

ANCOM LOGISTICS BERHAD

(Formerly known as Tamco Corporate Holdings Berhad)
(Incorporated in Malaysia)
(Company No : 6614-W)

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MAY 2010

THE FIGURES HAVE NOT BEEN AUDITED

	Quarter Ended		Financial Year Ended	
	31.05.2010	31.05.2009	31.05.2010	31.05.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	13,650	15,462	51,288	66,094
Cost of sales	(10,533)	(11,856)	(39,365)	(51,681)
Gross profit	3,117	3,606	11,923	14,413
Other income	760	566	959	3,956
Selling and distribution expenses	(2,175)	(852)	(7,304)	(6,023)
Administrative expenses	(2,109)	(713)	(6,072)	(5,729)
Other expenses	(180)	267	(459)	(2,937)
Profit / (loss) from operations	(587)	2,874	(953)	3,680
Finance costs	(263)	(120)	(949)	(1,235)
Share of results of associates	(226)	-	(226)	(25)
(Loss) / profit before taxation	(1,076)	2,754	(2,128)	2,420
Taxation	(20)	(2,319)	(270)	(3,102)
Net (loss) / profit	(1,096)	435	(2,398)	(682)
Loss from discontinued operations	-	(25,498)	-	(25,498)
Net loss for the quarter / year	<u>(1,096)</u>	<u>(25,063)</u>	<u>(2,398)</u>	<u>(26,180)</u>
Attributable to:				
Shareholders of the parent	(1,096)	(25,063)	(2,398)	(26,055)
Minority interests	-	-	-	(125)
	<u>(1,096)</u>	<u>(25,063)</u>	<u>(2,398)</u>	<u>(26,180)</u>
Loss per share attributable to shareholders of the parent (sen):				
- Basic	(0.42)	0.17	(0.92)	(0.26)
- Basic (Discontinued operations)	-	(9.83)	-	(9.83)
- Diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2009 and the accompanying notes to the Interim Financial Report.

ANCOM LOGISTICS BERHAD
(Formerly known as Tamco Corporate Holdings Berhad)
(Incorporated in Malaysia)
(Company No : 6614-W)

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 31 MAY 2010

	31.05.2010	31.05.2009
	RM'000	RM'000
ASSETS	(Unaudited)	(Audited)
Non-current assets		
Property, plant and equipment	4,833	5,149
Prepaid lease payments	9,555	9,726
Investment in associates	3,902	4,128
Intangible assets	346	383
Deferred tax assets	313	383
	<u>18,949</u>	<u>19,769</u>
Current assets		
Inventories	8,521	9,729
Trade receivables	15,048	16,059
Other receivables	1,421	982
Tax recoverable	276	8
Short term deposits with licensed banks	4,674	2,758
Cash and bank balances	7,682	11,843
	<u>37,622</u>	<u>41,379</u>
TOTAL ASSETS	<u><u>56,571</u></u>	<u><u>61,148</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	51,898	51,898
Translation reserve	(4,502)	(3,176)
Accumulated losses	(21,669)	(19,271)
Total equity	<u>25,727</u>	<u>29,451</u>
Non-current liabilities		
Deferred tax liabilities	78	66
Borrowings	-	84
	<u>78</u>	<u>150</u>
Current liabilities		
Trade payables	10,496	10,265
Other payables	6,190	5,775
Amount due to immediate holding company	11,037	10,114
Amount due to associates	-	123
Amount due to related companies	41	-
Borrowings	2,819	4,565
Provision for taxation	183	705
	<u>30,766</u>	<u>31,547</u>
Total liabilities	<u>30,844</u>	<u>31,697</u>
TOTAL EQUITY AND LIABILITIES	<u><u>56,571</u></u>	<u><u>61,148</u></u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2009 and the accompanying notes to the Interim Financial Report.

ANCOM LOGISTICS BERHAD

(Formerly known as Tamco Corporate Holdings Berhad)

(Incorporated in Malaysia)

(Company No : 6614-W)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL QUARTER ENDED 31 MAY 2010

THE FIGURES HAVE NOT BEEN AUDITED

	Attributable to Equity Holders of the Parent					Total Equity RM'000
	Share capital RM'000	Non- distributable Translation reserve RM'000	Distributable Retained profits RM'000	Total RM'000	Minority Interests RM'000	
Financial year ended 31 May 2010						
Balance as at 1 June 2009	51,898	(3,176)	(19,271)	29,451	-	29,451
Currency translation differences, representing net loss recognised directly in equity	-	(1,326)	-	(1,326)	-	(1,326)
Net loss for the financial year	-	-	(2,398)	(2,398)	-	(2,398)
Total recognised income and expenses for the financial year	-	(1,326)	(2,398)	(3,724)	-	(3,724)
Balance as at 31 May 2010	51,898	(4,502)	(21,669)	25,727	-	25,727
Financial year ended 31 May 2009						
Balance as at 1 June 2008	129,744	(2,517)	6,784	134,011	125	134,136
Capital reduction	(77,846)			(77,846)		(77,846)
Currency translation differences, representing net gain recognised directly in equity	-	(659)	-	(659)	-	(659)
Net loss for the financial year	-	-	(26,055)	(26,055)	(125)	(26,180)
Total recognised income and expenses for the financial year	-	(659)	(26,055)	(26,714)	(125)	(26,839)
Balance as at 31 May 2009	51,898	(3,176)	(19,271)	29,451	-	29,451

The 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 2009 and the accompanying notes to the Interim Financial Report.

ANCOM LOGISTICS BERHAD

(Formerly known as Tamco Corporate Holdings Berhad)

(Incorporated in Malaysia)

(Company No : 6614-W)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL QUARTER ENDED 31 MAY 2010

THE FIGURES HAVE NOT BEEN AUDITED

	Financial Year Ended	
	31.05.2010	31.05.2009
	RM'000	RM'000
Cash flow from operating activities		
Loss before taxation:		
Continuing operations	(2,128)	2,565
Discontinuing operations	-	(25,498)
	<u>(2,128)</u>	<u>(22,933)</u>
Adjustments for:		
Depreciation of property, plant and equipment	680	1,083
Impairment of property, plant and equipment	71	92
Amortisation of prepaid lease payments	171	171
Property, plant and equipment written off	-	39
Amortisation of development expenditure	37	34
Deferred tax liabilities	82	23
Tax recoverable	(268)	-
Interest expense	949	1,235
Interest income	(32)	(2,729)
Loss on disposal of Property, plant and equipment	-	37
Loss on disposal of associates	-	569
Loss on foreign exchange	4	(8)
De-registration of subsidiary	21	-
Share in results of associates	226	-
Minority interests		(125)
Operating profit/(loss) before working capital changes	<u>(187)</u>	<u>(22,512)</u>
Inventories	1,208	1,665
Receivables	572	13,176
Payables	646	(8,809)
Associates	(123)	517
Holding, subsidiaries and related companies	964	10,073
Cash generated from / (used in) operations	<u>3,080</u>	<u>(5,890)</u>
Income taxes paid	(793)	(1,164)
Retirement benefits paid	-	(86)
Net cash generated from / (used in) operating activities	<u>2,287</u>	<u>(7,140)</u>
Cash flow from investing activities		
Interest received	32	2,729
Disposals of associates, net of cash received	-	4,047
Proceeds from disposal of property, plant and equipment	-	208
Purchase of property, plant and equipment	(460)	(127)
Net cash (used in) / generated from investing activities	<u>(428)</u>	<u>6,857</u>

ANCOM LOGISTICS BERHAD

(Formerly known as Tamco Corporate Holdings Berhad)
(Incorporated in Malaysia)
(Company No : 6614-W)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL QUARTER ENDED 31 MAY 2010****(continued)***THE FIGURES HAVE NOT BEEN AUDITED*

	Financial Year Ended	
	31.05.2010	31.05.2009
	RM'000	RM'000
Cash flow from financing activities		
Interest paid	(949)	(1,235)
Repayment of Bai' Bithaman Ajil Serial Bonds	-	(61,740)
(Repayment)/drawdown of hire purchase and finance lease	-	(7,520)
Repayment of bank borrowings	(1,185)	-
Repayment of share capital	-	(77,846)
Net cash used in financing activities	<u>(2,134)</u>	<u>(148,341)</u>
Net change in cash and cash equivalents	(275)	(148,623)
Cash and cash equivalents at beginning of financial period	13,714	162,902
Effects of exchange rate changes	(1,326)	(565)
Cash and cash equivalents at end of financial period	<u>12,113</u>	<u>13,714</u>
The cash and cash equivalents comprise:		
Cash and bank balances	7,682	11,839
Short term deposits with licensed banks	4,674	2,758
Bank overdrafts	(243)	(883)
	<u>12,113</u>	<u>13,714</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2009 and the accompanying notes to the Interim Financial Report.

ANCOM LOGISTICS BERHAD
(Formerly known as Tamco Corporate Holdings Berhad)
(Incorporated in Malaysia)
(Company No: 6614-W)

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 May 2010**

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

1 Basis of preparation

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

The Interim Financial Report of the Group should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 31 May 2009. These explanatory notes attached to the Interim Financial Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2009.

The significant accounting policies adopted by the Group in this Report are consistent with those used in the Audited Financial Statements of the Group for the financial year ended 31 May 2009 except for the adoption of the following new/revised FRS:

FRSs, Amendments to FRSs and Interpretations	Effective for financial periods beginning on or after	
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 101	Presentation of Financial Statements	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2010
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
Amendments to FRS 7	Financial Instruments: Disclosures	1 January 2010
Amendments to FRS 8	Operating Segments	1 January 2010
Amendments to FRS 107	Statement of Cash Flows	1 January 2010
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
Amendments to FRS 110	Events after the Reporting Period	1 January 2010
Amendments to FRS 116	Property, Plant and Equipment	1 January 2010
Amendments to FRS 117	Leases	1 January 2010
Amendments to FRS 118	Revenue	1 January 2010

Ancom Logistics Berhad (6614-W)

(Formerly known as Tamco Corporate Holdings Berhad)

Notes to the Interim Financial Report for the financial quarter ended 31 May 2010

FRSs, Amendments to FRSs and Interpretations		Effective for financial periods beginning on or after
Amendment to FRS 119	Employee Benefits	1 January 2010
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2010
Amendment to FRS 123	Borrowing Costs	1 January 2010
Amendment to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendment to FRS 128	Investments in Associates	1 January 2010
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies	1 January 2010
Amendment to FRS 131	Interest in Joint Ventures	1 January 2010
Amendments to FRS 132	Financial Instruments: Presentation	1 January 2010
Amendment to FRS 134	Interim Financial Reporting	1 January 2010
Amendment to FRS 136	Impairment of Assets	1 January 2010
Amendment to FRS 138	Intangible Assets	1 January 2010
Amendment to FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendment to FRS 140	Investment Property	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
Amendment to IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010

The adoptions of the FRSs, Amendments to FRSs and Interpretations upon their effective dates are not expected to have any significant impact on the financial statements of the Group. The Group is exempted from disclosing the possible impact, if any, to the financial statements upon its initial application of FRS7 and FRS139.

2 Changes in accounting policies

The significant accounting policies adopted by the Group in this Interim Financial Report are consistent with those adopted in the Group's most recent Audited Financial Statements for the financial year ended 31 May 2009.

3 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 2009.

4 Seasonality or cyclicity of interim operations

During the financial quarter ended 31 May 2010, the operations of the Group were not significantly affected by any seasonal and cyclical factors.

Ancom Logistics Berhad (6614-W)

(Formerly known as Tamco Corporate Holdings Berhad)

Notes to the Interim Financial Report for the financial quarter ended 31 May 2010**5 Items of unusual nature and amount**

During the financial quarter ended 31 May 2010, there were no items affecting the assets, liabilities, equity, net income or cash flows of the Group that are unusual by reason of their nature, size or incidence.

6 Changes in estimates

There were no changes in estimates that have a material effect on the results for the financial quarter ended 31 May 2010.

7 Debt and equity securities

There were no issuances, cancellations, repurchases and resale of debt securities and equity securities during the financial quarter ended 31 May 2010.

8 Dividends paid

There was no dividend paid during the financial quarter ended 31 May 2010.

9 Segmental information

The consolidated results of the Group for the financial year ended 31 May 2010, analysed by business segment, are as follow:

	CONTINUING OPERATIONS		DISCONTINUED		
	Investment	System	OPERATIONS	Elimination	Consolidated
	Holding	integration	Switchgear	RM'000	RM'000
	RM'000	& trading	RM'000		
		RM'000			
<u>Financial year ended</u>					
<u>31-May-10</u>					
External sales	-	51,288	-		51,288
Inter-segment sales	-	-	-	-	-
Total revenue	-	51,288	-	-	51,288
Segment results	(3,362)	2,377	-		(985)
Finance costs					(949)
Interest income					32
Share of results of associates					(226)
Loss before taxation					(2,128)
Taxation					(270)
Net loss attributable to shareholders					(2,398)

Ancom Logistics Berhad (6614-W)

(Formerly known as Tamco Corporate Holdings Berhad)

Notes to the Interim Financial Report for the financial quarter ended 31 May 2010

9 Segmental information (Cont'd)

	CONTINUING OPERATIONS		DISCONTINUED OPERATIONS		Consolidated RM'000
	Investment	System	Switchgear	Elimination	
	Holding	integration			
	RM'000	& trading	RM'000	RM'000	
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Financial year ended</u>					
<u>31-May-09</u>					
External sales	-	66,094	-	-	66,094
Inter-segment sales	-	-	-	-	-
Total revenue	-	66,094	-	-	66,094
Segment results	(13,039)	13,990	(25,498)	-	(24,547)
Finance costs					(1,235)
Interest income					2,729
Share of results of associates					(25)
Loss before taxation					(23,078)
Taxation					(3,102)
Net loss attributable to shareholders					(26,180)

10 Carrying amount of revalued assets

The valuations of property, plant and equipment have been brought forward, without amendments, from the Group's Audited Financial Statements for the financial year ended 31 May 2009.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

11 Subsequent events

There were no material events subsequent to the end of the financial quarter ended 31 May 2010 up to the date of the Interim Financial Report except as disclose in Note 8 of Section B.

12 Changes in composition of the Group

There were no material changes in the composition of the Group for the financial quarter ended 31 May 2010 up to the date of the Interim Financial Report.

13 Contingent liabilities

	Company	
	31-05-2010 RM'000	31-05-2009 RM'000
Unsecured:		
Guarantees given to financial institutions for facilities granted to a subsidiary	3,000	3,000

B. ADDITIONAL INFORMATION REQUIRED BY THE ACE LISTING REQUIREMENTS

1 Performance review for the current financial quarter against previous financial year corresponding quarter

The Group posted RM51.2 million revenue for the financial year ended 31 May 2010, a decline of 22.4% from last year. For the quarter ended 31 May 2010, the Group posted RM13.7 million revenue compared to RM15.5 million in the same quarter last financial year. The lower sales in the current financial year and quarter were mainly due to the reduction in projects secured by the trading operations.

Loss after taxation for the financial year ended 31 May 2010 amounted to RM 2.4 million compared to RM 26.0 million for the same period last year. For the quarter, the Group reported a much lower loss after taxation of RM1.1 million compared to RM25.1 million in the same quarter last year. The higher loss after taxation in previous financial year was mainly attributed to the shortfall in Net Asset Value of the Switchgear Division as at Completion Date of disposal

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

The Group reported a higher loss after tax of RM1.1 million compared to RM0.7 million in the immediate preceding financial quarter. Increase in operating expenses for the current quarter has contributed to the higher loss.

3 Prospects for next financial year

The Directors have identified a new business to be injected into ALB as disclosed in Note 8 of Part B.

Barring unforeseen circumstances, the Directors are of the opinion that the Group's existing trading operations will continue to operate in a satisfactory manner.

4 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.

Ancom Logistics Berhad (6614-W)

(Formerly known as Tamco Corporate Holdings Berhad)

Notes to the Interim Financial Report for the financial quarter ended 31 May 2010

5 Taxation

	Quarter Ended		Financial Year Ended	
	31.05.2010	31.05.2009	31.05.2010	31.05.2009
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Income tax:				
Malaysian	20	2,319	270	3,017
Over/(under) provision in prior years				
Malaysian	-	-	-	70
Deferred taxation:				
Relating to originating and reversal				
Under provision in prior years	-	-	-	15
	<u>20</u>	<u>2,319</u>	<u>270</u>	<u>3,102</u>

6 Sale of unquoted investments and properties

There were no disposals of unquoted investments and properties for the current financial quarter ended 31 May 2010 and at the date of this Interim Financial Report.

7 Quoted securities

There were no purchases of quoted securities for the financial quarter ended 31 May 2010 and at the date of this Interim Financial Report. As at balance sheet date, the Group has no investment in quoted securities.

8 Status of Corporate Proposal

On 16 November 2009, ALB announced the following proposals (collectively referred to as "Proposed ALB Restructuring Scheme"):

- (a) Proposed disposal of a piece of leasehold land together with two (2) blocks of single storey warehouses annexe with double storey offices with postal address of No. 2A, Jalan 13/2, 46200 Petaling Jaya, Selangor to Ancom Berhad ("Ancom") at a market price to be appraised by an Independent Valuer. The disposal consideration of the proposed disposal is to be settled by off-setting against an inter-company advance owing by ALB to Ancom amounting to RM10 million and the remaining by off-setting against the purchase consideration for the acquisition by ALB of Ancom's equity interest in Synergy Trans-Link Sdn. Bhd. ("STL") ("Proposed Disposal");
- (b) Proposed reduction of RM0.10 of the par value of each existing ordinary share of RM0.20 each in ALB ("ALB Shares") under Section 64(1) of the Companies Act, 1965 ("Act") ("Proposed Capital Reduction");
- (c) Proposed acquisition of 418,895,518 ordinary shares of RM0.10 each in STL representing the entire equity interest in STL which include its three subsidiaries, namely, Ancom ChemQuest Terminals Sdn. Bhd. ("ACT"), SinSenMoh Transportation Pte. Ltd. ("SSM") and Pengangkutan Cogent Sdn. Bhd. ("PCSB") ("collectively referred to as "Subsidiaries") from Ancom, Synergy Tanker Sdn. Bhd. ("STSB") and Lim Hock Heng ("LHH") (collectively referred to as "Vendors of STL") for a purchase consideration of RM42,236,117 to be satisfied by such number of new ordinary shares of RM0.10 each in ALB ("ALB New Shares") ("Consideration Shares") at an issue price of RM0.13 per ALB New Share after the settlement of the outstanding consideration pursuant to the Proposed Disposal ("Proposed Acquisition of STL Group");

Ancom Logistics Berhad (6614-W)

(Formerly known as Tamco Corporate Holdings Berhad)

Notes to the Interim Financial Report for the financial quarter ended 31 May 2010

- (d) Proposed exemption to Ancom and persons acting in concert with it ("PAC") from the obligation to undertake a mandatory offer for all the remaining ALB New Shares not already owned by Ancom and its PAC pursuant to the Proposed Acquisition of STL Group ("Proposed Exemption"); and
- (e) Proposed special issue of up to 14,000,000 ALB New Shares at an indicative issue price of RM0.13 per ALB New Share to Bumiputera investors to be approved by the Ministry of International Trade and Industry ("MITI") ("Proposed Special Issue").

The Proposed ALB Restructuring Scheme is expected to be completed in the financial year ending 31 May 2011. It is not expected to have any impact on the earnings of the Ancom Group for the financial year ending 31 May 2010. Upon completion of the Proposed ALB Restructuring Scheme, ALB would required a new profitable business and ensure the continued listing of its shares on Bursa Securities.

On 31 December 2009, ALB and Ancom entered into a supplemental agreement ("SA") to agree that the Disposal Consideration shall be fixed at RM25,000,000, after having considered the independent market valuation report dated 23 December 2009, to be settled in the manner stated above subject to the fulfillment of certain conditions precedent stated there in the SA.

On 28 January 2010, Ancom and ALB entered into a letter of variation in relation to the Proposed Acquisition of the Property by Ancom from ALB whereby the terms for the settlement of the purchase consideration of RM25,000,000 are as follows:-

- (i) first, by off-setting RM15,000,000 against the disposal consideration for the Proposed Disposal of STL by Ancom to ALB; and
- (ii) by off-setting the remaining purchase consideration against the inter-company advance(s) owing by ALB to Ancom.

As such, the actual amount of the inter-company advances owing by ALB to Ancom which will be used to settle the purchase consideration is subject to the confirmation by the relevant authority on the valuation of the Property.

On the same date, ALB entered into a letter of variation with the Vendors of STL whereby the terms of the settlement of the disposal consideration of RM22,304,893 to Ancom by ALB shall be satisfied by ALB in the following manner instead:-

- (i) RM7,304,893 via the issuance of 56,191,485 new ALB New Shares at an issue price of RM0.13 per ALB New Share; and
- (ii) remaining RM15,000,000 by off-setting against part of the purchase consideration in relation to the Proposed Acquisition of Property.

On 3 February 2010, the Securities Commission ("SC") had, vide its letter, notified that the application to the SC under Practice Note 2.9.1 of the Malaysian Code on Takeovers and Mergers 1998 ("Code") for an exemption to Ancom and its PAC, from the obligation to undertake a mandatory offer to acquire the remaining ordinary shares in ALB not already held by Ancom and its PAC ("Proposed Exemption") upon completion of the Proposed Disposal of STL which forms part of the Proposed Restructuring Scheme of ALB would only be considered by the SC after the following conditions have been met pursuant to Practice Note 2.9.1 of the Code:-

Ancom Logistics Berhad (6614-W)

(Formerly known as Tamco Corporate Holdings Berhad)

Notes to the Interim Financial Report for the financial quarter ended 31 May 2010

- (i) Approval from the independent holders of voting shares of ALB, on a poll in a general meeting in which the interested parties are to abstain from voting. The result of the poll has to be confirmed by an independent auditor;
- (ii) Providing competent independent advice regarding the Proposed Exemption to the shareholders of ALB. The appointment of the independent adviser and the independent advice circular to the shareholders are to be first approved and consented by SC respectively; and
- (iii) Ancom and its PAC are to submit declarations (to be furnished after the general meeting) addressed to the SC, attesting that Ancom and its PAC have not purchased shares in ALB subsequent to the discussion in relation to the Ancom Proposals (the date of the discussion is to be stated) and until the granting of the Proposed Exemption by the SC (if so decided).

Further, Ancom is required to provide reasons for the substantial percentage of votes that are against and abstained from voting (excluding the abstinence by the interested parties) on the Proposed Exemption.

On 24 June 2010, the Bursa Securities approved the Proposed ALB Restructuring Scheme subject to, inter-alia:

- (i) A moratorium to be imposed on the Consideration Shares pursuant to the Proposed Acquisition of STL Group by ALB in the manner disclosed in Section 3.19 of the ACE Market Requirement; and
- (ii) ALB and its advisers must fully comply with the relevant provisions under the ACE Market Listing Requirements pertaining to the implementation of the Proposed ALB Restructuring Scheme.

As at the date of this Report, the Proposed ALB Restructuring Scheme is still pending the approval of ALB's shareholders at an Extraordinary General Meeting to be convened and the sanction of the High Court on the Proposed Capital Restructuring.

Save for the above, there were no corporate proposals announced but not completed as at the date of this Report.

Ancom Logistics Berhad (6614-W)

(Formerly known as Tamco Corporate Holdings Berhad)

Notes to the Interim Financial Report for the financial quarter ended 31 May 2010

9 Group borrowings

Group borrowings denominated in their functional currencies are as follows:

	As at 31.05.2010 RM'000	As at 21.05.2009 RM'000
Short term borrowings		
Secured:		
Ringgit Malaysia	97	227
Unsecured:		
Ringgit Malaysia	2,722	4,338
	<u>2,819</u>	<u>4,565</u>
Long term borrowings		
Secured:		
Ringgit Malaysia	-	84
	<u>-</u>	<u>84</u>
	<u>2,819</u>	<u>4,649</u>

Note: Foreign currencies denominated borrowings are stated at Ringgit Malaysia equivalent as at the reporting dates stated above.

10 Off balance sheet financial instruments

The Group does not have any off balance sheet financial instruments as at the date of this Interim Financial Report.

11 Material litigation

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

12 Dividends payable

The Directors do not propose and pay any dividend for the quarter ended 31 May 2010.

13 Loss per share**(a) Basic loss per share**

The basic loss per share is calculated by dividing the net loss attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the financial period of 259,487,720 (2008: 259,487,720) shares.

Ancom Logistics Berhad (6614-W)

(Formerly known as Tamco Corporate Holdings Berhad)

Notes to the Interim Financial Report for the financial quarter ended 31 May 2010

13 Loss per share (Cont'd)

(b) Fully diluted loss per share

The Company has no potential ordinary shares in issue as at the balance sheet date and therefore, diluted loss per share has not been presented.

BY ORDER OF THE BOARD

Choo Se Eng

Stephen Geh Sim Whye

Secretaries

Petaling Jaya

30 July 2010