

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 30 NOVEMBER 2010

THE FIGURES HAVE NOT BEEN AUDITED

	Individual Quarter		Cumulative 6 months ended	
	30.11.2009	30.11.2008	30.11.2009	30.11.2008
	RM'000	RM'000	RM'000	RM'000
Revenue	13,983	18,171	24,670	33,492
Cost of sales	(10,908)	(14,458)	(18,872)	(26,003)
Gross profit	3,075	3,713	5,798	7,489
Other income	56	813	140	2,496
Selling and distribution expenses	(1,645)	(1,733)	(3,278)	(3,512)
Administrative expenses	(1,205)	(1,534)	(2,377)	(4,069)
Other expenses	(121)	(1,003)	(191)	(1,042)
Profit from operations	161	257	92	1,363
Finance costs	(229)	(95)	(464)	(1,048)
(Loss) / profit after finance costs	(68)	162	(372)	315
Taxation	(109)	(287)	(183)	(629)
Net loss for the quarter/period	(177)	(125)	(555)	(314)
Attributable to:				
Shareholders of the parent	(177)	(125)	(555)	(314)
Loss per share attributable to shareholders of the parent (sen):				
- Basic	(0.07)	(0.05)	(0.21)	(0.12)
- 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.

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CONDENSED CONSOLIDATED BALANCE SHEET**AS AT 30 NOVEMBER 2009**

	30.11.2009	31.05.2009
	RM'000	RM'000
ASSETS	(Unaudited)	(Audited)
Non-current assets		
Property, plant and equipment	4,975	5,149
Prepaid lease payments	9,639	9,726
Investment in associates	4,128	4,128
Intangible assets	367	383
Deferred tax assets	383	383
	<u>19,492</u>	<u>19,769</u>
Current assets		
Inventories	9,602	9,729
Trade receivables	15,860	16,059
Other receivables	1,432	982
Tax recoverable	8	8
Short term deposits with licensed banks	4,169	2,758
Cash and bank balances	4,627	11,843
	<u>35,698</u>	<u>41,379</u>
TOTAL ASSETS	<u>55,190</u>	<u>61,148</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	51,898	51,898
Translation reserve	(3,473)	(3,176)
Accumulated losses	(19,826)	(19,271)
Total equity	<u>28,599</u>	<u>29,451</u>
Non-current liabilities		
Deferred tax liabilities	87	66
Borrowings	-	84
	<u>87</u>	<u>150</u>
Current liabilities		
Trade payables	8,584	10,265
Other payables	4,179	5,775
Amount due to immediate holding company	10,528	10,114
Amount due to associates	123	123
Borrowings	2,394	4,565
Provision for taxation	696	705
	<u>26,504</u>	<u>31,547</u>
Total liabilities	<u>26,591</u>	<u>31,697</u>
TOTAL EQUITY AND LIABILITIES	<u>55,190</u>	<u>61,148</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.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2009

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 period ended 30 November 2009					
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	-	(297)	-	(297)	-	(297)
Net loss for the financial period	-	-	(555)	(555)	-	(555)
Total recognised income and expenses for the financial period	-	(297)	(555)	(852)	-	(852)
Balance as at 30 November 2009	51,898	(3,473)	(19,826)	28,599	-	28,599

Financial period ended 30 November 2008

Balance as at 1 June 2008	129,744	(2,517)	6,784	134,011	-	134,011
Currency translation differences, representing net gain recognised directly in equity	-	350	-	350	-	350
Net loss for the financial period	-	-	(314)	(314)	-	(314)
Total recognised income and expenses for the financial period	-	350	(314)	36	-	36
Balance as at 31 November 2008	129,744	(2,167)	6,470	134,047	-	134,047

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.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2009

THE FIGURES HAVE NOT BEEN AUDITED

	Cumulative 6 months ended	
	30.11.2009 RM'000	30.11.2008 RM'000
Cash flow from operating activities		
(Loss)/profit before taxation:	(372)	315
Adjustments for:		
Depreciation of property, plant and equipment	323	564
Amortisation of prepaid lease payments	85	86
Amortisation of development expenditure	17	16
Deferred tax liabilities	21	-
Interest expense	464	1,048
Interest income	(9)	(2,063)
Loss on disposal of Property, plant and equipment	-	15
Operating profit/(loss) before working capital changes	529	(19)
Inventories	127	(106)
Receivables	(251)	6,418
Payables	(3,501)	(8,798)
Associates	-	103
Holding, subsidiaries and related companies	414	(41)
Cash used in operations	(2,682)	(2,443)
Income taxes paid	(192)	(24)
Retirement benefits paid	-	(86)
Net cash used in operating activities	(2,874)	(2,553)
Cash flow from investing activities		
Interest received	9	2,063
Proceeds from disposal of property, plant and equipment	-	208
Purchase of property, plant and equipment	(150)	(57)
Net cash (used in) / generated from investing activities	(141)	2,214
Cash flow from financing activities		
Interest paid	(464)	(1,048)
Repayment of Bai' Bithaman Ajil Serial Bonds	-	(61,740)
(Repayment)/drawdown of hire purchase and finance lease	(1,693)	(275)
Drawdown of bank borrowings	-	(2,096)
Net cash used in financing activities	(2,157)	(65,159)

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2009****(continued)***THE FIGURES HAVE NOT BEEN AUDITED*

	Cumulative 6 months ended	
	30.11.2009	30.11.2008
	RM'000	RM'000
Net change in cash and cash equivalents	(5,172)	(65,498)
Cash and cash equivalents at beginning of financial period	13,720	162,902
Effects of exchange rate changes	(297)	350
Cash and cash equivalents at end of financial period	<u>8,251</u>	<u>97,754</u>
The cash and cash equivalents comprise:		
Cash and bank balances	4,627	10,644
Short term deposits with licensed banks	4,169	88,038
Bank overdrafts	(545)	(928)
	<u>8,251</u>	<u>97,754</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.

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**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2009**

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 ("AncomLB") 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)

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Notes to the Interim Financial Report for the financial quarter ended 30 November 2009

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 adoption 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 30 November 2009, the operations of the Group were not significantly affected by any seasonal and cyclical factors.

Ancom Logistics Berhad (6614-W)

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Notes to the Interim Financial Report for the financial quarter ended 30 November 2009**5 Items of unusual nature and amount**

During the financial quarter ended 30 November 2009, 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 30 November 2009.

7 Debt and equity securities

There were no issuances, cancellations, repurchases and resale of debt securities and equity securities during the financial quarter ended 30 November 2009.

8 Dividends paid

There was no dividend paid during the financial quarter ended 30 November 2009.

9 Segmental information

The consolidated result of the Group for the financial quarter ended 30 November 2009, analysed by business segment, are as follow:

	Continuing operations		Elimination RM'000	Consolidated RM'000
	Investment Holding RM'000	System integration & trading RM'000		
<u>Financial period ended</u>				
<u>30-Nov-09</u>				
External sales	-	24,670		24,670
Inter-segment sales	-	-	-	-
Total revenue	-	24,670	-	24,670
Segment results	(972)	1,056		84
Finance costs				(464)
Interest income				8
Loss before taxation				(372)
Taxation				(183)
Net loss attributable to shareholders				(555)

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Notes to the Interim Financial Report for the financial quarter ended 30 November 2009

9 Segmental information (Cont'd)

	Continuing operations			Consolidated RM'000
	Investment Holding RM'000	System integration & trading RM'000	Elimination RM'000	
<u>Financial period ended</u>				
<u>30-Nov-08</u>				
External sales	-	33,492	-	33,492
Inter-segment sales	-	-	-	-
Total revenue	-	33,492	-	33,492
Segment results	(983)	283	-	(700)
Finance costs				(1,048)
Interest income				2,063
Profit before taxation				315
Taxation				(629)
Net loss attributable to shareholders				(314)

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

Pursuant to the extension of time granted by Bursa Malaysia Securities Berhad ("Bursa Securities") to submit the Proposed Restructuring Scheme as announced on 8 October 2009, AncomLB has :-

- (a) On 16 November 2009, announced the proposal to undertake a regularisation plan of its financial condition and to ensure continued listing. The details of the Proposed Restructuring Scheme are set out in the announcement released on the same date.
- (b) On 15 December 2009 appointed Maybank Investment Bank as the sponsor to comply with the conditions imposed by Bursa Malaysia Securities Berhad ("Bursa Securities")

12 Changes in composition of the Group

There were no material changes in the composition of the Group for the financial quarter ended 30 November 2009 up to the date of the Interim Financial Report.

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Notes to the Interim Financial Report for the financial quarter ended 30 November 2009**13 Contingent liabilities**

	Company	
	30-11-2009	30-11-2008
	RM'000	RM'000
Unsecured:		
Guarantees given to financial institutions for facilities granted to a subsidiary	3,000	11,970

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 RM24.7 million revenue for the six months ended 30 November 2009, which is a decline of 26.3% from the same period last year. For the quarter ended 30 November 2009, the Group posted RM14.0 million revenue compared to RM18.1 million in the same quarter last financial year. The lower sales in the current period and quarter were mainly due to the reduction in projects secured by the trading operations.

Loss after taxation for the period ended 30 November 2009 amounted to RM 0.6 million compared to RM 0.3 million for the same period last year. For the quarter, the Group reported a loss after taxation of RM0.2 million compared to a loss after tax of RM0.1 million in the same quarter last financial year. The higher loss after tax is largely attributed to revenue decline although the Group managed to control its operational expenses. Other income has also reduced in current financial period due to lower interest income as the surplus cash has been distributed back to share holders.

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

The Group reported a lower loss after tax of RM0.2 million compared to a loss after tax of RM0.4 million in the immediate preceding financial quarter. Improvement in revenue to RM 13.9 million in the current quarter compared to immediate preceding financial quarter has contributed to the lower loss.

3 Prospects for this financial year

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

The Directors and management will continue to assess and evaluate new business opportunities for the Group to enhance the Group's financial performance in future.

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.

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Notes to the Interim Financial Report for the financial quarter ended 30 November 2009

5 Taxation

	Individual Quarter		Cummulative 6 months ended	
	30.11.2009 RM'000	30.11.2008 RM'000	30.11.2009 RM'000	30.11.2008 RM'000
Continuing operations				
Income tax:				
Malaysian	109	287	183	544
Over/(under) provision in prior years				
Malaysian	-	-	-	70
Deferred taxation:				
Relating to originating and reversal				
Under provision in prior years	-	-	-	15
	<u>109</u>	<u>287</u>	<u>183</u>	<u>629</u>

6 Sale of unquoted investments and properties

There were no disposals of unquoted investments and properties for the current financial quarter ended 30 November 2009 and at the date of this Interim Financial Report.

7 Quoted securities

There were no purchases of quoted securities for the financial quarter ended 30 November 2009 and at the date of this Interim Financial Report. As at balance sheet date, the Group has no investment in quoted securities.

8 Group borrowings

Group borrowings denominated in their functional currencies are as follows:

	As at 30.11.2009 RM'000	As at 30.11.2008 RM'000
Short term borrowings		
Secured:		
Ringgit Malaysia	194	-
US Dollar	-	4,974
Unsecured:		
Ringgit Malaysia	2,200	4,710
	<u>2,394</u>	<u>9,684</u>
Long term borrowings		
Secured:		
Ringgit Malaysia	-	160
	<u>-</u>	<u>160</u>
	<u>2,394</u>	<u>9,844</u>

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

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Notes to the Interim Financial Report for the financial quarter ended 30 November 2009

9 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.

10 Material litigation

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

11 Dividends payable

The Directors do not propose and pay any dividend for the quarter ended 30 November 2009.

12 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.

(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

26 January 2010