ANNUAL
REPORT
2010

Together we can
make a difference

Ancom Logistics Berhad (6614-W)
(formerly known as Tamco Corporate Holdings Berhad)
(Incorporated in Malaysia)

Cover **Rationale**

Ancom Logistics Berhad cover illustrates a game of Checkers whereby "strategic moves" are key in achieving victory. ANCOM realises that strategic business management is crucial in an ever revolving market. Therefore, with proper planning, team ANCOM will be strategically ahead of its competitors simply by thinking a few steps forward.

Ancom Logistics Berhad (6614-W)
(formerly known as Tamco Corporate Holdings Berhad)

Contents

CORPORATE INFORMATION

DIRECTORS
Dato' Abdul Latif bin Abdullah
(Non-Independent Non-Executive Chairman)

Dato' Siew Ka Wei
(Non-Independent Non-Executive Deputy Chairman)

Abdul Latif Bin Mahamud
(Group Managing Director)

Safrizal bin Mohd Said
(Independent Non-Executive Director)

Lim Hock Chye
(Independent Non-Executive Director)

AUDIT COMMITTEE
Safrizal bin Mohd Said, *Chairman*
Dato' Siew Ka Wei
Lim Hock Chye

REMUNERATION & NOMINATION COMMITTEE
Lim Hock Chye, *Chairman*
Dato' Abdul Latif bin Abdullah
Dato' Siew Ka Wei
Safrizal bin Mohd Said

COMPANY SECRETARIES
Choo Se Eng
Stephen Geh Sim Whye

REGISTERED OFFICE
Unit C508, Block C, Kelana Square
Jalan SS7/26, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : (603) 7805 1817 / 3817
Fax : (603) 7804 1316

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802, Block A, Pusat Dagangan Phileo Damansara 1,
No.9, Jalan 16/11, Off Jalan Damansara,
46350 Petaling Jaya,
Selangor Darul Ehsan
Malaysia
Tel : (603) 7660 0008
Fax : (603) 7660 5006

REGISTRARS
Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia
Tel : (603) 2264 3883
Fax : (603) 2282 1886

AUDITORS
Ernst & Young
Chartered Accountants

STOCK EXCHANGE LISTING
ACE Market of Bursa Malaysia Securities Berhad
Listed on 6 July 2004

PRINCIPAL BANKERS
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad

SOLICITORS
Shearn Delamore & Co

DOMICILE
Malaysia

CORPORATE STRUCTURE AS AT 31 MAY 2010

ANCOM BERHAD

100%	**Rhodemark Development Sdn Bhd**
100%	**Ancom Overseas Ventures Sdn Bhd**

Rhodemark Development Sdn Bhd — 36.12%; Ancom Overseas Ventures Sdn Bhd — 0.05%

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100%		Ancom Systems (Singapore) Pte. Ltd.
	100%	Ancom Electrical & Environmental (S) Pte. Ltd.
	100%	Ancom Electrical (Hong Kong) Ltd.
100%		Ancom Electrical (Malaysia) Sdn. Bhd.
67%		Ancom Components (M) Sdn. Bhd.

Note: Only active Companies in the Group are shown in this Corporate Structure.

LIST OF PRINCIPAL OFFICES

Ancom Logistics Berhad
(Formerly Known as Tamco Corporate Holdings Berhad)
802, Block A, Pusat Dagangan Phileo Damansara 1,
No. 9, Jalan 16/11, Off Jalan Damansara,
46350 Petaling Jaya,
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Malaysia
Tel : (603) 7660 0008
Fax : (603) 7660 5006
www.ancomlogistics.com.my
Abdul Latif Bin Mahamud
(Group Managing Director)

Ancom Electrical (Malaysia) Sdn Bhd
No. 35, Persiaran Industri
Bandar Sri Damansara
52200 Kuala Lumpur
Malaysia
Tel : (603) 6276 8732
Fax : (603) 6272 1137
Chong Yen Hong
(General Manager)

Ancom Components Sdn Bhd
7, Jalan Empat
Off Jalan Chan Sow Lin
57100 Kuala Lumpur
Malaysia
Tel : (603) 9223 0288 / 0289
Fax : (603) 9223 7388
Yim Yoke Koon
(General Manager)

Ancom Systems (Singapore) Pte Ltd
No. 5 Penjuru Close, 3rd Floor
Singapore 608600
Tel : (65) 6862 3777
Fax : (65) 6862 8628
www.ancom-systems.com
Aida Mok Lai Fun
(Chief Executive Officer, Systems Division)

Ancom Electrical (Hong Kong) Limited
Room 1501, 15/F, CAC Tower,
165 Hoi Bun Road, Kwun Tong,
Kowloon, Hong Kong
Tel : (852) 2833 6966
Fax : (852) 2838 0724
www.ancom.com.hk
Aida Mok Lai Fun
(Chief Executive Officer, Systems Division)

FIVE-YEAR HIGHLIGHTS OF THE GROUP

	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000	2006 RM'000
Operating revenue	**51,288**	66,094	63,685	428,665	387,285
(Loss)/profit from operations	**(914)**	3,680	(4,123)	28,351	19,064
(Loss)/profit before taxation	**(2,089)**	2,420	(9,503)	19,777	10,822
(Loss)/profit after taxation	**(2,374)**	(682)	(10,346)	16,500	5,827
Effective rate of taxation (%)	**N/A**	N/A	N/A	16.6%	46.2%
(Loss)/profit from discontinued operation	**-**	(25,498)	147,710	-	-
Net (loss)/profit attributable to shareholders of the Company	**(2,374)**	(26,055)	137,364	16,821	6,508
Assests employed					
Property, plants, equipment and prepaid lease payment	**14,388**	14,875	16,386	61,006	56,102
Investments	**3,902**	4,128	8,744	9,987	10,350
Other non-current assets	**645**	766	770	25,929	26,352
Current assets	**37,662**	41,379	209,570	329,647	313,781
Total assets	**56,597**	61,148	235,470	426,569	406,585
Financed by:					
Share capital	**51,898**	51,898	129,744	129,744	129,744
Reserves	**(26,145)**	(22,447)	(4,267)	(24,883)	(8,439)
Shareholders' funds	**25,753**	29,451	134,011	154,627	138,183
Minority interests	**-**	-	125	-	49
Total shareholders' funds and minority interests	**25,753**	29,451	134,136	154,627	138,232
Non-current liabilities	**78**	150	772	63,376	65,337
Current liabilities	**30,766**	31,547	100,562	208,566	203,106
Total funds employed	**56,597**	61,148	235,470	426,569	406,675
Shareholders' interests					
	Sen	Sen	Sen	Sen	Sen
(Loss)/earnings per share	**(0.91)**	(10.1)	52.9	6.5	2.5
Dividend per share	**-**	-	61.3	-	-
Net assets per share	**9.9**	11.3	51.6	59.6	53.3
Depreciation and amortisation	**890**	1,330	11,830	10,985	13,493
Interest expense	**949**	1,235	7,973	7,810	7,955

BOARD OF DIRECTORS

Dato' Abdul Latif bin Abdullah
Aged 60, Malaysian
Non-Independent Non-Executive Chairman

Dato' Abdul Latif bin Abdullah, aged 60, Non-Independent Non-Executive Chairman, appointed on 20 August 2004 as Chairman. He was re-designated as Executive Chairman on 1 December 2004 and later as Non-Executive Chairman on 1 June 2006. He is a member of the Remuneration and Nomination Committee ("R&N Committee")

He obtained a Bachelor of Arts (Hons) degree in International Relations from University Malaya (1975), Master Degree in Marine Law & Policy from University of Wales (1981), and has attended Senior Management Development Program at Harvard Business School (1992). He is a member of Chartered Institute of Logistic and Transport, United Kingdom.

Dato' Abdul Latif's career began with the Ministry of Foreign Affairs in 1975. He later joined Malaysian International Shipping Corporation Berhad and, from 1982 to 1992, he was with Perbadanan Nasional Shipping Line Berhad (PNSL) where he held a number of senior positions within the PNSL Group. In 1990, he became a founder Director of Mitsui OSK Lines (M) Sdn Bhd and he now remains as the Chairman since his retirement in 2005.

He was previously Executive Chairman of Realmild (M) Sdn Bhd and Chairman of Radicare (M) Sdn Bhd and Labuan Shipyard & Engineering Sdn Bhd from March 2006 to December 2009. He was Chairman of Penang Port Sdn Bhd from January 2004 to December 2009, Chairman of the International Shipowners' Association of Malaysia from 1998 to 2008 and was Vice-Chairman of the Malaysian Shipowners' Association. He was also a public interest Director in Bursa Malaysia Berhad from April 2004 to April 2010.

Presently, Dato' Abdul Latif serves as Chairman of several other corporations, namely Efficient E-Solutions Berhad and Amanah Raya Asian Finance Islamic Marine Fund. He also served as Deputy Chairman of Ekowood International Berhad and holds various private company directorships in Malaysia.

BOARD OF DIRECTORS *(CONT'D)*

Dato' Siew Ka Wei
Aged 54, Malaysian
Non-Independent Non-Executive Deputy Chairman

Dato' Siew Ka Wei, aged 54, appointed as Non-Independent Executive Director on 17 October 2001 and on 20 August 2004, he was re-designated as the Non-Independent Non-Executive Deputy Chairman. He is a member of the Audit Committee and R&N Committee.

Dato' Siew graduated with a Bachelor of Science (Hons) degree in Chemical Engineering and a Master of Science degree in Operational Research from the Imperial College of Science, Technology and Medicine, London, United Kingdom. He has local and international working experience in the field of petrochemicals for more than 30 years. He was the Chairman of the Malaysian Chapter of the Young Presidents Organisation ("YPO"), an international grouping of more than 10,500 chief executive officers and leaders of major companies and organisations over the world. He became a director of the International Board of Directors of YPO in 2000 and served until 2003 during which he was Chairman of YPO Global Leadership Congress in Beijing, China.

Dato' Siew is currently the Group Managing Director of Ancom Berhad and Nylex (Malaysia) Berhad.

Dato' Siew is a substantial shareholder of the Company via his interest in Ancom Berhad.

Abdul Latif Bin Mahamud
Aged 53, Malaysian
Group Managing Director

Abdul Latif bin Mahamud, aged 53, appointed as Managing Director on 1 January 2005 and on 1 July 2005 was re-designated as Group Managing Director.

Abdul Latif graduated with a degree in Electrical Engineering from University Technology MARA, Malaysia and holds an MBA from University of Hull, England.

Abdul Latif began his career in Asea Brown Boveri as a Substation Design Engineer in 1982 and subsequently headed its substation contracts department. He joined Groupe Schneider in 1992 as General Manager, Operations in charge of Power Transmission & Distribution sales, contract management and assembly workshop. In 1995, he joined EPE Power Corporation Berhad ("EPE") as Senior General Manager – Power Distribution and in 2000 was appointed Chief Operation Officer in charge of the EPE Group's power generation, transmission and distribution businesses. He became Managing Director of EPE in 2001. He was designated Chief Executive Officer and Executive Director of Ranhill Power Bhd in 2004 following the acquisition of EPE by Ranhill Bhd.

Abdul Latif has no directorship in other public listed companies.

Lim Hock Chye
Aged 55, Malaysian
Independent Non-Executive Director

Lim Hock Chye, age 55, Independent Non-Executive Director, joined the Board on 5 December 2003 and is currently the Chairman of the R&N Committee and a member of the Audit Committee.

He gained his LL.B (Hons) degree from University of London, United Kingdom and holds a Certificate in Legal Practice. Mr Lim was formerly a consultant with an organisation promoting good corporate governance and practices. Prior to that, he was a Deputy Editor with the Star Newspaper, where he wrote for the Business Section.

He was also a panel speaker for Rating Agency of Malaysia and Bursatra Sdn Bhd on Continuing Education Programmes for public-listed company directors. He continues to lecture on promotion of good corporate governance within Corporate Malaysia.

Currently, he sits on the Board of Silver Bird Group Berhad, TSM Global Berhad and Nylex (Malaysia) Berhad and is the Group Director Strategic Planning at HELP University College Kuala Lumpur.

Safrizal Bin Mohd Said
Aged 44, Malaysian
Independent Non-Executive Director

Safrizal bin Mohd Said, aged 44, was appointed as Independent Non-Executive Director on 24 December 2002. He is the Chairman of the Audit Committee and a member of the R&N Committee.

He gained his Bachelor of Commerce degree from University of New South Wales, Australia. He is a member of CPA Australia and an appointed Council Member of the Chartered Taxation Institute of Malaysia. He has vast working experience in both the consulting as well as the commercial sectors in various capacities.

Safrizal has no directorships in other public listed companies.

Notes:

1) All the Directors are Malaysian.
2) There is no family relationship between the directors and/or major shareholders of the Company. None of the Directors has any financial interest in any business arrangement involving the Group.
3) The attendance and securities holdings of the Directors are respectively disclosed in page 11 and page 75 of this Annual Report.
4) None of the Directors has been convicted of any offence, other than traffic offences, if any, within the past ten (10) years.

On behalf of the Board of Directors ("the Board"), I take great pleasure to present to you the Annual Report and Audited Financial statements of Ancom Logistics Berhad ("ALB") and its subsidiaries ("the Group" or "ALB Group") for the financial year ended 31 May 2010 ("FY2010").

CHAIRMAN'S STATEMENT

REVIEW OF FINANCIAL PERFORMANCE

During the financial year, the Group experienced a softening market demand for the Malaysian and Hong Kong operations. Projects secured in the year under review were lower compare to last year. Only our Singapore operation achieved higher revenue with the completion of the two integrated resorts in the country. Overall, the Group posted 22% lower revenue of RM51 million compared to RM66 million last year.

The fall in revenue resulted in the Group incurring a loss before taxation of RM2.1 million in FY2010 compared to a profit before taxation of RM2.4 million last year.

The operating environment of the Group remains challenging and competitive for the forthcoming financial year despite our ability to secure projects towards the end of FY2010. The Group will continue to review its business strategies to adapt to the changes in market conditions.

CORPORATE DEVELOPMENT

I would like to take this opportunity to thank our shareholders in approving the Restructuring Scheme of the Company in the Extraordinary General Meeting on 7 September 2010. The application to the High Court of Malaya was submitted immediately on 8 September 2010 for the Proposed Capital Reduction, which is the final approval require before the entire scheme can be completed.

Barring any unforeseen circumstances, we expect the Restructuring Scheme will complete in January 2011.

APPRECIATION

On behalf of the Board of Directors, I would like to take this opportunity to thank the management and staff for their dedicated service and commitment towards the Group in the past year.

My heartfelt appreciation also goes out to our shareholders, valued customers and business associates for their confidence and support, especially in such a challenging moment and we look forward to your continued support.

I would also like to thank my fellow colleagues on the Board for their counsel and invaluable dedication towards the Group.

Dato' Abdul Latif bin Abdullah
Chairman

Petaling Jaya
11 October 2010

STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

The Board acknowledges the importance of adopting good corporate governance practices in discharging its duties and responsibilities to safeguard and enhance shareholders' value and financial performance of the Company and its subsidiary companies ("Group").

The Board has taken steps as far as practical to comply with the principles of The Code of Corporate Governance issued by the Finance Committee on Corporate Governance and the Malaysian Code on Corporate Governance (Revised 2007) (collectively the "Code") during the financial year ended 31 May 2010 to the extent as disclosed in this Statement.

BOARD OF DIRECTORS

Composition

The Board is made up of five (5) Directors comprising one (1) Executive Director who is the Group Managing Director and four (4) Non-Executive Directors, two (2) of whom are Independent Directors. The composition of the Board is in compliance with the Listing Requirements Of Bursa Malaysia Securities Berhad For The ACE Market ("ACE Market Listing Requirements") to have at least two (2) Independent Directors.

The Board comprised of Directors who are persons with a wide range of experience, acumen, skill and functional knowledge in business and public services with a diverse academic background in engineering, legal, accounting and marketing.

The presence of a majority of Non-executive Directors on the Board provided the necessary check and balances on the conduct on the Group Managing Director in managing the business of the Group. The Independent Non-executive Directors were all independent of management and were free from any business or other relationship which would materially interfere with the exercise of their independent judgment. They are people of caliber, credibility and have the necessary skill and experience to bring an independent judgment to bear on the issues of strategy, business performance, resources and standards of conduct. They provided independent and constructive views in the Board's discussion. They were involved actively in the Board Committees of the Company.

The Board is satisfied with the composition of the Board during the financial year. The Board is also of the view that the Board has the right mix of skill, experience and knowledge to deal with the strategic direction, investment and management of the Group.

The profile of the Directors are set out in pages 6 to 8 of this Annual Report.

Meetings and Supply of Information

During the financial year, the Board met five (5) times. The details of attendance of each Director at the Board meetings held during the financial year were as follows:

Name of Directors	Number of meetings attended	% Attendance
Dato' Abdul Latif bin Abdullah	3/5	60%
Dato' Siew Ka Wei	5/5	100%
Abdul Latif bin Mahamud	5/5	100%
Safrizal bin Mohd Said	5/5	100%
Lim Hock Chye	5/5	100%

The Board received Notice of Meeting and the Agenda with the relevant documents on matters requiring its consideration prior to and in advance of each meeting and vide circular resolutions. The Board papers and papers accompanying the circular resolutions were comprehensive and encompassed both quantitative and qualitative factors of the matters at hand so that informed decisions could be made. All proceedings at the Board meetings were minuted and confirmed by the Board at the subsequent meeting.

Senior management staff, as well as advisers and professionals appointed to advise on corporate proposals, were invited to attend the Board meetings to provide the Board with their explanations on certain agenda items tabled to the Board, and to furnish clarification on issues that were raised by the Directors.

All Directors were vested with the rights and unlimited access to information with regard to the Group's activities. They have access to the advice and services of the Company Secretaries and may engage independent professional advice in the matters connected with the discharge of their responsibilities as they may deem necessary and appropriate at the Company's expense.

Duties and Responsibilities

The Board is responsible for the Group's overall strategic direction, business and financial performance, risk management, internal control and management information systems and investors' relation.

The principal duties and responsibilities of the Board are as follows:

- Formulating the business direction and objectives of the Group;
- Reviewing, adopting and approving the Group's annual budgets, strategic plan, key operational initiatives, major investment and funding decisions;
- Overseeing the conduct of business of the Group by reviewing its performance against budgets; and
- Reviewing the risk management framework and adequacy and integrity of the Group's internal control system and management information system to ensure compliance with the relevant laws, rules, regulations, directives, guidelines and the business objectives of the Group.

The Board played an active role in formulating the Group's overall strategic direction and in reviewing the Group's business and financial performances. At the beginning of each financial year, Management would present the strategy for the new financial year together with the annual budget and financial performance forecasts to the Board for approval.

The Board would appraise the Group's actual business and financial performances against the budget and forecasts at the quarterly Board meetings.

The key matters reserved for the Board's approval include the Annual Business Plan, significant corporate proposals including acquisitions and disposal of companies within the Group, Group business restructuring, new issue of securities, acquisitions and disposal of significant assets and expenditure above a certain amount.

The Board has established an Audit Committee and a Remuneration and Nomination Committee which are entrusted with specific responsibilities to oversee the affairs of the Company with authority to act on behalf of the Board in accordance with their respective Terms of Reference. At each Board meeting, the Chairman of the respective Board Committees would report to the Board on the key matters discussed by the Board Committees at its respective meetings. Minutes of the Board Committee meetings are also enclosed together with the Board papers for the Directors' attention.

The activities of the Audit Committee and the Remuneration & Nomination Committee are further discussed in separate sections of this Statement.

The roles of the Non-executive Chairman and the Group Managing Director are distinct and separated with clear division of responsibilities to ensure a balance of power and authority. The Chairman holds a Non-executive position and is primarily responsible for ensuring the Board's effectiveness and conduct in discharging its responsibilities. The Group Managing Director has overall responsibility for the day-to-day management of the Group's business and operations and for implementing the Board's policies and decisions. He is supported by the management team and the various subsidiaries heads. At the quarterly Board meetings, the Group Managing Director provides the Board with an update on the Group's key strategic initiatives and key operational issues.

Training and Education

All the Directors have completed the Mandatory Accreditation Programme and would continue to attend the Continuing Education Programme as prescribed by the ACE Market Listing Requirements.

The Board believes that the Directors should receive continuous training from time to time, particularly in view of the changing laws, regulations and business environment in which the Group operates. The Directors will continue to undergo other relevant training programmes to further enhance their skills and knowledge where relevant.

Re-election of Directors

In accordance with the Company's Articles of Association, a newly appointed Director is subject to retirement and is entitled for re-election at the annual general meeting after his/her appointment.

All Directors retire on a rotational basis once every three (3) years and are entitled to offer themselves for re-election at the Company's annual general meeting.

The Group Managing Director does not have a service contract which the notice period for termination is more than one (1) year. For re-election of Directors at the annual general meeting, the notice of annual general meeting will state the name of the Directors seeking to be re-elected with a brief description of their:

- Age and nationality
- Status (whether independent or non-independent)
- Relevant experience /qualifications /occupations
- Directorships in other listed companies
- Shareholding in the Company and its subsidiaries
- Family relationship with any directors and/or substantial shareholders of the Company
- Any conflict of interest with the Company
- Any convictions for offences within the past 10 years other than traffic offences

The motions to re-elect Directors are voted individually.

BOARD COMMITTEES

In accordance with the best practices of the code, the Board has established the following committees which operate within clearly defined terms of reference.

Audit Committee

The Audit Committee Report is set out separately on pages 17 to 20 of this Annual Report.

Remuneration and Nomination Committee

The Board has established the Remuneration and Nomination Committee ("R&N Committee"), whose members comprised the following:

Lim Hock Chye, Chairman
Dato' Abdul Latif bin Abdullah
Dato' Siew Ka Wei
Safrizal bin Mohd Said

The R&N Committee is responsible for reviewing and assessing the effectiveness of the Board as a whole and the Board Committees and for assessing the performance of the Executive Directors. It is also responsible for reviewing the required mixed of skills and experience and core competencies which the Non-executive Directors should bring to the Board and for proposing and recommending to the Board candidates for all Directorships to be filled by the Board or the shareholders. In making its recommendation, the R&N Committee would consider the candidates' skill, knowledge, expertise and experience, professionalism, integrity and in the case of independent non-executive directors – the candidates' ability to discharge such responsibilities and functions expected from them.

The R&N Committee also assume the task of recommending to the Board the remuneration package for the Executive Directors in all its forms, drawing from outside advice as necessary at the Company's expense, taking into consideration the Executive Directors' responsibilities, contributions and performances, as well as the market-rate for similar positions in comparable companies. The R&N Committee is also responsible for recommending the remuneration of the Non-executive Directors, including Directors' fee, after taking into account comparison with payment by similar companies, to the Board for its endorsement.

It is the ultimate responsibility of the Board as a whole to decide the appointment and remuneration for the Directors. The Directors' fees would be submitted to the shareholders for approval at the annual general meeting of the Company.

During the financial year, the R&N Committee had one meeting which was attended by all members. During the meeting, the R&N Committee reviewed and assessed the composition of the Board and the Board Committees and was satisfied that the Board composition was appropriate and that there was a mix of Executive and Non-executive Directors on the Board. The R&N Committee was also satisfied with the caliber, credibility, skills and experiences of the Non-executive Directors to bring independent judgment to bear on issue of strategy, performance and resources. The Board composition was in compliant with the Code and that the Board and the Board Committees were effective in discharging their respective responsibilities.

In view of the above, the R&N Committee did not recommend the Board to make any new appointment during the financial year.

The R&N Committee was also responsible for reviewing the remuneration of the Group Managing Director and made recommendation on the same for the Board approval. The Group Managing Director's remuneration consists of monthly salary, bonuses, benefit-in-kind ("BIK") and other benefits which the Board will approve from time to time. The Group Managing Director's remuneration is linked to the performance of the Group in the financial year. The Group Managing Director did not participate in the Board deliberation on his remuneration at the Board meeting.

For the current financial year, the R&N Committee had not engaged a consultant to do a comparative study on the Directors' remuneration. Based on the members' personal experience, the R&N Committee proposed that the Directors' fee for the Chairman of the Board and the Non-executive Directors to remain at RM60,000 and RM50,000 respectively. Members of the Audit Committee would receive a fee of RM15,000 each while the members of the R&N Committee would receive a fee of RM5,000 each. The total Directors' fee payable by the Company for the current financial year amounts to RM270,000. In addition, the Non Executive directors would receive an attendance allowance of RM416.67 per Board/Committee meetings attended.

The Board has endorsed the R&N Committee's recommendation and will seek the approval of the Company's shareholders at the forthcoming annual general meeting for the payment of Directors' fee.

Other than the Non-executive Chairman who was provided with a car, the Non-executive Directors are not entitled to any BIK.

The Group Managing Director is not entitled to the Director's fee and attendance allowance for the Board/Committee meetings he attended.

DIRECTORS' REMUNERATION

The breakdown of the remuneration received and receivable by the Directors from the Company and its subsidiaries during the financial year is disclosed in Note 6 to the financial statement.

Shareholders

Investors' Relations and Shareholders' Communication
The Board recognises the importance of accountability to its shareholders, stakeholders and investors through proper, timely and adequate dissemination of information on the Group's performance and other development via an appropriate channel of communication. During the financial year ended 31 May 2010, the annual report, the interim financial reports and other announcements, the circulars to shareholders and press releases are the primary modes of communication to report the Group's business, results and other major developments to its shareholders, stakeholders and investors.

In addition, shareholders, stakeholders and investors who wish to convey their concerns or queries on the Company can direct them to the Board, at Unit C508, Block C, Kelana Square, Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan or fax at 03-7804 1316.

General Meetings

The Company's general meetings are the principal forum for dialogue between the Company and its shareholders and investors.

At the general meetings, the Board encourages and welcomes shareholders to ask questions regarding the affairs of the Group, its financial performance and on the resolutions being proposed at the meetings. The Company holds its general meetings at venue that is easily accessible by the shareholders and at a time convenient to the shareholders to encourage them to attend the meetings.

The Company held its 43rd Annual General Meeting ("AGM") at the Petaling Jaya Hilton at No.2, Jalan Barat, 46200 Petaling Jaya, Selangor. The Notice of the AGM and the annual Audited Financial Statement and the related circulars were sent to the shareholders in accordance with the regulatory and statutory provisions. The Notice was advertised in a national English newspaper within the prescribed deadlines.

During the AGM, the Group Managing Director gave a briefing on the performance during the financial year and his view and insights on the future prospects of the Group's businesses. There were active participation by the shareholders in the discussions. The Chairman, when presenting the agenda items for voting, also gave a brief background on the items to be voted and shareholders were invited to give their views and comments before voting commenced.

The shareholders approved all the resolutions put forth at the AGM and the results of the AGM were announced to the shareholders via the Bursa Link on the same day after the AGM.
Proceedings of the AGM were properly minuted and the shareholders may inspect the minutes in accordance with the provisions of the Companies Act, 1965.

The Notice for the forthcoming 44th AGM of the Company, which will be held on 24 November 2010, is on pages 77 and 78 of this Annual Report.

ACCOUNTS AND AUDIT

Financial Reporting

The Board aims to present a balanced and meaningful evaluation and assessment of the Group's financial performance, financial position and future prospects of the Group in the annual Audited Financial Statements and the quarterly Interim Financial Reports of the Company and of Group.

The Directors are responsible for keeping proper accounting records, which disclosed with reasonable accuracy at any time the financial position of the Company and the Group, to enable them to ensure that the financial statements comply with the Companies Act, 1965 and approved Financial Reporting Standards ("FRS").

A statement by the Board on its responsibilities for preparing the annual Audited Financial Statements is set out in page 24 of this Annual Report.

The Group's annual Audited Financial Statements are reviewed by the Audit Committee together with the external auditors and the management of the Company. For the quarterly Interim Financial Reports, these are reviewed by the Audit Committee and the management. Thereafter, the Audit Committee will recommend to the Board to approve same prior to releasing to Bursa Malaysia Securities Berhad within the stipulated time frame.

Internal Control

The Directors acknowledge their responsibility to maintain a sound system of internal controls covering not only financial controls but also operational and compliance controls as well as risk management. This system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's corporate objectives, as well as to safeguard shareholders' investments and the Group's assets. The Board, through the Audit Committee, seeks the regular assurance on the continuity and effectiveness of the internal control system through independent reviews by the internal auditor and the external auditors.

The report of the Audit Committee is separately set out in pages 17 to 20 of this Annual Report while the scope and results of the internal audit review by the Audit Committee are detailed in the Statement of Internal Control in pages [ ] of this Annual Report.

Relationship with Auditors

The Board has established a formal, transparent and appropriate relationship with the Group's auditors, both external and internal, through the Audit Committee.

As per its Terms of Reference, the Audit Committee has been explicitly accorded the power to appoint, to decide on the remuneration and the resignation/dismissal of the external auditors. It has also been empowered to ensure that the internal audit function reports directly to the Audit Committee, that it is independent of the functions it audits and has all the authorities and resources to carry out its responsibilities. The Audit Committee also has the authority to appoint and accept the resignation/dismissal of the senior members of the internal audit function. It would also approve the Internal Audit plan and review and assess the performance of the internal audit function.

CONCLUSION

The Board recognises the importance of the Group practising good corporate governance and has made it a corporate policy to continually improve on its corporate governance practices and structure to achieve on optimal governance framework.

REPORT OF AUDIT COMMITTEE

In accordance with paragraph 15.15 of the Listing Requirements of Bursa Malaysia Securities Berhad for ACE Market ("ACE Market Listing Requirement"), the Board has pleasure in submitting the Audit Committee Report for the financial year ended 31 May 2010.

TERMS OF REFERENCE

Composition

The Audit Committee shall be appointed by the Board from amongst its members and shall comprise of at least three (3) Directors. The majority of the members of the Audit Committee shall be Independent Non-Executive Directors.

The Chairman of the Audit Committee shall be elected from amongst the members and he shall be an Independent Director. If a member of the Audit Committee resigns or for any reason ceases to be a member resulting in the number of members being less than the required number, the Board shall appoint such number of new members as may be required to make up the minimum number of members within three (3) months of that event. All members of the Audit Committee including the Chairman shall hold office until otherwise determined by the Board or until they cease to be a Director of the Company.

One of the Company Secretaries shall be the Secretary of the Audit Committee.

Functions

The Audit Committee shall discharge the following functions:

1. Review the following and report same to the Board of Directors of the Company:

    (a) With the external auditors, the audit plan, the scope of work and ascertain that it will meet the needs of the Board, the shareholders and the authorities;

    (b) With the external auditors, their evaluation of the quality, effectiveness and the integrity of the Group's system of internal control;

    (c) With the external auditors, their audit report including management letter on internal control weaknesses and the management's responses thereof;

    (d) The assistance given by the employees of the Company to the external auditors;

    (e) The adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;

    (f) The internal audit program, processes, the results of the internal audit program, processes and investigation undertaken and whether or not appropriate actions have been taken on the recommendations of the internal audit functions;

    (g) The quarterly interim financial reports and annual audited financial statements, prior to the approval by the Board, focusing particularly on:

        i. changes in or implementation of major accounting policy changes;

        ii. significant and unusual events;

        iii. compliance with accounting standards and other legal requirements, and the going concern assumption; and

        iv. the accuracy and adequacy of the information disclosed;

(h) Any related party transactions and conflict of interest situations that may arise within the Group and with any related parties outside the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(i) Any letter of resignation from the external auditors of the Company;

(j) Whether there is a reason (supported by grounds) to believe that the Company's external auditors are not suitable for reappointment;

(k) Nomination of external auditors and to fix their terms of appointment and remuneration; and

(l) Any other matters as directed by the Board from time to time.

2. In discharging the above functions, the Audit Committee shall at the cost of the Company:

(a) Have the authority to investigate any matter within its terms of reference;

(b) Have the resources which are required to perform its duties;

(c) Have full and unrestricted access to any information pertaining to the Group;

(d) Have direct communication channels with the external auditors and persons carrying out the internal audit functions;

(e) Be able to obtain independent professional and other advices and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary; and

(f) Be able to convene meeting with the external auditors excluding the attendance of the executive member of the Audit Committee, whenever deemed necessary.

Meeting

The Audit Committee shall meet four (4) times a year and additional meetings may be convened as and when deemed necessary. The quorum for each meeting shall be two (2) members, all of whom must be Independent Directors. Agenda shall be sent to all members of the Audit Committee and any other persons who may be required to attend the meeting at least seven (7) days prior to the meeting unless the members in the meeting waive such requirement. The Audit Committee may invite other Directors and employees of the Group to attend any meeting, as it deems fit.

Decision of the Audit Committee shall be by a majority of votes. In the case of equality of votes, the Chairman, or if he is absent, the Chairman of the meeting elected from amongst the members attending the meeting, shall have a second and casting vote.

Minutes

Minutes of each meeting, signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting, shall be deemed a correct recording of the proceedings thereat without any further proof of the fact stated thereof. The Secretary shall keep the minutes. Copies of the minutes shall be distributed to all members of the Audit Committee and the Board of Directors for information.

COMPOSITION

During the financial year, the Audit Committee comprised the following:

- Safrizal bin Mohd Said - Independent Non-executive Director
  (*Chairman*)

- Dato' Siew Ka Wei - Non-Independent Non-Executive Deputy Chairman
  (*Member*)

- Lim Hock Chye - Independent Non-executive Director
  (*Member*)

During the financial year, the composition of the Audit Committee complied with paragraph 15.09 of the ACE Market Listing Requirements.

MEETING AND ATTENDANCE

The Audit Committee held five (5) meetings during the financial year. The internal auditors and the external auditors attended five (5) and one (1) Audit Committee meetings respectively. The attendance of the Audit Committee members at the meetings held during the financial year was as follows:

Members	Number of meetings attended	% attendance
Safrizal bin Mohd Said	5/5	100.0%
Lim Hock Chye	5/5	100.0%
Dato' Siew Ka Wei	5/5	100.0%

SUMMARY OF ACTIVITIES

The Audit Committee carried out its duties in accordance with its Terms of Reference during the financial year ended 31 May 2010. These included, inter-alia, the review of the following:

1. Financial Results

   (a) The quarterly interim financial reports with management to ensure that they adhered to regulatory reporting requirements. The Audit Committee also took appropriate actions to resolve all accounting matters requiring significant judgment and made recommendations to the Board of Directors to adopt the quarterly interim financial reports;

   (b) The annual audited financial statements with the external auditors prior to submission for approval of the Board of Directors. The review was, inter-alia, to ensure that the annual audited financial statements complied with the provisions of the Companies Act, 1965, the ACE Market Listing Requirements, the approved accounting standards of the Malaysian Accounting Standard Board ("MASB") and other statutory and regulatory requirements;

2. External / Internal Audits

   (a) The external audit plan with the external auditors taking into cognisance the emerging financial reporting issues pursuant to the introduction of new MASB standards and additional statutory / regulatory disclosure requirements;

   (b) Significant financial matters that came to the attention of the external auditors in their course of work and took appropriate action to resolve same;

(c) The internal audit plan with the internal auditors;

(d) Significant internal control issues highlighted by the internal auditors, the management's responses in relation thereto and the measures taken by management to rectify the weaknesses and to strengthen the existing risk management process;

(e) The external and internal auditors' fees and made recommendation for their reappointment to the Board of Directors.

3. Related Party Transactions

(a) related party transactions entered into by the Company and the Group.

During the respective Board of Directors' Meeting, the Chairman of the Audit Committee briefed the Board on issues raised in respect of the internal audit and internal control, the quarterly interim financial reports, annual audited financial statements and the recommendations of the Audit Committee thereon.

INTERNAL AUDIT FUNCTION

The Audit Committee is aware that an independent and adequately resourced internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness and adequacy of the internal control system.

In April 2008, the Audit Committee outsourced the internal audit function to the Internal Audit team from Ancom Berhad, Holding Company of Ancom Logistics Group.

Amongst the responsibilities of the internal auditors were to:

1. Assist the Board in reviewing the adequacy, integrity and effectiveness of the Group's internal control system for the Board to make an accurate Statement on Internal Control in the Annual Report;

2. Support the Audit Committee in identifying and evaluating the existing internal control system and consequently to determine the future requirements for internal control system and to co-develop a prioritized action plan;

3. Perform a risk assessment of the Group to identify the business processes within the Group that internal audit should focus on; and

4. Allocate audit resources to areas within the Group that provide the management and the Audit Committee with efficient and effective level of audit coverage.

At each of the Audit Committee meeting, the internal auditors reported to the Audit Committee their findings with highlight on weaknesses noted, their recommendations of the corrective action to be taken by the management and the management's response on the findings and recommendations. In subsequent internal audit progress reports, the internal auditors had reported on their findings on the follow up reviews to the Audit Committee.

CONCLUSION

Based on the above, the Audit Committee is of the opinion that it has discharged its duties in accordance with the Terms of Reference as established above.

Please refer page 21 of this Annual Report for the Statement on Internal Control.

STATEMENT ON INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance stipulates that a listed company should maintain a sound internal control system to safeguard its shareholders' investment and its assets.

The Group's Statement on Internal Control for the financial year ended 31 May 2010 is made pursuant to Paragraph 15.26(b) of the Bursa Securities Listing Requirements for ACE Market, and has been prepared in accordance with the "Standard of Internal Control – Guidance for Directors of Public Listed Companies" issued by the Institute of Internal Auditors and with the support and endorsement by Bursa Malaysia Securities Berhad.

For the purpose of this Statement, the Group means the Company and its subsidiary companies, excluding the associate companies. This Statement does not cover the associate companies as the Company does not have control over the operations, management and internal control system of these companies.

RESPONSIBILITY FOR INTERNAL CONTROL

The Board is committed to the maintenance of a sound internal control system which includes the establishment of an appropriate control environment and framework, and the subsequent periodic review of the effectiveness, adequacy and integrity of the system.

Due to its inherent limitations, the Group's internal control system is designed to manage and mitigate, rather than to eliminate, the risk that may impede the achievement of the Group's business objectives. Further, the cost of control procedures should not exceed the benefits to be gained from such control procedures. As such, the internal control system can only provide reasonable and not absolute assurance against material mis-statement of management or financial information or against financial losses or frauds.

KEY ELEMENTS OF INTERNAL CONTROL

The principal features of the Group's internal control system during the financial year ended 31 May 2010 are as follows:

- *Organisation structure and responsibility levels*

  The Group has established an organization structure with clearly defined level of authorities and lines of responsibility from operating units up to the Board level to ensure accountabilities for risk management and control activities.

  The Board entrusted the daily running of the business to the Group Managing Director and his management team. The Group Managing Director was assisted by Senior Management who were "hands-on" in running the operating divisions. Experienced and competent employees were placed in positions of responsibility to ensure that the objectives of the Group's internal control system are achieved.

  The Board of Directors received timely information pertaining to the operation, performance and profitability of the Group and was alerted of any significant matters that required its immediate attention by the Group Managing Director.

- *Audit Committee and internal audit*

  The Audit Committee was entrusted by the Board to ensure that an effective and adequate internal control system is in place at all times. To assist the Audit Committee in discharging its duties and responsibilities, the Audit Committee had outsourced the internal audit function to the Internal Audit Team ("IA Team") from Ancom Berhad, the Holding Company of Ancom Logistics Group with effect from April 2008, to take charge of the Group's internal audit function. The IA Team report to the Audit Committee.

  The IA Team conducted independent reviews of the key activities within the Group's operating units based on a detailed internal audit plan which has been approved by the Audit Committee.

  The IA Team reported their findings on the Group's internal control system quarterly. The IA Team would report any incidence of non-compliance of the internal control system and any other matters that would have a material effect on the Group's financial results and its going-concern assumptions. The IA Team would also ensure the all non-compliance of internal control system and weaknesses in the system are rectified without delay.

  During the financial year under review, the Board was satisfied that there were continuous effort by management to address and resolve areas with control weaknesses and that the control procedures were in place and were being followed.

- *Risk management*

  The Board has, through the Audit Committee and the IA Team, established a process for identifying, evaluating, monitoring and managing risk affecting the achievement of the Group's business objectives.

- *Reporting and review*

  The Group Managing Director met with the senior management regularly to discuss and resolve operational, corporate, financial and key management issues. A detailed performance review would be presented to the Board during the Board meetings.

  Detailed budgets were also prepared by the operating divisions and reviewed by the management. Actual results were monitored against the budget periodically.

  The Group's interim financial report and annual audited accounts would only be announced to Bursa Malaysia Securities Berhad after being reviewed by the Audit Committee and approved by the Board.

- *Group Policies and Procedures*

The Group's Policies and Procedures are a formal guide to the management and employees of the Group in carrying out their day-to-day duties. The Group's Policies and Procedures cover the following core areas:- authority limits and authorization mandates, protection and maintenance of assets, human resources management, sales, financial, procurement and operations. The Limits of Authority in the Group's Policies and Procedures will delegate authority limits to the appropriate persons to ensure accountability and segregation of duties.

CONCLUSION

The Board is satisfied that the Group's internal control system during the financial year under review was sound, effective and sufficient to safeguard the shareholders' investment and its assets.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Board understands the need for business practices that are based on ethical values and respect for the community, its employees, the environment, its shareholders and other stakeholders.

In that respect, the Group has adopted the following broad principals in carrying out its activities:

- the Group shall conduct its business ethically and with integrity, honesty and fairness and with the utmost level of corporate governance;
- the Group shall not breach the regulations and laws, and shall respect the culture of the countries in which it operates;
- the Group will build relationship with its shareholders, suppliers, customers, employees, partners and authorities that are based on trust; and
- the Group shall manage its activities according to the principles of sustainable development for the needs of future generations.

During the financial year, the Group has conducted its business activities in accordance with the above broad principles.

DIRECTORS' RESPONSIBILITIES
STATEMENT ON FINANCIAL STATEMENTS

In accordance with the Companies Act, 1965, the Directors of the Company are required to prepare financial statements for each financial year which shall give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year and of the profit and loss of the Company and of the Group for the financial year.

Pursuant to paragraph 15.26 (a) of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market ("ACE Market Listing Requirements"), the Directors are required to issue a Statement explaining their responsibilities in the preparation of the financial statements.

The Directors hereby state that they are responsible to ensure that the Company and the Group keep proper accounting records to enable the Company to disclose, with reasonable accuracy and without any material misstatement, the financial position of the Company and of the Group as at 31 May 2010 and the profit and loss of the Company and the Group for the financial year ended 31 May 2010. The Directors are also responsible to ensure that the financial statements comply with the Companies Act, 1965 and the relevant accounting standards, the ACE Market Listing Requirements and other statutory and regulatory requirements.

In preparing the financial statements for the financial year ended 31 May 2010, the Directors have:

(a) adopted the appropriate accounting policies, which are consistently applied;
(b) made judgements and estimates that are reasonable and prudent;
(c) adopted all applicable accounting standards. Material departures, if any, will be disclosed and explained in the financial statements; and
(d) prepared the financial statements on the assumption that the Company and the Group will operate as a going concern.

The Directors have provided the auditors with every opportunity to take all steps, undertake all inspections and seek all explanations they considered appropriate to enable them to give their audit report on the financial statements.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 May 2010.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are disclosed in Note 29 to the financial statements.

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net loss for the year	(2,374)	(1,741)
Attributable to:		
Equity holders of the Company	(2,374)	(1,741)
Minority interests	-	-
	(2,374)	(1,741)

There were no material transfers to or from reserves or provisions during the financial year.

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.

CHANGE OF NAME

On 11 December 2009, the Company changed its name to Ancom Logistics Berhad.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend for the current financial year.

DIRECTORS' REPORT *(CONT'D)*

DIRECTORS

The Directors who served on the Board of the Company since the date of the last report and at the date of this report are:

Dato' Abdul Latif bin Abdullah (*Non-Executive Chairman*)
Dato' Siew Ka Wei (*Deputy Chairman*)
Abdul Latif bin Mahamud (*Group Managing Director*)
Safrizal bin Mohd Said
Lim Hock Chye

In accordance with Article 103 of the Company's Articles of Association, Dato' Siew Ka Wei and Encik Abdul Latif Bin Mahamud retire by rotation and, being eligible, offer themselves for re- election.

DIRECTORS' INTERESTS

The interests in shares of the Company and of related companies of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Balance at	Number of Shares		Balance at
	1.6.2009	Acquired	Sold	31.5.2010
Ordinary Shares of RM0.20 each in the Company				
Direct				
Safrizal bin Mohd Said	5,000	-	-	5,000
Dato' Siew Ka Wei	725,867	-	-	725,867
Deemed interest				
Dato' Siew Ka Wei	94,822,922	-	(45,650)	94,777,272
Ordinary Shares of RM1.00 each in Holding Company, Ancom Berhad				
Direct				
Dato' Siew Ka Wei	14,586,765	-	-	14,586,765
Deemed interest				
Dato' Siew Ka Wei	19,421,848	-	(23,000)	19,398,848
Ordinary Shares of RM1.00 each in a related company, Rhodemark Development Sdn Bhd				
Deemed interest				
Dato' Siew Ka Wei	107,292,858	-	-	107,292,858

DIRECTORS' INTERESTS (CONT'D)

By virtue of his interest in the shares of the holding company, Ancom Berhad, Dato' Siew Ka Wei is also deemed to have an interest in the shares of all the subsidiaries of Ancom Berhad to the extent Ancom Berhad has an interest.

The other Directors do not have any interest in the shares of the Company and of related companies at the end of the financial year.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 6(a) to the financial statements or the fixed salary of a full time employee of the Company and its related corporations) of a contract made by the Company or a related corporation with any 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.

(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 allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

  (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances 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) At the date of this report, 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.

OTHER STATUTORY INFORMATION (CONT'D)

(e) At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the Directors:

(i) 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 ability of the Group or of the Company to meet their obligations as and when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE YEAR AND SUBSEQUENT EVENTS AFTER BALANCE SHEET DATE

Significant event during the year and subsequent events after balance sheet date are disclosed in Note 27 to the financial statements.

AUDITORS

The auditors, Messrs. Ernst & Young, have expressed their willingness to continue in office.

Signed for and on behalf of the Board in accordance with a resolution of the Directors dated 28 September 2010.

Dato' Abdul Latif bin Abdullah | **Abdul Latif bin Mahamud**

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Dato' Abdul Latif bin Abdullah and Abdul Latif bin Mahamud, being two of the Directors of Ancom Logistics Berhad (Formerly known as Tamco Corporate Holdings Berhad), do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 32 to 73 are drawn up in accordance with applicable Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2010 and of the results and the cash flows of the Group and of the Company for the financial year then ended.

Signed for and on behalf of the Board in accordance with a resolution of the Directors dated 28 September 2010.

Dato' Abdul Latif bin Abdullah

Abdul Latif bin Mahamud

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Lim Chang Meng, being the Officer primarily responsible for the financial management of Ancom Logistics Berhad (Formerly known as Tamco Corporate Holdings Berhad), do solemnly and sincerely declare that the accompanying financial statements set out on pages 32 to 73 are in my opinion, 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 Lim Chang Meng
at Petaling Jaya on 28 September 2010.

Lim Chang Meng

Before me,
R. Vasugi Ammal, PJK (No. W 480)
Pesuruhanjaya Sumpah
Kuala Lumpur
Malaysia

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ANCOM LOGISTICS BERHAD

Report of the financial statements

We have audited the financial statements of Ancom Logistics Berhad (formerly known as Tamco Corporate Holdings Berhad), which comprise the balance sheets as at 31 May 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 32 to 73.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with applicable Financial Reporting Standards and the Companies Act, 1965 ("Act") in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's and the Group's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and of the Group's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with applicable Financial Reporting Standards and the Act in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2010 and of their financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Act in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 29 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company 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.

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

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Act in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF:0039
Chartered Accountants
Kuala Lumpur, Malaysia
28 September 2010

Kua Choh Leang
No. 2716/01/11(J)
Chartered Accountant

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2010

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Continuing Operations					
Revenue	3	**51,288**	66,094	**-**	-
Cost of sales	3	**(39,325)**	(51,681)	**-**	-
Gross profit		**11,963**	14,413	**-**	-
Other income		**959**	3,956	**2,055**	3,003
Selling and marketing expenses		**(7,304)**	(6,023)	**-**	-
Administrative expenses		**(6,072)**	(5,729)	**-**	-
Other expenses		**(460)**	(2,937)	**(2,651)**	(41,540)
(Loss)/profit from operations		**(914)**	3,680	**(596)**	(38,537)
Finance costs	4	**(949)**	(1,235)	**(812)**	(887)
Share of results of associates		**(226)**	(25)	**-**	-
(Loss)/profit before taxation	5	**(2,089)**	2,420	**(1,408)**	(39,424)
Taxation	7	**(285)**	(3,102)	**(333)**	(2,288)
Net loss for the year from continuing operations		**(2,374)**	(682)	**(1,741)**	(41,712)
Discontinued Operations					
Loss for the year from discontinued operations	8	**-**	(25,498)	**-**	-
Net loss for the year		**(2,374)**	(26,180)	**(1,741)**	(41,712)
Attributable to:					
Equity holders of the Company		**(2,374)**	(26,055)	**(1,741)**	(41,712)
Minority interests		**-**	(125)	**-**	-
		(2,374)	(26,180)	**(1,741)**	(41,712)
Earnings per share (sen)					
- basic, for continuing operations	9	**(0.91)**	(0.22)		
- basic, for discontinued operations	9	**-**	(9.83)		
		(0.91)	(10.05)		
Net dividend per ordinary share (sen)		**-**	-		

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

BALANCE SHEETS
AS AT 31 MAY 2010

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	**4,833**	5,149	**4,206**	4,440
Prepaid land lease payments	11	**9,555**	9,726	**9,555**	9,726
Investment in subsidiaries	12	**-**	-	**1,486**	1,491
Investment in associates	12	**3,902**	4,128	**3,902**	3,902
Intangible assets	13	**346**	383	**-**	-
Deferred tax assets	21	**299**	383	**-**	-
		18,935	19,769	**19,149**	19,559
Current assets					
Inventories	14	**8,561**	9,729	**-**	-
Receivables	15	**16,469**	17,041	**38**	1
Tax recoverable		**276**	8	**-**	-
Amounts due from subsidiaries	16	**-**	-	**341**	276
Short term deposits with licensed banks	23	**4,674**	2,758	**1,020**	-
Cash and bank balances	23	**7,682**	11,843	**1,084**	2,863
		37,662	41,379	**2,483**	3,140
TOTAL ASSETS		**56,597**	61,148	**21,632**	22,699
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	19	**51,898**	51,898	**51,898**	51,898
Reserves	20	**(26,145)**	(22,447)	**(42,932)**	(41,191)
		25,753	29,451	**8,966**	10,707
Minority interests		**-**	-	**-**	-
Total equity		**25,753**	29,451	**8,966**	10,707
Non-current liabilities					
Deferred tax liabilities	21	**78**	66	**-**	-
Borrowings	18	**-**	84	**-**	84
		78	150	**-**	84
Current liabilities					
Payables	17	**16,686**	16,040	**1,533**	162
Amounts due to subsidiaries	16	**-**	-	**-**	1,426
Amounts due to associates	16	**-**	123	**-**	-
Amounts due to related companies	16	**41**	-	**-**	-
Amounts due to holding company	16	**11,037**	10,114	**11,037**	10,114
Borrowings	18	**2,819**	4,565	**96**	206
Provision for taxation		**183**	705	**-**	-
		30,766	31,547	**12,666**	11,908
Total liabilities		**30,844**	31,697	**12,666**	11,992
TOTAL EQUITY AND LIABILITIES		**56,597**	61,148	**21,632**	22,699

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

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

		Attributable to Equity Holders of the Company					
			Non-Distributable	Distributable			
		Share Capital	Translation Reserve	Retained Profits/ (Accumulated Losses)	Total	Minority Interests	Total Equity
	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 June 2008		129,744	(2,517)	6,784	134,011	125	134,136
Capital reduction	20	(77,846)	-	-	(77,846)	-	(77,846)
Currency translation differences representing net expense recognised directly in equity		-	(659)	-	(659)	-	(659)
Net loss for the year		-	-	(26,055)	(26,055)	(125)	(26,180)
Total recognised income and expense for the 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
Balance as at 1 June 2009		51,898	(3,176)	(19,271)	29,451	-	29,451
Currency translation differences representing net expense recognised directly in equity		-	(1,324)	-	(1,324)	-	(1,324)
Net loss for the year		-	-	(2,374)	(2,374)	-	(2,374)
Total recognised income and expense for the year		-	(1,324)	(2,374)	(3,698)	-	(3,698)
Balance as at 31 May 2010		**51,898**	**(4,500)**	**(21,645)**	**25,753**	**-**	**25,753**

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

COMPANY STATEMENT
OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MAY 2010

	Share Capital RM'000	Retained Profits/ (Accumulated Losses) RM'000	Total Equity RM'000
Balance as at 1 June 2008	129,744	521	130,265
Capital reduction	(77,846)		(77,846)
Net profit for the year, representing total income and expense recognised for the year	-	(41,712)	(41,712)
Balance as at 31 May 2009	51,898	(41,191)	10,707
Balance as at 1 June 2009	51,898	(41,191)	10,707
Net loss for the year, representing total income and expense recognised for the year	-	(1,741)	(1,741)
Balance as at 31 May 2010	**51,898**	**(42,932)**	**8,966**

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

CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MAY 2010

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/profit before taxation				
Continuing operations	**(2,089)**	2,420	**(1,408)**	(39,424)
Discontinued operations	**-**	(25,498)	**-**	-
Adjustments for:				
Depreciation of property, plant and equipment	**682**	1,125	**425**	648
Amortisation of prepaid land lease payments	**171**	169	**171**	169
Reversal of retirement benefits	**-**	(86)	**-**	(7)
Amortisation of development expenditure	**37**	36	**-**	-
Allowance for doubtful debts	**1,241**	581	**-**	2,059
Bad debts written off	**-**	345	**-**	8,831
Impairment of investment in subsidiaries	**-**	-	**5**	278
Impairment of property, plant and equipment	**72**	-	**-**	-
Interest expense	**949**	1,235	**812**	887
Interest income	**(32)**	(2,729)	**(19)**	(2,704)
Gain on disposal of property, plant and equipment	**-**	(2)	**-**	(2)
Loss on disposal of subsidiaries	**-**	25,498	**-**	25,498
Gain on disposal of an associate	**-**	(514)	**-**	-
Property, plant and equipment written off	**-**	99	**-**	91
(Gain)/loss on foreign exchange (net)	**(306)**	(847)	**1**	67
Translation adjustment	**4**	(772)	**-**	-
Share of results of associates	**226**	25	**-**	-
Operating profit/(loss) before working capital changes	**955**	1,085	**(13)**	(3,609)
Inventories	**1,168**	1,665	**-**	-
Receivables	**(527)**	12,525	**(39)**	9,965
Payables	**830**	(8,139)	**1,371**	(4,368)
Associates	**(123)**	113	**-**	388
Holding, subsidiaries and related companies	**964**	(16,046)	**(568)**	(12,357)
Cash generated from/(used in) operations	**3,267**	(8,797)	**751**	(9,981)
Income taxes paid	**(979)**	(1,096)	**(333)**	-
Net cash generated from/(used in) operating activities	**2,288**	(9,893)	**418**	(9,981)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	**32**	2,729	**19**	2,704
Proceeds from disposal of an associate	**-**	5,534	**-**	-
Proceeds from disposal of property, plant and equipment	**-**	278	**-**	227
Purchase of property, plant and equipment	**(461)**	(127)	**(191)**	-
Net cash (used in)/generated from investing activities	**(429)**	8,414	**(172)**	2,931

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	**(949)**	(1,235)	**(812)**	(887)
Capital repayment	**-**	(77,846)	**-**	(77,846)
Repayment of bank borrowings	**(1,185)**	(9,877)	**(109)**	-
Repayment of Bai' Bithaman Ajil Serial Bonds	**-**	(60,000)	**-**	(60,000)
Repayment of hire purchase and finance lease	**-**	(542)	**(84)**	(373)
Net cash used in financing activities	**(2,134)**	(149,500)	**(1,005)**	(139,106)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(275)**	(150,979)	**(759)**	(146,156)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	**13,720**	162,902	**2,863**	149,019
EFFECTS OF EXCHANGE RATE CHANGES	**(1,326)**	1,797	**-**	-
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (NOTE 23)	**12,119**	13,720	**2,104**	2,863

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

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Unit C508, Block C, Kelana Square, Jalan SS 7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan while the principal place of business is located at Lot 802, Block A, Pusat Dagangan Phileo Damansara 1, No.9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor.

The Company is an investment holding company. The principal activities of the subsidiaries are disclosed in Note 29.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 September 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the significant accounting policies and comply with applicable Financial Reporting Standards ("FRSs") and the provisions of the Companies Act, 1965 in Malaysia.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

(b) Applicable FRSs, amendments to FRSs and interpretations that are not yet effective and not adopted

Effective for financial periods beginning on or after 1 July 2009
FRS 8: Operating Segments
Effective for financial periods beginning on or after 1 January 2010
FRS 7: Financial Instruments - Disclosures
FRS 101: Presentation of Financial Statements (revised)
FRS 123: Borrowing Costs
FRS 139: Financial Instruments - Recognition and Measurement
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and
FRS 127: Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellations
Amendments to FRS 132: Financial Instruments - Presentation
Amendments to FRS 139: Financial Instruments - Recognition and Measurement,
FRS 7: Financial Instruments - Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
Amendments to FRSs 'Improvements to FRSs (2009)'
IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 10: Interim Financial Reporting and Impairment
IC Interpretation 11: FRS 2 Group and Treasury Share Transactions

2. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(b) **Applicable FRSs, amendments to FRSs and interpretations that are not yet effective and not adopted (cont'd)**

Effective for financial periods beginning on or after 1 March 2010
Amendments to FRS 132: Financial Instruments - Presentation
Effective for financial periods beginning on or after 1 July 2010
FRS 1: First-time Adoption of Financial Reporting Standards
FRS 3: Business Combinations (revised)
FRS 127: Consolidated and Separate Financial Statements (amended)
Amendments to FRS 2: Share-based Payment
Amendments to FRS 5: Non-current Assets Held For Sale and Discontinued Operations
Amendments to FRS 138: Intangible Assets
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
Effective for financial periods beginning on or after 1 January 2011
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters and Additional Exemptions for First-time Adopters
Amendments to FRS 2: Share-based Payment - Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7: Financial Instruments - Improving Disclosures about Financial Instruments
IC Interpretation 4: Determining Whether An Arrangement contains a Lease
IC Interpretation 18: Transfers of Assets from Customers

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial period. Unless otherwise described below, these pronouncements are expected to have no significant impact to the financial statements of the Group and the Company upon their initial application:

FRS 3: Business Combinations (revised) and FRS 127: Consolidated and Separate Financial Statements (amended)

FRS 3 (revised) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

FRS 127 (amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners and to be recorded in equity. Therefore, such transaction will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary as well as loss of control of a subsidiary.

The changes by FRS 3 (revised) and FRS 127 (amended) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Applicable FRSs, amendments to FRSs and interpretations that are not yet effective and not adopted (cont'd)

FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is currently evaluating the format to adopt. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and of the Company.

FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures

The new Standard on FRS 139: *Financial Instruments: Recognition and Measurement* establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132: *Financial Instruments: Presentation* and the requirements for disclosing information about financial instruments are in FRS 7: *Financial Instruments: Disclosures*.

FRS 7: *Financial Instruments: Disclosures* is a new Standard that requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group's and of the Company's exposure to risks, enhanced disclosure regarding components of the Group's and of the Company's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.

In accordance with the respective transitional provisions, the Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application

(c) Significant accounting judgements and estimates

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Significant accounting judgements and estimates (cont'd)

(i) Income Tax

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of the taxation and deferred taxation are disclosed in Note 7 and Note 21 respectively.

(d) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Subsidiaries and Basis of Consolidation (cont'd)

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(e) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(f) Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Property, Plant and Equipment and Depreciation (cont'd)

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress are not depreciated as these assets are not available for use.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

	%
Buildings and improvements	2.50
Plant and machinery	7.50 - 33.30
Furniture, fittings and office equipment	10.00 - 33.30
Motor vehicles	15.00 - 20.00

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(g) Intangible Assets

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Research and Development Expenditure

All research costs are recognised in the profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditures which do not meet these criteria are expensed when incurred.

Development costs, with finite useful lives, are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five years. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at least at each balance sheet date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Inventories

Raw materials and consumable stores, work-in-progress, finished products and inventory-in-transit are valued at the lower of cost and net realisable value. Cost comprises the actual cost of raw materials determined using weighted average cost and an applicable portion of labour and manufacturing overheads for work-in-progress and finished goods. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Profit earned on contracts is recognised in the income statement progressively, based on estimated cost to completion in cases where progress payments are received. On all contracts, full provision is made for any losses in the period in which they are first foreseen.

(i) Provision

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(j) Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries make contributions to their respective countries' statutory pension schemes.

(k) Income tax

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the balance sheet date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Income tax (cont'd)

Deferred tax is provided for on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(l) Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains or losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Foreign Currencies (cont'd)

(iii) Foreign Operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:-

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

(m) Revenue

Revenue represents gross invoiced value of sales, less returns and discounts, and services rendered to customers. All significant intercompany sales are eliminated on consolidation.

Interest income is recognised on a time proportion basis that reflects the effective yield on the asset.

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

(n) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(o) Impairment of Assets

The carrying amounts of assets, other than inventories and deferred tax assets, 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 to determine the amount of impairment loss.

For goodwill, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) **Impairment of Assets (cont'd)**

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

(p) **Leases**

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. Leases of land and buildings are classified as operating or finance lease in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

(i) **Finance Leases**

Assets acquired by way of hire-purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liabilities are included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2(f).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Leases (cont'd)

(ii) Operating Leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the relevant lease.

The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term. Land held under long lease is amortised evenly over the term of the lease of 99 years.

(q) Financial Instruments

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Receivables

Trade and other receivables are carried at anticipated realisable values. Bad debts are written off when identified. Debts considered to be uncollectible are written off while provisions are made for debts considered to be doubtful of collection.

(ii) Payables

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

(iii) Interest-Bearing Loans and Borrowings

Interest-bearing bank loans, bank overdrafts and bonds are recorded at the amount of proceeds received, net of transaction costs.

All borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

(iv) Equity Instruments

Ordinary shares are classified as equity. Dividend on ordinary shares are recognised in equity in the period in which they are declared.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Government Grants

Government grants are recognised initially at their fair value in the balance sheet as deferred income when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants that compensate the Group for expenses incurred are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Grants that compensate the Group for the cost of an asset are recognised as income in the same period.

(s) Non-current Assets (or Disposal Groups) Held for Sale and Discontinued Operation

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets (or all the assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, non-current assets or disposal groups are measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

3. REVENUE AND COST OF SALES

Revenue represents the gross invoiced value of sales, less returns and discounts while cost of sales represents the cost of the products sold.

4. FINANCE COSTS

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Interest expense:				
Bank overdrafts	**39**	66	**-**	-
Lease and hire purchases	**12**	19	**12**	14
Bai' Bithaman Ajil Serial Bonds ("BBA Serial Bonds")	**-**	829	**-**	829
Loan from holding company	**800**	-	**800**	**-**
Short-term borrowings	**98**	321	**-**	44
	949	1,235	**812**	887

5. (LOSS)/PROFIT BEFORE TAXATION

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Continuing operations				
This was arrived at after charging/(crediting):				
Amortisation of development expenditure	**37**	36	**-**	-
Auditors' remuneration	**111**	220	**41**	26
Bad debts written off	**-**	345	**-**	8,831
Property, plant and equipment written off	**-**	99	**-**	91
Government grant received	**-**	(296)	**-**	-
Depreciation of property, plant and equipment	**682**	1,125	**425**	648
Amortisation of prepaid land lease payments	**171**	169	**171**	169
Hire of equipment	**23**	23	**-**	-
Allowance for doubtful debts	**1,241**	581	**5**	2,059
Rent of premises	**211**	343	**9**	296
(Gain)/loss on foreign exchange (net)	**(306)**	(847)	**1**	67
Impairment of investment in subsidiaries	**-**	-	**5**	278
Impairment of property, plant and equipment	**72**	-	**-**	-
Gain on disposal of an associate	**-**	514	**-**	-
Gain on disposal of property, plant and equipment	**-**	(2)	**-**	(2)
Interest income	**(32)**	(2,729)	**(19)**	(2,704)
Dividend income	**-**	-	**(2,030)**	-
Loss on disposal of subsidiaries less incidental costs	**-**	-	**-**	25,498
Staff costs (Note (a))	**6,812**	4,360	**878**	723

(a) Staff Costs

Wages and salaries	**5,425**	4,037	**475**	608
EPF and social security	**561**	254	**88**	92
Others	**826**	69	**315**	23
	6,812	4,360	**878**	723

Included in staff costs of the Group are Executive Directors' remuneration of RM240,000 (2009: RM365,000) as disclosed in Note 6.

Discontinued operations

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
This was arrived at after charging/(crediting):				
Loss on disposal of subsidiaries less incidental costs	**-**	25,498	**-**	-

6. DIRECTORS' REMUNERATION

(a) Total remuneration:

	Group 2010 RM'000	Group 2009 RM'000
Executive Directors		
Salaries	**240**	365
Benefit-in-kind	**24**	24
	264	389
Non-Executive Directors		
Fees	**260**	260
Benefit-in-kind	**28**	28
Other emoluments	**-**	1,575
	288	1,863
Total	**552**	2,252

(b) Number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors 2010	Number of Directors 2009
Executive Directors		
RM200,000 to RM400,000	**1**	1
	1	1
Non- Executive Directors		
RM50,001 to RM100,000	**4**	1
RM100,001 to RM300,000	**-**	2
RM300,001 to RM1,000,000	**-**	1
	4	4

7. TAXATION

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Income tax:				
Malaysian income tax	**-**	759	**333**	-
Foreign tax	**144**	-	**-**	-
	144	759	**333**	-
Under provision in prior years of:				
Malaysian income tax	**56**	2,288	**-**	2,288
Deferred tax: (Note 21)				
Relating to originating and reversal of temporary differences	**80**	743	**-**	625
Under/(over) provision in prior years	**5**	(688)	**-**	(625)
	85	55	**-**	-
Total tax expense	**285**	3,102	**333**	2,288

Current Malaysian income tax is calculated at the statutory tax rate of 25%.

A reconciliation of income tax expense applicable to (loss)/profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
(Loss)/profit before taxation				
Continuing operation	**(2,089)**	2,420	**(1,408)**	(39,424)
Discontinued operation (Note 8)	**-**	(25,498)	**-**	-
	(2,089)	(23,078)	**(1,408)**	(39,424)
Taxation at Malaysian statutory tax rate of 25%	**(522)**	(5,770)	**(352)**	(9,856)
Effect of different tax rates in foreign countries	**(154)**	(337)	**-**	-
Income not subject to tax	**(63)**	(475)	**-**	-
Non deductible expenses	**1,193**	4,374	**685**	6,789
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(232)**	(168)	**-**	-
Deferred tax asset not recognised during the financial year	**2**	3,878	**-**	3,692
Under/(over) provision of deferred tax in prior years	**5**	(688)	**-**	(625)
Under provision of tax expense in prior years	**56**	2,288	**-**	2,288
Tax expense for the financial year	**285**	3,102	**333**	2,288

8. DISCONTINUED OPERATIONS

In 2008, the Company disposed of its subsidiaries of switchgear business for a cash consideration of RM326,887,000 and the difference of Completion Net Asset Value over the Proforma Net Asset Value of the entire switchgear business. The Completion Net Asset Value was finalised on 19 February 2009 and accordingly resulted in a price adjustment of RM25.5 million which was recognised in 2009 as follows:

	Group	
	2010	2009
	RM'000	RM'000
Other expenses	**-**	(25,498)
Loss before taxation	**-**	(25,498)
Taxation	**-**	-
Net loss for the year from discontinued operations	**-**	(25,498)

9. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share amounts are calculated by dividng the consolidated net profit attributable to the equity holders of the Company by the number of ordinary shares in issue during the financial year.

	Group	
	2010	2009
	RM'000	RM'000
Loss attributable to equity holders of the Company		
- Continuing operations	**(2,374)**	(557)
- Discontinued operations	**-**	(25,498)
	(2,374)	(26,055)
Number of ordinary shares in issue ('000)	**259,488**	259,488
Basic earnings per share for:		
- Loss from continuing operations	**(0.91)**	(0.22)
- Loss from discontinued operations	**-**	(9.83)
	(0.91)	(10.05)

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

10. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings RM'000	Capital Work In Progress RM'000	Plant and machinery RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost						
At 1 June 2009	6,906	-	282	5,390	1,779	14,357
Additions	-	187	10	206	58	461
Disposals	-	-	-	(436)	(89)	(525)
At 31 May 2010	**6,906**	**187**	**292**	**5,160**	**1,748**	**14,293**
Accumulated Depreciation						
At 1 June 2009	3,740	-	241	4,251	976	9,208
Charge for the financial year	173	-	34	263	212	682
Disposals	-	-	-	(413)	(89)	(502)
Impairment	-	-	-	72	-	72
At 31 May 2010	**3,913**	**-**	**275**	**4,173**	**1,099**	**9,460**
Net Book Value						
At 31 May 2010	**2,993**	**187**	**17**	**987**	**649**	**4,833**
Cost						
At 1 June 2008	6,906	-	1,356	5,411	2,151	15,824
Exchange fluctuation	-	-	3	63	8	74
Additions	-	-	20	107	-	127
Disposals	-	-	-	(152)	(380)	(532)
Written off	-	-	(1,097)	(39)	-	(1,136)
At 31 May 2009	6,906	-	282	5,390	1,779	14,357
Accumulated Depreciation						
At 1 June 2008	3,567	-	1,133	3,739	894	9,333
Exchange fluctuation	-	-	1	35	7	43
Charge for the financial year	173	-	111	609	232	1,125
Disposals	-	-	(99)	(157)	(256)	
Written off	-	-	(1,004)	(33)	-	(1,037)
At 31 May 2009	3,740	-	241	4,251	976	9,208
Net Book Value						
At 31 May 2009	3,166	-	41	1,139	803	5,149

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Buildings RM'000	Capital Work In Progress RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost					
At 1 June 2009	6,906	-	2,033	1,167	10,106
Addition	-	187	4	-	191
At 31 May 2010	**6,906**	**187**	**2,037**	**1,167**	**10,297**
Accumulated Depreciation					
At 1 June 2009	3,740	-	1,488	438	5,666
Charge for the financial year	172	-	79	174	425
At 31 May 2010	**3,912**	**-**	**1,567**	**612**	**6,091**
Net Book Value					
At 31 May 22010	**2,994**	**187**	**470**	**555**	**4,206**
Cost					
At 1 June 2008	6,906	1,095	2,033	1,547	11,581
Disposals	-	-	-	(380)	(380)
Written off	-	(1,095)	-	-	(1,095)
At 31 May 2009	6,906	-	2,033	1,167	10,106
Accumulated Depreciation					
At 1 June 2008	3,567	922	1,284	404	6,177
Charge for the financial year	173	82	204	189	648
Disposals	-	-	-	(155)	(155)
Written off	-	(1,004)	-	-	(1,004)
At 31 May 2009	3,740	-	1,488	438	5,666
Net Book Value					
At 31 May 2009	3,166	-	545	729	4,440

Net book values of property, plant and equipment held under hire purchase and finance lease arrangements are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Motor vehicles	**557**	785	**555**	729

11. PREPAID LAND LEASE PAYMENTS

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Long term leasehold land				
At 1 June	**9,726**	9,895	**9,726**	9,895
Amortisation for the year	**(171)**	(169)	**(171)**	(169)
At 31 May	**9,555**	9,726	**9,555**	9,726

12. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

(a) Subsidiaries

	Company	
	2010	2009
	RM'000	RM'000
Unquoted shares at cost:		
At beginning of financial year	**9,098**	9,098
Less: Accumulated impairment losses	**(7,612)**	(7,607)
At end of financial year	**1,486**	1,491

Details of the subsidiaries are disclosed in Note 29.

(b) Associates

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Unquoted shares at cost	**4,076**	4,076	**3,902**	4,076
Share of post-acquisition results	**(174)**	52	**-**	-
	3,902	4,128	**3,902**	4,076
Less: Accumulated impairment losses	**-**	-	**-**	(174)
	3,902	4,128	**3,902**	3,902

	Group	
	2010	2009
	RM'000	RM'000
The Group's investment in associates is as follows:		
Share of net tangible assets	**3,902**	4,128

12. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES (CONT'D)

(b) Associates (cont'd)

The summarised financial statements of the associates are as follows:

	Group	
	2010	2009
	RM'000	RM'000
Assets and liabilities		
Current assets	**2,589**	6,080
Non-current assets	**4,189**	4,654
Total assets	**6,778**	10,734
Current liabilities	**414**	878
Results		
Revenue	**-**	720
Loss for the year	**(461)**	(51)

In December 2009, the associate has been placed under liquidation. No impairment was recognised as the anticipated recoverable amount of the associate is higher than its carrying value.

Details of the associates are disclosed in Note 30.

13. INTANGIBLE ASSETS

	Group	
	2010	2009
	RM'000	RM'000
Development expenditure		
Balance at beginning of financial year	**383**	417
Exchange fluctuation	**-**	2
Amortisation during the financial year	**(37)**	(36)
Balance at end of financial year	**346**	383

14. INVENTORIES

	Group	
	2010	2009
	RM'000	RM'000
At costs		
Finished goods	**8,437**	9,370
Work-in-progress	**10**	57
Raw materials and consumable stores	**114**	302
	8,561	9,729

15. RECEIVABLES

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Trade receivables	**15,331**	18,013	**-**	-
Allowance for doubtful debts	**(283)**	(1,954)	**-**	-
	15,048	16,059	**-**	-
Other receivables	**1,197**	763	**11**	-
Prepayments	**224**	219	**27**	1
	16,469	17,041	**38**	1

The Group's normal trade credit term ranges from 30 to 120 days (2008: 30 to 120 days). Other credit terms are assessed and approved on case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposure to a single debtor or to groups of debtors.

16. AMOUNTS DUE FROM/TO ASSOCIATES, SUBSIDIARIES, RELATED AND HOLDING COMPANIES

Amounts due to holding company are loans that are repayable on demand and charged an interest of 8% per annum, In prior year, amounts due to holding company are mainly interest-free advances and repayable on demand.

The account balances with the subsidiaries, associates and related companies arose mainly from interest-free advances by/to other related companies, expenses paid on behalf and trade and other intercompany charges which are negotiated on a basis determined within the Group.

16. AMOUNTS DUE FROM/TO ASSOCIATES, SUBSIDIARIES, RELATED AND HOLDING COMPANIES (CONT'D)

Analysis of amounts due from subsidiaries are as follow:

		Company	
		2010	2009
		RM'000	RM'000
Amounts due from subsidiaries	- trade	**-**	276
	- non-trade	**341**	-
		341	276
Amounts due to subsidiaries	- trade	**-**	1,426

17. PAYABLES

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Trade payables	**10,496**	10,265	**-**	-
Other payables	**3,893**	4,053	**53**	70
Accruals	**2,297**	1,722	**1,480**	92
	16,686	16,040	**1,533**	162

The normal trade credit terms granted to the Group range from 30 to 90 days (2009: 30 to 90 days).

18. BORROWINGS

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Short term borrowings				
Secured:				
Hire purchase and finance lease payables (Note 22)	**96**	227	**96**	206
Unsecured:				
Bank overdrafts (Note 23)	**237**	881	**-**	-
Short-term loans and advances	**-**	60	**-**	-
Bankers acceptances	**2,486**	3,397	**-**	-
	2,819	4,565	**96**	206

18. **BORROWINGS (CONT'D)**

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Long term borrowings				
Secured:				
Hire purchase and finance lease payables (Note 22)	**-**	84	**-**	84
	-	84	**-**	84
Total borrowings	**2,819**	4,649	**96**	290

(i) The unsecured borrowings bear interest at rates ranging from 2.00% to 7.75% per annum (2009: 2.08% to 7.75% per annum) for the Group.

(ii) The interest rates and maturity profile of hire purchase and finance lease payable are disclosed in Note 22.

19. **SHARE CAPITAL**

	Group/Company			
	Number of Ordinary Shares		Amount	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Authorised:				
At 1 June/31 May	**2,500,000**	2,500,000	**500,000**	500,000
Issued and fully paid:				
At 1 June	**259,488**	259,488	**51,898**	129,744
Capital reduction	**-**	-	**-**	(77,846)
At 31 May	**259,488**	259,488	**51,898**	51,898

After the capital reduction, the par value of the ordinary shares was reduced from RM0.50 to RM0.20 per ordinary share.

20. **RESERVES**

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Non-distributable reserves:				
- Translation reserve	**(4,500)**	(3,176)	**-**	-
Distributable reserves:				
- Accumulated losses	**(21,645)**	(19,271)	**(42,932)**	(41,191)
	(26,145)	(22,447)	**(42,932)**	(41,191)

Movements of the reserves are shown in the statements of changes in equity.

21. DEFERRED TAXATION

	Group	
	2010	2009
	RM'000	RM'000
At beginning of financial year	**(317)**	(333)
Recognised in the income statement (Note 7)	**85**	55
Exchange differences	**11**	(39)
At end of financial year	**(221)**	(317)
Presented after appropriate offsetting as follows:		
Deferred tax assets	**(299)**	(383)
Deferred tax liabilities	**78**	66
	(221)	(317)

The components and movements of deferred tax liabilities and deferred tax assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Property, Plant and Equipment RM'000	**Development Expenditure RM'000**	**Total RM'000**
At 1 June 2008	85	83	168
Recognised in the income statement	7	31	38
Exchange differences	-	(39)	(39)
At 31 May 2009	92	75	167
At 1 June 2009	92	75	167
Recognised in the income statement	92	-	92
Exchange differences	-	11	11
At 31 May 2010	**184**	**86**	**270**

21. DEFERRED TAXATION (CONT'D)

Deferred tax assets of the Group:

	Provisions RM'000	Tax Losses and Unabsorbed Capital Allowances RM'000	Total RM'000
At 1 June 2008	(501)	-	(501)
Recognised in the income statement	17	-	17
At 31 May 2009	(484)	-	(484)
At 1 June 2009	(484)	-	(484)
Recognised in the income statement	(7)	-	(7)
At 31 May 2010	**(491)**	**-**	**(491)**

Deferred tax assets have not been recognised in respect of the following:

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Unused tax losses	**24,822**	26,140	**14,768**	14,768

The unused tax losses are available for offset against future taxable profits, subject to and in accordance with the relevant tax legislation of the countries where the Group operates. Deferred tax assets have not been recognised in respect of unused tax losses as it is not certain that the Company will have future taxable profits to offset the tax losses.

22. HIRE PURCHASE AND FINANCE LEASE PAYABLES

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Minimum lease payments				
- not later than one year	**102**	227	**102**	206
- later than one year and not later than two years	**-**	94	**-**	94
	102	321	**102**	300
Less: Future finance charges	**(6)**	(10)	**(6)**	(10)
Present value of finance lease liabilities	**96**	311	**96**	290

22. HIRE PURCHASE AND FINANCE LEASE PAYABLES (CONT'D)

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Present value of finance lease liabilities				
- not later than one year	**96**	227	**96**	206
- later than one year and not later than two years	**-**	84	**-**	84
	96	311	**96**	290
Analysed as:				
Due within 12 months (Note 18)	**96**	227	**96**	206
Due after 12 months (Note 18)	**-**	84	**-**	84
	96	311	**96**	290

The hire purchase and lease liabilities bear flat interest rates during the financial year of between 1.81% to 2.14% (2009: 1.81% to 2.14%) per annum.

23. CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Cash and bank balances	**7,682**	11,843	**1,084**	2,863
Short term deposits with licensed banks	**4,674**	2,758	**1,020**	-
Bank overdrafts (Note 18)	**(237)**	(881)	**-**	-
	12,119	13,720	**2,104**	2,863

The weighted average interest rate and maturity days of the short term deposits with licensed banks of the Group and of the Company are 1.12% (2009: 1.00%) per annum and 30 days (2009: 30 days) respectively.

24. CONTINGENT LIABILITIES

	Company	
	2010	2009
	RM'000	RM'000
Unsecured:		
Guarantees given to financial institutions for facilities granted to subsidiaries	**3,000**	3,000

25. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Interest income on advances to subsidiaries	**-**	-	**-**	(198)
Dividend income from subsidiaries	**-**	-	**2,030**	-
Interest expense paid to holding company	**800**	-	**800**	-

The outstanding balance is as disclosed on the balance sheet.

(b) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company and its subsidiaries.

The remuneration of key management personnel of the Group and of the Company during the year is as follows:

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Salaries	**1,252**	554	**317**	189
EPF and social securities	**173**	59	**38**	21
Other emoluments	**216**	152	**24**	23
	1,641	765	**379**	233

Remunerations of executive director included in the total key management personnel are disclosed in Note 6(a).

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The daily operations of the Group require the use of financial instruments. Financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, contractual right to exchange financial instruments from other enterprises under conditions that are potentially favourable or an equity instrument of another enterprise, whilst financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to other enterprises or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The use of financial instruments exposes the Group to financial risks which are categorised as interest rate, foreign currency, liquidity and credit.

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing their risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The policies for controlling these risks when applicable are set out below:

(a) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt; the Group had no substantial long term interest-bearing assets as at the end of financial year. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The interest profile of the financial assets and liabilities of the Group and of the Company are as follows:

	Group		**Company**	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Financial Assets				
Fixed Rate	**4,674**	2,758	**1,020**	-
Interest Free	**24,151**	28,884	**1,463**	3,140
Total	**28,825**	31,642	**2,483**	3,140
Financial Liabilities				
Fixed Rate	**11,133**	311	**11,133**	290
Floating Rate	**2,723**	4,338	**-**	-
Interest Free	**16,727**	26,277	**1,533**	11,702
Total	**30,583**	30,926	**12,666**	11,992

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Interest Rate Risk (cont'd)

The weighted average interest rates on the financial assets and liabilities are as follows:

	Group		Company	
	2010	2009	**2010**	2009
	%	%	**%**	%
Financial Assets				
Fixed Rate	**1.12**	1.00	**1.12**	1.00
Financial Liabilities				
Fixed Rate	**7.92**	5.37	**7.92**	5.37
Floating Rate	**7.40**	5.32	**-**	-

(b) Foreign Currency Risk

The Group operates internationally and is exposed to various currencies, mainly Singapore Dollar, Hong Kong Dollar, Sterling Pound, Euro Dollar and United States Dollar. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. Material foreign currency transaction exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts.

The net unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows:

Functional currency of group companies	**Singapore Dollar RM'000**	**Hong Kong Dollar RM'000**	**Total RM'000**
31 May 2010			
Trade receivables			
United States Dollar	**302**	**-**	**302**
Ringgit Malaysia	**9**	**-**	**9**
EURO Dollar	**28**	**-**	**28**
	339	**-**	**339**

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Foreign Currency Risk (cont'd)

Functional currency of group companies	Singapore Dollar RM'000	Hong Kong Dollar RM'000	Total RM'000
Cash and bank			
United States Dollar	**107**	**-**	**107**
Trade payables			
Ringgit Malaysia	**5**	**-**	**5**
United States Dollar	**791**	**-**	**791**
Sterling Pound	**142**	**-**	**142**
Hong Kong Dollar	**7**	**-**	**7**
EURO Dollar	**42**	**-**	**42**
	987	**-**	**987**
31 May 2009			
Trade receivables			
United States Dollar	361	-	361
EURO Dollar	199	-	199
	560	-	560
Cash and bank			
United States Dollar	752	-	752
Trade payables			
United States Dollar	192	-	192
Sterling Pound	60	-	60
Hong Kong Dollar	2	-	2
EURO Dollar	(14)	-	(14)
	240	-	240

(c) Liquidity Risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

The debt maturity profile of the Group and of the Company are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Between one and two years	**-**	84	**-**	84
Within one year	**2,819**	4,565	**96**	206
	2,819	4,649	**96**	290

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Credit Risk

Credit risks, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

(e) Fair Values

Set out below is a comparison by category of carrying amounts and fair values of all of the Group and of the Company's financial instruments that are carried in the financial statements at other than fair values as at 31 May.

	Group		Company	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
At 31 May 2009				
Investment in subsidiaries	-	-	1,486	3,327
Investment in associates	4,128	4,128	3,902	3,902
At 31 May 2010				
Investment in subsidiaries	**-**	**-**	**1,491**	**8,831**
Investment in associates	**3,902**	**3,902**	**3,902**	**3,902**

Fair value of investment in subsidiaries and associates are determined by using the estimated recoverable amount from the investment in subsidiaries and associates with a discount rate of 5.55% where the discount rate used reflected the management's best estimate of return on capital employed respectively.

27. SIGNIFICANT EVENTS DURING THE YEAR AND SUBSEQUENT EVENTS AFTER BALANCE SHEET DATE

On 7 September 2010, the shareholders of the Company has approved the Restructuring Scheme of the Company which includes the following:

(a) Disposal of a piece of leasehold land together with two (2) blocks of single storey warehouses annexed with double storey offices with postal address of No. 2A, Jalan 13/2, 46200 Petaling Jaya, Selangor to Ancom Berhad ("Ancom") at a disposal consideration of RM25,000,000 to be settled by off-setting RM15,000,000 against the purchase consideration for the acquisition of Ancom's equity interest in Synergy Trans-link Sdn. Bhd. ("STL") and the remaining against an inter-company advance owing by ALB to Ancom;

(b) Reduction of RM0.10 of the par value of each existing ordinary share of RM0.20 each in ALB under Section 64(1) of the Companies Act, 1965 ("Capital Reduction");

27. SIGNIFICANT EVENTS DURING THE YEAR AND SUBSEQUENT EVENTS AFTER BALANCE SHEET DATE (CONT'D)

(c) 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 total purchase consideration of RM42,236,117 to be satisfied by the issuance of 209,508,593 new ordinary shares of RM0.10 each in the Company after the Capital Reduction ("ALB New Shares") at an issue price of RM0.13 each per share and off-setting against the disposal consideration of RM15,000,000 pursuant to the disposal of land mentioned in (a);

(d) 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 Acquisition of STL Group; and

(e) Special issue of up to 14,800,000 ALB New Shares at an issue price of RM0.13 per share to Bumiputera investors to be approved by the Ministry of International Trade and Industry ("MITI").

The Completion is currently pending approval from High Court of Malaya for the Capital Reduction.

28. SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

(a) Business Segments

In 2008, the Group comprises the following main business segments:

Switchgear	-	Design, manufacture, supply, installation, commissioning and maintenance of equipment and systems for power distribution and motor control centres and investment holding company.
System Integration and Trading	-	Trading, providing and contracting of electrical engineering products and system integration and the provision of environmental and hygiene protection solutions.

Following the disposal of its Switchgear Business and the cessation of business in Decom Limited, the business segments of the Group are now as follows:

Investment Holding	-	Investment holding company
System Integration and Trading	-	Trading, providing and contracting of electrical engineering products and system integration and the provision of environmental and hygiene protection solutions.

28. SEGMENTAL INFORMATION (CONT'D)

31 May 2010

	Continuing operations		Discontinued operations		
	System Integration and Trading RM'000	Investment Holding RM'000	Switchgear business RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External sales	51,288	-	-	-	51,288
Total revenue	51,288	-	-	-	51,288
Result					
Segment results	462	(1,408)	-	-	(946)
Finance costs					(949)
Interest income					32
Share of results of associates					(226)
Loss before taxation					(2,089)
Taxation					(285)
Net loss for the year					(2,374)
Assets					
Segment assets	34,731	17,730	-	(341)	52,120
Tax recoverable and deferred tax assets	575	-	-	-	575
Investment in associates	-	3,902	-	-	3,902
Consolidated total assets	35,306	21,632	-	(341)	56,597
Liabilities					
Segment liabilities	17,917	12,666	-	-	30,583
Provision for taxation and deferred tax liabilities	261	-	-	-	261
Consolidated total liabilities	18,178	12,666		-	30,844
Other information					
Capital expenditure	461	-	-	-	461
Depreciation and amortisation	294	596	-	-	890
Non cash expenses other than depreciation, amortisation and impairment losses	996	11	-	-	1,007

28. SEGMENTAL INFORMATION (CONT'D)

(a) Business Segments (cont'd)

	Continuing operations System Integration and Trading RM'000	Investment Holding RM'000	Discontinued operations Switchgear business RM'000	Eliminations RM'000	Consolidated RM'000
31 May 2009					
Revenue					
External sales	66,094	-	-	-	66,094
Total revenue	66,094	-	-	-	66,094
Result					
Segment results	13,990	(13,039)	(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 for the year					(26,180)
Assets					
Segment assets	39,600	17,305	-	(276)	56,629
Tax recoverable and deferred tax assets	391	-	-	-	391
Investment in associates	226	3,902	-	-	4,128
Consolidated total assets	40,217	21,207	-	(276)	61,148
Liabilities					
Segment liabilities	20,360	11,992	-	(1,426)	30,926
Provision for taxation and deferred tax liabilities	771	-	-	-	771
Consolidated total liabilities	21,131	11,992	-	(1,426)	31,697
Other information					
Capital expenditure	127	-	-	-	127
Depreciation and amortisation	513	817	-	-	1,330
Non cash expenses other than depreciation, amortisation and impairment losses	(1,525)	2,215	-	-	690

28. SEGMENTAL INFORMATION (CONT'D)

(b) Geographical Segments

	Total revenue from external customers (Based on location of customers)	
	2010	2009
	RM'000	RM'000
Malaysia	**22,070**	40,089
Other Southeast Asian countries	**23,465**	18,365
East Asian countries	**5,753**	7,640
Consolidated	**51,288**	66,094

	Segment assets (Based on location of assets)		Capital Expenditure (Based on location of assets)	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Malaysia	**33,925**	39,256	**225**	56
Singapore	**13,450**	11,538	**120**	48
Hong Kong	**4,745**	5,835	**116**	23
Consolidated	**52,120**	56,629	**461**	127

29. SUBSIDIARIES

Details of subsidiaries are as follows:

Name of Company	Country of incorporation	Effective % ownership in 2010 %	2009 %	Principal activities
Direct Subsidiaries				
Ancom Electrical (Malaysia) Sdn Bhd	Malaysia	**100**	100	Trading and contracting in electrical engineering products.
** Ancom Systems (Singapore) Pte Ltd	Singapore	**100**	100	Trading and contracting in electrical engineering products.
Ancom Components Sdn Bhd	Malaysia	**67**	67	Manufacturing and marketing of low voltage switchgear

29. SUBSIDIARIES (CONT'D)

Name of Company	Country of incorporation	Effective % ownership in 2010 %	2009 %	Principal activities
Direct Subsidiaries (cont'd)				
** Decom Limited	Hong Kong	**-**	60	The company is being deregistered
** Hikmat Ikhlas Sdn Bhd	Malaysia	**35**	35	Trading and contracting in electrical engineering products.
Indirect Subsidiaries				
Ancom System Technology Malaysia Sdn Bhd	Malaysia	**100**	100	Dormant
** Ancom Electrical (Hong Kong) Limited	Hong Kong	**100**	100	Trading and contracting in electrical engineering products.
** Ancom Electrical & Environmental (Singapore) Pte Ltd	Singapore	**100**	100	Trading and contracting in electrical engineering products.
** Ancom PTX Technology (Singapore) Pte Ltd	Singapore	**70**	70	Dormant
Decom GmbH	Germany	**-**	60	Dormant
Deteg GmbH	Germany	**-**	43	Dormant
German Switchcraft GmbH	Germany	**-**	36	Dormant

** The statutory financial statements of these companies are audited by other auditors.

30. ASSOCIATES

Details of associates are as follows:

Name of Company	Country of incorporation	Effective % ownership in 2010 %	2009 %	Principal activities
Tamco Chongqing Switchgear Company Limited	China	**49**	49	In liquidation
I&D Switchgear Sdn Bhd	Malaysia	**19**	19	Dormant

COMPLIANCE INFORMATION

Compliance Information pursuant to Appendix 9C of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market.

Disclosure on the Remuneration of Directors for the Financial Year Ended 31 May 2010
The disclosure on the Remuneration of the Directors for the financial year ended 31 May 2010 is set out in Note 6 to the financial statements.

Options, Warrants or Convertible Securities
The Company did not issue any options warrants and convertible securities during the financial year.

Imposition of Sanctions/Penalties
There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the regulatory bodies.

Non-Audit Fees
There was no payment to the external auditors in the financial year ended 31 May 2010 in respect of other services rendered.

Profit Estimate, Forecast or Projection
There were no significant variance between the results for the financial year ended 31 May 2010 and the unaudited results previously announced. The Company did not release any profit estimate, forecast and projections for the financial year.

Profit Guarantees
During the financial year, there were no profit guarantees given to the Company and its subsidiary companies.

Related Party Transactions
The disclosure on the Significant Related Party Transactions for the financial year ended 31 May 2010 is set out in Note 16 to the financial statements.

Material Contracts
There was no material contract (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiary companies which involves the Directors and major shareholders, either still subsisting at the end of the financial year ended 31 May 2010 or entered into since the end of the previous financial year except for the Proposed Restructuring Scheme as disclosed in Note 27 to the financial statements.

Revaluation of Landed Properties
The Company does not have a revaluation policy on its landed properties.

LIST OF PROPERTIES
AS AT 31 MAY 2010

Location	Tenure	Land area	Descriptions	Net book value RM'000	Date of acquisition
Ancom Logistics Berhad H.S. (D) 7524 2A, Jalan 13/2 Petaling Jaya Selangor Darul Ehsan	Unexpired leasehold interest of 98 years (Expiring in 2108)	1.31 hectares	Office and factory buildings Age of building: approximately 20 to 30 years	9,555	28 March 1985

ANALYSIS OF SHAREHOLDINGS
AS AT 4 OCTOBER 2010

Number Of Holders Of Each Class Of Equity Securities

Class of securities	:	Ordinary shares of RM0.20 each
Voting Rights	:	One vote per ordinary share
Total no. issued	:	259,487,720
No. of holders	:	13,256

Distribution Schedule

Holdings	**No. of holders**	**Total Holdings**	**%**
Less than 100	3,200	164,493	0.06%
101 to 1,000	5,830	2,664,862	1.03%
1,001 to 10,000	3,344	12,460,233	4.80%
10,001 to 100,000	712	24,078,682	9.28%
100,001 to less than 5% of issued shares	168	95,666,977	36.87%
5% and above of issued shares	2	124,452,473	47.96%
	13,256	259,487,720	100.00%

Substantial Shareholders

	Direct		**Indirect**	
	No. of shares	**%**	**No. of shares**	**%**
Rhodemark Development Sdn Bhd	93,725,580	36.12%	-	-
CitiGroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank NA, Singapore (Julius Baer)	30,726,893	11.84%	-	-
Ancom Berhad	-	-	93,851,833 (1)	36.17%
Dato' Siew Ka Wei	725,867	0.28%	94,777,272 (2)	36.52%

Note:
1. Deemed interested by virtue of its direct interest in Rhodemark Development Sdn Bhd and Ancom Overseas Ventures Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
2. Held through Ancom Overseas Ventures Sdn Bhd, Rhodemark Development Sdn Bhd, Siew Nim Chee & Sons Sdn Bhd, Silver Dollars Sdn Bhd and Datin Young Ka Mun

	Direct		**Indirect**	
	No. of shares	**%**	**No. of shares**	**%**
Directors' Shareholdings				
Dato' Siew Ka Wei	725,867	0.28%	94,777,272 (1)	36.52%
Safrizal Bin Mohd Said	5,000	0.00%	-	-

Note:
1. Deemed interested by virtue of his direct and indirect interest in Ancom Berhad.

ANALYSIS OF SHAREHOLDINGS *(CONT'D)*

AS AT 4 OCTOBER 2010

Thirty Largest Shareholders

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

Name		**No. of shares**	**%**
1	Rhodemark Development Sdn Bhd	93,725,580	36.12%
2	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank NA, Singapore (Julius Baer)	30,726,893	11.84%
3	Lembaga Tabung Haji	12,853,055	4.95%
4	Abdul Radzim Bin Abdul Rahman	4,910,400	1.89%
5	Kwang Hwa Industry Sdn Bhd	2,800,000	1.08%
6	RHB Capital Nominees (Tempatan) Sdn Bhd Ang Hing Tay (T-LBU1074)	2,798,700	1.08%
7	Aileen Lee Pei Pei	2,300,000	0.89%
8	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Teh Swee Heng (MM1118)	2,160,300	0.83%
9	Chew Jin Chew	2,023,400	0.78%
10	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Oh Kim Sun	1,950,500	0.75%
11	Hong Peng Cheng	1,944,700	0.75%
12	Looi Seng Chong	1,778,552	0.69%
13	HSBC Nominees (Asing) Sdn Bhd Exempt AN for HSBC Private Bank (Suisse) S.A. (Hong Kong AC CL)	1,750,000	0.67%
14	Teo Cheng Wee	1,564,100	0.60%
15	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Rossana Annizah Binti Ahmad Rashid @ Mohd Rashidi (CEB)	1,489,500	0.57%
16	Ooi Gim Eng	1,447,100	0.56%
17	Terengganu Incorporated Sdn Bhd	1,370,800	0.53%
18	Lee Kok Hoong	1,312,300	0.51%
19	Tee Loug Seng	1,164,800	0.45%
20	Permodalan Nasional Berhad	1,084,000	0.42%
21	Chew Nyuk Seong	1,000,000	0.39%
22	F.I.T. Nominees (Asing) Sdn Bhd Pledged Securities Account For Tan Kim Tee @ Tan Kum Tee (ZZ611-006)	1,000,000	0.39%
23	Jonelle Huang Yih Yun	1,000,000	0.39%
24	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Rahimah Stephens (CEB)	1,000,000	0.39%
25	Ling Yoke Tek	958,700	0.37%
26	Pacific & Orient Insurance Co Berhad	905,955	0.35%
27	Victor Clarence Baptist	896,000	0.35%
28	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chin Kiam Hsung	869,500	0.34%
29	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK-UOB Growth and Income Focus Trust (4892)	850,000	0.33%
30	A.A. Anthony Nominees (Asing) Sdn Bhd Pledge Securities Account For Citibase Limited	816,000	0.31%
	Total	**180,450,835**	**69.54%**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 44th 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, Malaysia on 24th November 2010 at 3:00 p.m to transact the following businesses:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company and of the Group and the Reports of the Directors and the Auditors thereon for the financial year ended 31 May 2010; **[Please refer Explanatory Note 1]**

2. To approve Directors' fees for the financial year ended 31 May 2010; **[Resolution 1]**

3. To re-elect the following Directors who retire pursuant to Article 103 of the Company's Articles of Association:

   3.1 Dato' Siew Ka Wei **[Resolution 2]**
   3.2 En. Abdul Latif bin Mahamud **[Resolution 3]**

4. To re-appoint Ernst & Young as Auditors of the Company and to authorise the Board of Directors to fix their remuneration; **[Resolution 4]**

AS SPECIAL BUSINESS
To consider and if thought fit pass the following resolutions:

Ordinary Resolution

5. Proposed Issuance of New Ordinary Shares of RM0.20 Each Pursuant To Section 132D of The Companies Act, 1965 **[Resolution 5]**

   "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 RM0.20 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 per centum (10%) 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 application 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.";

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
Ancom Logistics Berhad
(Formerly known as Tamco Corporate Holdings Berhad)

CHOO SE ENG (MICPA 2077)
STEPHEN GEH SIM WHYE (MICPA 1810)
Secretaries

Petaling Jaya
2 November 2010

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 corporate shareholder, the instrument appointing a proxy shall be under its Common Seal or its attorney.
3. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting pursuant to Section 149(1)(c) of the Companies Act, 1965. Where a member appoints more than one (1) 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 Unit C508, Block C, Kelana Square, Jalan SS 7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the 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 of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. **Item 5 of the Agenda**
   Item 5 of the Agenda is for the purpose of granting a renewal of a general mandate and 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 would consider to 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 subsequent general meeting, expire at the next annual general meeting.

   As at the date of this Notice, the Company has not issue any new shares in the Company pursuant to the mandate granted to the Directors at the last annual general meeting held on 10 November 2009.

   The renewal of the general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

Details of the Directors who are standing for re-election at this Annual General Meeting as required under Appendix 8A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad can be found in page 7 – Board of Directors and pages 11 to 16 – Statement on Corporate Governance in the Company's 2010 Annual Report.

Ancom Logistics Berhad (6614-W)
(formerly known as Tamco Corporate Holdings Berhad)
(Incorporated in Malaysia)

Proxy Form

CDS A/C No.	
No. of shares held	

I/We ____
(Please Name in Block Letters)

of ____
(Full Address)

being (a) member(s) of Ancom Logistics Berhad (formerly known as Tamco Corporate Holdings Berhad), hereby appoint(s)

Full Name in Block Letters		Proportion of Shareholdings
Full Address		%
Full Name in Block Letters		Proportion of Shareholdings
Full Address		%
		100 %

or 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 44th 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, Malaysia on 24 November 2010 at 3.00 p.m or any adjournment thereof and to vote as indicated below :

Item	Agenda			
1.	To receive Audited Financial Statements and Reports			
		Resolution	**For**	**Against**
2.	To approve Directors' fees for the financial year ended 31 May 2010	1		
3.	To re-elect the following Directors who retire pursuant to Article 103 of the Company's Articles of Association:			
	Dato' Siew Ka Wei	2		
	En. Abdul Latif bin Mahamud	3		
4.	To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration	4		
5.	To approve the issue of new ordinary shares pursuant to Section 132D of the Companies Act, 1965.	5		

(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 November 2010

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

Telephone no.
during office hours : ....

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.
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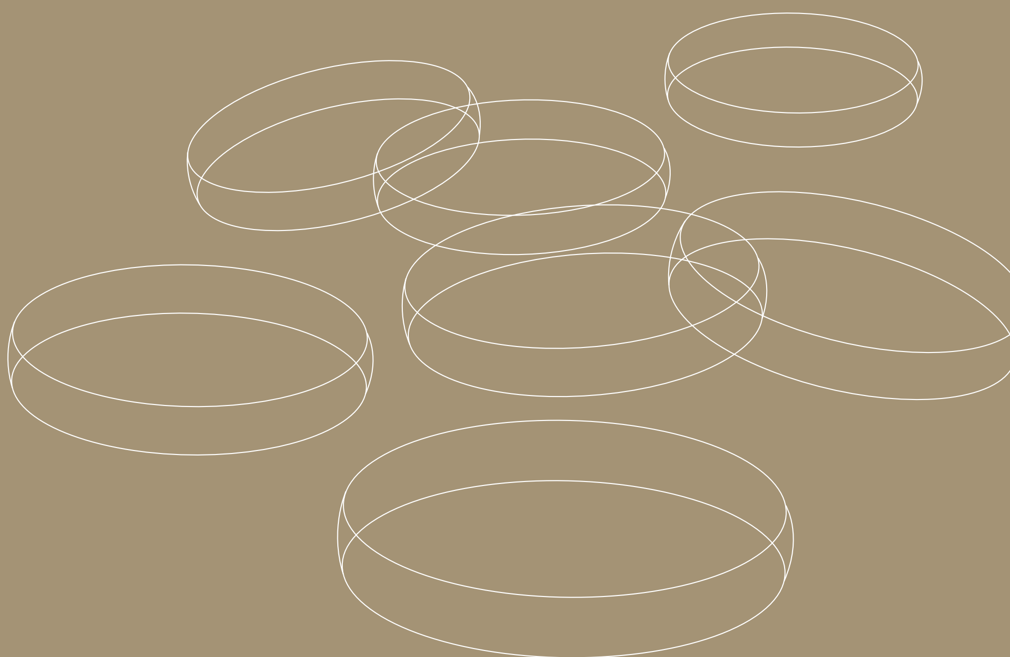
AFFIX
STAMP

Ancom Logistics Berhad (6614-W)

Registered Office :
Unit C508, Block C, Kelana Square
Jalan SS 7/26, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Then fold here

Ancom Logistics Berhad *(6614-W) INCORPORATED IN MALAYSIA*



www.ancomlogistics.com.my