

ANCOM LOGISTICS BERHAD (Registration No: 196601000150 (6614-W))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2024**

| | Individual quarter ended | | Year-to-date ended | |
|---|--------------------------|------------|--------------------|------------|
| | 31.08.2024 | 31.08.2023 | 31.08.2024 | 31.08.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 8,548 | 7,844 | 8,548 | 7,844 |
| Cost of sales | (5,882) | (6,180) | (5,882) | (6,180) |
| Gross profit | 2,666 | 1,664 | 2,666 | 1,664 |
| Other income | 256 | 249 | 256 | 249 |
| Administrative expenses | (1,778) | (1,511) | (1,778) | (1,511) |
| Other operating expenses | (131) | - | (131) | - |
| Finance costs | (78) | (78) | (78) | (78) |
| Profit before taxation | 935 | 324 | 935 | 324 |
| Tax expense | (321) | (231) | (321) | (231) |
| Net profit for the financial period | 614 | 93 | 614 | 93 |
| (Loss)/Profit attributable to: | | | | |
| Owners of the parent | (29) | (195) | (29) | (195) |
| Non-controlling interests | 643 | 288 | 643 | 288 |
| | 614 | 93 | 614 | 93 |
| Loss per ordinary share attributable to owners of the parent | Sen | Sen | Sen | Sen |
| - Basic and diluted | (0.01) | (0.04) | (0.01) | (0.04) |

The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2024 and the accompanying notes to this Interim Financial Report.

ANCOM LOGISTICS BERHAD (Registration No: 196601000150 (6614-W))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2024**

| | Individual quarter ended | | Year-to-date ended | |
|---|--------------------------|------------|--------------------|------------|
| | 31.08.2024 | 31.08.2023 | 31.08.2024 | 31.08.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Net profit for the financial period | 614 | 93 | 614 | 93 |
| Other comprehensive income | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Foreign currency translation | - | - | - | - |
| Other comprehensive income, net of tax | - | - | - | - |
| Total comprehensive income | 614 | 93 | 614 | 93 |
| Total comprehensive (loss)/income attributable to: | | | | |
| Owners of the parent | (29) | (195) | (29) | (195) |
| Non-controlling interests | 643 | 288 | 643 | 288 |
| | 614 | 93 | 614 | 93 |

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2024 and the accompanying notes to this Interim Financial Report.

ANCOM LOGISTICS BERHAD (Registration No: 196601000150 (6614-W))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2024**

| | Unaudited 31.08.2024 RM'000 | Audited 31.05.2024 RM'000 |
|--|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 35,093 | 31,230 |
| Rights-of-use assets | 4,195 | 4,427 |
| Non-current receivables | 3,449 | 3,449 |
| | 42,737 | 39,106 |
| Current assets | | |
| Trade and other receivables | 9,568 | 8,964 |
| Current tax assets | 325 | 405 |
| Other investments | 694 | 688 |
| Short term deposits with a licensed bank | 164 | 136 |
| Cash and bank balances | 4,042 | 4,472 |
| | 14,793 | 14,665 |
| TOTAL ASSETS | 57,530 | 53,771 |
| | | |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the parents | | |
| Share capital | 23,664 | 23,664 |
| Reserves | 8,526 | 8,526 |
| Accumulated losses | (14,592) | (14,563) |
| | 17,598 | 17,627 |
| Non-controlling interests | 8,468 | 7,825 |
| TOTAL EQUITY | 26,066 | 25,452 |
| | | |
| Current liabilities | | |
| Trade and other payables | 11,770 | 10,503 |
| Lease liabilities | 1,441 | 1,715 |
| Current tax liabilities | 257 | 116 |
| | 13,468 | 12,334 |
| | | |
| Non-current liabilities | | |
| Deferred tax liabilities | 2,184 | 2,259 |
| Lease liabilities | 1,406 | 1,771 |
| Borrowings | 14,406 | 11,955 |
| | 17,996 | 15,985 |
| TOTAL LIABILITIES | 31,464 | 28,319 |
| TOTAL EQUITY AND LIABILITIES | 57,530 | 53,771 |
| | | |
| Net assets per ordinary share attributable to owners of the parent (RM) | 0.04 | 0.04 |

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2024 and the accompanying notes to this Interim Financial Report.

ANCOM LOGISTICS BERHAD (Registration No: 196601000150 (6614-W))

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2024

| | Attributable to owners of the Company | | | Total RM'000 | Non- controlling interests RM'000 | Total equity RM'000 |
|--|---|-----------------------------|--|-----------------|--|------------------------|
| | ----- Non-Distributable----- Share capital RM'000 | Merger reserve RM'000 | Distributable Accumulated losses RM'000 | | | |
| Balance as at 1 June 2023 | 23,664 | 8,526 | (10,822) | 21,368 | 7,418 | 28,786 |
| Total comprehensive (loss)/income | - | - | (3,741) | (3,741) | 799 | (2,942) |
| Transaction with owners | | | | | | |
| Dividend paid to non-controlling interests | - | - | - | - | (392) | (392) |
| Total transaction with owners | - | - | - | - | (392) | (392) |
| Balance as at 31 May 2024/1 June 2024 | 23,664 | 8,526 | (14,563) | 17,627 | 7,825 | 25,452 |
| Total comprehensive (loss)/income | - | - | (29) | (29) | 643 | 614 |
| Balance as at 31 August 2024 | 23,664 | 8,526 | (14,592) | 17,598 | 8,468 | 26,066 |

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2024 and the accompanying notes to this Interim Financial Report.

ANCOM LOGISTICS BERHAD (Registration No: 196601000150 (6614-W))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2024**

| | Year-to-date ended | |
|---|--------------------|----------------|
| | 31.08.2024 | 31.08.2023 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 935 | 324 |
| Adjustments for non-cash items: | | |
| Depreciation and amortisation | 764 | 1,432 |
| Interest expense | 78 | 78 |
| Interest income | (1) | (1) |
| Others | (44) | (5) |
| Operating profit before working capital changes | 1,732 | 1,828 |
| Net changes in working capital | 663 | 1,242 |
| Income tax paid | (175) | (364) |
| Net cash from operating activities | 2,220 | 2,706 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (4,404) | (6,626) |
| Proceed from disposal of property, plant and equipment | 47 | - |
| Placement of short term deposits: | | |
| - pledged with a licensed bank | - | (3) |
| - with maturity period more than three (3) months | (28) | (24) |
| Interest received | 1 | 1 |
| Net cash used in investing activities | (4,384) | (6,652) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (34) | (30) |
| Dividend paid to non-controlling interests | - | (245) |
| Payment for lease liabilities | (683) | (643) |
| Net drawdown of borrowings | 2,451 | 2,159 |
| Net cash from financing activities | 1,734 | 1,241 |
| Net decrease in cash and cash equivalents | (430) | (2,705) |
| Cash and cash equivalents at the beginning of the financial period | 4,472 | 5,822 |
| Effect of exchange rate changes | - | - |
| Cash and cash equivalents at the end of the financial period | 4,042 | 3,117 |
| Cash and cash equivalents | | |
| Cash and bank balances | 4,042 | 3,117 |
| Bank overdrafts | - | - |
| Short term deposits with a licensed bank | 164 | 160 |
| | 4,206 | 3,277 |
| Short term deposits pledged with a licensed bank | (136) | (136) |
| Short term deposits with maturity more than three (3) months | (28) | (24) |
| | 4,042 | 3,117 |

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2024 and the accompanying notes to this Interim Financial Report.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2024**

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 AUGUST 2024

A1 Basis of preparation

This Interim Financial Report of Ancom Logistics Berhad ("ALB") and its subsidiaries ("Group") is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and Rule 9.22(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("ACE Market Listing Requirements").

This Interim Financial Report should be read in conjunction with the Audited Financial Statements of ALB for the financial year ended 31 May 2024. These explanatory notes attached to this Interim Financial Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2024.

For the financial periods up and including the financial year ended 31 May 2024, the Group prepared its financial report in accordance with Malaysian Financial Reporting Standard ("MFRSs") and International Financial Reporting Standards ("IFRSs"). The accounting policies and methods of computation adopted by the Group in this Interim Financial Report are consistent with those adopted in the most recent Audited Financial Statements for the financial year ended 31 May 2024.

A2 Significant accounting policies

The accounting policies and methods of computation adopted by the Group in this Interim Financial Report are consistent with those adopted in the most recent Audited Financial Statements for the financial year ended 31 May 2024 except for the adoption of the following Amendments to MFRSs and IC Interpretation (collectively referred to as "pronouncements") which are applicable to the Group for the financial year beginning 1 June 2024:

Amendments to MFRS 16 Lease Liability in Sale and Leaseback
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current
Amendments to MFRS 101 Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements

The adoption of the above pronouncements did not have any material impact on the Financial Statements of the Group.

A3 Auditors' report on preceding Audited Financial Statements

The auditors did not qualify the Group's Audited Financial Statements for the financial year ended 31 May 2024.

A4 Seasonality or cyclicity

The operations of the Group were not significantly affected by any seasonal and cyclical factors.

A5 Items of unusual nature and amount

During the financial quarter ended 31 August 2024, there were no items affecting the assets, liabilities, equity, net income, or cash flows of the Group that are material and unusual by reason of their nature, size or incidence.

A6 Changes in estimates

There were no material changes in estimates amounts reported in prior period that have a material effect on the financial quarter ended 31 August 2024.

A7 Debt and equity securities

There was no issuance, cancellation, repurchase or repayment of debt and equity securities during the financial quarter ended 31 August 2024.

A8 Dividends

There was no dividend declared and/or paid during the financial quarter ended 31 August 2024.

A9 Segmental information

For management purposes, the Group is organised into business units based on their products, and there are two (2) operating segments as follows:

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

(b) The other segment is involved in investment holding activities.

| | Logistics | Others | Elimination | Total |
|--|------------------|---------------|--------------------|---------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| 31 August 2024 | | | | |
| Revenue | | | | |
| External revenue | 8,548 | - | - | 8,548 |
| Inter-segment revenue | - | - | - | - |
| Total revenue | <u>8,548</u> | <u>-</u> | <u>-</u> | <u>8,548</u> |
| Segment results | 1,689 | (676) | - | 1,013 |
| Finance costs | | | | <u>(78)</u> |
| Profit before taxation | | | | 935 |
| Tax expense | | | | <u>(321)</u> |
| Net profit for the financial period | | | | <u>614</u> |
| 31 August 2023 | | | | |
| Revenue | | | | |
| External revenue | 7,844 | - | - | 7,844 |
| Inter-segment revenue | - | - | - | - |
| Total revenue | <u>30,564</u> | <u>-</u> | <u>-</u> | <u>7,844</u> |
| Segment results | 974 | (572) | - | 402 |
| Finance costs | | | | <u>(78)</u> |
| Profit before taxation | | | | 324 |
| Tax expense | | | | <u>(231)</u> |
| Net profit for the financial period | | | | <u>93</u> |

A10 Valuation of property, plant and equipment

The Group did not carry out any valuation on its property, plant and equipment during the financial quarter ended 31 August 2024.

A11 Capital commitments

The capital commitments as at the end of the reporting date are as follows:

| | RM'000 |
|-----------------------------------|---------------|
| Property, plant and equipment | |
| - Approved and contracted for | 3,887 |
| - Approved but not contracted for | 489 |
| | <hr/> |
| | 4,376 |
| | <hr/> |

A12 Changes in composition of the Group

There were no material changes in the composition of the Group for the financial quarter ended 31 August 2024.

A13 Changes in contingent liabilities

There were no material changes to the contingent liabilities disclosed since the last Audited Financial Statements for the financial year ended 31 May 2024.

A14 Subsequent events

There were no events subsequent to the end of the financial quarter ended 31 August 2024 up to the date of this Interim Financial Report which may substantially affect the results or operations of the Group.

B. ADDITIONAL INFORMATION REQUIRED UNDER THE ACE MARKET LISTING REQUIREMENTS

B1 Review of Group's performance

Overall review for the financial quarter ended 31 August 2024

For the financial quarter ended 31 August 2024, the Group posted higher revenue of RM8.5 million compared to RM7.8 million for the corresponding period last year. Consequently, the Group reported higher profit before taxation ("PBT") of RM0.9 million for the current financial period compared to RM0.3 million for the corresponding period last year.

Review of business segments for the financial quarter ended 31 August 2024

During the financial quarter ended 31 August 2024, the Logistics segment posted higher revenue of RM8.5 million compared to RM7.8 million for the corresponding period last year due to higher sales in tank farm business. Consequently, this segment reported a higher segmental profit of RM1.7 million compared to RM1.0 million in the corresponding period last year.

The results of others segment are mainly attributed to corporate expenses incurred by the investment holding company. This segment reported higher segmental loss of RM0.7 million compared to RM0.6 million in the corresponding period last year due to higher corporate expenses.

B2 Material change in the results for the current financial quarter as compared with immediate preceding financial quarter

Revenue for the current financial quarter increased to RM8.5 million from RM7.8 million in the immediate preceding quarter. The Group reported PBT of RM0.9 million for the current financial quarter compared to loss before taxation of RM2.4 million in the immediate preceding financial quarter.

B3 Current year prospects

The global economy showed signs of recovery with the International Monetary Fund ("IMF") projecting growth rates of 3.2% in 2024 and 3.3% in 2025. While there are signs of easing on global headline inflations, but global economic headwinds are expected to persist, influenced by US economic performance and interest rates, as well as regional issues, particularly the pace of growth in China. The ongoing trade wars between major economies could continue to restrict growth in smaller economies like Malaysia. On domestic front, the subsidy rationalization by the government which is aimed at reshaping the Malaysian economy may result in short-term difficulties, such as faster-than-wage growth in product prices, and this could potentially dampening consumer confidence.

The management shall remain vigilant given the difficult operating environment. The Board will continue to exercise caution in managing the business under these conditions. Nevertheless, management believe that with the addition new tank facilities, we should be able to offer competitive pricing to our customers while increasing our business volume.

B4 Forecast profit, profit guarantee and internal targets

The Group did not provide any profit forecast, profit guarantee and internal targets in any publicly available documents or announcements.

B5 Profit before taxation

| | Individual quarter ended 31.08.2024 RM'000 | Year-to-date ended 31.08.2024 RM'000 |
|--|---|---|
| The profit before taxation is stated after charging/(crediting): | | |
| Interest income | (1) | (1) |
| Loss on foreign exchange | 123 | 123 |
| Fair value gain on other investment | (6) | (6) |
| Finance costs | 78 | 78 |
| Gain on disposal of property plant and equipment | (38) | (38) |
| Depreciation and amortisation | <u>764</u> | <u>764</u> |

B6 Tax expense

| | Individual quarter ended | | Year-to-date ended | |
|---|---------------------------------|--------------|---------------------------|--------------|
| | 31.08.2024 | 31.08.2023 | 31.08.2024 | 31.08.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax expense based on profit for the financial period: | | | | |
| Malaysian income tax | 396 | 379 | 396 | 379 |
| Over provision in prior years: | | | | |
| Malaysian income tax | - | - | - | - |
| | <u>396</u> | <u>379</u> | <u>396</u> | <u>379</u> |
| Deferred taxation: | | | | |
| Transfer to deferred taxation | <u>(75)</u> | <u>(148)</u> | <u>(75)</u> | <u>(148)</u> |
| | <u>321</u> | <u>231</u> | <u>321</u> | <u>231</u> |

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

B7 Status of corporate proposals

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

B8 Utilisation of proceeds

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

B9 Borrowings

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

| | 31.08.2024 | 31.05.2024 |
|-----------------------------|-------------------|------------|
| | RM'000 | RM'000 |
| LONG TERM BORROWINGS | | |
| Secured: | | |
| Ringgit Malaysia | 14,406 | 11,955 |

B10 Material litigation

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

B11 Dividend

There was no dividend declared and/or paid during the financial quarter and period ended 31 August 2024.

B12 Loss per ordinary share

Basic loss per ordinary share

| | Individual quarter ended | | Year-to-date ended | |
|---|---------------------------------|------------|---------------------------|------------|
| | 31.08.2024 | 31.08.2023 | 31.08.2024 | 31.08.2023 |
| Weighted average number of ordinary shares ('000) | 473,286 | 473,286 | 473,286 | 473,286 |
| Loss attributable to owners of the parents (RM'000) | (29) | (195) | (29) | (195) |
| Basic loss per ordinary share (sen) | (0.01) | (0.04) | (0.01) | (0.04) |

Diluted loss per ordinary share

Diluted loss per ordinary share is the same as basic loss per ordinary share as there is no dilutive potential ordinary share.

The Company does not have convertible securities at the end of the reporting periods.