>51,105</b>	13,708	<b>64,813</b>
Total comprehensive income	-	-	-	(1,540)	<b>(1,540)</b>	1,087	<b>(453)</b>
<b>Transactions with owners</b>							
Capital repayment	(18,932)	-	-	-	<b>(18,932)</b>	-	<b>(18,932)</b>
Capital repayment	(4,733)	-	-	4,733	-	-	-
Cancellation of share premium	-	(6,414)	-	6,414	-	-	-
<b>Balance at 31 May 2014</b>	<b>23,664</b>	<b>-</b>	<b>8,526</b>	<b>(1,557)</b>	<b>30,633</b>	<b>14,795</b>	<b>45,428</b>
As at 1 June 2014	23,664	-	8,526	(1,557)	<b>30,633</b>	14,795	<b>45,428</b>
Total comprehensive income	-	-	-	(86)	<b>(86)</b>	710	<b>624</b>
Capital repayment	-	-	-	-	-	-	-
<b>Balance at 30 November 2015</b>	<b>23,664</b>	<b>-</b>	<b>8,526</b>	<b>(1,643)</b>	<b>30,547</b>	<b>15,505</b>	<b>46,052</b>

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

**ANCOM LOGISTICS BERHAD** (Company No.: 6614-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2015**

	Year-to-date ended	
	30/11/2015	30/11/2014
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,245	682
Adjustments for non-cash items:		
Depreciation	2,311	2,380
Interest expense	4	37
Interest income	(96)	-
Others	-	-
<b>Operating profit before working capital changes</b>	<b>3,464</b>	<b>3,099</b>
Net changes in working capital	2,481	(6,616)
Income tax paid	(604)	(722)
<b>Net cash generated from operating activities</b>	<b>5,341</b>	<b>(4,239)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(539)	(337)
Additional investments in other investments	-	-
Proceed from sale of other investments	(521)	1,672
Interest received	96	-
Others	-	-
<b>Net cash used in investing activities</b>	<b>(964)</b>	<b>1,335</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(4)	(37)
Dividend paid	-	-
Capital repayment	-	(18,931)
Repayments of loans	-	(1,004)
Others	(171)	(168)
<b>Net cash used in financing activities</b>	<b>(175)</b>	<b>(20,140)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>4,202</b>	<b>(23,044)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>4,771</b>	<b>28,209</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>8,973</b>	<b>5,165</b>
<b>Cash and cash equivalents</b>		
Cash and bank balances	9,579	5,881
Bank overdrafts	(606)	(716)
Short term deposits with licensed banks	109	106
	9,082	5,271
Deposits with maturity more than three months	(109)	(106)
	8,973	5,165

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

## **ANCOM LOGISTICS BERHAD**

(Incorporated in Malaysia)

(Company No: 6614-W)

### **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2015**

#### **A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134**

##### **A1 Basis of preparation**

This Interim Financial Report of Ancom Logistics Berhad ("ALB") and its subsidiaries ("Group") is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and Rule 9.22(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("ACE Market Listing Requirements").

This Interim Financial Report should be read in conjunction with the Audited Financial Statements of ALB for the financial year ended 31 May 2015. These explanatory notes attached to this Interim Financial Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2015.

For the financial periods up and including the financial year ended 31 May 2015, the Group prepared its financial report in accordance with Malaysian Financial Reporting Standard ("MFRSs") and International Financial Reporting Standards ("IFRSs"). The accounting policies and methods of computation adopted by the Group in this Interim Financial Report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 May 2015.

##### **A2 Significant accounting policies**

The accounting policies and methods of computation adopted by the Group in this Interim Financial Report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 May 2015 except for the adoption of the following Amendments to MFRSs and IC Interpretation (collectively referred to as "pronouncements") which are applicable to the Group for the financial year beginning 1 June 2015:

MFRS 14 Regulatory Deferral Accounts

Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions

Amendments to MFRSs Annual Improvements to MFRSs 2010 - 2012 Cycle

Amendments to MFRSs Annual Improvements to MFRSs 2011 - 2013 Cycle

Amendments to MFRSs Annual Improvements to 2012-2014 Cycle

Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associates or Joint Venture

Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception

Amendments to MFRS 101 Disclosure Initiative

Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants

Amendments to MFRS 127 Equity Method in Separate Financial Statements

**A2 Significant accounting policies (continued)**

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

**A3 Auditors' report on preceding annual financial statements**

The auditors did not qualify the Group's Audited Financial Statements for the financial year ended 31 May 2015.

**A4 Seasonality or cyclicity**

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

**A5 Items of unusual nature and amount**

During the financial quarter ended 30 November 2015, there were no items affecting the assets, liabilities, equity, net income or cash flows of the Group that are material and unusual by reason of their nature, size or incidence.

**A6 Changes in estimates**

There was no material changes in estimates of the amounts reported that have a material effect on the financial quarter ended 30 November 2015.

**A7 Debt and equity securities**

There was no issuance, cancellation, repurchase or repayment of debt and equity securities during the financial quarter ended 30 November 2015.

**A8 Dividends**

There was no dividend declared and/or paid during the financial quarter ended 30 November 2015.

**A9 Segmental information**

For management purposes, the Group is organised into business units based on their products, and there are two (2) operating segments as follows:

- (a) The logistics segment is in the business of providing services such as rental and transportation services. It also includes freight forwarding, packing and crafting services.
- (b) The other segment is involved in manufacturing, trading and marketing of low voltage switchgear and investment holding activities.

	<b>Logistics</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
<b>30 November 2015</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>				
External revenue	14,850	1,798	-	<b>16,648</b>
Inter-segment revenue	-	-	-	-
Total revenue	<u>14,850</u>	<u>1,798</u>		<u><b>16,648</b></u>
Segment results	1,933	(692)	-	<b>1,241</b>
Finance costs				<u>4</u>
Profit before taxation				<b>1,245</b>
Tax expense				<u>(621)</u>
<b>Net profit</b>				<u><b>624</b></u>
<b>30 November 2014</b>				
<b>Revenue</b>				
External revenue	13,982	1,480	-	<b>15,462</b>
Inter-segment revenue	-	-	-	-
Total revenue	<u>13,982</u>	<u>1,480</u>		<u><b>15,462</b></u>
Segment results	1,517	(798)	-	<b>719</b>
Finance costs				<u>(37)</u>
Profit before taxation				<b>682</b>
Tax expense				<u>(413)</u>
<b>Net profit</b>				<u><b>269</b></u>

**A10 Valuation of property, plant and equipment**

The Group did not carry out any valuation on its property, plant and equipment during the financial quarter ended 30 November 2015.



**Ancom Logistics Berhad (6614-W)**

Notes to the Interim Financial Report for the financial quarter ended 30 November 2015

**A11 Commitments**

## (a) Operating lease commitment

Future minimum rentals payable under non-cancellable operating lease are as follows:

	<b>31/11/2015</b>	<b>31/05/2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Not later than 1 year	<b>427</b>	461
Later than 1 year but not later than 5 years	<b>4,269</b>	4,137
Later than 5 years	<b>1,921</b>	2,775
	<b><u>6,617</u></b>	<u>7,373</u>

## (b) Finance lease commitment

The Group has finance leases for certain terms of plant, equipment, furniture and fixtures. These leases do not have terms of renewal, but have purchases options at nominal values at the end of the lease term.

	<b>30/11/2015</b>	<b>31/5/2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Minimum lease payments:</b>		
Not later than 1 year	<b>180</b>	303
Later than 1 year but not later than 2 years	<b>325</b>	231
More than 2 years but not later than 5 years	<b>135</b>	294
Total minimum lease payments	<b><u>640</u></b>	<u>828</u>
Less:	<b>(44)</b>	(63)
Present value of minimum lease payments	<b><u>596</u></b>	<u>765</u>
Present value of payments		
Not later than 1 year	<b>153</b>	270
Later than 1 year but not later than 2 years	<b>314</b>	211
More than 2 years but not later than 5 years	<b>129</b>	284
	<b><u>596</u></b>	<u>765</u>

**A12 Changes in composition of the Group**

There were no material changes in the composition of the Group for the financial quarter ended 30 November 2015.

**A13 Changes in contingent liabilities**

The Group does not have any contingent liabilities as at 30 November 2015.

**A14 Subsequent events**

There were no events subsequent to the end of the financial quarter ended 30 November 2015 up to the date of this Interim Financial Report which may substantially affect the results or operations of the Group other than the corporate proposal as disclosed in Note B7.

**Ancom Logistics Berhad (6614-W)**

Notes to the Interim Financial Report for the financial quarter ended 30 November 2015

**A15 Related party transactions**

The Group had the following transactions with related parties during the financial quarter ended 30 November 2015:

	<b>Individual quarter ended</b>		<b>Year-to-date ended</b>	
	<b>30/11/2015</b>	<b>30/11/2014</b>	<b>30/11/2015</b>	<b>30/11/2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Sale of services to related companies	<b>1,882</b>	1,584	<b>3,530</b>	3,072

The Board is of the opinion that all transactions have been entered into in the normal course of business and have been established on an arm's length basis under terms no more favourable than those transacted with third parties.

**B. ADDITIONAL INFORMATION REQUIRED UNDER THE ACE MARKET LISTING REQUIREMENTS**

**B1 Performance review for the current financial quarter against previous financial year corresponding quarter**

For the six months ended 30 November 2015, the Group posted higher revenue of RM16.6 million compared to RM15.5 million for the corresponding period last year. Correspondingly, profit before taxation ("PBT") increased to RM1.2million from RM0.7 million a year ago.

During the financial quarter ended 30 November 2015, revenue of the Group increased to RM8.6 million compared to RM7.6 million in the corresponding quarter last year. Correspondingly, profit before taxation ("PBT") improved to RM0.6 million compared to RM0.4 million in the corresponding quarter last year.

For the six months ended 30 November 2015, the Logistics segment posted higher revenue of RM14.9 million in the current financial quarter compared to RM14.0 million in the corresponding period last year. Consequently segmental profit improved to RM1.9 million from RM1.5 million in the corresponding quarter last year, mainly due to better performance in logistics business.

Other Segment posted higher revenue of RM1.8 million compared to RM1.5 million in the corresponding quarter last year, while reported a lower segmental loss of RM0.7 million as compared with RM0.8 million in the corresponding quarter last year. The improved results of other segment are mainly due to better performance of the engineering trading business coupled with lower corporate expenses incurred by the investment holding company.

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

Revenue for the current financial quarter increased to RM8.6 million from RM8.0 million in the immediate preceding quarter. However, the segmental results reduced to RM0.6 million compared with RM0.7 million in the immediate preceding quarter.

**B3 Current year prospects**

The economic climate remains uncertain amid oil price and currency volatility. The Board is of the view that the financial performance and prospects of the Group for the rest of the financial year will be challenging. As a result, the Board will continue to exercise caution in managing the business.

**B4 Forecast profit, profit guarantee and internal targets**

The Group did not provide any profit forecast, profit guarantee and internal targets in any publicly available documents or announcements.

**B5 Profit before taxation**

	<b>Individual quarter ended 30/11/2015 RM'000</b>	<b>Year-to-date ended 30/11/2015 RM'000</b>
The profit before taxation is stated after charging/(crediting):		
Interest income	(194)	(194)
Finance costs	17	17
Depreciation and amortisation	2,311	2,311
	<u>2,311</u>	<u>2,311</u>

**B6 Tax expense**

	<b>Individual quarter ended</b>		<b>Year-to-date ended</b>	
	<b>30/11/2015</b>	<b>30/11/2014</b>	<b>30/11/2015</b>	<b>30/11/2014</b>
	<b>RM'000</b>	<b>RM000</b>	<b>RM'000</b>	<b>RM000</b>
Current tax expense/(reversal) based on profit for the financial period:				
Malaysian income tax	<b>254</b>	244	<b>621</b>	413
Foreign income tax	-	-	-	-
	<u><b>254</b></u>	<u>244</u>	<u><b>621</b></u>	<u>413</u>
Under/(over) provision in prior years:				
Malaysian income tax	-	-	-	-
Foreign income tax	-	-	-	-
	<u><b>254</b></u>	<u>244</u>	<u><b>621</b></u>	<u>413</u>
Deferred taxation:				
Transfer to deferred taxation	-	-	-	-
Under provision in prior years	-	-	-	-
	<u><b>254</b></u>	<u>244</u>	<u><b>621</b></u>	<u>413</u>

The effective rate of taxation for the Group in the current financial quarter is higher than the statutory tax rate mainly due to certain expenses being disallowed for taxation purposes.

**B7 Borrowings**

The borrowings of the Group denominated in their functional currencies are as follows:

	<b>30/11/2015</b>	31/5/2015
	<b>RM'000</b>	RM'000
<b>SHORT TERM BORROWINGS</b>		
Secured:		
Ringgit Malaysia	<b>759</b>	1,041
<b>LONG TERM BORROWINGS</b>		
Secured:		
Ringgit Malaysia	<b>443</b>	495
	<u>1,202</u>	<u>1,536</u>

Note:

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

**B8 Material litigation**

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

**B9 Dividends**

There was no dividend declared and/or paid during the financial quarter and period ended 30 November 2015.

**B10 Earnings per share**

(a) Basic earnings per share

	<b>Individual quarter ended</b>		<b>Year-to-date ended</b>	
	<b>30/11/2015</b>	30/11/2014	<b>30/11/2015</b>	30/11/2014
Weighted average number of ordinary shares ('000)	<u>473,286</u>	473,286	<u>473,286</u>	473,286
Net profit attributable to ordinary equity holders of the Company (RM'000)	<u>30</u>	(267)	<u>(86)</u>	(338)
<b>Earnings per ordinary share (sen)</b>				
- Basic	<u>0.01</u>	(0.06)	<u>(0.02)</u>	(0.07)

Diluted earnings per share

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

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

**Ancom Logistics Berhad (6614-W)**

Notes to the Interim Financial Report for the financial quarter ended 30 November 2015

**B11 Realised and unrealised profits**

The breakdown of retained profits of the Group as at 30 November 2015 into realised and unrealised profits is as follows:

Total retained profits of the Group	<b>RM'000</b>
- Realised	(1,052)
- Unrealised	(5,986)
	<hr/>
	(7,038)
Less: Consolidation adjustments	5,395
As per consolidated financial statements	<hr/> <hr/>
	(1,643)

**BY ORDER OF THE BOARD**

Choo Se Eng  
Stephen Geh Sim Whye  
Company Secretaries  
Petaling Jaya

29 January 2016