

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 28 FEBRUARY 2018**

	Individual quarter ended		Year-to-date endear-to-date ended	
	28.02.2018	28.02.2017	28.02.2018	28.02.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	7,130	6,692	21,875	21,676
Cost of sales	(5,958)	(5,817)	(18,397)	(18,369)
Gross profit	1,172	875	3,478	3,307
Other income	276	358	1,007	1,313
Administrative expenses	(903)	(2,392)	(3,290)	(5,717)
Other operating expenses	(67)	-	(124)	-
Finance costs	(42)	(11)	(116)	(33)
Profit/(Loss) before taxation	436	(1,170)	955	(1,130)
Tax expense	21	(298)	(292)	(771)
Net profit/(loss) for the financial period	457	(1,468)	663	(1,901)
<b>Profit/(Loss) attributable to:</b>				
Equity holders of the Company	153	(1,717)	(126)	(2,884)
Non-controlling interests	304	249	789	983
	457	(1,468)	663	(1,901)
<b>Profit/(Loss) per ordinary share attributable to equity holders of the Company</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
- Basic	0.03	(0.36)	(0.03)	(0.61)

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 2017 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 28 FEBRUARY 2018**

	Individual quarter ended		Year-to-date endear-to-date ended	
	28.02.2018	28.02.2017	28.02.2018	28.02.2017
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) for the financial period	457	(1,468)	663	(1,901)
<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/(loss)	<b>457</b>	<b>(1,468)</b>	<b>663</b>	<b>(1,901)</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the Company	153	(1,717)	(126)	(2,884)
Non-controlling interests	304	249	789	983
	<b>457</b>	<b>(1,468)</b>	<b>663</b>	<b>(1,901)</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 2017 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 28 FEBRUARY 2018**

	Unaudited 28.02.2018 RM'000	Audited 31.05.2017 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	27,757	29,805
Investment in associate	1,802	1,802
	<b>30,816</b>	<b>31,607</b>
<b>Current assets</b>		
Inventories	-	-
Trade and other receivables	9,587	8,694
other current assets	1,509	1,210
Tax recoverable	317	818
Other investments	-	830
Short term deposits with licensed banks	138	135
Cash and bank balances	5,118	9,185
	<b>16,669</b>	<b>20,872</b>
<b>TOTAL ASSETS</b>	<b>47,485</b>	<b>52,479</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Trade payables	1,742	5,273
Other payables	2,148	5,047
Loan and borrowings	315	631
Provision for taxation	-	333
	<b>4,205</b>	<b>11,284</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	4,828	4,827
Loan and borrowings	2,819	1,398
	<b>7,647</b>	<b>6,225</b>
<b>TOTAL LIABILITIES</b>	<b>11,852</b>	<b>17,509</b>
<b>NET ASSETS</b>	<b>35,633</b>	<b>34,970</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>		
Share capital	23,664	23,664
Reserves	8,526	8,526
Accumulated loss	(7,465)	(7,339)
	<b>24,725</b>	<b>24,851</b>
<b>Non-controlling interests</b>	<b>10,908</b>	<b>10,119</b>
<b>TOTAL EQUITY</b>	<b>35,633</b>	<b>34,970</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>47,485</b>	<b>52,479</b>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<b>0.05</b>	<b>0.05</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 2017 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 28 FEBRUARY 2018**

	Attributable to equity holders of the Company			Total RM'000	Non- controlling interest RM'000	Total equity RM'000
	----- Non-Distributable-----	Distributable				
	Share capital RM'000	Merger reserve RM'000	Accumulated loss RM'000			
As at 1 June 2016	23,664	8,526	(3,211)	<b>28,979</b>	14,670	<b>43,649</b>
Total comprehensive income	-	-	(4,128)	<b>(4,128)</b>	1,065	<b>(3,063)</b>
<b>Transactions with owners</b>						-
Dividend paid to Non-controlling interests	-	-	-	-	(5,488)	<b>(5,488)</b>
Disposal of a subsidiary	-	-	-	-	(128)	<b>(128)</b>
<b>Balance at 31 May 2017</b>	<b>23,664</b>	<b>8,526</b>	<b>(7,339)</b>	<b>24,851</b>	<b>10,119</b>	<b>34,970</b>
As at 1 June 2017	23,664	8,526	(7,339)	<b>24,851</b>	10,119	<b>34,970</b>
Total comprehensive income	-	-	(126)	<b>(126)</b>	789	<b>663</b>
<b>Balance at 28 February 2018</b>	<b>23,664</b>	<b>8,526</b>	<b>(7,465)</b>	<b>24,725</b>	<b>10,908</b>	<b>35,633</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 2017 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 28 FEBRUARY 2018**

	Year-to-date ended	
	28.02.2018	28.02.2017
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	955	(1,130)
Adjustments for non-cash items:		
Depreciation	3,025	3,028
Interest expense	116	33
Interest income	(329)	(403)
Others	(180)	409
<b>Operating profit before working capital changes</b>	<b>3,587</b>	<b>1,937</b>
Net changes in working capital	(7,622)	3,362
Income tax paid	(123)	(845)
<b>Net cash (used in)/generated from operating activities</b>	<b>(4,158)</b>	<b>4,454</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(976)	(2,951)
Net disposal of a subsidiary	-	780
Proceed from disposal of property, plant and equipment	180	-
Additional investments in other investments	(428)	(317)
Increase of deposits with licensed banks	(3)	-
Interest received	329	403
<b>Net cash used in investing activities</b>	<b>(898)</b>	<b>(2,085)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(116)	(33)
Dividend paid to non-controlling interest	-	(4,900)
Net withdrawal/(repayment) of borrowings	1,105	845
Others	-	-
<b>Net cash generated from/(used in) financing activities</b>	<b>989</b>	<b>(4,088)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,067)</b>	<b>(1,719)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>9,185</b>	<b>7,757</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>5,118</b>	<b>6,038</b>
<b>Cash and cash equivalents</b>		
Cash and bank balances	5,118	6,038
Bank overdrafts	-	-
Short term deposits with licensed banks	138	135
	<b>5,256</b>	<b>6,173</b>
Deposits with maturity more than three months	(138)	(135)
	<b>5,118</b>	<b>6,038</b>

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 2017 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 28 FEBRUARY 2018**

#### **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 2017. 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 2017.

For the financial periods up and including the financial year ended 31 May 2017, 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 2017.

##### **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 2017 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 2017:

Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to MFRS 107 Disclosure Initiative

Amendments to MFRS 12 Annual Improvements to MFRS Standards 2014 – 2016 Cycle

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 2017.

**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 28 February 2018, 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 amounts reported in prior period that have a material effect on the financial quarter ended 28 February 2018.

**A7 Debt and equity securities**

There was no issuance, cancellation, repurchase or repayment of debt and equity securities during the financial quarter ended 28 February 2018.

**A8 Dividends**

There was no dividend declared and/or paid during the financial quarter ended 28 February 2018.

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

Notes to the Interim Financial Report for the financial quarter ended 28 February 2018

**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 investment holding activities.

	<b>Logistics</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>28 February 2018</b>				
<b>Revenue</b>				
External revenue	21,875	-	-	<b>21,875</b>
Inter-segment revenue	21	-	(21)	-
Total revenue	<u>21,896</u>	<u>-</u>		<u><b>21,875</b></u>
Segment results	2,106	(1,035)	-	<b>1,071</b>
Finance costs				<u>(116)</u>
Profit before taxation				<b>955</b>
Tax expense				<u>(292)</u>
<b>Net profit for the financial period</b>				<u><b>663</b></u>
<b>28 February 2017</b>				
<b>Revenue</b>				
External revenue	20,507	1,169	-	<b>21,676</b>
Inter-segment revenue	9	-	(9)	-
Total revenue	<u>20,516</u>	<u>1,169</u>		<u><b>21,676</b></u>
Segment results	785	(1,882)	-	<b>(1,097)</b>
Finance costs				<u>(33)</u>
Loss before taxation				<b>(1,130)</b>
Tax expense				<u>(771)</u>
<b>Net loss for the financial period</b>				<u><b>(1,901)</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 28 February 2018.

**A11 Capital commitments**

As at 28 February 2018, the Group has no material capital commitments in respect of property, plant and equipment.



**A12 Changes in composition of the Group**

There were no material changes in the composition of the Group for the financial quarter ended 28 February 2018.

**A13 Changes in contingent liabilities**

The Group does not have any contingent liabilities as at 28 February 2018.

**A14 Subsequent events**

There were no events subsequent to the end of the financial quarter ended 28 February 2018 up to the date of this Interim Financial Report which may substantially affect the results or operations of the Group.

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

**B1 Review of Group's performance**

**Overall review for the period financial quarter ended 28 February 2018**

For the nine months ended 28 February 2018, the Group posted higher revenue of RM21.9 million compared to RM21.7 million for the corresponding period last year. The Group reported profit before taxation ("PBT") of RM1.0 million for the current financial period compared to loss before taxation of RM1.1 million for the corresponding period last year.

During the financial quarter ended 28 February 2018, the Group posted higher revenue of RM7.1 million compared to RM6.7 million last year. Consequently, the Group reported higher PBT of RM0.4 million for the current financial quarter compared to loss before taxation of RM1.2 million in the corresponding quarter last year.

**Review of business segments for the period financial period ended 28 February 2018**

For the nine months ended 28 February 2018, the Logistics segment posted higher revenue of RM21.9 million in the current financial period compared to RM20.5 million in the corresponding financial period last year. Consequently, this segment reported a higher segmental profit of RM2.1 million compared to RM0.8 million last year. The improved result was mainly due to higher sales secured and the gain on disposal of equipment amounting to RM0.2 million during the financial period.

Lower revenue recorded in Others segment was primarily due to disposal of Ancom Components Sdn Bhd to its holding company on 2 August 2016 which its results are no longer accounted for in the current financial period. This segment reported a lower segmental loss of RM1.0 million as compared with RM1.9 million last year. The results of others segment are mainly attributed to 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 decreased to RM7.1 million from RM7.2 million in the immediate preceding quarter. The Group reported PBT of RM0.4 million for the current financial quarter as compared to break-even results in the immediate preceding financial quarter.

**B3 Current year prospects**

The tank farm business should continue remain stable, but intense competitions in the chemical transportation business would continue to exert pressure on the Group's overall performance. Barring any unforeseen circumstances, the Board is of the view that the financial performance and prospects of the Group for the remaining financial year should be satisfactory. Nevertheless, the Board will continue to exercise caution in managing the business.

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

Notes to the Interim Financial Report for the financial quarter ended 28 February 2018

**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 28.02.2018 RM'000</b>	<b>Year-to-date ended 28.02.2018 RM'000</b>
The profit before taxation is stated after charging/(crediting):		
Interest income	(108)	(329)
Gain on disposal of Property, plant and equipment	(10)	(180)
Finance costs	42	116
Depreciation and amortisation	1,011	3,025
	<hr/>	<hr/>

**B6 Tax expense**

	<b>Individual quarter ended</b>		<b>Year-to-date ended</b>	
	<b>28.02.2018</b>	28.02.2017	<b>28.02.2018</b>	28.02.2017
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Current tax expense based on profit for the financial period:				
Malaysian income tax	<b>(21)</b>	176	<b>292</b>	649
Under/(Over) provision in prior years:				
Malaysian income tax	-	122	-	122
Foreign income tax	-	-	-	-
	<hr/> <b>(21)</b>	298	<hr/> <b>292</b>	771
Deferred taxation:				
Transfer to deferred taxation	-	-	-	-
Under provision in prior years	-	-	-	-
	<hr/> <b>(21)</b>	298	<hr/> <b>292</b>	771
	<hr/>		<hr/>	

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

**B7 Status of corporate proposals**

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

**B8 Utilisation of proceeds**

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

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

Notes to the Interim Financial Report for the financial quarter ended 28 February 2018

**B9 Borrowings**

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

	<b>28.02.2018</b>	31.05.2017
	<b>RM'000</b>	RM'000
<b>SHORT TERM BORROWINGS</b>		
Secured:		
Ringgit Malaysia	<b>315</b>	631
<b>LONG TERM BORROWINGS</b>		
Secured:		
Ringgit Malaysia	<b>2,819</b>	1,398
	<b><u>3,134</u></b>	<u>2,029</u>

**B10 Material litigation**

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

**B11 Dividend**

There was no dividend declared and/or paid during the financial quarter and period ended 28 February 2018.

**B12 Earnings per share**Basic earnings per share

	<b>Individual quarter ended</b>		<b>Year-to-date ended</b>	
	<b>28.02.2018</b>	28.02.2017	<b>28.02.2018</b>	28.02.2017
Weighted average number of ordinary shares ('000)	<b>473,286</b>	473,286	<b>473,286</b>	473,286
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	<b>153</b>	(1,717)	<b>(126)</b>	(2,884)
<b>Loss per ordinary share (sen)</b>				
- Basic	<b>0.03</b>	(0.36)	<b>(0.03)</b>	(0.61)

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.