

**FM GLOBAL LOGISTICS HOLDINGS BERHAD**  
**(Registration No. 199601008064 (380410-P))**

**Notes on the quarterly report – 31 December 2023**

**PART A : EXPLANATORY NOTES AS PER MFRS 134**

**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting and paragraph 9.22 and Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim financial statements should be read in conjunction with the Group’s annual audited financial statements for the financial year ended 30 June 2023.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2023.

The accounting policies and method of computation adopted by the Group in the preparation of the consolidated interim financial statements are consistent with those adopted in the most recent annual audited financial statements for the financial year ended 30 June 2023 except for the adoption of new MFRS and amendments to MFRS and interpretations that are applicable to the Group for the financial period beginning on or after 1 July 2023.

The adoption of these new and revised standards, amendments and does not have any material impact on the financial statements of the Group.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective:-

Effective for financial periods beginning on or after 1 January 2023

Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax Related to Assets and Liabilities Arising from Single Transaction
Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules

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Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	Lease Liability in a 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 Arrangement

**A2. Qualification of Annual Financial Statements**

The audit report of the Group's latest audited financial statements for the financial year ended 30 June 2023 was not qualified.

**A3. Seasonality or cyclicity factors**

The Group's business operation results were not materially affected by any major seasonal or cyclical factors.

**A4. Unusual Items**

There were no unusual items affecting the Group's assets, liabilities, equity, net income or cash flows in the financial period under review.

**A5. Changes in estimates**

There were no changes in estimates of amounts reported in prior financial year that have had material effect in the current quarter.

**A6. Changes in debts and equity securities**

There were no issuances, cancellations, repurchases, resale or repayments of debt and equity securities during the financial period under review.

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**A7. Dividend paid**

The third interim single tier dividend of 2.0 sen per share amounting to RM11,168,897 in respect of financial year ended 30 June 2023 has been paid on 13 October 2023.



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	←			Logistics	→						
	Malaysia	Australia	Indonesia	Thailand	Vietnam	India	USA	Singapore	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Liabilities</b>											
Segment liabilities	320,279	9,283	9,476	8,297	1,152	4,372	21,208	17,238	70,469	(200,506)	261,268
Deferred tax liabilities	30,882	-	-	-	-	1	-	-	-	298	31,181
Current tax liabilities	2,242	574	-	297	31	299	227	120	135	-	3,925
Total liabilities											<u>296,374</u>
<b>Other segment information</b>											
Capital expenditure - PPE	14,404	-	102	16	5	26	6	1,249	-	-	15,808
Capital expenditure – ROU assets (HP)	3,255	-	-	408	-	-	-	-	-	-	3,663
Depreciation on PPE	4,023	86	159	34	15	27	4	106	266	217	4,937
Depreciation on right-of-use assets	9,292	-	320	82	91	-	-	-	-	-	9,785
Amortization of Intangible assets	-	-	-	-	-	-	-	-	55	-	55



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	Malaysia	Australia	Indonesia	Thailand	Vietnam	India	USA	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Liabilities</b>										
Segment liabilities	413,006	15,204	7,973	8,627	948	6,549	16,332	44,077	(199,384)	313,332
Deferred tax liabilities	30,372	-	-	-	-	-	-	-	402	30,774
Current tax liabilities	4,506	1,459	1,150	-	339	749	142	95	-	8,440
Total liabilities										<u>352,546</u>
<b>Other segment information</b>										
Capital expenditure - PPE	2,131	22	113	19	22	22	97	643	-	3,069
Capital expenditure – ROU assets (HP)	15,754	-	-	-	-	-	-	-	-	15,754
Depreciation on PPE	3,544	20	169	44	46	30	3	19	217	4,092
Depreciation on right-of-use assets	8,914	26	276	79	88	-	-	-	-	9,383
Amortization of Intangible assets	-	-	-	-	-	-	1	55	-	56

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**A8. Segmental Information (Cont'd)**

The Group comprises the following major business segments:

- i) Logistics – provision of integrated freight and logistics services such as sea freight, air freight, land freight, warehouse and distribution and supporting services, which are operated by companies in Malaysia, Australia, Indonesia, Thailand, Vietnam, India and USA.
- ii) Others – investment holdings and provision of management services, provision of IT application solutions and support services.

There have been no differences in the basis of segmentation or in the basis of measurement of segment profit and loss as compared to the last annual financial statements.

**A9. Valuation of property, plant and equipment**

The Group's property, plant and equipment other than land and buildings are stated at cost less accumulated depreciation and any accumulated impairment losses. Land and buildings are stated at valuation, which are the fair values at the date of revaluation.

**A10. Material events subsequent to the end of the interim period**

There were no material events subsequent to the end of the current quarter.

**A11. Changes in the composition of the Group**

There were no changes in the composition of the Group during the current financial period.

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**A12. Contingent liabilities**

The Directors of FMHB are not aware of any material changes in the contingent liabilities since the last financial year save as disclosed below:-

	<b>RM'000</b>
Guarantees given to third parties in respect of trade performance of subsidiaries	8,769
Guarantees given to financial institutions in respect of credit facilities granted	85,094
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	<u>93,863</u>

**A13. Capital commitments**

**Contracted but not provided for :**

	<b>As at 31.12.23 RM'000</b>
Buildings	65,791
PM and Trailers	11,636
Trucks	686
Forklifts	1,242
Office equipment	46
Warehouse equipment	4,473
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	<u>83,874</u>

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**PART B: ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES**

**B1. Review of performance**

The Group's revenue decreased by RM45.5 million or approximately 19% lower than 2QFY23. Details of changes in each service type are as follows:-

<b>Service Type</b>	<b>2QFY24</b>	<b>2QFY23</b>	<b>Changes RM mil</b>	<b>% change</b>
International freight	140.5	189.9	-49.4	-26%
Domestic logistics	59.6	55.7	3.9	7%
<b>TOTAL</b>	<b>200.1</b>	<b>245.6</b>	<b>-45.5</b>	<b>-19%</b>

Compared to 2QFY23, the lower revenue in 2QFY2024 was mainly due to lower freight rates and also lower business activities in the current quarter.

The Group's Profit Before Tax ("PBT") decreased from RM18.0 million to RM11.9 million or 34% lower as compared to 2QFY23. The decrease of PBT was mainly due to the lower revenue and business activities from both Malaysian and overseas operations in the current quarter.

**B2. Variation of results against preceding quarter**

<b>Service Type</b>	<b>2QFY24</b>	<b>1QFY24</b>	<b>Changes RM mil</b>	<b>% change</b>
International freight	140.5	134.8	5.7	4%
Domestic logistics	59.6	54.3	5.3	10%
<b>TOTAL</b>	<b>200.1</b>	<b>189.1</b>	<b>11.0</b>	<b>6%</b>

The Group's revenue for the current quarter of RM200.1 million was RM11.0 million or 6% higher than 1QFY24 mainly due to increase of business activities in this quarter.

The Group's PBT for 2QFY24 increased slightly to RM11.9 million or 8% from RM11.0 million in 1QFY24 mainly due to the same reason as mentioned above.

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**B3. Current year prospects**

The Group's performance is expected to remain positive despite the uncertainties in the global economic environment. The Group will continue to focus on expanding its customer base regionally and improving cost management.

**B4. Variance of actual and forecast profit**

The Group did not issue any profit forecast and therefore no variance information is available for the quarter under review.

**B5. Tax expense**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year</b>	<b>Preceding</b>	<b>Current</b>	<b>Preceding</b>
	<b>Quarter</b>	<b>Year</b>	<b>Year To</b>	<b>Year</b>
	<b>31.12.2023</b>	<b>Corresponding</b>	<b>Date</b>	<b>Corresponding</b>
	<b>31.12.2023</b>	<b>Quarter</b>	<b>31.12.2023</b>	<b>Quarter</b>
	<b>RM'000</b>	<b>31.12.2022</b>	<b>RM'000</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>In respect of current period:</b>				
Income tax	2,787	4,569	6,236	9,391
Deferred tax	112	115	(282)	(75)
	2,899	4,684	5,954	9,316
<b>In respect of prior years :</b>				
Income tax	-	11	-	11
Deferred tax	-	-	-	-
	-	11	-	11
<b>Total</b>	2,899	4,695	5,954	9,327

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**B6. Status of corporate proposal announced**

There was no corporate proposal announced as at the date of the announcement.

**B7. Group borrowings**

The Group's borrowings as at the end of the reporting quarter are as follows:

	<b>As at 31.12.2023 RM'000</b>	<b>As at 31.12.2022 RM'000</b>
<b>Payable within 12 months (secured)</b>		
Term loans		
- Ringgit Malaysia	48,110	50,274
- India Dollar (INR2.2m / INR1.5m)^	122	79
Lease liabilities (Hire-purchase)		
- Ringgit Malaysia	11,160	13,101
- Australian Dollar (AUD33k / AUD22k)^	104	66
- Indonesia Rupiah (IDR 173m / -)^	52	-
- Thai Baht (THB393k / THB541k)^	53	69
- Indian Rupee (INR161k / INR361k)^	9	19
Overdraft		
- Ringgit Malaysia	417	155
- Indian Rupee (INR0.06m / INR15m)^	-	777
	<u>60,027</u>	<u>64,540</u>
<b>Payable after 12 months (secured)</b>		
Term loans		
- Ringgit Malaysia	58,783	68,819
- Indian Rupee (INR1.0m / INR2.6m)^	-	117
Lease liabilities (Hire-purchase)		
- Ringgit Malaysia	21,610	35,202
- Australian Dollar (AUD2k / AUD59k)^	7	177
- Indonesia Rupiah (IDR 275m / -)^	82	-
- Thai Baht (THB1.8M / THB439k)^	248	56
- Indian Rupee (- / INR161k)^	-	9
	<u>80,730</u>	<u>104,380</u>
<b>Total borrowings</b>	<u>140,757</u>	<u>168,920</u>
<b>^ Exchange rate</b>		
- Australian Dollar	3.1311	2.984
- Indonesian Rupiah	0.000298	-
- Thai Baht	13.43	12.72
- Indian Rupee	0.0552	0.0530

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**B8. Material Litigation**

Neither FMHB nor any of its subsidiaries is engaged in any material litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or any of its subsidiaries and the Board of Directors of FMHB is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiaries.

**B9. Dividend**

The Board of Directors has declared a first interim single tier dividend of 1.0 sen per ordinary share, in respect of the financial year ending 30 June 2024. The dividend will be paid on 12 April 2024 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 29 March 2024.

**B10. Earnings per share**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current</b>	<b>Preceding</b>	<b>Current</b>	<b>Preceding</b>
	<b>Year</b>	<b>Year</b>	<b>Year To</b>	<b>Year</b>
	<b>Quarter</b>	<b>Corresponding</b>	<b>Date</b>	<b>Corresponding</b>
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Profit attributable to equity holders of the parent (RM'000)	8,008	11,446	15,211	23,496
Weighted average number of ordinary shares in issue ('000)	558,445	558,445	558,445	558,445
Basic Earnings Per Ordinary Share (sen)	1.43	2.05	2.72	4.21

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**B11. Additional Disclosures on Profit for the period**

	<b>Current Year Quarter 31.12.23 RM'000</b>	<b>Preceding Year Quarter 31.12.22 RM'000</b>	<b>Current Year To Date 31.12.23 RM'000</b>	<b>Preceding Year To Date 31.12.22 RM'000</b>
<b>Profit for the period is arrived at after charging/(crediting) :</b>				
Interest income	(246)	(151)	(599)	(238)
Gain on disposal of property, plant and equipment	(203)	(33)	(277)	(62)
Loss/(Gain) on foreign exchange	860	733	804	(862)
Depreciation of PPE	2,527	2,097	4,937	4,092
Depreciation of Right-of-use assets	4,781	4,980	9,785	9,383
Amortization of intangible asset	27	28	55	56
(Reversal)/Loss on impairment/ write off of receivables	99	(543)	2,088	(931)
Interest expense	1,569	2,035	3,156	4,008

Other than the above, there were no gain or loss on disposal of quoted or unquoted investments, gain or loss on derivatives and exceptional items for the financial period ended 31 December 2023.