

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2023**

	Individual quarter ended		Year-to-date ended	
	31.08.2023	31.08.2022	31.08.2023	31.08.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	<b>7,844</b>	7,333	<b>7,844</b>	7,333
Cost of sales	<b>(6,180)</b>	(5,652)	<b>(6,180)</b>	(5,652)
Gross profit	<b>1,664</b>	1,681	<b>1,664</b>	1,681
Other income	<b>249</b>	228	<b>249</b>	228
Administrative expenses	<b>(1,511)</b>	(1,608)	<b>(1,511)</b>	(1,608)
Finance costs	<b>(78)</b>	(125)	<b>(78)</b>	(125)
Profit before taxation	<b>324</b>	176	<b>324</b>	176
Tax expense	<b>(231)</b>	(237)	<b>(231)</b>	(237)
Net profit/(loss) for the financial period	<b>93</b>	(61)	<b>93</b>	(61)
<b>(Loss)/Profit attributable to:</b>				
Owners of the parent	<b>(195)</b>	(199)	<b>(195)</b>	(199)
Non-controlling interests	<b>288</b>	138	<b>288</b>	138
	<b>93</b>	(61)	<b>93</b>	(61)
<b>Loss per ordinary share attributable</b>				
<b>to owners of the parent</b>	<b>Sen</b>	Sen	<b>Sen</b>	Sen
- Basic and diluted	<b>(0.04)</b>	(0.04)	<b>(0.04)</b>	(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 2023 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 2023**

	Individual quarter ended		Year-to-date ended	
	31.08.2023	31.08.2022	31.08.2023	31.08.2022
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) for the financial period	93	(61)	93	(61)
<b>Other comprehensive income</b>				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income/(loss)	<b>93</b>	<b>(61)</b>	<b>93</b>	<b>(61)</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the parent	<b>(195)</b>	(199)	<b>(195)</b>	(199)
Non-controlling interests	<b>288</b>	138	<b>288</b>	138
	<b>93</b>	<b>(61)</b>	<b>93</b>	<b>(61)</b>

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 2023 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 2023**

	Unaudited 31.08.2023 RM'000	Audited 31.05.2023 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	24,188	18,781
Rights-of-use assets	4,391	4,502
	<b>28,579</b>	23,283
<b>Current assets</b>		
Trade and other receivables	17,228	13,794
Current tax assets	516	475
Other investments	671	666
Short term deposits with a licensed bank	160	133
Cash and bank balances	3,117	5,822
	<b>21,692</b>	20,890
<b>TOTAL ASSETS</b>	<b>50,271</b>	<b>44,173</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parents</b>		
Share capital	23,664	23,664
Reserves	8,526	8,526
Accumulated losses	(11,017)	(10,822)
	<b>21,173</b>	21,368
Non-controlling interests	7,461	7,418
<b>TOTAL EQUITY</b>	<b>28,634</b>	28,786
<b>Current liabilities</b>		
Trade and other payables	13,808	9,132
Lease liabilities	1,615	1,952
Current tax liabilities	126	70
	<b>15,549</b>	11,154
<b>Non-current liabilities</b>		
Deferred tax liabilities	2,334	2,482
Lease liabilities	1,595	1,751
Borrowings	2,159	-
	<b>6,088</b>	4,233
<b>TOTAL LIABILITIES</b>	<b>21,637</b>	15,387
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>50,271</b>	<b>44,173</b>
<b>Net assets per ordinary share attributable to owners of the parent (RM)</b>	<b>0.04</b>	0.05

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 2023 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 2023**

	Attributable to owners of the Company			Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	----- Non-Distributable-----	Distributable				
	Share capital RM'000	Merger reserve RM'000	Accumulated losses RM'000			
<b>Balance as at 1 June 2022</b>	23,664	8,526	(10,437)	<b>21,753</b>	6,531	<b>28,284</b>
Total comprehensive (loss)/income	-	-	(385)	<b>(385)</b>	887	<b>502</b>
<b>Balance as at 31 May 2023/1 June 2023</b>	<b>23,664</b>	<b>8,526</b>	<b>(10,822)</b>	<b>21,368</b>	<b>7,418</b>	<b>28,786</b>
Total comprehensive (loss)/income	-	-	(195)	<b>(195)</b>	288	<b>93</b>
<b>Transaction with owners</b>						
Dividend paid to non-controlling interests	-	-	-	-	(245)	<b>(245)</b>
	-	-	-	-	(245)	<b>(245)</b>
<b>Balance as at 31 August 2023</b>	<b>23,664</b>	<b>8,526</b>	<b>(11,017)</b>	<b>21,173</b>	<b>7,461</b>	<b>28,634</b>

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 2023 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 2023**

	Year-to-date ended	
	31.08.2023	31.08.2022
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	324	176
Adjustments for non-cash items:		
Depreciation and amortisation	1,432	1,387
Interest expense	78	125
Interest income	(1)	(1)
Others	(5)	(98)
<b>Operating profit before working capital changes</b>	<b>1,828</b>	<b>1,589</b>
Net changes in working capital	1,242	(928)
Income tax paid	(364)	(321)
<b>Net cash from operating activities</b>	<b>2,706</b>	<b>340</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(6,626)	(75)
Proceed from disposal of property, plant and equipment	-	87
Sale of other investments	-	400
Placement of short term deposits:		
- pledged with a licensed bank	(3)	(2)
- with maturity period more than three (3) months	(24)	-
Interest received	1	1
<b>Net cash (used in)/from investing activities</b>	<b>(6,652)</b>	<b>411</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(30)	(81)
Dividend paid to non-controlling interests	(245)	-
Payment for lease liabilities	(643)	(770)
Net drawdown/(repayment) of borrowings	2,159	(138)
<b>Net cash from/(used in) financing activities</b>	<b>1,241</b>	<b>(989)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,705)</b>	<b>(238)</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>5,822</b>	<b>5,621</b>
Effect of exchange rate changes	-	-
<b>Cash and cash equivalents at the end of the financial period</b>	<b>3,117</b>	<b>5,383</b>
<b>Cash and cash equivalents</b>		
Cash and bank balances	3,117	5,383
Short term deposits with a licensed bank	160	157
	<b>3,277</b>	<b>5,540</b>
Short term deposits pledged with a licensed bank	(136)	(157)
Short term deposits with maturity more than three (3) months	(24)	-
	<b>3,117</b>	<b>5,383</b>

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 2023 and the accompanying notes to this Interim Financial Report.

**ANCOM LOGISTICS BERHAD**  
(Incorporated in Malaysia)  
(Registration No: 196601000150 (6614-W))

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2023**

**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 AUGUST 2023**

**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 2023. 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 2023.

For the financial periods up and including the financial year ended 31 May 2023, 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 2023.

**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 2023 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 2023:

MFRS 7 Insurance Contracts  
Amendments to MFRS 7 Insurance Contracts  
Initial application of MFRS 17 and MFRS 9 - Comparative Information (Amendments to MFRS 17 Insurance Contracts)  
Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)  
Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)  
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)

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 2023.

**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 2023, 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 2023.

**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 2023.

**A8 Dividends**

There was no dividend declared and/or paid during the financial quarter ended 31 August 2023.

**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.

	<b>Logistics</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>31 August 2023</b>				
<b>Revenue</b>				
External revenue	7,844	-	-	<b>7,844</b>
Inter-segment revenue	-	-	-	-
Total revenue	<u>7,844</u>	<u>-</u>		<u><b>7,844</b></u>
Segment results	974	(572)	-	<b>402</b>
Finance costs				<u>(78)</u>
Profit before taxation				<b>324</b>
Tax expense				<u>(231)</u>
<b>Net profit for the financial period</b>				<u><b>93</b></u>
<b>31 August 2022</b>				
<b>Revenue</b>				
External revenue	7,333	-	-	<b>7,333</b>
Inter-segment revenue	-	-	-	-
Total revenue	<u>7,333</u>	<u>-</u>		<u><b>7,333</b></u>
Segment results	818	(517)	-	<b>301</b>
Finance costs				<u>(125)</u>
Profit before taxation				<b>176</b>
Tax expense				<u>(237)</u>
<b>Net loss for the financial period</b>				<u><b>(61)</b></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 2023.

**A11 Capital commitments**

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

	<b>RM'000</b>
Property, plant and equipment	
- Approved and contracted for	15,589
- Approved but not contracted for	-
	<u>15,589</u>

**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 2023.

**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 2023.



**A14 Subsequent events**

There were no events subsequent to the end of the financial quarter ended 31 August 2023 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 2023**

For the financial quarter ended 31 August 2023, the Group posted higher revenue of RM7.8 million compared to RM7.3 million for the corresponding period last year. Consequently, the Group reported higher profit before taxation ("PBT") of RM0.3 million for the current financial period compared to RM0.2 million for the corresponding period last year.

**Review of business segments for the financial quarter ended 31 August 2023**

During the financial quarter ended 31 August 2023, the Logistics segment posted higher revenue of RM7.8 million compared to RM7.3 million for the corresponding period last year due to higher sales in tank farm business. Consequently, this segment reported a higher segmental profit of RM1.0 million compared to RM0.8 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 RM0.6 million compared to RM0.5 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 RM7.8 million from RM7.7 million in the immediate preceding quarter. The Group reported PBT of RM0.3 million for both the current and immediate preceding financial quarter.

**B3 Current year prospects**

The domestic economy grew at a pace of 5.6% in January to March of 2023 after growing at 7.1 % in October to December of 2022. The services sector continued to show rapid growth of 7.3% in January to March of 2023 following growth of 9.1% in October to December of 2022. The economic expansion was supported by sustained domestic demand with private expenditure and improvement in labour market conditions.

The pace of expansion is expected to moderate during 2023 calendar year due to the impact of high base year effects as well as the economic slowdown in key markets. Inflationary pressure remains high, and many customers are still cautionary in their outlook. The Board will continue to exercise caution in managing the business under these conditions. Management will continue to explore ways to build new capabilities and capacities for long term growth.

**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**

	<b>Individual quarter ended 31.08.2023 RM'000</b>	<b>Year-to-date ended 31.08.2023 RM'000</b>
The profit before taxation is stated after charging/(crediting):		
Interest income	(1)	(1)
Loss/(Gain) on foreign exchange	(20)	(20)
Fair value gain on other investment	(5)	(5)
Finance costs	78	78
Depreciation and amortisation	<u>1,432</u>	<u>1,432</u>

**B6 Tax expense**

	<b>Individual quarter ended</b>		<b>Year-to-date ended</b>	
	<b>31.08.2023</b>	<b>31.08.2022</b>	<b>31.08.2023</b>	<b>31.08.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax expense based on profit for the financial period:				
Malaysian income tax	<b>379</b>	385	<b>379</b>	385
Deferred taxation:				
Transfer to deferred taxation	<b>(148)</b>	(148)	<b>(148)</b>	(148)
	<u><b>231</b></u>	<u>237</u>	<u><b>231</b></u>	<u>237</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:

	<b>31.08.2023</b>	31.05.2023
	<b>RM'000</b>	RM'000
<b>LONG TERM BORROWINGS</b>		
Secured:		
Ringgit Malaysia	<b>2,159</b>	-

**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 2023.

**B12 Loss per ordinary share**Basic loss per ordinary share

	<b>Individual quarter ended</b>		<b>Year-to-date ended</b>	
	<b>31.08.2023</b>	31.08.2022	<b>31.08.2023</b>	31.08.2022
Weighted average number of ordinary shares ('000)	<b>473,286</b>	473,286	<b>473,286</b>	473,286
Loss attributable to owners of the parents (RM'000)	<b>(195)</b>	(199)	<b>(195)</b>	(199)
<b>Basic loss per ordinary share (sen)</b>	<b>(0.04)</b>	(0.04)	<b>(0.04)</b>	(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.