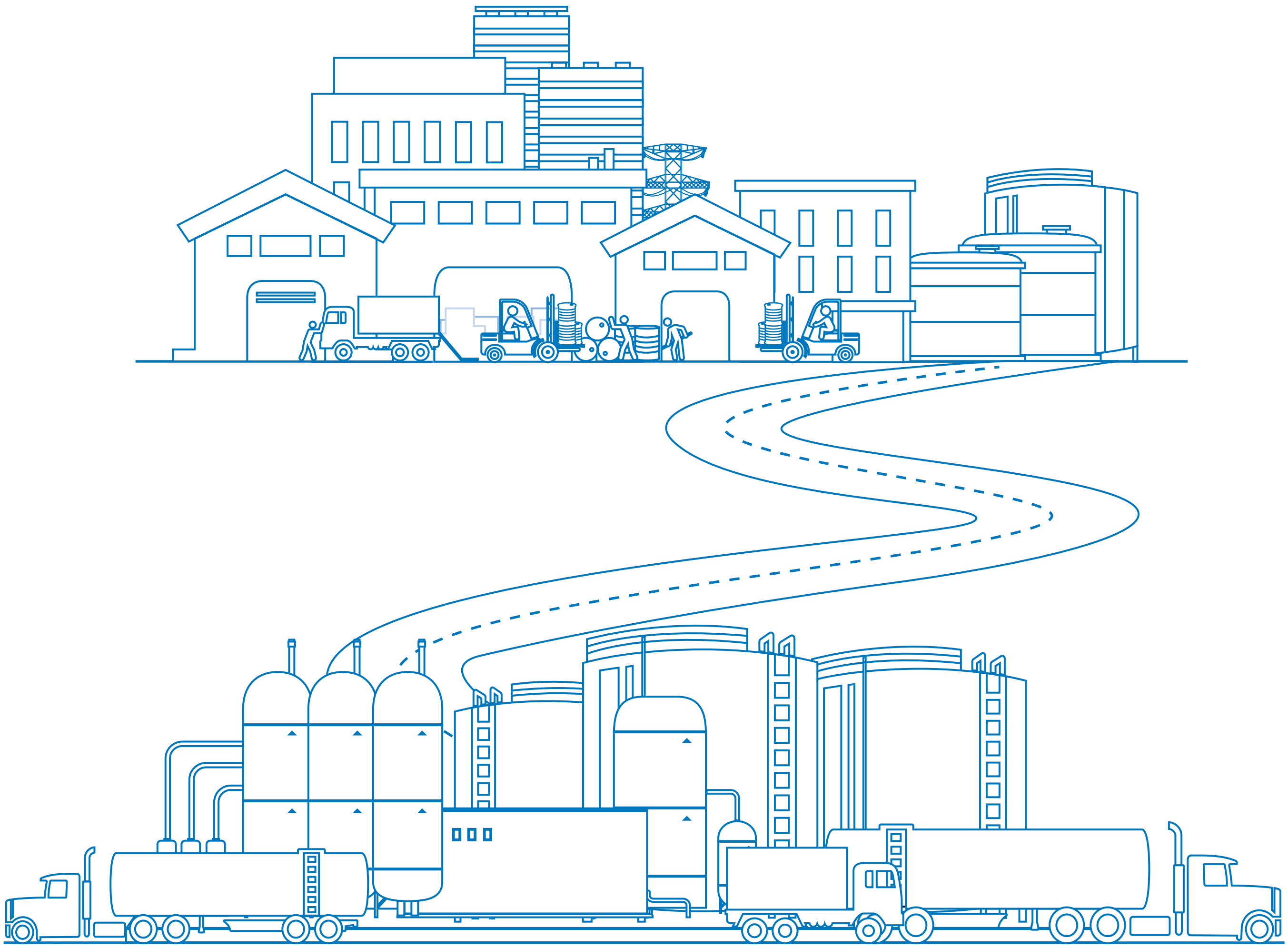
ANCOM LOGISTICS BERHAD

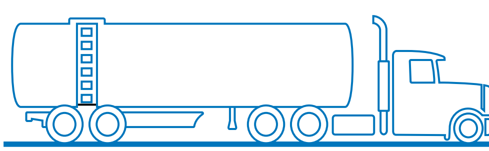
(Company No. 6614-W)
Incorporated in Malaysia



TOGETHER

WE CAN MAKE A DIFFERENCE

Annual Report 2015



COVER RATIONALE

Our operations integrate the entire value chain to ensure optimal efficiency and greater shareholder returns. We know that by paying attention to the details, a greater good will result because for us at Ancom Logistics Berhad, we know that together, we can make an impactful difference.

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CORPORATE INFORMATION

DIRECTORS

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

Dato' (Dr) Siew Ka Wei
(Executive Vice Chairman)

Lim Hock Heng
(Executive Director)

Abdul Latif bin Mahamud
(Non-Independent Non-Executive Director)

Safrizal bin Mohd Said
(Independent Non-Executive Director)

Lim Hock Chye
(Independent Non-Executive Director)

Edmond Cheah Swee Leng
(Independent Non-Executive Director)

AUDIT COMMITTEE

Safrizal bin Mohd Said *(Chairman)*
Abdul Latif bin Mahamud
Lim Hock Chye

REMUNERATION AND NOMINATION COMMITTEE

Lim Hock Chye *(Chairman)*
Dato' Abdul Latif bin Abdullah
Abdul Latif bin Mahamud
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

BUSINESS ADDRESS

No. 2A, Jalan 13/2, Sek13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : (603) 7495 5000
Fax : (603) 7495 5088

REGISTRAR

Tricor Investor Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Verticle Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia
Tel : (603) 2783 9299
Fax : (603) 2783 9222

AUDITORS

Ernst & Young
Chartered Accountants

STOCK EXCHANGE LISTING

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

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad

SOLICITORS

Shearn Delamore & Co

DOMICILE

Malaysia

FIVE-YEAR HIGHLIGHTS

	2015 RM'000	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
Sales	**32,253**	49,729	61,463	62,069	61,888
Profit before tax	**758**	14,939	2,761	5,132	16,165
(Loss)/Profit after tax	**(453)**	13,923	1,779	3,415	14,950
Effective percentage rate of tax - %	**>100**	6.8	35.6	33.5	7.5
Net (Loss)/Profit attributable to shareholders of the Company	**(1,540)**	13,596	628	2,363	10,641
Assets Employed					
Property, plant and equipment	**34,003**	37,715	68,389	73,217	73,735
Investments	**1,802**	1,802	2,802	2,802	3,902
Other non-current assets	**30**	162	472	543	884
Current assets	**24,226**	41,301	24,223	23,285	28,646
Total assets	**60,061**	80,980	95,886	99,847	107,167
Financed by					
Share capital	**23,664**	47,329	47,329	47,329	47,329
Reserves	**8,526**	14,940	15,038	17,660	17,367
(Accumulated losses)/Retained earnings	**(1,557)**	(11,164)	(5,829)	(6,518)	585
Shareholders' funds	**30,633**	51,105	56,538	58,471	65,281
Non-controlling interest	**14,795**	13,708	13,381	12,777	12,705
Total shareholders' fund and non-controlling interest	**45,428**	64,813	69,919	71,248	77,986
Non-current liabilities	**6,511**	7,099	9,761	10,882	12,039
Current liabilities	**8,122**	9,068	16,206	17,717	17,142
Total funds employed	**60,061**	80,980	95,886	99,847	107,167
Shareholders' Interests					
(Loss)/Earnings per share - sen	**(0.33)**	2.87	0.13	0.50	2.75
Gross dividend per share - sen	**-**	4.00	0.5	2.0	2.0
Net assets attributable to shareholders per share - sen	**6.47**	10.80	11.9	12.4	13.8
Depreciation & amortisation	**4,695**	6,269	6,951	6,925	6,091
Interest expense	**138**	325	517	598	1,143

LIST OF PRINCIPAL OFFICES

ANCOM LOGISTICS BERHAD

No. 2A, Jalan 13/2, Sek 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : (603) 7495 5000
Fax : (603) 7495 5088

ANCOM-CHEMQUEST TERMINALS SDN BHD

Jeti Petrokimia, Pelabuhan Barat
42920 Pulau Indah, Port Klang
Selangor Darul Ehsan
Malaysia
Tel : (603) 3101 1372
Fax : (603) 3101 1279

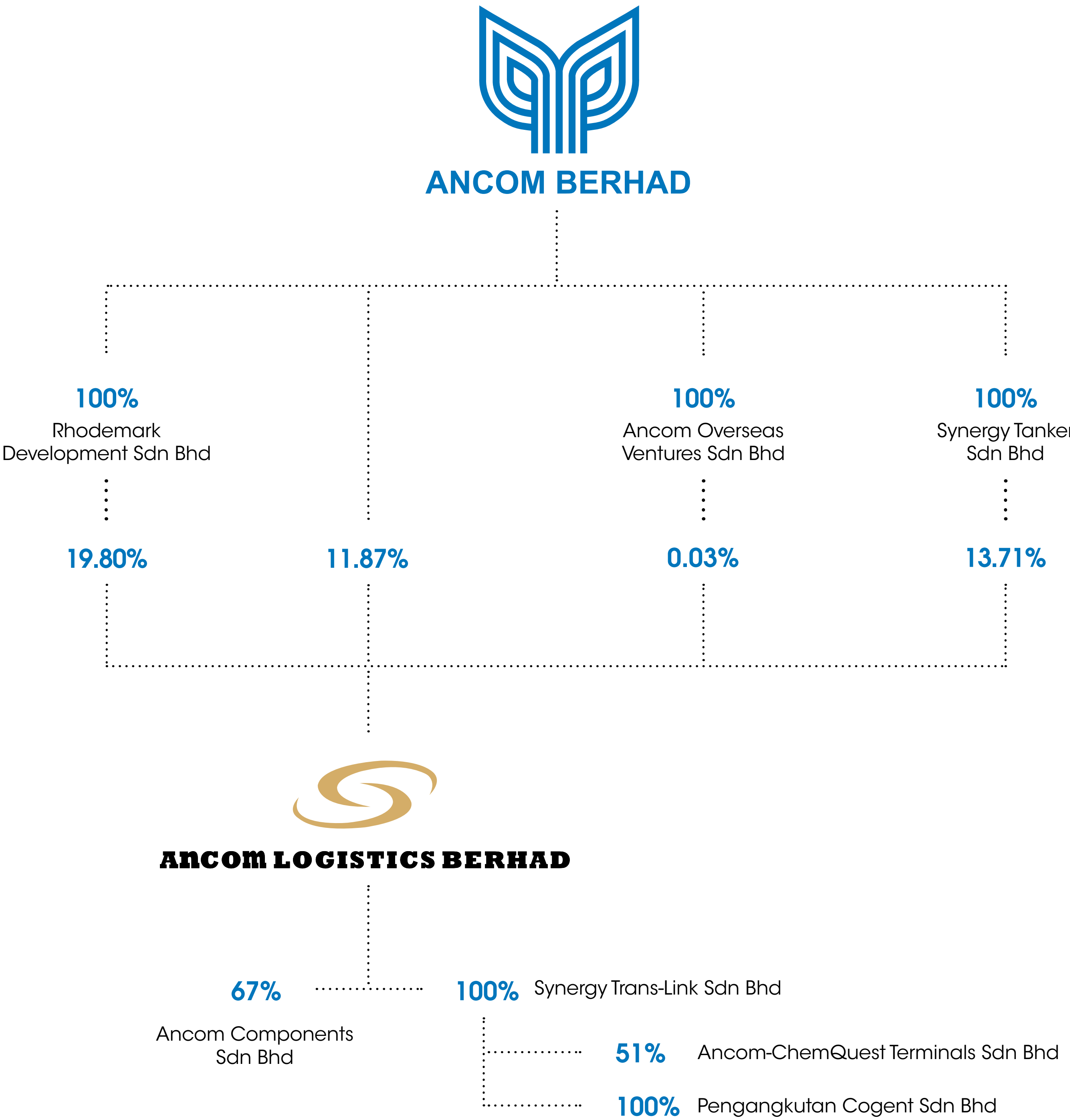
ANCOM COMPONENTS SDN BHD

7, Jalan Empat
Off Jalan Chan Sow Lin
57100 Kuala Lumpur
Malaysia
Tel : (603) 9223 0288 / 0289
Fax : (603) 9223 7388

PENGANGKUTAN COGENT SDN BHD

PTD 149227, Jalan Berjaya 7
Taman Perindustrian Berjaya
81200 Kempas Lama
Johor Darul Takzim
Malaysia
Tel : (607) 558 3131
Fax : (607) 558 1313

CORPORATE STRUCTURE
As at 31 May 2015



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

BOARD OF DIRECTORS

Dato' Abdul Latif bin Abdullah

Age 65, Malaysian
Independent Non-Executive Chairman

Dato' Latif was appointed as Chairman of the Company on 20 August 2004. He was re-designated as Executive Chairman on 1 December 2004 and later as Non-Independent Non-Executive Chairman on 1 June 2006 and on 15 August 2014, as Independent Non-Executive Chairman of the Company. He is currently a member of the Remuneration and Nomination Committee ("R&N Committee") of the Company.

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

Dato' Latif's started his career in 1975 with the Ministry of Foreign Affairs as Attachment Officer of the West Asian Desk. He later joined Malaysian International Shipping Corporation Berhad ("MISC") as a Management Trainee and was subsequently promoted to Assistant Manager, Liner Division. From 1982 to 1992, he was with Perbadanan Nasional Shipping Line Berhad ("PNSL") where he held a number of senior positions and was instrumental in the formation of and heading a number of subsidiaries and joint venture companies within the PNSL Group. In 1990, he became a founder Director of Mitsui OSK Lines (M) Sdn Bhd and remains as its Chairman after his retirement in 2005.

He was previously a Public Interest Director in Bursa Malaysia Berhad; Executive Chairman of Realmild (M) Sdn Bhd and Chairman of Radicare (M) Sdn Bhd; Labuan Shipyard & Engineering Sdn Bhd; Penang Port Sdn Bhd, International Shipowners' Association of Malaysia, Amanah Raya Asian Finance Islamic Marine Fund and Vice-Chairman of the Malaysian Shipowners' Association.

Presently, Dato' Latif is the Chairman of Efficient E-Solutions Berhad and the Deputy Chairman of Ekowood International Berhad.

Dato' (Dr) Siew Ka Wei

Age 59, Malaysian
Executive Vice Chairman

Dato' Siew was appointed as Non-Independent Executive Director of the Company on 17 October 2001. He was redesignated as the Non-Independent Non-Executive Deputy Chairman on 20 August 2004 and later as the Executive Vice Chairman of the Company on 25 January 2011 respectively.

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 extensive working experience of more than 30 years in the field of petrochemicals locally and internationally.

He was the Chairman of the Malaysian Chapter of the Young Presidents Organisation ("YPO"), an international grouping of more than 23,000 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 the Chairman of YPO's Global Leadership Congress in Beijing. China. In April 2013, he was conferred an honourble degree in Doctor of Business Administration honoris causa by the HELP University. He is currently the President of the Imperial College Alumni Association of Malaysia and a Governor of the Board of Governors for Marlborough College of Malaysia.

Currently, Dato' Siew is the Group Managing Director of Ancom Berhad, the holding company of the Company, and its subsidiary, Nylex (Malaysia) Berhad, both of which are listed on the Main Market of Bursa Malaysia Securities Berhad.

Dato' Siew is a substantial shareholder of the Company through his direct and indirect shareholding in Ancom Berhad and his direct and indirect interest in the Company.

BOARD OF DIRECTORS

Lim Hock Heng

Age 57, Singaporean
Executive Director

Lim Hock Heng was appointed as Executive Director of the Company on 1 March 2011.

He completed his secondary school GCE 'O' level education in Singapore in 1974. He has more than 30 years' experience in the logistics business, specialising in chemical transportation and warehousing, having been involved in the business since 1978.

He was the managing director of the logistics companies of the Group, a post he held since 2003 when these companies were under the Ancom Berhad group, until June 2015. He is a substantial shareholder of the Company.

He does not hold directorship in other public listed companies in Malaysia.

Abdul Latif bin Mahamud

Age 58, Malaysian
Non-Independent Non-Executive Director

Abdul Latif was appointed as Managing Director of the Company on 1 January 2005. He was re-designated as the Group Managing Director on 1 July 2005 and Non-Independent Non-Executive Director on 25 January 2011. He is a currently a member of the Audit Committee and R&N Committee of the Company.

Abdul Latif graduated with a degree in Electrical Engineering from University Technology MARA, Malaysia and holds an MBA from University of Hull, England. He began his career in Asea Brown Boveri as a Substation Design Engineer in 1982 and subsequently headed its substation contracts department. He subsequently 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 Chief Executive Officer and Executive Director Ranhill Power Berhad following the acquisition of EPE by Ranhill Berhad. He was later Managing Director of Ancom Berhad's Agricultural Chemicals business after his retirement as the Company's Group Managing Director until 2013.

Abdul Latif has no directorship in other public listed companies.

BOARD OF DIRECTORS

Safrizal bin Mohd Said

Age 49, Malaysian
Independent Non-Executive Director

Safrizal joined the Board as Independent Non-Executive Director on 24 December 2002. He is currently the Chairman of the Audit Committee and a member of the R&N Committee of the Company.

Safrizal gained his Bachelor of Commerce degree from University of New South Wales, Australia. He is a member of CPA Australia. He has vast working experience in both the consulting as well as the commercial sectors in various capacities in Australia and Malaysia. He joined the Fraser & Neave (F&N) Group in Malaysia in 2002 and was responsible for setting up F&N's in-house Tax Department. Prior to joining the F&N Group, he was attached to a couple of the Big Four Accounting Firms, with his last position being a tax director. His experience in the field of taxation totals more than 20 years. During his time as a tax consultant, Safrizal has managed a diversified portfolio of clients comprising local and multinational corporations from various industries, namely, finance, telecommunications, advertising, construction, manufacturing, shipping and insurance. Safrizal was also extensively involved in the rendering of business advice and tax planning in a variety of situations including corporate restructuring, public listing exercises, business expansion, privatisation exercises, offshore investments and mergers and acquisitions.

Safrizal, who was an appointed Council Member of the Chartered Taxation Institute of Malaysia, has also conducted in-house training programmes and has chaired/spoken at public seminars on various tax matters.

Safrizal is currently a director of Nylex (Malaysia) Berhad.

Edmond Cheah Swee Leng

Age 61, Malaysian
Independent Non-Executive Director

Edmond joined the Board on 31 December 2011.

A Chartered Accountant by profession, Edmond's professional experience has been in the fields of audit, merchant banking, corporate & financial advising, portfolio & investment management, unit trust management and financial planning. He is a member of the Malaysian Institute of Accountants and Association of Chartered Accountants, England & Wales as well as a Certified Financial Planner.

Edmond's career started with a professional accounting firm in London where he was an Audit Manager. He was later the Manager in charge of portfolio investment in a merchant bank in Malaysia and subsequently in charge of the corporate planning and investment division in a public listed company in Malaysia.

He was the Chief Executive Officer / Executive Director and a member of the Investment Committee of Public Mutual Berhad. He was a former Task Force member on Islamic Finance for Labuan International Offshore Financial Centre ("LOFSA"), a former council member and Chairman of the Secretariat of the Federation of Investment Managers Malaysia ("FIMM") and a former member on the Securities Market Consultation Panel of Bursa Malaysia Securities Berhad. Mr. Cheah is a founder member and a past President of the Financial Planning Association of Malaysia and a Treasurer of the Society for the Prevention of Cruelty to Animals.

Currently, Edmond sits on the Board of Nylex (Malaysia) Berhad and Ancom Logistics Berhad. He is also the Chairman of Adventa Berhad as well as an Investment Committee Member and a Director of Manulife Asset Management Services Berhad.

BOARD OF DIRECTORS

Lim Hock Chye

Age 60, Malaysian
Independent Non-Executive Director

Hock Chye joined the Board as Independent Non-Executive Director on 5 December 2003. He is currently the Chairman of the R&N Committee and a member of the Audit Committee of the Company.

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

A former panel speaker for Bursatra Sdn Bhd on Continuing Education Programmes for public-listed company directors, Hock Chye has been the Group Director of Strategic Planning & Corporate Affairs, HELP International Corporation Berhad since April 2008.

Currently, Hock Chye is a director of Ancom Berhad and Nylex (Malaysia) Berhad.

Notes :

1. There are no family relationships between the Directors and substantial shareholders of the Company.
2. Other than certain related party transactions as disclosed in this Annual Report, the Directors do not have any business interests which conflict with their positions in the Company.
3. None of the Directors has been convicted of any offence other than traffic offences (if any) within the past ten (10) years.
4. Please refer to *Statement on Corporate Governance* in this Annual Report for the Directors' meeting attendance records.
5. Please refer to *Directors' Report* in this Annual Report for the Directors' securities holdings in the Company and its related corporations.

CHAIRMAN'S STATEMENT

To Our Shareholders,

"On behalf of the Board of Directors, I present to you the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 May 2015 ("FY2015")."

Dato' Abdul Latif bin Abdullah
Independent Non-Executive Chairman

CHAIRMAN'S STATEMENT

REVIEW OF FINANCIAL RESULTS

The Group posted a lower operating revenue of RM32.3 million in FY2015 compared to RM49.7 million in the previous financial year ended 31 May 2014 ("FY2014"). The operating revenue in FY2015 excludes contribution from Sinsenmoh Transportation Pte Ltd ("SSM") which was disposed of in the middle of FY2014. Profit before taxation ("PBT") decreased to RM0.8 million in FY2015 compared to RM14.9 million in FY2014. The results in FY2014 include the one-off gain of RM20.1 million arising from the sale of SSM.

REVIEW OF OPERATIONS

The tank farm business remains stable and it is expected to maintain its performance despite a challenging environment. In the current financial year, the tank farm business posted improved PBT of RM3.4 million compared to RM2.8 million a year ago with better management of operational overheads for plant maintenance. Our transportation business is still facing stiff competition and high operational costs. The revenue from the transportation business decreased to RM18.9 million in the current financial year compared to RM20.9 million last year. Consequently, we incurred a pre-tax loss of RM0.4 million compared to pre-tax profit of RM0.4 million last year.

FUTURE PROSPECTS

We are witnessing a very challenging economic situation, not just domestically but also worldwide. A weaker ringgit, depressed commodity prices and an uncertain external environment are factors affecting confidence in local businesses. Our Management will continue to be vigilant in managing the business in the face of such challenging times.

APPRECIATION

On behalf of the Board of Directors, I take this opportunity to extend my thanks to the Management and all staff of the Group for their dedication and commitment. I must also extend my sincere thanks to our shareholders for their trust in us and to all valued customers, bankers and authorities and business associates for their confidence and unwavering support all these years.

DATO' ABDUL LATIF BIN ABDULLAH
Chairman
Petaling Jaya
16 October 2015

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Ancom Logistics Berhad Group ("ALB Group" or "the Group") is principally involved in the provision of bulk liquid chemical-related logistics services in Malaysia. The key subsidiaries in the Group include:
- Ancom-ChemQuest Terminals Sdn Bhd ("ACT"), and
- Pengangkutan Cogent Sdn Bhd ("PCSB").

The remaining operations of the Group are made up of investment holdings and electrical trading business under a subsidiary, Ancom Component Sdn Bhd ("ACM").

REVIEW OF FINANCIAL RESULTS AND OPERATING ACTIVITIES

The Group reported a lower operating revenue of RM32.3 million in FY2015 compared to RM49.7 million in FY2014. Following the disposal of Sinsenmoh Transportation Pte Ltd ("SSM") in the middle of FY2014, the results in FY2015 exclude the contribution from SSM. Profit before tax ("PBT") also decreased from RM14.9 million in FY2014 to RM0.8 million in FY2015 as FY2014 included the one-off gain of RM20.1 million from the sale of SSM.

Logistics Division

In FY2015, the revenue posted by the Logistics Division (excluding inter-segmental sales) declined to RM28.7 million compared to RM47.0 million in FY2014. Segmental profit decreased to RM3.1 million in FY2015 from RM30.9 million in FY2014. Segmental profit in FY2014 included the one-off gain of RM20.1 million arising from the sale of SSM as mentioned in the Chairman's statement.

ACT operates a tank farm in West Port in Klang, Selangor for the provision of bulk storage facilities for liquid chemicals servicing petrochemical companies in Malaysia and the region. In FY2015, ACT posted RM9.7 million in revenue compared to RM10.3 million in FY2014 while its PBT was RM3.4 million in FY2015 compared to RM2.8 million in FY2014. The higher PBT in FY2015 was mainly due to lower operational overheads for plant maintenance.

PCSB owns and operates a fleet of approximately 80 road tankers. It provides cross-border bulk chemicals land transportation services within Malaysia and to Singapore. The revenue of PCSB decreased to RM18.9 million in FY2015 compared to RM20.9 million in FY2014. The company posted a loss before taxation of RM0.4 million in FY2015 compared to PBT of RM0.4 million in FY2014. The company is operating in a competitive environment and operational overheads remain high. The Management is reviewing its business strategy and resources to improve efficiencies and competitiveness with a view to improve its financial performance.

Other Segment

Other segment includes the results of the investment holding company and the remaining subsidiaries of the Group, in particular ACM.

This segment (excluding inter-segmental sales) posted revenue of RM3.6 million for FY2015 compared to RM2.7 million in FY2014, which was mainly from ACM, a subsidiary involved in the electrical trading business.

Outlook and Prospects

The current economic conditions are expected to be challenging. The Malaysian economy is slowing down amid a weaker ringgit, depressed commodity prices and an uncertain external environment. These are affecting local business sentiments negatively. Cost efficiencies will be crucial in the current challenging market environment. The Board will continue to explore other business opportunities to further enhance shareholders' value.

STATEMENT ON CORPORATE GOVERNANCE

Pursuant to Paragraph 15.25 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

INTRODUCTION

The Board is fully committed to adopting and continuously practising good corporate governance that is central to the effective operation of the Company and its subsidiary companies ("Group") to ensure the highest standard of accountability and transparency, as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and financial performance of the Group.

The Board is pleased to present this statement outlining the applications by the Group of the principles and recommendations as set out in The Malaysian Code of Corporate Governance 2012 ("Code") with reference to the Corporate Governance Guide ("Guide") issued by Bursa Malaysia Securities Berhad ("Bursa Securities") for the financial year ended 31 May 2015.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Clear Functions of the Board and Management

The Company is led by an experienced Board, which comprises one (1) Independent Non-Executive Chairman, one (1) Executive Vice Chairman (EVC), one (1) Executive Director, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors.

The Board assumes full responsibility for the overall management of the Group by providing a clear and achievable business direction and objectives. In addition to its stewardship responsibilities, the Board also ensures that Management has in place appropriate processes for risk assessment, management and internal controls and that the Group's businesses are carried out in compliance with good governance practices.

The Management, under the direction and responsibility of the EVC, is responsible for implementing and executing the Board's corporate decisions and strategies, in addition to the day-to-day operations of the Group.

Clear Roles and Responsibilities of the Board

The Board is primarily responsible for charting and reviewing the strategic direction of the Group. The principal duties and responsibilities of the Board are, inter alia, as follows:

- Formulating and charting the strategic direction and setting out the Group's short and long-term plans and objectives;
- Reviewing, approving and monitoring the Group's annual budgets, financial performance, key operational initiatives, and major investment and funding decisions of the Group;
- Overseeing and reviewing the Group's business operations within a systematic and controlled environment;
- Assessing the performance of and developing a succession plan for the Executive Vice Chairman and other Senior Management;
- Overseeing the development and implementation of a shareholders' communication policy for the Company;
- Reviewing the risk management framework and the 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; and
- Promoting ethical and best corporate governance cultures within the Group.

The Board plays an active role in formulating the Group's strategic direction with the EVC and the Management team. The Board does not involve itself in the day-to-day business operations of the Group, which are delegated to the EVC and the Management team.

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

STATEMENT ON CORPORATE GOVERNANCE

The roles of the Non-Executive Chairman and the EVC are distinct and separate with a 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 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 and with authority to act on behalf of the Board in accordance with their respective Terms of Reference.

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

Formalised Ethical Standard through Code of Ethics

The Board, in discharging its oversight role, conducts its business in strict adherence to the Company Directors' Code of Ethics established by the Companies Commission of Malaysia.

A summary of the Code of Ethics is available on the Company's website at www.ancomlogistics.com.my.

The Code of Ethics requires all Directors to observe high ethical business standards and to apply these values to all aspects of the Group's business and professional practices and act in good faith in the best interests of the Company and its shareholders.

Strategically Promoting Sustainability

The Board practices good corporate governance in the application of sustainability practices throughout the Group, the benefits of which are believed to translate into better corporate performance and value creation for its shareholders.

The Group continues to carry out activities which demonstrate its commitment towards creating a better environmental, social and governance and sustainability agenda during the financial year ended 31 May 2015 as reported in the *Corporate Social Responsibility Statement* in this Annual Report.

Access to Information and Advice

All Directors have unrestricted access to information of the Group and on an ongoing basis, the Directors interact with the Management team to seek further information, updates or explanation on any aspect of the Group's operations or businesses. All Directors have unrestricted access to the service and advice of the Company Secretary who will advise and update the Directors on new statutory enactments as well as applicable rules, regulations and compliance matters. The Directors may obtain independent professional advice in furtherance of their duties whenever necessary at the Company's expense.

Prior to the Board/Committee meetings, the Directors are provided with an agenda on matters to be discussed together with the meeting papers which contain minutes of meetings, operational and financial performance reports, details of corporate proposals, the Quarterly Interim Financial Reports or the Annual Audited Financial Statements, reports of the Board Committees, Internal Audit Reports and other matters for the Directors' perusal before the Board/Committee meetings.

In most instances, Senior Management is invited to be in attendance at Board and Board Committee meetings to provide insight and to furnish clarification on issues that may be raised by the Board. Whenever appropriate, professional advisers appointed by the Company on its corporate proposals are invited to attend the Board meetings and to provide the Board with explanation and clarifications to facilitate informed decision making.

Qualified and Competent Company Secretaries

The Board is supported by two (2) qualified and competent Company Secretaries. The Company Secretaries play an advisory role to the Board on matters pertaining to compliance of procedures, rules and regulatory requirements. They regularly update and appraise the Board on new regulations issued by the regulatory authorities. The Company Secretaries attend and ensure all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory register of the Company.

The Company Secretaries work closely with the Chairman and the EVC to ensure that there are timely and appropriate information flows within the Board and to the Board Committees and to the Management.

Board Charter

In discharging its duties, the Board is guided by the Board Charter. A copy of the Company's Board Charter is available at the Company's website at www.ancomlogistics.com.my.

The Board Charter serves to ensure that all Board members acting on the Group's behalf are aware of their role and responsibilities to ensure accountability. The Board Charter focuses on the following areas:

- Board composition and Board Committees;
- The duties and responsibilities of the Board members; and
- The Code of Ethics for the Board members.

The Board Charter shall be reviewed and updated from time to time to reflect changes to the Board's practices and amendments to the relevant rules, requirements and regulations.

2. STRENGTHEN COMPOSITIONS

Remuneration and Nomination Committee

The Board has combined the functions of the Remuneration Committee and Nomination Committee into a Remuneration and Nomination Committee ("R&N Committee").

The Terms of Reference of the R&N Committee are available on the Company's website at www.ancomlogistics.com.my.

During the financial year, the membership of the R&N Committee, comprising entirely of Independent Non-Executive Directors, was as follows:

Lim Hock Chye	(Chairman)
Safrizal bin Mohd Said	(Member)
Dato' Abdul Latif bin Abdullah	(Member)
Abdul Latif bin Mahamud	(Member)

The R&N Committee is responsible for reviewing and assessing the performance and effectiveness of the Board and the Board Committee as a whole, and of its Directors individually and collectively. Should there be any Board vacancy or should there be any need for new blood and talent in the Board, the R&N Committee is responsible for identifying and recommending suitable candidates for Board membership. In such evaluation, the R&N Committee will consider the candidates' qualifications, skills, knowledge, expertise and experience, professionalism, integrity and in the case of Independent Non-Executive Directors, the candidates' ability to discharge such responsibilities and functions as expected of them. The Board is also responsible for reviewing the gender diversity of the Board composition.

The final decision as to who shall be appointed a Director remains the responsibility of the Board, after considering the recommendation of the R&N Committee.

STATEMENT ON CORPORATE GOVERNANCE

The R&N Committee also determines and recommends to the Board on the adoption of the framework of the Directors' remuneration in all its forms. It is the ultimate responsibility of the Board to decide the remuneration of the Directors. The Directors' fees will be endorsed by the Board for approval by the shareholders at the annual general meeting.

Annual Assessment

The Board reviews and evaluates the performance of its own as well as its Board Committees annually. The results of this assessment form the basis of the R&N Committee's recommendation to the Board for new appointments, if any, and re-election of Directors at the Company's annual general meeting.

During the financial year ended 31 May 2015, the R&N Committee met once with all members registering full attendance. The R&N Committee, after reviewing the current composition of the Board and the Board Committees, was satisfied that the composition of the Board and Board Committees was appropriate in terms of the required mix of skill and experience and core competencies as required under the Board Charter and the Terms of Reference of the Board Committees. Accordingly, the R&N Committee recommended that the current composition of the Board and Board Committees be retained and no new appointment was recommended.

The R&N Committee has taken note of the recommendation in the Code pertaining to the establishment of a policy on boardroom diversity including gender diversity.

The R&N Committee has not identified any woman candidate for appointment to the Board in the current year under review. The Committee will keep a look out for suitable women candidates for appointment to the Board and Board Committees in order to satisfy the gender diversity requirements by 2016.

Remuneration of Directors

The R&N Committee also assumes 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, and taking into consideration the Executive Directors' responsibilities, contributions and performance, 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' fees, after taking into account a comparison with payments by similar companies, to the Board for its endorsement.

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

The R&N Committee also reviewed the remuneration of the EVC and made recommendations on the same for the Board`s approval. The EVC did not participate in the Board deliberation on his remuneration at the Board meeting. The EVC has decided not to receive any remuneration from the Company during the financial year.

The following is the remuneration of the Non-executive Directors of the Company:

Directors' fee

For the last financial year, the Chairman of the Board and the Non-Executive Directors of the Board received RM60,000 and RM50,000 respectively as Directors' fees per annum. The members of the Audit Committee received RM15,000 each while the members of the R&N Committee received RM5,000 each per annum.

In addition, the Non-Executive Directors also received attendance allowances amounting to RM416.67 for each Board and Board Committee meeting attended. Other than the Non-Executive Chairman who is provided with a car and a driver, the other Non-Executive Directors are not entitled to any benefits-in-kind ("BIK").

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During the last financial year under review, the R&N Committee of the Company's holding company engaged a firm of consultants to provide a review of the directors' fees for Non-Executive Directors of 30 Malaysian Public Listed Companies listed on the Main Board of Bursa Securities, based on their most recent annual reports as at 1 January 2014. The R&N Committee did not engage any study to review the Directors' remuneration during the financial year. However, based on the members of the R&N Committee's personal experience, the R&N Committee was of the opinion that there was no major development in the marketplace that had affected the level of Directors' remuneration significantly during the financial year. As such, the R&N Committee was of the view that the amount of Directors' fees and allowances paid in the previous year was also reflective of the current market rates and recommended the same amount of remuneration be paid to the Non-Executive Directors in the current financial year.

The Board has endorsed the R&N Committee's recommendation and will propose the same quantum of Directors' fees for the Board and Board Committees for the current financial year subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

Subject to the approval of the Company's shareholders of the Directors' fees at the forthcoming 49th annual general meeting of the Company, the details of the remuneration received and receivable by the Directors from the Company and its subsidiaries during the financial year, by category and in bands of RM50,000, are as shown below:

Remuneration by category		Executive Director	Non-Executive Director	Total
Fees	RM'000	-	325	325
Salaries	RM'000	480	-	480
Other emoluments	RM'000	209	14	223
Benefits-in-kind	RM'000	-	16	16
Total	RM'000	688	355	1,044

Remuneration in bands of RM50,000	Executive Director	Non-Executive Director	Total
RM50,001 to RM100,000	-	5	5
RM650,0001 to RM700,000	1	-	1
Total	1	5	6

The EVC did not receive any remuneration during the financial year.

In addition to the above, the Company has taken up Directors' and Officers' Liability ("D&O") insurance for the benefit of all the Directors. The D&O insurance covers the Directors' defence costs and legal representation expenses should any action be taken against them for their actions taken as Director of the Company and/or its subsidiaries. Nevertheless, it does not indemnify a Director if he is proven to have acted fraudulently or dishonestly or for any intentional breach of the law.

3. REINFORCE INDEPENDENCE

Assessment of Independence

The Board, through the R&N Committee, assesses the independence of the Independent Directors. The criteria of an Independent Director include the following:

- The Independent Director is neither an employee nor is related to any major shareholders/Management of the Group and does not participate in the day-to-day operation of the Group and has fulfilled the definition of "Independent Directors" in the Listing requirements;
- He/she is free from any business or other relationship with the Group which would materially interfere with the exercise of his/her independent judgement on matters at hand; and

STATEMENT ON CORPORATE GOVERNANCE

- He/she is a person of calibre, credibility and has the necessary skill and experience to bring an independent judgement to bear on the issues of strategy, business performance, resources and standards of conduct. He/she is able to provide independent views in the Board's discussions.

Tenure of Independence

The Board notes Recommendation 3.2 of the Code that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years.

From the date the Independent Directors are appointed, they are required to provide an undertaking to Bursa Securities confirming and declaring that they are Independent Directors as defined under Paragraph 1.01 of the Listing Requirements.

The Board is of the view that the length of service of the Independent Directors should not affect a Director's independence. The important criteria that must be possessed by the Independent Directors are their independence from Management and that they be free from any business and other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company. In addition, as the Board has adopted the criteria set out under the definition of "Independent Directors" in the Listing Requirements to assess independence of directors, the Board believes that Recommendation 3.2 of the Code (assessment of independent director should also include tenure) and Recommendation 3.3 of the Code (the Board is allowed to seek shareholders' approval for Independent Directors after nine (9) years' tenure to remain as Independent Director) are irrelevant.

Pursuant thereto, the Board is satisfied that Safrizal bin Mohd Said and Lim Hock Chye have fulfilled the criteria of being Independent Directors and will continue to retain them as Independent Directors of the Company, notwithstanding that they have served as Independent Directors of the Board for more than nine (9) years as at 31 May 2015.

Separation of the Positions of the Chairman and the EVC

The position of the Chairman and the EVC are held by two (2) different persons with different roles and responsibilities. The distinct and separate roles of the Chairman and the EVC, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision making.

Prior to August 2014, the Board comprised seven (7) Directors. Two of them were Executive Directors, namely Dato' (Dr) Siew Ka Wei, who is the EVC, and Lim Hock Heng, Executive Director. Two (2) were Non-Independent Non-Executive Directors, namely Dato' Abdul Latif bin Abdullah (who is the Chairman of the Board) and Abdul Latif bin Mahamud and three (3) were Independent Directors, namely, Safrizal bin Mod Said, Edmond Cheah Swee Leng and Lim Hock Chye.

Dato' Latif bin Abdullah was re-designated as Independent Non-Executive Chairman in August 2014.

As mentioned above, the composition of the Board complies with the Listing Requirements which require at least one-third (1/3) of its members to be Independent Directors.

It is a recommendation of the Code that the Chairman of the Board must be an Independent Director. The Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director.

Prior to August 2014, the composition of the Board did not comply with the recommendation of the Code in this respect.

The Chairman of the Board, Dato' Abdul Latif bin Abdullah, was a Non-Independent Non-Executive Director up to August 2014, when the Board then consisted of four (4) Non-Independent Directors and three (3) Independent Directors. Subsequent to Dato' Latif bin Abdullah's re-designation, the Board's composition changed to three (3) Non-Independent Directors and four (4) Independent Directors. The composition of the Board from then on complied with the requirements of the Code.

Prior to August 2014, the Board is satisfied that Dato' Latif bin Abdullah has discharged his duties by showing strong leadership to the Board in marshalling the Board's priorities more objectively, even though he was designated as a Non-Independent Chairman.

STATEMENT ON CORPORATE GOVERNANCE

4. FOSTER COMMITMENT

Time Commitment

All the Directors have committed sufficient time to carry out their duties for the tenure of their appointments. To ensure that the Directors have the time to focus on and fulfil their roles and responsibilities, the Directors do not hold more than five (5) directorships in public listed companies as required in the Listing Requirements,

To help the Directors in planning their attendance at the Board and Committee meetings, at the end of each calendar year, the Company Secretaries draw a proposed timetable for all the Board and Committee meetings, including the annual general meeting, to be held in the next calendar year. Reminders are also sent to the Directors prior to each of the Board/Committee meetings.

The Directors are also required to inform the Board should they accept new board directorships in other public listed companies.

The Board holds its Board meetings quarterly and additional meetings are convened as and when necessary as determined by the Chairman. The attendance records below indicate the level of commitment of the Directors in carrying out their duties as Directors of the Company.

There were four (4) Board meetings, five (5) Audit Committee meetings and one (1) R&N Committee meeting held during the financial year. The attendance records of the Directors are as follows:

Name of Director	Attendance
Board Meeting:	
Dato' Abdul Latif bin Abdullah	3/4
Dato' (Dr) Siew Ka Wei	4/4
Lim Hock Heng	4/4
Abdul Latif bin Mahamud	3/4
Safrizal bin Mohd Said	3/4
Edmond Cheah Swee Leng	3/4
Lim Hock Chye	4/4
Audit Committee Meeting:	
Safrizal bin Mohd Said	5/5
Abdul Latif bin Mahamud	4/5
Lim Hock Chye	5/5
R&N Committee Meeting:	
Lim Hock Chye	1/1
Safrizal bin Mohd Said	1/1
Dato' Abdul Latif bin Abdullah	1/1
Abdul Latif bin Mahamud	1/1

In addition, all the Directors attended the 48th Annual General Meeting of the Company in November 2014.

All the Directors have fulfilled the required attendance of Board meetings during the financial year as prescribed under the Listing Requirements.

STATEMENT ON CORPORATE GOVERNANCE

Continuing Education Programme and Training

All Directors have completed the Directors' Mandatory Accreditation Programme prescribed by Bursa Securities.

The Board has assumed the onus of determining and overseeing the training needs of the Directors and will encourage Directors to attend courses, seminars and training to enhance their skills and knowledge and to keep abreast of the relevant changes in laws, regulations and the business environment to effectively discharge their responsibilities. In addition to the updates on relevant guidelines and statutory and regulatory requirements provided by the Company Secretaries from time to time, the Directors have attended the following seminars/courses/training, according to their individual needs as a Director or as members of a Board Committee on which they serve, during the financial year.

Abdul Latif Bin Mahamud

- Risk Management & Internal Control: Workshop for Audit Committee Members organised by CG Board and Bursa Malaysia Berhad in June 2014.

Safrizal Bin Mohd Said

- The National Tax Seminar organised by the Inland Revenue Board in October 2014;
- The 2015 Budget Seminar organised by the Chartered Tax Institute of Malaysia in October 2014; and
- The 7 Habits of Highly Effective People programme organised by Franklin Covey in April 2015.

Edmond Cheah

- Risk Management & Internal Control: Workshop for Audit Committee Members organised by CG Board and Bursa Malaysia Berhad in June 2014;

Lim Hock Chye

- Risk Management & Internal Control: Workshop for Audit Committee Members organised by CG Board and Bursa Malaysia Berhad in June 2014;

Dato' Abdul Latif bin Abdullah, Dato' (Dr) Siew Ka Wei and Lim Hock Heng did not attend any Directors' training during the financial year. The Board will identify suitable seminars/courses/training for them to attend in the next financial year.

Re-election of Directors

In accordance with the Company's Articles of Association, a Director is subject to retire and be eligible for re-election at the first annual general meeting of the Company after his appointment.

The Articles also provide that at least one-third (1/3) of the Board, who are longest in office since their last election, shall be subject to retirement by rotation every year and that each Director shall retire at least once in every three (3) years but he shall be eligible for re-election at the annual general meeting. The EVC does not have a service contract for which the notice period for termination is more than one year. The EVC is also subject to retirement at least once every three (3) years and he shall be eligible for re-election at the annual general meeting.

The motions to re-elect Directors are voted on individually, unless a resolution for the re-election of two (2) or more Directors by a single resolution shall have been passed by the annual general meeting without any vote against it.

The R&N Committee is responsible for making recommendations to the Board on the re-election of Directors who are retiring pursuant to the Articles of Association of the Company.

To assist shareholders in making their decisions in the re-election of Directors, sufficient information such as personal profiles, attendance at Board and Committee meetings and the shareholdings in the Company of the Directors standing for re-election is furnished in the Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

Compliance with Applicable Financial Reporting Standards

The Board strives to present true and fair, comprehensive, 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 the Group.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Company and the Group, to enable them to ensure that the financial statements are prepared in accordance with the Companies Act, 1965 ("CA"), the Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs"), the Listing Requirements and other statutory and regulatory requirements.

The Group's Quarterly Interim Financial Reports are reviewed by the Audit Committee together with the Management while the Annual Audited Financial Statements are reviewed by the Audit Committee together with the Management and the External Auditors. Thereafter, the Audit Committee will recommend to the Board to approve the same prior to releasing them to Bursa Securities within the stipulated time frame.

Assessment of Suitability and Independence of External Auditors by the Audit Committee

The Company has a formal and transparent relationship with the External Auditors, primarily through the Audit Committee and the Board.

Under its Terms of Reference, the Audit Committee has explicit authority to communicate directly with the External Auditors. Meetings with the External Auditors are held as appropriate to discuss audit plans, audit findings and the financial statements. Whenever required, the Audit Committee will hold private sessions with the External Auditors in the absence of the Management to discuss the issues affecting the Group, if any.

The Audit Committee is empowered by the Board to assess the independence of the External Auditors and to review all issues in relation to their appointment, re-appointment, resignation or dismissal. The assessment focuses on whether there exists any relationship between the External Auditors and the Directors or Senior Management and major shareholders of the Group as well as any conflict of interest situation arising therefrom, including the extent of non-audit services performed by the External Auditors during the financial year, that will give rise to questions about the External Auditors' independence and objectivity in carrying out the responsibilities entrusted to them.

6. RECOGNISE AND MANAGE RISKS

Sound Framework to Manage Risk

The Board acknowledges its responsibility to maintain a sound Risk Management and Internal Control system covering not only financial controls but also operational and compliance controls to identify risks in operations and finance and to design measures to manage those risks. 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 regular assurance on the continuity and effectiveness of the internal control system through independent reviews by the Internal Auditors and the External Auditors.

As per its Terms of Reference, the Audit Committee has been explicitly accorded the power to appoint, and to decide on, the remuneration and the resignation/dismissal of the Internal 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. It will also approve the Internal Audit Plan and review and assess the performance of the internal audit function.

STATEMENT ON CORPORATE GOVERNANCE

Internal Audit Function

To assist the Board in maintaining a sound system of internal control for the purposes of safeguarding shareholders' investments and the Group's assets, the Board has outsourced the internal audit function to an independent professional consulting firm during the financial year. The Internal Auditors conduct regular audits to review the adequacy and effectiveness of the Group's Risk Management and Internal Control system in identifying and managing principal risks, ensuring compliance with the law and regulations, and preserving the quality of assets and the integrity of the management information system. Audit findings and recommendations are reported to the Audit Committee for attention and action.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Corporate Disclosure Policy

The Board acknowledges the importance of timely and thorough dissemination of information to its investors and shareholders. The Board regards regular communications with the public via various announcements and the issuance of Annual Reports, Circulars and press releases as key to building a good relationship with its shareholders.

In line with the Listing Requirements and best practices recommended by the Code, the Company must disclose to the public all material information necessary for informed investment decisions and take reasonable steps to ensure that all who invest in the Company's securities enjoy equal access to such information. The Board strives to disclose such information to the public as soon as practicable through Bursa Securities, the media and the Company's website at www.ancomlogistics.com.my, and to ensure that such information is be handled properly to avoid leakage and improper use of such information.

Information is considered material if it is reasonably expected to have a material effect on the price, value and market activity of the Company's securities or the decision of a holder of security or an investor in determining his/her choice of actions.

The Company Secretary is responsible for compiling such information for the approval of the Board as soon as possible and for releasing such information to the market as stipulated by Bursa Securities.

Leverage on Information Technology

The Company disseminates information in relation to its financial performance, operations and corporate developments through the Annual Reports, Quarterly Interim Financial Reports, Circulars and various general announcements. The Company releases all material information publicly through Bursa Securities and via the Company's website at www.ancom.com.my.

Shareholders and investors are also encouraged to convey their queries and concerns to the Company via the Company's website at www.ancomlogistics.com.my or email at corp@ancom.com.my. The queries will be attended to by the Company's Senior Management or the Board, as the case may be.

8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Shareholders' Participation at General Meetings

The Company's general meetings provide a means of communication with shareholders. 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 EVC will give a briefing on the performance during the financial year and his view and insights on the future prospects of the Group's businesses. The Chairman, when presenting the agenda items for voting, will give a brief background on the items to be voted on and shareholders are invited to give their views and comments before voting takes place.

The Company holds its general meetings at places that are easily accessible and at a time convenient to the shareholders to encourage them to attend the meetings.

In line with the Listing Requirements, to encourage more shareholder participation at the Company's general meetings, the Company allows any member who is entitled to attend and vote at the general meeting to appoint a proxy to attend and vote for him/her and the proxy so appointed may but need not be a member of the Company and need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. The Company's Articles of Association explicitly allow the right of a proxy to speak at general meetings. Notices of meeting convening the general meetings and related Circulars are sent to the shareholders in accordance with the regulatory and statutory provisions. All notices are advertised in a national English newspaper within the prescribed deadlines.

All meetings are recorded by the Company Secretaries and minutes of the general meetings are available for inspection in accordance with the provisions of the CA.

Poll Voting

At the general meetings, the Chairman of the meeting will inform the shareholders of their right to demand for a poll vote. However, all resolutions put forth to the shareholders for approval are generally carried out by a show of hands, unless otherwise demanded by shareholders in accordance with the Articles of Association of the Company.

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 an optimal governance framework.

AUDIT COMMITTEE REPORT

Pursuant to Paragraph 15.15 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

The Board is pleased to present its Audit Committee Report for the financial year ended 31 May 2015.

TERMS OF REFERENCE

The Audit Committee is governed by its Terms of Reference, a copy of which is available at the Company's website at www.ancomlogistics.com.my.

MEMBERS AND MEETINGS

The membership of the Audit committee is as follows:

- Safrizal Bin Mohd Said - Chairman
  (Independent Non-Executive Director)

- Abdul Latif Bin Mahamud - Member
  (Non-Independent Non-Executive Director)

- Lim Hock Chye - Member
  (Independent Non-Executive Director)

A total of five (5) meetings were held during the financial year. The attendance record of the members is stated under *Statement of Corporate Governance* of this Annual Report.

The Internal Auditors attended four (4) meetings while the External Auditors attended three (3) meetings.

SUMMARY OF ACTIVITIES

During the financial year, the Audit Committee carried out its duties as set out in its Terms of Reference. The activities undertaken were as follows:

Financial Results

- Reviewed the Quarterly Interim Financial Reports and the Annual Audited Financial Statements with Management and External Auditors, with the aim to ensure that the Reports/Statements, inter-alia, complied with the Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs"), the Companies Act, 1965, the Listing Requirements and other statutory and regulatory requirements, prior to presentation to the Board for consideration and approval.

Internal Audits/External Audits

- Discussed with the Internal Auditors, the Annual Internal Audit Plan, the Quarterly Internal Audit Reports particularly on the major internal control weaknesses noted during the audit and the Management's responses thereto, and assess the financial impact of those weaknesses on the Company and the Group, and to subsequently monitoring the progress of remedial actions taken to address the internal control weaknesses;

- Discussed with the External Auditors, their Annual Statutory Audit Plan for the financial year prior to commencement of audit and the results of their audits, including the adequacy of the Group's internal control, the accounting and internal control issues arising from the audits and the management's responses thereto;

- Reviewed with the External Auditors, new developments and updates on MFRSs issued by the Malaysian Accounting Standards Board and assess their impact on the Group's financial reports;

- Assess the suitability and independence of the External Auditors in accordance with the provisions of the By-Laws of Professional Independence of the Malaysian Institute of Accountants; and

- Reviewed the performance of the Internal Auditors and External Auditors and made recommendation to the Board for their remuneration and re-appointment.

Risk Management

- Reviewed the Risk Management Framework and the Risk Registry of the Group and the ongoing identification, evaluation and management of the significant risks affecting the Group.

Related Party Transactions

- Reviewed the procedures and approved the related party transactions that had arisen within the Company and the Group.

Employees Share Option Scheme

- The Company has not established any share option scheme and has no subsisting share option scheme for its employees during the financial year.

Others

- Reviewed the Audit Committee Report and the Statement on Risk Management and Internal Control prior to submission to the Board for approval and inclusion in the Annual Report.

During the Board Meetings, the Chairman of the Audit Committee briefed the Board on matters and issues discussed as well as the Committee's recommendations pertaining to the Company's Quarterly Financial Reports/Audited Financial Statements and Internal Audit Reports for the Board's consideration and approval.

INTERNAL AUDIT FUNCTION

The Audit Committee recognised the importance of the internal audit function and its independent status for it to carry out its function effectively. During the financial year, the Group's internal audit function has been outsourced to an independent firm of consultants.

During the financial year, the Internal Auditors carried out its responsibilities according to the Internal Audit Plan approved by the Audit Committee. These activities, amongst others, were:

(a) reviewing the adequacy and effectiveness of the Group's internal control system in identifying and managing principal risks, ensuring compliance with the law and regulations, preserving the quality of assets and the integrity of management information system and consequently determining the future requirements for internal control system and to co-develop a prioritised action plan;

(b) performing a risk assessment of the Group's business operation and identifying the business processes within the Group that internal audit should focus on; and

(c) allocating audit resources to areas within the Group that provide the Audit Committee and the management with efficient and effective level of audit coverage.

AUDIT COMMITTEE REPORT

At the Audit Committee meetings, the Internal Auditors presented its Quarterly Internal Audit Reports to the Audit Committee for review and discussion. The Quarterly Internal Audit Reports highlighted the Internal Auditors' review and findings on the Group's compliance with the established internal policies and procedures, assessment of the magnitude of the financial effects arising from the weaknesses noted, as well as the Internal Auditors' recommendations on the corrective actions to overcome the weaknesses. The Internal Auditors, where necessary, would report its follow-up findings in the subsequent Audit Committee meeting.

CONCLUSION

The Audit Committee is of the opinion that it has discharged its duties in accordance with the Terms of Reference during the financial year, and that the Group's risk management and internal control system was adequate and effective.

Please refer *Statement on Risk Management and Internal Control* of this Annual Report for more information.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to paragraph 15.26(b) of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad

INTRODUCTION

The Board is pleased to provide the Group's Statement on Risk Management and Internal Control for the financial year ended 31 May 2015 made pursuant to Paragraph 15.26(b) of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). This Statement has been prepared in accordance with the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" issued by the Task Force with the support and endorsement by Bursa Securities.

For the purpose of this Statement, the Group means the Company and its subsidiaries.

BOARD RESPONSIBILITY FOR RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the establishment and maintenance of a sound Risk Management and Internal Control system in the Group. The Board is also responsible for reviewing the adequacy, effectiveness and integrity of the Group's Risk Management and Internal Control system through ongoing and independent reviews carried out by the Internal Audit function of the Group to achieve the following objectives:

- Safeguard assets of the Group and shareholders' interests;
- Identify and manage risks affecting the Group;
- Ensure compliance with regulatory requirements; and
- Ensure operational results are closely monitored and substantial variances are promptly investigated.

It is important to note that the Group's Risk Management and 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 due to its inherent limitations and the consideration of cost factors. As such, the Group's Risk Management and Internal Control system can only provide reasonable and not absolute assurance against material mis-statement of management or financial information, financial losses or fraud.

The task of establishing and maintaining the Risk Management and Internal Control system of the Group rests will the Executive Vice Chairman and the Management team.

RISK MANAGEMENT PROCESS AND INTERNAL CONTROL SYSTEM

The main features of the Group's Risk Management Process and Internal Control system are summarised as follows:

- ***Organisation Structure and Responsibility Levels***

  The Group's organisational structure has clearly defined levels of authority and lines of responsibility from operating units up to the Board level to ensure accountabilities for risk management and control activities. There are proper segregation of duties and responsibilities to eliminate the incidence of an employee having total control of a business process.

  The Board entrusted the daily running of the business to the Executive Vice Chairman and the Management team. The Executive Vice Chairman is assisted by the Senior Management who are "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 risk management and internal control system are achieved.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- ***Risk Management Process***

  The Risk Management process in the Group is embedded within the Group's business operations and guided by the operational manuals and policies and procedures of the Group. The Group's Risk Management Framework encompasses an ongoing process for identifying and assessing the key risks affecting the Group's operations and results. The mitigating process on these risks are then identified and evaluated on the effectiveness and finally, the owners who shall be responsible to monitor the occurrence of the risks are assigned.

- ***Audit Committee and Internal Audit***

  The Audit Committee was entrusted by the Board to ensure that an effective and adequate Risk Management and Internal Control system is in place at all times. To assist the Audit Committee in discharging its duties and responsibilities, the Audit Committee outsources the Group's Internal Audit function to a professional firm.

  The Audit Committee has 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. It approves the Internal Audit Plan and reviews and assesses the performance of the Internal Audit function.

  The Internal Audit function conducts independent reviews of the key activities within the Group's operating units based on the Internal Audit Plan which has been approved by the Audit Committee.

- ***Reporting and Review***

  The Executive Vice Chairman holds meetings whenever applicable with the Senior Management to discuss and resolve operational, corporate, financial and key management issues. A performance review comparing the actual results with the previous year's results and the explanation on significant variances are presented to the Board during the Board meetings.

  The Group's Quarterly Interim Financial Report and Annual Audited Financial Statements are only released to Bursa Securities 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 for the Management and employees of the Group to carry out their day-to-day duties. The Group's Policies and Procedures cover the following core areas: Authority limits and authorisation 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 delineate authority limits to the appropriate persons to ensure accountability and segregation of duties.

CONCLUSION

The Board has received assurance from the Executive Vice Chairman and Chief Financial Officer that the Group's Risk Management and Internal Control system is operating adequately and effectively up to the date of issuance of the Audited Financial Statements.

The Board is of the view that the Group's Risk Management and Internal Control system during the financial year under review, and up to the date of issuance of the Audited Financial Statements, was satisfactory and has not resulted in any material losses, contingencies or uncertainties that would jeopardise the value of the Group's assets and shareholders' investment.

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, mutual respect, and win-win; and
- the Group shall manage its activities according to the principles of sustainable development for the needs of future generations.

The Company and its subsidiaries ("Group") have carried out certain activities during the financial year ended 31 May 2015 which focuses on four main focal areas as disclosed below:

ENVIRONMENT

As a responsible corporation, the Group has initiated various sustainable environmental conservation efforts. Used materials such as papers, paper cartons and cardboard boxes are re-used, where possible, or sent to recycling centres. Used photocopy ink cartridges are sent to ink suppliers for re-use to help save the environment.

WORKPLACE

The Group values its employees and emphasises on the development of human resources. Various activities focusing on safety and health were organised by the Group to promote a healthy and positive work environment for its employees:

- Scheduled safety drills such as fire and evacuation, chemical leakage, storage tank leakage and falling ill on site drills were conducted to ensure that employees are well trained to handle emergency situations;
- Regular training on workplace safety, product handling, inspection of fire fighting equipment; Fire Safety talk by the Public Fire Safety & Prevention Education Centre, the Personal Protection Equipment talk and fire and chemical handling drills were carried out for the employees on a regular basis;
- Regular first aid training to employees at the Group's Bulk Liquid Terminal; and
- Fire drill conducted with Bomba Malaysia/West Port Bomba at the Group's Bulk Liquid Terminal to test the emergency response readiness in the event of fire or accident at the Terminal.

COMMUNITY

Consistent with one of the important focal areas of Corporate Social Responsibility which is to be responsible to the community in which the Group operates, employees of the Group are encouraged to volunteer in community projects. During the financial year, the Group organised various fund raising activities for old folks home and orphanages and had a blood donation campaign for its employees.

DIRECTORS' RESPONSIBILITIES STATEMENT ON AUDITED FINANCIAL STATEMENTS

Pursuant to Paragraph 15.26(a) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

In accordance with the Companies Act, 1965, the Directors of the Company are required to prepare audited financial statements ("Audited Financial Statements") for a 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.

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 2015 and the profit and loss of the Company and the Group for the financial year ended 31 May 2015. The Directors are also responsible to ensure that the Audited Financial Statements comply with the Companies Act, 1965 and the Malaysian Financial Reporting Standards ("MFRSs") and International Finanfial Reporting Standards ("IFRSs"), the Listing Requirements and other statutory and regulatory requirements.

In preparing the Audited Financial Statements, the Directors have:

- adopted accounting policies which are appropriate and consistently applied;
- made judgment and estimates which are reasonable and prudent;
- prepared the Audited Financial Statements on the assumption that the Company and the Group will operate as a going concern; and
- ensured that all applicable approved accounting standards have been followed subject to any material departure being disclosed and explained in the Audited Financial Statements.

The Directors have also provided the External 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 Audited Financial Statements.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 May 2015.

PRINCIPAL ACTIVITIES

The Company is an investment holding company.

The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Net loss for the year	(453)	(3,173)
Attributable to:		
Equity holders of the Company	(1,540)	(3,173)
Non-controlling interests	1,087	-
	(453)	(3,173)

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

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.

DIRECTORS' REPORT

SHARE CAPITAL AND SHARE PREMIUM

During the financial year, the Company has undertaken a capital reduction of its existing issued and paid-up share capital via cancellation of RM0.05 in the par value of each ordinary shares of RM0.10 each, resulting in a new par value of RM0.05 for each of the ordinary shares in the Company. Following the capital reduction, the Company has made a cash distribution of RM18,932,000 to all shareholders of the Company on the basis of RM0.04 for each of the ordinary shares and the balance of RM0.01, together with credit arising from cancellation of share premium account be used to set-off against the accumulated losses of the Company, in accordance with Section 60 and 64 of the Companies Act, 1965. Pursuant to the capital reduction and repayment, the authorised share capital remained at RM500,000,000 comprising 10,000,000,000 ordinary shares of RM0.05 each and reduction in issued and fully paid share capital from RM47,328,600 to RM23,664,300 comprising 473,286,000 ordinary shares of RM0.05 each.

DIVIDENDS

No dividend was declared for the financial year ended 31 May 2015.

The Directors do not recommend any dividend in respect of the financial year ended 31 May 2015.

DIRECTORS

The names of the Directors 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' (Dr) Siew Ka Wei (Executive Vice Chairman)
Abdul Latif bin Mahamud
Safrizal bin Mohd Said
Lim Hock Chye
Lim Hock Heng
Edmond Cheah Swee Leng

In accordance with Article 103 of the Company's Articles of Association, Lim Hock Heng and Edmond Cheah Swee Leng retire by rotation and, being eligible, offer themselves for re-election.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of shares			
	1 June 2014	**Acquired**	**(Disposed)**	**31 May 2015**
Ordinary shares of RM0.10 (2014)/RM0.05 (2015) each in the Company				
Direct interest:				
Dato' (Dr) Siew Ka Wei	725,867	-	-	**725,867**
Lim Hock Heng	80,573,516	-	-	**80,573,516**
Deemed interest:				
Dato' (Dr) Siew Ka Wei	223,712,596	-	(7,839,400)	**215,873,196**
Ordinary shares of RM1.00 each in holding company, Ancom Berhad				
Direct interest:				
Dato' (Dr) Siew Ka Wei	20,976,965	1,612,300	-	**22,589,265**
Deemed interest:				
Dato' (Dr) Siew Ka Wei	20,611,748	-	-	**20,611,748**
Ordinary shares of RM1.00 each in a related company, Nylex (Malaysia) Berhad				
Direct interest:				
Dato' (Dr) Siew Ka Wei	1,522,049	-	-	**1,522,049**
Deemed interest:				
Dato' (Dr) Siew Ka Wei	93,671,435	-	-	**93,671,435**

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

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' REPORT

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 (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full time employee of the Company as disclosed in Note 8 to the financial statements) by reason 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.

OTHER STATUTORY INFORMATION

(a) Before the income statements, statements of comprehensive income and statements of financial position 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 there were no known bad debts 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) it necessary to write off any bad debts or the amount of the allowance for doubtful debts 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 of the Group and of the Company which would render any amount stated in the financial statements misleading.

(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.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION *(continued)*

(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.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the Directors dated 23 September 2015.

Dato' Abdul Latif bin Abdullah
Director

Dato' (Dr) Siew Ka Wei
Director

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, Dato' Abdul Latif bin Abdullah and Dato' (Dr) Siew Ka Wei, being two of the Directors of Ancom Logistics Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 40 to 107 are drawn up in accordance with Malaysian Financial Reporting Standards, International 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 2015 and of their financial performance and cash flows for the year then ended.

The information set out in Note 33 to the financial statements on page 108, have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 23 September 2015.

Dato' Abdul Latif bin Abdullah **Dato' (Dr) Siew Ka Wei**

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, do solemnly and sincerely declare that the accompanying financial statements set out on pages 40 to 108 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 23 September 2015 **Lim Chang Meng**

Before me,

N. Madharan Nair
Commissioner for Oaths (No. B461)
Pertaling Jaya

INDEPENDENT AUDITORS' REPORT

to the members of Ancom Logistics Berhad (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Ancom Logistics Berhad, which comprise the statements of financial position as at 31 May 2015 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company, for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 40 to 107.

Directors' responsibility for the financial statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Companies Act, 1965 in Malaysia. The Directors are responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 preparation of financial statements that give a true and fair view 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 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 give a true and fair view of the financial position of the Group and of the Company as at 31 May 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT

to the members of Ancom Logistics Berhad (Incorporated in Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

(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 incorporated in Malaysia 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' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 13 to the financial statements, being the financial statements that have been included in the consolidated 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 in respect of subsidiaries incorporated in Malaysia, did not include any comment required to be made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 33 to the financial statements on page 108 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 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

Kua Choh Leang
No. 2716/01/17(J)
Chartered Accountant

Kuala Lumpur, Malaysia
23 September 2015

INCOME STATEMENTS
For the financial year ended 31 May 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	4	**32,253**	49,729	**-**	27,039
Cost of sales	4	**(24,690)**	(37,195)	**-**	-
Gross profit		**7,563**	12,534	**-**	27,039
Other income		**1,031**	20,849	**309**	293
Selling and marketing expenses		**-**	(296)	**-**	-
Administrative and other expenses		**(7,698)**	(17,823)	**(3,192)**	(7,537)
Finance costs	5	**(138)**	(325)	**(248)**	(22)
Profit/(loss) before taxation	6	**758**	14,939	**(3,131)**	19,773
Taxation	9	**(1,211)**	(1,016)	**(42)**	(18)
Net (loss)/profit for the year		**(453)**	13,923	**(3,173)**	19,755
Attributable to:					
Equity holders of the Company		**(1,540)**	13,596	**(3,173)**	19,755
Non-controlling interests		**1,087**	327	**-**	-
		(453)	13,923	**(3,173)**	19,755
(Loss)/earnings per share attributable to equity holders of the Company					
- Basic (sen)	10	**(0.33)**	2.87		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 May 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Net (loss)/profit for the year		**(453)**	13,923	**(3,173)**	19,755
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:					
Translation of a foreign subsidiary		**-**	809	**-**	-
Transfer of foreign currency translation reserve upon disposal of a subsidiary		**-**	(907)	**-**	-
Total comprehensive (loss)/income for the year		**(453)**	13,825	**(3,173)**	19,755
Total comprehensive (loss)/income for the year attributable to:					
Equity holders of the Company		**(1,540)**	13,498	**(3,173)**	19,755
Non-controlling interests		**1,087**	327	**-**	-
		(453)	13,825	**(3,173)**	19,755

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 May 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	**34,003**	37,715	**515**	642
Intangible asset	12	**-**	-	**-**	-
Investments in subsidiaries	13	**-**	-	**22,474**	22,474
Investment in an associate	14	**1,802**	1,802	**1,833**	1,833
Deferred tax assets	15	**30**	162	**-**	-
		35,835	39,679	**24,822**	24,949
Current assets					
Inventories	16	**400**	388	**-**	-
Trade and other receivables	17	**16,223**	7,685	**6,979**	1,596
Other current assets	18	**637**	617	**17**	-
Tax recoverable		**396**	217	**-**	-
Other investments	19	**868**	3,012	**-**	-
Cash and bank balances	20	**5,651**	29,382	**4**	22,030
		24,175	41,301	**7,000**	23,626
Assets held for sale	21	**51**	-	**-**	-
		24,226	41,301	**7,000**	23,626
TOTAL ASSETS		**60,061**	80,980	**31,822**	48,575
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	25	**6,404**	6,428	**9,750**	4,269
Loans and borrowings	24	**1,041**	2,491	**117**	111
Provision for taxation		**677**	149	**-**	-
		8,122	9,068	**9,867**	4,380
Net current assets/(liabilities)		**16,053**	32,233	**(2,867)**	19,246

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
As at 31 May 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Non-current liabilities					
Deferred tax liabilities	15	**6,016**	6,564	**-**	18
Loans and borrowings	24	**495**	535	**276**	393
		6,511	7,099	**276**	411
TOTAL LIABILITIES		**14,633**	16,167	**10,143**	4,791
Net assets		**45,428**	64,813	**21,679**	43,784
Equity attributable to equity holders of the Company					
Share capital	22	**23,664**	47,329	**23,664**	47,329
Share premium	22	**-**	6,414	**-**	6,414
Accumulated losses		**(1,557)**	(11,164)	**(1,985)**	(9,959)
Merger reserve	23	**8,526**	8,526	**-**	-
		30,633	51,105	**21,679**	43,784
Non-controlling interests		**14,795**	13,708	**-**	-
TOTAL EQUITY		**45,428**	64,813	**21,679**	43,784
TOTAL EQUITY AND LIABILITIES		**60,061**	80,980	**31,822**	48,575

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 May 2015

		Attributable to equity holders of the Company						
				Distributable	Non-distributable			
Group	Note	Total equity RM'000	Share capital RM'000	Accumulated losses RM'000	Share premium RM'000	Merger reserve RM'000	Foreign currency translation reserves RM'000	Non-controlling interests RM'000
At 1 June 2014		**64,813**	**47,329**	**(11,164)**	**6,414**	**8,526**	**-**	**13,708**
Total comprehensive (loss)/income		**(453)**	**-**	**(1,540)**	**-**	**-**	**-**	**1,087**
Transactions with equity holders								
Capital repayment	22	**(18,932)**	**(18,932)**	**-**	**-**	**-**	**-**	**-**
Capital reduction	22	**-**	**(4,733)**	**4,733**	**-**	**-**	**-**	**-**
Cancellation of share premium	22	**-**	**-**	**6,414**	**(6,414)**	**-**	**-**	**-**
Total transactions with equity holders		**(18,932)**	**(23,665)**	**11,147**	**(6,414)**	**-**	**-**	**-**
At 31 May 2015		**45,428**	**23,664**	**(1,557)**	**-**	**8,526**	**-**	**14,795**
At 1 June 2013		69,919	47,329	(5,829)	6,414	8,526	98	13,381
Net profit for the year		13,923	-	13,596	-	-	-	327
Translation of a foreign subsidiary		809	-	-	-	-	809	-
Transfer of foreign currency translation reserve to profit or loss upon disposal of a subsidiary		(907)	-	-	-	-	(907)	-
Total comprehensive income/(loss) for the year		13,825	-	13,596	-	-	(98)	327
Transaction with equity holders								
Dividends on ordinary shares	26	(18,931)	-	(18,931)	-	-	-	-
At 31 May 2014		64,813	47,329	(11,164)	6,414	8,526	-	13,708

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 May 2015

Company	Note	Total equity RM'000	Share capital RM'000	Non-distributable Share premium RM'000	Distributable Accumulated losses RM'000
At 1 June 2014		**43,784**	**47,329**	**6,414**	**(9,959)**
Total comprehensive loss		**(3,173)**	**-**	**-**	**(3,173)**
Transactions with equity holders					
Capital repayment	22	**(18,932)**	**(18,932)**	**-**	**-**
Capital reduction	22	**-**	**(4,733)**	**-**	**4,733**
Cancellation of share premium	22	**-**	**-**	**(6,414)**	**6,414**
Total transactions with equity holders		**(18,932)**	**(23,665)**	**(6,414)**	**11,147**
At 31 May 2015		**21,679**	**23,664**	**-**	**(1,985)**
At 1 June 2013		42,960	47,329	6,414	(10,783)
Total comprehensive income		19,755	-	-	19,755
Transaction with equity holders					
Dividends on ordinary shares	26	(18,931)	-	-	(18,931)
At 31 May 2014		43,784	47,329	6,414	(9,959)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
For the financial year ended 31 May 2015

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash flows from operating activities				
Profit/(loss) before taxation:	**758**	14,939	**(3,131)**	19,773
Adjustments for:				
Depreciation of property, plant and equipment	**4,695**	6,157	**132**	198
Amortisation of development expenditure	**-**	112	**-**	-
Impairment of development expenditure	**-**	250	**-**	-
Allowance for doubtful debts	**287**	300	**1,346**	258
Reversal of allowance for doubtful debts	**(287)**	-	**-**	-
Impairment of investment in an associate	**-**	1,000	**-**	1,000
Interest expense	**138**	325	**248**	22
Interest income	**(232)**	(5)	**(229)**	-
Fair value gain in other investments	**(56)**	(48)	**-**	-
Gain on disposal of property, plant and equipment	**(12)**	(176)	**-**	-
Gain on disposal of a subsidiary	**-**	(20,087)	**-**	-
Dividend income from a subsidiary	**-**	-	**-**	(27,039)
Unrealised (gain)/loss on foreign exchange	**(47)**	12	**-**	-
Inventories written off	**-**	400	**-**	-
Operating profit/(loss) before changes in working capital	**5,244**	3,179	**(1,634)**	(5,788)
Changes in working capital				
Inventories	**(12)**	(152)	**-**	-
Receivables	**(7,814)**	159	**(65)**	-
Payables	**(1,189)**	3,197	**(2,193)**	1,740
Related companies	**468**	(391)	**993**	44,568
Cash flows (used in)/generated from operations	**(3,303)**	5,992	**(2,899)**	40,520
Taxation refund	**-**	833	**-**	647
Taxation paid	**(1,278)**	(1,833)	**(60)**	-
Net cash (used in)/generated from operating activities	**(4,581)**	4,992	**(2,959)**	41,167

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
For the financial year ended 31 May 2015

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Cash flows from investing activities				
Interest received	**232**	5	**229**	-
Withdrawal/(addition) of investments in other investments	**2,200**	(2,700)	**-**	-
Net cash inflow on disposal of a subsidiary	**-**	46,949	**-**	-
Proceeds from disposal of property, plant and equipment	**151**	341	**-**	-
Purchase of property, plant and equipment	**(798)**	(1,673)	**(5)**	(196)
Increase of deposits with licensed banks	**(3)**	(3)	**-**	-
Net cash generated from/(used in) investing activities	**1,782**	42,919	**224**	(196)
Cash flows from financing activities				
Capital repayment	**(18,932)**	-	**(18,932)**	-
Interest paid	**(138)**	(325)	**(248)**	(22)
Dividend paid on ordinary shares	**-**	(18,931)	**-**	(18,931)
Repayment of term loans	**-**	(830)	**-**	-
Repayment of short term borrowings	**(1,393)**	(3,974)	**-**	-
Drawdown of short term borrowings	**390**	3,414	**-**	-
Repayment of hire purchase	**(566)**	(1,129)	**(111)**	-
Net cash used in financing activities	**(20,639)**	(21,775)	**(19,291)**	(18,953)
Net (decrease)/increase in cash and cash equivalents	**(23,438)**	26,136	**(22,026)**	22,018
Cash and cash equivalents at 1 June	**28,209**	2,073	**22,030**	12
Cash and cash equivalents at 31 May (Note 20)	**4,771**	28,209	**4**	22,030

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2015

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). 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 No. 2A, Jalan 13/2, Sek. 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

The Company is a subsidiary of Ancom Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Securities.

The Company is an investment holding company. The principal activities of the subsidiaries are disclosed in Note 13. There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 23 September 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 June 2014, the Group and the Company adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2014.

Description	Effective for annual periods beginning on or after
• Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
• Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
• Amendments to MFRS 136: Recoverable Amount Disclosures for Non- Financial Assets	1 January 2014
• Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
• IC Interpretation 21 Levies	1 January 2014

The application of these amendments did not have any significant effect on the financial performance and position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
• Amendment to MFRS 5: Annual Improvements to MFRSs 2012–2014 Cycle	1 January 2016
• Amendments to MFRS 7: Annual Improvements to MFRSs 2012–2014 Cycle	1 January 2016
• Amendment to MFRS 134: Annual Improvements to MFRSs 2012–2014 Cycle	1 January 2016
• Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016
• Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
• Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
• Annual Improvements to MFRSs 2010–2012 Cycle	1 July 2014
• Annual Improvements to MFRSs 2011–2013 Cycle	1 July 2014
• Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
• Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
• Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
• Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
• Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
• Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
• MFRS 14: Regulatory Deferral Accounts	1 January 2016
• MFRS 15: Revenue from Contracts with Customers	1 January 2018
• MFRS 9: Financial Instruments	1 January 2018

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Standards issued but not yet effective *(continued)*

The adoption of the above standards and interpretations will not have any significant effect on the financial performance and position of the Group and of the Company in the period of initial application, except as discussed below:

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFR 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, such as when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods, beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

(i) power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure, or rights, to variable returns from its investment with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.4 Basis of consolidation *(continued)*

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) potential voting rights held by the Company, other vote holders or other parties;

(iii) rights arising from other contractual arrangements; and

(iv) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to equity holders of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.4 Basis of consolidation *(continued)*

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

2.5 Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to equity holders of the Company, and is presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from equity attributable to equity holders of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the parent.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if it results in a deficit balance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Foreign currency

(a) 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.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

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 and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.7 Property, plant and equipment

Property, plant and equipment are initially stated at cost. Cost consists of purchase, commissioning, installation costs and in respect of construction of plant and machinery, interest expense incurred prior to commencement of production and other expenditure that is directly attributable to the acquisition of the asset.

Subsequent to recognition, all property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land are amortised over the lease period of 99 years. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	8 - 36 years
Plant and machinery	5 - 20%
Furniture, fittings and office equipment	10%
Motor vehicles	5%
Renovation	10%

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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 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.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.9 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure, or rights, to variable returns from its investment with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for 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.

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.10 Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after taxation and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.11 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.11 Financial assets *(continued)*

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss and loans and receivables.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, the date that the Group and the Company commit to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand that are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in first-out basis.

- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If 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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statements of financial position when, and only when, the Group and Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

All financial liabilities of the Group are classified as other financial liabilities which include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.17 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.18 Employee benefits

(a) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the 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. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

The Group and the Company make contribution to the Employees Provident Fund ("EPF") in Malaysia, a defined contribution pension scheme. The Group's foreign subsidiary makes contribution to its respective country's statutory pension scheme. Contributions to respective country's statutory pension scheme are recognised as an expense in the period in which the related service is performed.

2.19 Leases - as lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.20 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Rendering of services

Revenue from the sale of services are mainly from the rental of warehouses and tanks and transportation services. These are recognised as revenue when the services are rendered.

(c) Interest income

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

(d) Dividend income

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

2.21 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.21 Income taxes *(continued)*

(b) Deferred tax *(continued)*

Deferred tax liabilities are recognised for all temporary differences, except:

(i) where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

(i) where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.22 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.23 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.24 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate which is the weighted average of the borrowing costs applicable to the Group's borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining another qualifying asset. For borrowings made specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of that borrowing.

All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

2.25 Current versus non-current classification

The Group and the Company present assets and liabilities in the statements of financial position based on current/ non-current classification. An asset is classified as current when it is:

(a) expected to be realised or intended to be sold or consumed in a normal operating cycle;

(b) held primarily for the purpose of trading;

(c) expected to be realised within twelve months after the reporting period; or

(d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.25 Current versus non-current classification *(continued)*

All other assets are classified as non-current. A liability is classified as current when:

(a) it is expected to be settled in a normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is due to be settled within twelve months after the reporting period; or

(d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.26 Fair value measurement

The Group and the Company measure financial instruments such as derivatives, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 29(A).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) in the principal market for the asset or liability; or

(b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and by the Company.

The fair value of an asset or a liability is measured using the assumptions that a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the assets in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.26 Fair value measurement *(continued)*

All assets and liabilities for which fair value is measured and disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.27 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgement made in applying accounting policies

In the process of applying the Group's accounting policies, management has not made any significant judgement during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

3.2 Key sources of estimation uncertainty

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

(a) Impairment of the investment in an associate

The Group assesses at each reporting date whether there is any objective evidence that the investment in an associate is impaired.

The Group is currently in the process of disposing the associate. Judgments made by management in the process of applying the Group's accounting policies in respect of investment in associate is as follows:

(i) The Group determines whether its investments are impaired following certain indications of impairment such as, amongst others, ensure that the investment is not carried at more than their recoverable amount, such as the higher of fair value less costs of disposal and their value in use.

During the current financial year, based on the estimated recoverable amount of the investment in an associate, which include valuation of the remaining property by independent professional valuers, the accumulated impairment for the investment in the said associate as at 31 May 2015 was RM2,069,000 (2014: RM2,069,000).

(b) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Details of the deferred tax are disclosed in Note 15.

4. REVENUE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Sale of goods	**3,600**	2,713	**-**	-
Rendering of services	**28,653**	47,016	**-**	-
Dividend income from a subsidiary	**-**	-	**-**	27,039
	32,253	49,729	**-**	27,039

Cost of sales represents the cost of product sold and cost of rendering services.

5. FINANCE COSTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest expense on:				
Bank overdrafts	**69**	144	**-**	-
Lease and hire purchases	**44**	71	**22**	22
Term loans and banker's acceptances	**25**	110	**-**	-
Amount due to a subsidiary	**-**	-	**226**	-
	138	325	**248**	22

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

6. PROFIT/(LOSS) BEFORE TAXATION

The following items have been included in arriving at profit/(loss) before taxation:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Amortisation of development expenditure (Note 12)	**-**	112	**-**	-
Auditors' remuneration				
- statutory audit	**109**	98	**60**	55
- other services	**8**	21	**8**	5
Depreciation of property, plant and equipment (Note 11)	**4,695**	6,157	**132**	198
Bad debt written off	**-**	434	**-**	-
Allowance for doubtful debts	**287**	300	**1,346**	258
Reversal of allowance for doubtful debts	**(287)**	-	**-**	-
Inventories written off	**-**	400	**-**	-
Operating lease rental	**427**	427	**-**	-
Rental of premises	**317**	301	**-**	-
Realised gain on foreign exchange	**(43)**	(59)	**-**	-
Unrealised (gain)/loss on foreign exchange	**(47)**	12	**-**	-
Impairment loss on:				
- Investment in an associate (Note 14)	**-**	1,000	**-**	1,000
- Development expenditure (Note 12)	**-**	250	**-**	-
Gain on disposal of property, plant and equipment	**(12)**	(176)	**-**	-
Gain on disposal of a subsidiary (Note 13)	**-**	(20,087)	**-**	-
Interest income on:				
- Amount due from holding company	**(198)**	-	**(198)**	-
- Short-term deposits	**(34)**	(5)	**(31)**	-
Fair value gain in other investments	**(56)**	(48)	**-**	-
Employee benefits expense (Note 7)	**6,911**	8,453	**439**	1,846

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

7. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Wages and salaries	**5,859**	6,357	**363**	434
Defined contribution plan	**662**	712	**74**	44
Others	**390**	1,384	**2**	1,368
	6,911	8,453	**439**	1,846

Included in staff costs of the Group is Executive Directors' remuneration of RM689,000 (2014: RM1,759,000) as disclosed in Note 8.

8. DIRECTORS' REMUNERATION

The details of remuneration receivable by Directors of the Group during the year are as follows:

	Group	
	2015 RM'000	**2014 RM'000**
Executive Directors		
Salaries	**480**	480
Other emoluments	**209**	1,279
	689	1,759
Non-executive Directors		
Fees	**325**	325
Benefit-in-kind	**16**	-
Others	**14**	817
	355	1,142
Total Directors' remuneration	**1,044**	2,901

NOTES TO THE FINANCIAL STATEMENTS
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8. DIRECTORS' REMUNERATION *(continued)*

The number of Directors of the Group whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2015	**2014**
Executive Directors		
RM1 to RM1,250,000	**1**	1
RM1,250,001 to RM2,500,000	**-**	1
	1	2
Non-executive Directors		
RM50,001 to RM100,000	**5**	-
RM100,001 to RM200,000	**-**	5
	6	7

9. TAXATION

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Income tax:				
Malaysian income tax	**1,637**	1,288	**-**	-
Foreign income tax	**-**	84	**-**	-
(Over)/under provision in prior years	**(10)**	290	**60**	-
	1,627	1,662	**60**	-
Deferred taxation (Note 15):				
Relating to originating and reversal of temporary differences	**(657)**	(223)	**-**	13
Under/(over) provision in prior years	**241**	(227)	**(18)**	5
Relating to change in tax rate	**-**	(196)	**-**	-
	(416)	(646)	**(18)**	18
Taxation recognised in profit or loss	**1,211**	1,016	**42**	18

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 24% in the year of assessment 2016. The computation of deferred tax as at 31 May 2015 has reflected these changes.

NOTES TO THE FINANCIAL STATEMENTS
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9. TAXATION *(continued)*

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

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Profit/(loss) before taxation	**758**	14,939	**(3,131)**	19,773
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	**190**	3,735	**(783)**	4,943
Effect of different tax rates in foreign countries	**-**	(40)	**-**	-
Income not subject to tax	**-**	(5,024)	**-**	(6,760)
Expenses not deductible for tax purpose	**250**	1,686	**223**	1,121
Utilisation of previously unrecognised tax losses anunabsorbed capital allowances	**(20)**	-	**-**	-
Deferred tax asset not recognised	**560**	792	**560**	709
Under/(over) provision of deferred tax in prior years	**241**	(227)	**(18)**	5
Under/(over) provision of income tax in prior years	**(10)**	290	**60**	-
Effect of changes in tax rate	**-**	(196)	**-**	-
	1,211	1,016	**42**	18

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

10. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per ordinary share amounts are calculated by dividing the (loss)/profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

The following reflect the (loss)/profit and share data used in the computation of (loss)/earnings per share for the years ended 31 May:

	Group	
	2015 RM'000	**2014 RM'000**
(Loss)/profit for the year, attributable to equity holders of the Company	**(1,540)**	13,596
	Number of shares '000	**Number of shares '000**
Weighted average number of ordinary shares for basic earnings per share computation*	**473,286**	473,286

* The weighted average number of shares taken into account the weighted average effect of changes in ordinary shares transactions during the year.

	Group	
	2015 RM	**2014 RM**
(Loss)/earnings per share attributable to equity holders of the Company:		
- Basic, for continuing operations (sen)	**(0.33)**	2.87

The Company has no potential ordinary shares in issue as at financial year end and therefore, diluted (loss)/earnings per ordinary share has not been presented.

11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Building RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Renovations RM'000	Total RM'000
Cost							
At 1 June 2014	1,016	3,993	51,611	29,143	2,323	167	88,253
Additions	-	-	464	475	229	5	1,173
Disposals	-	-	(129)	(293)	(26)	-	(448)
Reclassification to assets held for sale (Note 21)	-	-	-	(326)	-	-	(326)
At 31 May 2015	1,016	3,993	51,946	28,999	2,526	172	88,652
Accumulated depreciation							
At 1 June 2014	-	895	26,509	21,213	1,765	156	50,538
Charge for the financial year	-	144	2,546	1,770	224	11	4,695
Disposals	-	-	(129)	(154)	(26)	-	(309)
Reclassification to assets held for sale (Note 21)	-	-	-	(275)	-	-	(275)
At 31 May 2015	-	1,039	28,926	22,554	1,963	167	54,649
Net book value							
At 31 May 2015	1,016	2,954	23,020	6,445	563	5	34,003

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

11. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Group	Freehold land RM'000	Building RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Renovations RM'000	Total RM'000
Cost							
At 1 June 2013	1,016	26,011	51,955	37,183	2,716	1,920	120,801
Additions	-	-	336	1,776	236	-	2,348
Disposals	-	-	-	(696)	(3)	-	(699)
Write off	-	-	-	-	(3)	-	(3)
Reclassification	-	-	(3)	3	-	-	-
Disposal of a subsidiary (Note 13)	-	(23,023)	(708)	(9,513)	(651)	(1,833)	(35,728)
Exchange differences	-	1,005	31	390	28	80	1,534
At 31 May 2014	1,016	3,993	51,611	29,143	2,323	167	88,253
Accumulated depreciation							
At 1 June 2013	-	1,942	24,338	23,419	1,852	861	52,412
Charge for the financial year	-	541	2,562	2,648	283	123	6,157
Disposals	-	-	-	(531)	(3)	-	(534)
Write off	-	-	-	-	(3)	-	(3)
Reclassification	-	-	(1)	1	-	-	-
Disposal of a subsidiary (Note 13)	-	(1,642)	(406)	(4,495)	(379)	(861)	(7,783)
Exchange differences	-	54	16	171	15	33	289
At 31 May 2014	-	895	26,509	21,213	1,765	156	50,538
Net book value							
At 31 May 2014	1,016	3,098	25,102	7,930	558	11	37,715

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

11. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Company	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost			
At 1 June 2014	**11**	**1,444**	**1,455**
Additions	**5**	**-**	**5**
At 31 May 2015	**16**	**1,444**	**1,460**
Accumulated depreciation			
At 1 June 2014	**10**	**803**	**813**
Charge for the financial year	**1**	**131**	**132**
At 31 May 2015	**11**	**934**	**945**
Net book value			
At 31 May 2015	**5**	**510**	**515**
Cost			
At 1 June 2013	11	743	754
Additions	-	701	701
At 31 May 2014	11	1,444	1,455
Accumulated depreciation			
At 1 June 2013	9	606	615
Charge for the financial year	1	197	198
At 31 May 2014	10	803	813
Net book value			
At 31 May 2014	1	641	642

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

11. PROPERTY, PLANT AND EQUIPMENT *(continued)*

During the financial year, the Group and the Company acquired property, plant and equipment at aggregate cost of RM1,173,000 (2014: RM2,348,000) and RM5,000 (2014: RM701,000) of which RM375,000 (2014: RM675,000) and Nil (2014: RM505,000) was acquired by means of hire purchase arrangement.

Net book values of motor vehicles held under hire purchase and finance lease arrangements as at the reporting date are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Motor vehicles	**1,338**	2,052	**510**	615

Included in property, plant and equipment of the Group are motor vehicles at the net carrying amount of RM1,745,000 (2014 : RM2,712,000) which titles were held in trust by third parties.

12. INTANGIBLE ASSET

	Group	
	2015 RM'000	2014 RM'000
Development expenditure		
At beginning of financial year	**-**	362
Amortisation during the financial year (Note 6)	**-**	(112)
Impairment during the financial year (Note 6)	**-**	(250)
At end of financial year	**-**	-

In the previous year, an impairment loss was recognised to write down the carrying amount of the development expenditure as the Directors do not anticipate any future economic benefits associated with the intangible asset.

13. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015 RM'000	2014 RM'000
Unquoted shares - at cost	**28,694**	28,694
Less: Accumulated impairment losses	**(6,220)**	(6,220)
	22,474	22,474

NOTES TO THE FINANCIAL STATEMENTS
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13. INVESTMENTS IN SUBSIDIARIES *(continued)*

Details of subsidiaries are as follows:

Name of Company	Country of incorporation	Principal activities	Proportion of ownership interest 2015 %	2014 %
Held by the Company:				
Ancom Components Sdn Bhd*	Malaysia	Manufacturing and marketing of low voltage switchgear	**67**	67
Synergy Trans-Link Sdn Bhd	Malaysia	Investment holding	**100**	100
Hikmat Ikhlas Sdn Bhd[1]	Malaysia	Trading and contracting in electrical engineering products	**35**	35
Held through Synergy Trans-Link Shd Bhd				
Ancom-ChemQuest Terminals Shd Bhd	Malaysia	Build, own, operate, lease and manage chemical tank farm and warehouse	**51**	51
Pengangkutan Cogent Shd Bhd	Malaysia	Providing transportation and related services	**100**	100

* All the companies are audited by Ernst & Young (Malaysia) except for the subsidiary marked (*) which is audited by other film.

(1) Although the Company does not own more than 50% of the equity shares of Hikmat Ikhlas Shd Bhd ("HISB") and consequently it does not control more than half of the voting power of those shares, it has the power to control the financial and operating activities of the Company through Board representation. Consequently, HISB is controlled by the Company and is consolidated in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
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13. INVESTMENTS IN SUBSIDIARIES *(continued)*

(a) Disposal of subsidiaries

(i) On 28 January 2014, the Company disposed its existing 2 units of ordinary shares in Ancom Systems Technology (Malaysia) Sdn Bhd for a total cash consideration of RM2 to two individuals, Lee Zing Yean and Wong Chee Foo.

(ii) On 20 December 2013, Synergy Trans-Link Sdn Bhd, a wholly-owned subsidiary of Ancom Logistics Berhad, disposed its existing 7,911,192 units of ordinary shares in Sinsenmoh Transportation Pte Ltd for a total cash consideration of RM46,503,000 to CWT Limited.

The effects on the financial statements for the year ended 31 May 2014 upon disposal of the subsidiary were as follows:

	At the date of disposal RM'000
Property, plant and equipment	27,945
Trade receivables	5,680
Other receivables	771
Cash and bank balances	680
Trade payables	(1,253)
Other payables	(2,424)
Taxation	(228)
Loans and borowings	(2,669)
Deferred tax liabilities (Note 15)	(1,179)
Net assets disposed off	27,323
Transfer of foreign currency translation reserve to profit or loss upon disposal of a subsidiary	(907)
	26,416
Total disposal proceeds	(46,503)
Gain on disposal to the Group (Note 6)	(20,087)
Cash inflow arising from disposal:	
Cash consideration	46,503
Cash and bank balances of subsidiary disposed	(680)
Bank overdrafts of subsidiary disposed	1,126
Net cash inflow to the Group	46,949

13. INVESTMENTS IN SUBSIDIARIES *(continued)*

(b) Financial information of subsidiaries that have non-controlling interests are provided below:

Proportion of equity interest held by material non-controlling interests:

Name	Country of incorporation and operation	2015 %	2014 %
Ancom Components Sdn Bhd ("ACM")	Malaysia	**33**	33
Ancom-ChemQuest Terminals Sdn Bhd ("ACT")	Malaysia	**49**	49
Hikmat Ikhlas Sdn Bhd ("HISB")	Malaysia	**65**	65

	2015 RM'000	2014 RM'000
Accumulated balances of material non-controlling interests:		
Ancom-ChemQuest Terminals Sdn Bhd	**14,961**	13,865
Other individually immaterial non-controlling interest	**(166)**	(157)
	14,795	13,708
Profit/(loss) allocated to material non-controlling interests:		
Ancom-ChemQuest Terminals Sdn Bhd	**1,096**	1,084
Other individually immaterial non-controlling interest	**(9)**	(757)
	1,087	327

NOTES TO THE FINANCIAL STATEMENTS
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13. INVESTMENTS IN SUBSIDIARIES *(continued)*

(b) The summarised financial information of the material partly-owned subsidiary is provided below. *(continued)*

This information is based on amounts before inter-company eliminations.

	ACT RM'000
Summarised statement of comprehensive income for 2015	
Revenue	**9,718**
Cost of sales	**(6,337)**
Other income	**688**
Administrative expenses	**(650)**
Other expenses	**-**
Profit before taxation	**3,419**
Taxation	**(1,183)**
Profit for the year	**2,236**
Total comprehensive income	**2,236**
Attributable to non-controlling interests	**1,096**
Other individually immaterial non-controlling interests	**(9)**
	1,087

	ACT RM'000
Summarised statement of comprehensive income for 2014	
Revenue	10,325
Cost of sales	(6,480)
Other income	186
Administrative expenses	(1,207)
Other expenses	(14)
Profit before taxation	2,810
Taxation	(598)
Profit for the year	2,212
Total comprehensive income	2,212
Attributable to non-controlling interests	1,084
Other individually immaterial non-controlling interests	(757)
	327

13. INVESTMENTS IN SUBSIDIARIES *(continued)*

(b) The summarised financial information of the material partly-owned subsidiary is provided below. *(continued)*

This information is based on amounts before inter-company eliminations. *(continued)*

	ACT RM'000
Summarised statement of financial position as at 31 May 2015	
Trade and other receivables (current)	**11,593**
Cash and bank balances	**1,080**
Property, plant and equipment	**23,692**
Trade and other payables (current)	**(420)**
Tax payable (current)	**(694)**
Deferred tax liabilities	**(4,719)**
Total equity	**30,532**
Attributable to non-controlling interests	**14,961**
Other individually immaterial non-controlling interests	**(166)**
	14,795

	ACT RM'000
Summarised statement of financial position as at 31 May 2014	
Trade and other receivables (current)	6,554
Cash and bank balances	1,999
Property, plant and equipment	25,741
Trade and other payables (current)	(819)
Tax payable (current)	(149)
Deferred tax liabilities	(5,030)
Total equity	28,296
Attributable to non-controlling interests	13,865
Other individually immaterial non-controlling interests	(157)
	13,708

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

13. INVESTMENTS IN SUBSIDIARIES *(continued)*

(b) The summarised financial information of the material partly-owned subsidiary is provided below. *(continued)*

This information is based on amounts before inter-company eliminations. *(continued)*

	ACT RM'000
Summarised statement of cash flows for year ended 31 May 2015	
Operating	**(2,537)**
Investing	**1,619**
Financing	**-**
Net decrease in cash and cash equivalents	**(918)**

	ACT RM'000
Summarised statement of cash flows for year ended 31 May 2014	
Operating	4,152
Investing	(3,008)
Financing	(830)
Net increase in cash and cash equivalents	314

NOTES TO THE FINANCIAL STATEMENTS
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14. INVESTMENT IN AN ASSOCIATE

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Unquoted shares, at costs	**3,902**	3,902	**3,902**	3,902
Share of post-acquisition reserves	**(31)**	(31)	**-**	-
	3,871	3,871	**3,902**	3,902
Less: Accumulated impairment losses	**(2,069)**	(2,069)	**(2,069)**	(2,069)
	1,802	1,802	**1,833**	1,833

Details of associate are as follows:

Name of Company	Country of incorporation	Principal activities	Proportion of ownership interest 2015 %	Proportion of ownership interest 2014 %
Tamco Chongqing Switchgear Company Limited [1]	China	In liquidation	**49**	49

[1] Tamco Chongqing Switchgear Company Limited ("TCS") has been placed under liquidation in December 2009. Consequently, the Company has ceased sharing losses of the associate.

15. DEFERRED TAXATION

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
At 1 June	**(6,402)**	(8,175)	**(18)**	-
Recognised in profit or loss (Note 9)	**416**	646	**18**	(18)
Disposal of a subsidiary (Note 13)	**-**	1,179	**-**	-
Exchange differences	**-**	(52)	**-**	-
At 31 May	**(5,986)**	(6,402)	**-**	(18)
Presented after appropriate offsetting as follows:				
Deferred tax assets	**30**	162	**-**	-
Deferred tax liabilities	**(6,016)**	(6,564)	**-**	(18)
	(5,986)	(6,402)	**-**	(18)

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

15. DEFERRED TAXATION *(continued)*

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:

	Accelerated capital allowances RM'000	Others RM'000	Total RM'000
At 1 June 2014	**(6,281)**	**(283)**	**(6,564)**
Recognised in profit or loss	**266**	**282**	**548**
At 31 May 2015	**(6,015)**	**(1)**	**(6,016)**
At 1 June 2013	(7,691)	(594)	(8,285)
Recognised in profit or loss	569	25	594
Disposal of a subsidiary (Note 13)	879	300	1,179
Exchange differences	(38)	(14)	(52)
At 31 May 2014	(6,281)	(283)	(6,564)

Deferred tax assets of the Group:

	Provisions RM'000
At 1 June 2014	**162**
Recognised in profit or loss	**(132)**
At 31 May 2015	**30**
At 1 June 2013	110
Recognised in profit or loss	52
At 31 May 2014	162

15. DEFERRED TAXATION *(continued)*

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

Deferred tax liabilities of the Company:

	Accelerated capital allowances RM'000
At 1 June 2014	**(18)**
Recognised in profit or loss	**18**
At 31 May 2015	**-**
At 1 June 2013	-
Recognised in profit or loss	(18)
At 31 May 2014	(18)

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

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Unused tax losses*	**8,021**	5,860	**4,932**	2,692

* The unused tax losses has been restated upon the finalisation of the prior year's tax computation.

At the reporting date, the Group and the Company have tax losses of approximately RM8,021,000 (2014: RM5,860,000) and RM4,932,000 (2014: RM2,692,000) respectively that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to guidelines issued by the tax authority.

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16. INVENTORIES

	Group	
	2015 RM'000	2014 RM'000
At cost		
Finished goods	179	58
Raw materials	77	5
Consumable	28	28
	284	91
At net realisable value:		
Finished goods	116	193
Raw materials	-	104
	116	297
	400	388

During the financial year, the amount of inventories recognised as an expense in cost of sales was RM2,196,000 (2014: RM1,642,000). The amount of inventories written down in the Group during the financial year was Nil (2014: RM400,000).

NOTES TO THE FINANCIAL STATEMENTS
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17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current				
Trade receivables				
Third parties	8,663	6,280	-	-
Related companies	933	1,004	-	-
Less: Allowance for doubtful debts	(300)	(300)	-	-
	9,296	6,984	-	-
Other receivables				
Refundable deposits	130	157	11	11
Other receivables	387	269	76	-
Amounts due from related companies	818	3	-	-
Amounts due from subsidiaries	-	-	3,232	1,899
Amount due from holding company	5,592	272	5,592	272
Less: Allowance for doubtful debts	-	-	(1,932)	(586)
	6,927	701	6,979	1,596
	16,223	7,685	6,979	1,596
Total trade and other receivables	16,223	7,685	6,979	1,596
Add: Cash and bank balances (Note 20)	5,651	29,382	4	22,030
Total loans and receivables	21,874	37,067	6,983	23,626

(a) Trade receivables

Trade receivables are generally on 30 to 120 days (2014: 30 to 120 days) terms. Other credit terms are assessed and approved on case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

17. TRADE AND OTHER RECEIVABLES *(continued)*

(a) Trade receivables *(continued)*

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2015 RM'000	2014 RM'000
Neither past due nor impaired	4,020	3,638
1 to 30 days past due not impaired	2,338	1,538
31 to 60 days past due not impaired	1,938	694
61 to 90 days past due not impaired	583	222
91 to 120 days past due not impaired	94	81
More than 121 days past due not impaired	323	811
Past due but not impaired	5,276	3,346
Impaired	300	300
	9,596	7,284

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. The Group's trade receivables arose from customers with long term relationship with the Group and losses have occurred infrequently.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The trade receivables of the Group of RM5,276,000 (2014: RM3,346,000) that are past due but not impaired are unsecured in nature. They are creditworthy receivables.

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

17. TRADE AND OTHER RECEIVABLES *(continued)*

(a) Trade receivables *(continued)*

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group Collectively assessed	
	2015 RM'000	**2014 RM'000**
Trade receivables - nominal amount	**300**	300
Less: Allowance for impairment	**(300)**	(300)
	-	-

Movements of the allowance accounts are as follows:

	Group	
	2015 RM'000	**2014 RM'000**
At 1 June	**300**	-
Charge for the year	**287**	300
Reversal for allowance of doubtful debt	**(287)**	-
At 31 May	**300**	300

(b) Other receivables

Movements of the allowance accounts are as follows:

	Company	
	2015 RM'000	**2014 RM'000**
At 1 June	**586**	328
Charge for the year	**1,346**	258
At 31 May	**1,932**	586

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

17. TRADE AND OTHER RECEIVABLES *(continued)*

(c) Related party balances

Amounts due from subsidiaries, related and holding companies

Related companies refer to subsidiaries of Ancom Berhad, the holding company.

Amount due from holding company relates to intercompany advances that are unsecured, bore interest rate of 6% per annum and repayable on demand.

The balances with subsidiaries and related companies arose mainly from expenses paid on behalf and intercompany charges which are negotiated on a basis determined within the Group. These amounts are unsecured, interest free and repayable on demand.

18. OTHER CURRENT ASSETS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Prepayments	**637**	617	**17**	-

19. OTHER INVESTMENTS

	Group	
	2015 RM'000	2014 RM'000
Investment designated as fair value through profit or loss	**868**	3,012
Fair value	**868**	3,012

The Group has invested in cash plans from Hwang DBS Investment Management Berhad.

These investments are stated at their fair values as at reporting date and are valued based on net asset value of the fund at a particular valuation point divided by the total number units at the valuation point computed by the financial institution.

20. CASH AND BANK BALANCES

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Cash at banks and on hand	**5,542**	10,706	**4**	3,460
Deposits with licensed banks	**109**	18,676	**-**	18,570
	5,651	29,382	**4**	22,030
Less: Deposit with maturity more than three months	**(109)**	(106)	**-**	-
Less: Bank overdrafts (Note 24)	**(771)**	(1,067)	**-**	-
Cash and cash equivalents	**4,771**	28,209	**4**	22,030

Fixed deposits with licensed banks amounting to RM109,000 (2014: RM106,000) are pledged to the bank for bank guarantee facility granted to a subsidiary of the Company.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The weighted average interest rate and maturity days of the short term deposits with licensed banks of the Group and of the Company are 3.27% (2014: 3.15%) per annum and the maturity of deposits as at the end of the financial year was 109 days (2014: 109 days).

21. ASSETS HELD FOR SALE

	2015 RM'000	**2014 RM'000**
Motor vehicles	**51**	-

On 5 May 2015, a subsidiary of the Group entered into an agreement for the sale of motor vehicles for a consideration of RM110,000. At the end of financial year, the sale has not been completed as the subsidiary is in the midst of transferring the title of motor vehicles.

As at 31 May 2015, these motor vehicles have been presented on the statement of financial position as assets held for sale.

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

22. SHARE CAPITAL AND SHARE PREMIUM

	Share capital Group and Company			
	Number of ordinary shares of		Amount	
	RM0.05 each	RM0.10 each		
	2015 '000	2014 '000	2015 RM'000	2014 RM'000
Authorised share capital:				
At 1 June 2014	**5,000,000**	5,000,000	**500,000**	500,000
Addition	**5,000,000**	-	**-**	-
At 31 May 2015	**10,000,000**	5,000,000	**500,000**	500,000
Issued and fully paid:				
At 1 June 2014	**473,286**	473,286	**47,329**	47,329
Capital repayment	**-**	-	**(18,932)**	-
Capital reduction	**-**	-	**(4,733)**	-
At 31 May 2015	**473,286**	473,286	**23,664**	47,329

	Share premium Group and Company	
	2015 RM'000	2014 RM'000
At 1 June 2014	**6,414**	6,414
Cancellation of share premium	**(6,414)**	-
At 31 May 2015	**-**	6,414

During the financial year, the Company has undertaken a capital reduction of its existing issued and paid-up share capital via cancellation of RM0.05 in the par value of each ordinary shares of RM0.10 each, resulting in a new par value of RM0.05 for each of the ordinary shares in the Company. Following the capital reduction, the Company has made a cash distribution of RM18,932,000 to all shareholders of the Company on the basis of RM0.04 for each of the ordinary shares and the balance of RM0.01, together with credit arising from cancellation of share premium account be used to set-off against the accumulated losses of the Company, in accordance with Section 60 and 64 of the Companies Act, 1965. Pursuant to the capital reduction and repayment, the authorised share capital remained at RM500,000,000 comprising 10,000,000,000 ordinary shares of RM0.05 each and reduction in issued and fully paid share capital from RM47,328,600 to RM23,664,300 comprising 473,286,000 ordinary shares of RM0.05 each.

23. MERGER AND FOREIGN CURRENCY TRANSLATION RESERVES

Group	Merger reserve RM'000	Foreign currency translation reserve RM'000	Total RM'000
At 1 June 2014/31 May 2015	**8,526**	**-**	**8,526**
At 1 June 2013	8,526	98	8,624
Translation of a foreign subsidiary	-	809	809
Transfer of foreign currency translation reserve to profit or loss upon disposal of a subsidiary	-	(907)	(907)
At 31 May 2014	8,526	-	8,526

(a) Merger reserve

Merger reserve arose from the acquisition of certain subsidiaries in previous financial years that was accounted for under the pooling of interest method.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

24. LOANS AND BORROWINGS

		Group		Company	
	Maturity	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current					
Secured:					
Hire purchase and finance lease payables (Note 28(c))	2016	**270**	421	**117**	111
Unsecured:					
Bank overdrafts	On demand	**771**	1,067	**-**	-
Banker's acceptances	2016	**-**	1,003	**-**	-
		1,041	2,491	**117**	111
Non-current					
Secure:					
Hire purchase and finance lease payables (Note 28(c))	2017-2018	**495**	535	**276**	393
Total loans and borrowings		**1,536**	3,026	**393**	504

The borrowings bear interest at rate of 8.6% (2014: 8.6%) per annum during the financial year.

Bank overdrafts

The bank overdraft facilities bear interest at the rate of 8.6% (2014: 8.6%) per annum.

Banker's acceptances

The banker's acceptances bear interest at rates of nil (2014: 5% to 8%) per annum.

The bank overdrafts and banker's acceptances of a subsidiary are guaranteed by the corporate guarantees provided by the Company as disclosed in Note 30(a).

Obligations under hire purchase and finance lease payables

The interest rates and maturity profile of hire purchase and finance lease payables are disclosed in Note 28(c).

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current				
Trade payables				
Third parties	2,219	1,837	-	-
Other payables				
Accruals	1,324	3,254	79	2,590
Other payables	1,077	764	547	230
Amount due to holding company	59	59	-	-
Amounts due to related companies	1,725	514	410	342
Amounts due to subsidiaries	-	-	8,714	1,107
	4,185	4,591	9,750	4,269
	6,404	6,428	9,750	4,269
Total trade and other payables	6,404	6,428	9,750	4,269
Add: Loans and borrowings (Note 24)	1,536	3,026	393	504
Total financial liabilities carried at amortised cost	7,940	9,454	10,143	4,773

(a) Trade payables

The normal trade credit terms granted to the Group range from 30 to 90 days (2014: 30 to 90 days). These are non-interest bearing.

(b) Other payables

Other payables are normally settled on an average term of 6 months (2014: 6 months). These are non-interest bearing.

(c) Amount due to holding company

Amount due to holding company is unsecured, non-interest bearing and repayable on demand.

(d) Amounts due to related companies

These amounts are unsecured, interest free and repayable on demand.

(e) Amounts due to subsidiaries

Amount due to subsidiaries are unsecured, bore interest rate of 6% per annum and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

26. DIVIDENDS

	Dividends in respect of Year		Dividends recognised in Year	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Interim dividend for 2014: 4 sen per share single tier interim dividend on 473,286,313 ordinary shares paid on 30 January 2014	-	18,931	-	18,931

27. RELATED PARTY TRANSACTIONS

(a) Sale and purchase of goods and services

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	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Sale of services to related companies				
- Perusahaan Kimia Gemilang Sdn Bhd	**4,681**	5,089	-	-
- CKG Chemicals Pte Ltd	**1,010**	969	-	-
- Fermpro Sdn Bhd	**182**	192	-	-
Dividend income from a subsidiary				
- Synergy Trans-Link Sdn Bhd	-	-	-	27,039
Purchases of diesel				
- Redberry Sdn Bhd	**3,614**	2,804	-	-
Purchases of property, plant and equipments				
- Redberry Sdn Bhd	**100**	-	-	-

Related companies refer to subsidiaries and associates of Ancom Berhad. Outstanding balances in respect of the above transactions are disclosed in Note 17 and Note 25.

27. RELATED PARTY TRANSACTIONS *(continued)*

(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	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Salaries	**1,124**	1,107	**325**	258
Defined contribution plan	**80**	60	**-**	31
Other emoluments	**270**	1,321	**30**	986
	1,474	2,488	**355**	1,275

Remunerations of Executive Directors and Non-Executive Directors included in the total key management personnel remunerations are disclosed in Note 8.

28. COMMITMENTS

(a) Capital commitment

	Group	
	2015 RM'000	**2014 RM'000**
Capital expenditure:		
Approved and contracted for:		
Property, plant and equipment	**252**	145

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

28. COMMITMENTS *(continued)*

(b) Operating lease commitment

Future minimum rentals payable under non-cancellable operating lease at the reporting date are as follows:

	Group	
	2015 **RM'000**	**2014** **RM'000**
Not later than 1 year	**461**	427
Later than 1 year but not later than 5 years	**4,137**	3,664
Later than 5 years	**2,775**	3,629
	7,373	7,720

(c) Finance lease commitment

The Group has finance leases for motor vehicles (Note 11). These leases do not have terms of renewal, but have purchase options at nominal values at the end of the lease term.

	Group		Company	
	2015 **RM'000**	**2014** **RM'000**	**2015** **RM'000**	**2014** **RM'000**
Minimum lease payments:				
Not later than 1 year	**303**	459	**133**	133
Later than 1 year but not later than 2 years	**231**	238	**133**	133
More than 2 years but not later than 5 years	**294**	334	**159**	291
Total minimum lease payments	**828**	1,031	**425**	557
Less: Amounts representing finance charges	**(63)**	(75)	**(31)**	(53)
Present value of minimum lease payments	**765**	956	**394**	504
Present value of payments:				
Not later than 1 year	**270**	421	**117**	111
Later than 1 year but not later than two years than 2 years	**211**	253	**123**	111
More than 2 years but not later than 5 years	**284**	282	**154**	282
	495	535	**277**	393
	765	956	**394**	504

The hire purchase and lease liabilities bore flat interest rates during the financial year between 2.41% and 3.13% (2014: 2.41% and 3.18%) per annum.

29. FAIR VALUE OF FINANCIAL INSTRUMENTS

A. The carrying amounts of the financial instruments of the Group are reasonable approximation of their fair value except for the following:

	Group		Company	
	Amount RM'000	Fair value RM'000	Amount RM'000	Fair value RM'000
At 31 May 2015				
Non-current				
Hire-purchase and finance lease payables	**495**	**524**	**277**	**291**
At 31 May 2014				
Non-current				
Hire-purchase and finance lease payables	535	572	393	425

B. Determination of fair value

(i) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

(ii) Hire-purchase, finance lease payables and term loans

The fair values of loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

C. Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NOTES TO THE FINANCIAL STATEMENTS
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29. FAIR VALUE OF FINANCIAL INSTRUMENTS *(continued)*

C. Fair value hierarchy *(continued)*

As at 31 May 2015, the Group held the following financial instruments carried at fair value in the statement of financial position:

	2015 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Assets measured at fair value				
Financial asset at fair value through profit of loss:				
Other investments	**868**	**-**	**868**	**-**

	2014 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Assets measured at fair value				
Financial asset at fair value through profit of loss:				
Other investments	3,012	-	3,012	-

During the financial years ended 31 May 2015 and 31 May 2014, there were no transfer between Level 2 fair value measurements.

The fair value of the investment is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following method and assumption was used to estimate the fair values:

- Investment is evaluated by the Company based on net ssset value of the fund which is determined by deducting the value of the fund's liabilities from the value of the fund's assets as at 31 May 2015.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

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 following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

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

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(a) Credit risk *(continued)*

Financial asset that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 17. Deposits with banks and other financial institutions and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial asset that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17.

Financial guarantees

The Company provides unsecured financial guarantees to banks and other institutions in respect of facilities granted to certain subsidiaries.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

A nominal amount of RM771,000 (2014: RM2,070,000) relating to corporate guarantees provided by the Company to the banks and other institutions in respect of facilities of its subsidiary.

As at the reporting date, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised as their fair values on initial recognition were not material (2014: not material).

(b) Liquidity risk

Analysis of financial instruments by remaining contractual maturities

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of banker's acceptance.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(b) Liquidity risk *(continued)*

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2015			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
Financial liabilities:				
Trade and other payables	6,404	-	-	6,404
Loans and borrowings	1,074	525	-	1,599
	7,478	525	-	8,003
Company				
Financial liabilities:				
Trade and other payables	9,750	-	-	9,750
Loans and borrowings	133	292	-	425
	9,883	292	-	10,175

	2014			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
Financial liabilities:				
Trade and other payables	6,428	-	-	6,428
Loans and borrowings	2,686	572	-	3,258
	9,114	572	-	9,686
Company				
Financial liabilities:				
Trade and other payables	4,269	-	-	4,269
Loans and borrowings	133	424	-	557
	4,402	424	-	4,826

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits or occasionally, in short term commercial papers.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in Notes 20 and 24.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales that are denominated in a currency other than the functional currency, RM. The foreign currency in which these transactions are denominated are Singapore Dollars ("SGD").

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit for the year to a reasonably possible change in SGD against the respective functional currency of the Group's entities, with all variables held constant.

	Group	
	2015 RM'000 Profit after taxation	2014 RM'000 Profit after taxation
SGD/RM - strengthened 3%	-	126
SGD/RM - weakened 3%	-	(126)

31. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and acceptable capital ratios in order to support its business and maximises shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or expansion plans of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting dividend payment policies.

The Group monitors capital using a gearing ratio, which is net debt (borrowings net of cash and cash equivalents) divided by total equity attributable to equity holders of the Company.

The Group's gearing ratio is computed as follows:

	2015 RM'000	2014 RM'000
Borrowings	1,536	3,026
Trade and other payables	6,404	6,428
Less: Cash and bank balances	(5,651)	(29,382)
Net debt/(asset)	2,289	(19,928)
Total equity attributable to equity holders of the Company	30,633	51,105
Gearing ratio	7.5%	N/A

32. SEGMENTAL INFORMATION

For management purposes, the Group is organised into business units based on their products, and has two reportable operating segments as follows:

I. The logistics segment is in the business of providing services such as rental and transportation services. It also includes freight forwarding, packing and crafting services.

II. The other segment is involved in manufacturing and marketing of low voltage switchgear and investment holding activities.

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

32. SEGMENTAL INFORMATION *(continued)*

	Logistics		Others		Adjustments and eliminations		Note	Total	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000		2015 RM'000	2014 RM'000
Revenue:									
External customers	**28,653**	47,016	**3,600**	2,713	**-**	-		**32,253**	49,729
Inter-segment	**12**	45	**-**	-	**(12)**	(45)	(a)	**-**	-
Total revenue	**28,665**	47,061	**3,600**	2,713	**(12)**	(45)		**32,253**	49,729
Results:									
Dividend income	**-**	-	**-**	27,039	**-**	(27,039)	(b)	**-**	-
Depreciation and amortisation	**4,540**	5,904	**155**	365	**-**	-		**4,695**	6,269
Impairment of non-financial assets	**-**	-	**-**	1,000	**-**	-		**-**	1,000
Other non-cash (income)/ expenses	**(152)**	(271)	**(6)**	1,984	**-**	-	(c)	**(158)**	2,113
Segment profit	**3,053**	30,982	**(3,083)**	17,467	**788**	(33,510)		**758**	14,939
Assets:									
Investment in an associate	**-**	-	**1,802**	1,802	**-**	-		**1,802**	1,802
Additions to non-current assets	**1,137**	1,647	**36**	701	**-**	-	(d)	**1,173**	2,348
Segment assets	**91,126**	124,217	**33,885**	49,851	**(64,950)**	(93,088)	(e)	**60,061**	80,980
Segment liabilities	**25,445**	33,387	**14,628**	8,539	**(25,440)**	(25,759)	(f)	**14,633**	16,167

32. SEGMENTAL INFORMATION *(continued)*

Note:

(a) Inter-segment revenue is eliminated on consolidation.

(b) Inter-segment dividends are eliminated on consolidation.

(c) Other material non-cash (income)/expense consist of the following items as presented in the respective notes to the financial statements.

	Note	2015 RM'000	2014 RM'000
Gain on foreign exchange (net)	6	**(90)**	(47)
Allowance for doubtful debts	6	**287**	300
Reversal of allowance for doubtful debts	6	**(287)**	-
Bad debt written off	6	**-**	434
Fair value gain on investment	6	**(56)**	(48)
Gain on disposal of assets	6	**(12)**	(176)
Impairment of investment in an associate	6	**-**	1,000
Impairment on development expenditure	6	**-**	250
Inventories written off	6	**-**	400
		(158)	2,113

(d) Additions to non-current assets mainly consists of property, plant and equipment.

(e) The inter-segment assets are deducted from the segment assets to arrive at total assets reported in the consolidated statement of financial position.

(f) The inter-segment liabilities are deducted from the segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

<u>Geographical Information</u>

Revenue and segment assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Segment assets	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Malaysia	**32,253**	33,952	**60,061**	45,904
Other Southeast Asian countries	**-**	15,777	**-**	35,076
Consolidated	**32,253**	49,729	**60,061**	80,980

NOTES TO THE FINANCIAL STATEMENTS
31 May 2015

33. SUPPLEMENTARY INFORMATION - REALISED AND UNREALISED LOSSES

The breakdown of the accumulated losses of the Group and of the Company as at 31 May 2014 and 31 May 2015, into realised and unrealised losses, is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Accumulated losses				
Realised	**(290)**	(8,625)	**(1,985)**	(9,941)
Unrealised	**(5,939)**	(6,402)	**-**	(18)
	(6,229)	(15,027)	**(1,985)**	(9,959)
Less: Consolidated adjustments	**4,672**	3,863	**-**	-
Total accumulated losses	**(1,557)**	(11,164)	**(1,985)**	(9,959)

The determination of realised and unrealised losses is based on the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised losses above is solely for the purpose of complying with the disclosure requirements stipulated in the directives issued by Bursa Securities on 25 March 2010 and on 20 December 2010 and should not be applied for any other purposes.

ADDITIONAL INFORMATION

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

SHARE BUY BACK

The Company did not have any mandate to purchase its own shares during the financial year.

DISCLOSURE ON THE REMUNERATION OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31 MAY 2015

The disclosure on the Remuneration of the Directors for the financial year ended 31 May 2015 is set out in Note 8 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 relevant authorities during the financial year.

NON-AUDIT FEES

The Company did not engage the external auditors of the Company for non-audit engagement during the financial year.

COST OF INTERNAL AUDIT FUNCTION

During the financial year, the internal audit function of the Company was carried out by an external party for a fee of RM20,000.00.

VARIATION IN RESULTS

There was no significant variance between the results for the financial year ended 31 May 2015 and the unaudited results previously announced. The Company did not announce any profit estimate, forecast and projections for the financial year.

PROFIT GUARANTEES

During the financial year, there were no profit guarantees provided to the Company and/or its subsidiary companies.

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 2015 or entered into since the end of the previous financial year.

RELATED PARTY TRANSACTIONS

The disclosure on the Significant Related Party Transactions for the financial year ended 31 May 2015 is set out in Note 27 to the financial statements.

ADDITIONAL INFORMATION

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

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

The aggregate value of RRPT made during the financial year, pursuant to the shareholders' mandate obtained at the last general meeting of the Company, are as follows:

Transacting parties		Nature of transaction	Value of RRPT (RM'000)	Interested directors, major shareholders and connected persons
ALB Group	Related Party			
Ancom-ChemQuest Terminals Sdn Bhd	PKG, CKG and Fermpro	Storage services	4,022	Dato' (Dr) Siew Ka Wei, Lim Hock Heng, Siew Nim Chee & Sons Sdn Bhd, Synergy Tanker Sdn Bhd, Rhodemark Development Sdn Bhd, Ancom Overseas Ventures Sdn Bhd, Silver Dollars Sdn Bhd and Datin Young Ka Mun
Pengangkutan Cogent Sdn Bhd	PKG, CKG and Fermpro	Transportation services	1,851	

Note:

PKG - Perusahaan Kimia Gemilang Sdn Bhd
Fermpro - Fermpro Sdn Bhd
CKG - CKG Chemicals Pte Ltd

LIST OF PROPERTIES

At as 31 May 2015

Location	Tenure	Land Area	Descriptions	Net Book Value As At 31 May 2015 (RM'000)	Date of Acquisition/ Revaluation
Ancom-ChemQuest Terminals Sdn Bhd					
Jeti Petrokimia Pelabuhan Barat Pelabuhan Klang Selangor	Unexpired lease period of 9 years (Expiring on 31 August 2024)	9.8 acres	Tank farm, office and warehouse Age of building: approximately 18 years	23,692	N/A
Pengangkutan Cogent Sdn Bhd					
PTD 149227 Jln Berjaya 7 Taman Perindustrian Berjaya Daerah Johor Bahru, Johor	Freehold	6,070.3 sq.m.	Office building, Age of building: approximately 6 years	3,517	2010

ANALYSIS OF SHAREHOLDINGS

At as 30 September 2015

Number of Holders of Each Class of Equity Securities

Class of securities	:	Ordinary shares of RM0.05 each
Voting Rights	:	One vote per ordinary share
Total no. issued	:	473,286,313
No. of holders	:	12,235

Distribution Schedule

Holdings	No. of holders	Total Holdings	%
Less than 100	3,429	165,913	0.00%
101 to 1,000	5,203	2,226,334	0.50%
1,001 to 10,000	2,545	9,361,439	2.00%
10,001 to 100,000	846	33,498,791	7.10%
100,001 to less than 5% of issued shares	208	133,039,063	28.10%
5% and above of issued shares	4	294,994,773	62.30%
	12,235	473,286,313	100.00%

Substantial Shareholders

	Direct		Indirect	
	No. of shares	%	No. of shares	%
Rhodemark Development Sdn Bhd	93,725,580	19.80%	-	-
Lim Hock Heng	80,573,516	17.02%	-	-
Synergy Tanker Sdn Bhd	64,504,192	13.63%	-	-
Ancom Berhad	56,191,485	11.87%	158,356,272 (1)	33.46%
Dato' (Dr) Siew Ka Wei	725,867	0.15%	215,473,196 (2)	45.53%
Chan Thye Seng	-	-	214,547,757(3)	45.33%
Pacific & Orient Berhad	-	-	214,547,757(4)	45.33%

Note:

1. Held through Synergy Tanker Sdn Bhd, Ancom Overseas Ventures Sdn Bhd and Rhodemark Development Sdn Bhd.
2 Deemed interest by virtue of his direct and indirect interest in Ancom Berhad, Siew Nim Chee & Sons Sdn Bhd, Silver Dollars Sdn Bhd and Datin Young Ka Mun.
3. Deem interest by virtue of his direct and indirect interest in Pacific & Orient Berhad.
4. Deem interest by virtue of their direct and indirect interest in Ancom Berhad.

Directors' Shareholdings

	Direct		Indirect	
	No. of shares	%	No. of shares	%
Dato' (Dr) Siew Ka Wei	725,867	0.15%	215,473,196 (1)	45.53%
Lim Hock Heng	80,573,516	17.02%	-	-

Note:

1. Deemed interest by virtue of his direct and indirect interest in Ancom Berhad, Siew Nim Chee & Sons Sdn Bhd, Silver Dollars Sdn Bhd and Datin Young Ka Mun.

ANALYSIS OF SHAREHOLDINGS
At as 30 September 2015

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

	Name	No. of shares	%
1.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Rhodemark Development Sdn Bhd (PB)	93,725,580	19.803%
2.	Lim Hock Heng	80,573,516	17.024%
3.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Synergy Tanker Sdn Bhd (PB)	64,504,192	13.629%
4.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Ancom Berhad (PB)	56,191,485	11.873%
5.	Tina Jennifer Pereira A/P Sebastian Ellarian Pereira	15,002,000	3.170%
6.	Kenneth William Khoo Boo Hor	9,458,100	1.998%
7.	Ling Yoke Tek	6,582,000	1.391%
8.	RHB Nominees (Tempatan) Sdn Bhd Amara Investment Management Sdn Bhd for Tan Jit Liang	5,287,000	1.117%
9.	Public Invest Nominees (Tempatan) Sdn Bhd Exempt AN for Phillip Securities Pte Ltd (Clients)	3,519,600	0.744%
10.	Tan Jit Liang	3,272,300	0.691%
11.	Wong Sick Kiew	3,045,000	0.643%
12.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Fook Yew (E-SS2)	2,631,800	0.556%
13.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Yoong Nyock (8039533)	2,600,000	0.549%
14.	Quek Tuan Soon	2,174,100	0.459%
15.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Credit Suisse (SG BR-TST-ASING)	1,960,000	0.414%
16.	RHB Nominees (Tempatan) Sdn Bhd Amara Investment Management Sdn Bhd for Toh Chin Woon	1,900,000	0.401%
17.	HSBC Nominees (Asing) Sdn Bhd Six Sis for Bank Sarasin Cie	1,792,000	0.379%
18.	Loh Kah Guan	1,767,300	0.373%
19.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for The Hongkong and Shanghai Banking Corporation Limited (PB-HKDIV-ACCL)	1,750,000	0.370%
20.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Cheng Chuan (LEE4666C)	1,400,000	0.296%
21.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Rossana Annizah Binti Ahmad Rashid @ Mohd Rashidi (CEB)	1,400,000	0.296%
22.	Tan Wei Feng	1,373,500	0.290%
23.	Terengganu Incorporated Sdn Bhd	1,370,800	0.290%
24.	Loh Boon Hong	1,250,000	0.264%
25.	Loh Boon Hong	1,200,000	0.254%
26.	Loh Kah Peng	1,200,000	0.254%
27.	Universal Trustee (Malaysia) Berhad Malaysian Association for The Prevention o f Tuberculosis	1,200,000	0.254%
28.	Lam Say Huat	1,156,100	0.244%
29.	Chan Eu-Khin	1,117,500	0.236%
30.	Chng (Ching) Joong Siew	1,106,600	0.234%
	Total	**371,510,473**	**78.496%**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 49th Annual General Meeting of the Company will be held at Selangor 1 Ballroom, Dorsett Grand Subang, Jalan SS12/1,47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 19 November 2015 at 11.30 a.m. to transact the following business:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements, Reports of the Directors and the Auditors thereon for the financial year ended 31 May 2015; **(Please refer Explanatory Note 1)**

2. To approve the payment of Directors' fees of RM325,000.00 for the financial year ended 31 May 2015; **(Resolution 1)**

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

   3.1 Edmond Cheah Swee Leng; and **(Resolution 2)**

   3.2 Lim Hock Heng; **(Resolution 3)**

4. To appoint Messrs BDO 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 resolution as Ordinary Resolutions:

Ordinary Resolutions

5. Proposed Issuance Of New Ordinary Shares Of RM0.05 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 RM0.05 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."

NOTICE OF ANNUAL GENERAL MEETING

6. Proposed Renewal of Shareholders' Mandate For Recurrent Related Party Transactions ("RRPT") Of A Revenue Or Trading Nature **(Resolution 6)**

" THAT subject always to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiaries shall be mandated to enter into RRPT of a revenue or trading nature with those related parties as specified in Section 2.4 of the Circular to the shareholders of the Company dated 28 October 2015 subject to the following:

(i) that the transactions are in the ordinary course of business, made on arm's length and on normal commercial terms and are on terms not more favourable than those generally available to the public and not to the detriment of the Company's minority shareholders;

(ii) that disclosure is made in the annual report, a breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year with particulars of the types of transaction made and the related parties involved and that such approval shall unless revoked or varied by an ordinary resolution by the shareholders of the Company in general meeting commence upon the passing of this resolution and remain valid until the conclusion of the next annual general meeting of the Company or after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("ACT") but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act; and

(iii) that the Directors and/or any of them be and are hereby authorised to do all such acts and things including executing such documents as may be required to give effect to the transactions contemplated and/or authorised by 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,

CHOO SE ENG
STEPHEN GEH SIM WHYE
Secretaries

Petaling Jaya
28 October 2015

NOTICE OF ANNUAL GENERAL MEETING

NOTES

1. A member entitled to attend and vote at the Meeting may appoint up to two (2) proxies to attend and vote for him. A proxy may but need not be a member of the Company and need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. The provisions of Section 149(1)(b) of the Act shall not apply to the Company.
2. 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.
3. If the appointor is a corporation, this form must be executed under its common seal or under the hand of its attorney.
4. Where a member is an exempt authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
5. In respect of deposited securities, only members whose names appear in the Record of Depositors on 12 November 2015 ('General Meeting Records of Depositories") shall be eligible to attend, speak and vote or appoint proxy to attend and vote on his behalf.
6. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Unit C508, Block C, Kelana Square, Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the 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 4 of the Agenda

The Board of Directors has proposed to appoint Messrs BDO, the auditors of Ancom Berhad, the holding company, as auditors of the Company for the financial year ending 31 May 2016 in the interest of rationalisation of the Group's reporting process.

Resolution 4 proposed under item 4, if passed, will authorise the Board to effect the appointment of Messrs BDO.

3. Item 5 of the Agenda

Resolution 5 proposed under 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.

This is the renewal of the mandate obtained from the shareholders of the Company at the last annual general meeting ("Previous Mandate"). The Previous Mandate was not utilised and accordingly no proceeds were raised. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

4. Item 6 of the Agenda

Resolution 6 proposed under item 6 of the Agenda, if passed, will give the Company and its subsidiaries authority to enter into recurring transactions of a revenue or trading nature with its related parties as defined in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. 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.

Further details relating to Resolution 6 are set out in the Company's Circular to Shareholders dated 28 October 2015 in relation to the Proposed Renewal of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature, a copy of which is sent to you together with this Annual Report.

FORM OF PROXY

ANCOM LOGISTICS BERHAD
(Company No 6614-W)
Incorporated in Malaysia

CDS A/C No.	No. of shares held

I/We ____
(Full Name in Block Letters)

of ____
(Full Address)

being (a) member(s) of ANCOM LOGISTICS BERHAD, hereby appoint

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

failing *him / her, the Chairman of the Meeting as *my / Our proxy to attend and to vote for *me / our behalf at the 49th Annual General Meeting of the Company to be held at Selangor 1 Ballroom, Dorsett Grand Subang, Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on 19 November 2015 at 11.30 a.m. or any adjournment thereof and to vote as indicated below:

Item	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements, Reports of the Directors and the Auditors there on for the financial year ended 31 May 2015			
		Resolution	**For**	**Against**
2.	To approve the payment of Directors' fees of RM325,000.00 for the financial year ended 31 May 2015	1		
3.	To re-elect the following Directors' who retire by rotation pursuant to Article 103 of the Company's Articles of Association			
	3.1 Edmond Cheah Swee Leng	2		
	3.2 Lim Hock Heng	3		
4.	To appoint Messrs BDO as Auditors of the Company and to authorise the Board of Directors to fix their remuneration	4		
5.	To approve the proposed issuance of new ordinary shares of 5 Sen each pursuant to Section 132D of the Companies Act, 1965	5		
6.	To approve the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature	6		

(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 ______________ 2015

____

[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 may appoint up to two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. The provisions of Section 149(1)(b) of the Act shall not apply to the Company.
2. 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.
3. If the appointor is a corporation, this form must be executed under its common seal or under the hand of its attorney.
4. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act. 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. In respect of deposited securities, only members whose names appear in the Record of Depositors on 12 November 2015 ("General Meeting Records of Depositories") shall be eligble to attend, speak and vote or appoint proxy to attend and vote on his behalf.
6. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Unit C508, Block C, Kelana Square Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting.

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AFFIX
STAMP

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

Registered Office:
Unit C508, Block C, Kelana Square
Jalan SS7/26, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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