

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

**Notes on the quarterly report – 30 June 2022**

**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 2021.

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 2021.

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 2021 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 2021:-

*Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 Interest Rate Benchmark Reform – Phase 2*

*Amendment to MFRS 16 Leases Covid-19-Related Rent Concessions beyond 30 June 2021*

The adoption of the above new standards, amendments and interpretations to published standards does not have any material impact on the financial statements of the Group.

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**A2. Qualification of Annual Financial Statements**

The audit report of the Group's latest audited financial statements for the financial year ended 30 June 2021 was not qualified.

**A3. Seasonality or cyclical 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.

**A7. Dividend paid**

The third interim single tier dividend of 1.0 sen per share amounting to RM5,584,448.30 in respect of financial year ended 30 June 2021 has been paid on 18 October 2021.

The first interim single tier dividend of 1.0 sen per share amounting to RM5,584,448 in respect of financial year ended 30 June 2022 has been paid on 19 May 2022.

The second interim single tier dividend of 1.0 sen per share amounting to RM5,584,448 in respect of financial year ended 30 June 2022 has been paid on 28 July 2022.

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**A8. Segment information**

Operating segments for the current financial period ended 30 June 2022:

	←			Logistics	→					
	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>Revenue</b>										
Total revenue	794,822	124,810	65,147	47,962	43,846	41,630	72,653	1,586	(39,511)	1,152,945
Inter-segment revenue	(20,933)	(992)	(2,940)	(4,699)	(1,508)	(1,857)	(4,996)	(1,586)	39,511	-
Revenue from external customers	773,889	123,818	62,207	43,263	42,338	39,773	67,657	-	-	1,152,945
<b>Results</b>										
Segment results	50,228	3,985	5,261	2,187	4,000	1,584	1,865	687	51	69,848
Finance costs	(5,407)	(102)	(21)	(82)	(18)	(102)	-	-	57	(5,675)
Share of loss of associates	2	-	-	-	-	-	-	-	-	2
Share of profit of joint ventures	-	-	-	-	-	-	-	2,438	-	2,438
Profit before tax	44,823	3,883	5,240	2,105	3,982	1,482	1,865	3,125	108	66,613
Tax expense										(16,852)
Profit for the period										49,761
<b>Assets</b>										
Segment assets	656,367	29,966	27,081	12,690	11,957	10,396	27,872	81,535	(116,167)	741,697
Investments in associates	451	-	-	-	-	-	-	-	-	451
Investments in joint ventures	-	-	-	-	-	-	-	9,402	-	9,402
Deferred tax assets	-	-	1,097	-	-	33	-	-	-	1,130
Current tax assets	14	-	-	818	-	-	-	188	-	1,020
Total assets										753,700

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	←			Logistics	→					
	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	382,136	18,631	8,298	8,492	2,585	7,984	25,048	48,725	(160,187)	341,712
Deferred tax liabilities	30,584	-	-	-	-	-	-	-	454	31,038
Current tax liabilities	1,909	300	614	-	401	328	661	-	-	4,213
Total liabilities										<u>376,963</u>
<b>Other segment information</b>										
Capital expenditure - PPE	3,540	51	140	139	88	32	50	41	-	4,081
Capital expenditure – ROU assets (HP)	48,647	-	-	-	-	-	-	-	-	48,647
Depreciation on PPE	7,479	117	334	77	85	63	9	71	433	8,668
Depreciation on right-of-use assets	12,980	901	528	185	170	-	-	-	-	14,764
Amortization of Intangible assets	-	-	-	-	-	-	-	265	-	265

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**A8. Segment information**

Operating segments for the current financial period ended 30 June 2021:

	←			Logistics	→					
	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>Revenue</b>										
Total revenue	582,568	68,957	40,942	35,370	31,715	21,687	4,491	2,142	(24,441)	763,431
Inter-segment revenue	(11,360)	(993)	(1,605)	(2,818)	(931)	(1,122)	(3,748)	(1,864)	24,441	-
Revenue from external customers	571,208	67,964	39,337	32,552	30,784	20,565	743	278	-	763,431
<b>Results</b>										
Segment results	30,514	2,268	3,234	1,901	2,675	1,167	(147)	(7,719)	11,193	45,086
Finance costs	(3,019)	(22)	(42)	(28)	(19)	(148)	-	-	-	(3,278)
Share of loss of associates	2	-	-	-	-	-	-	(591)	-	(589)
Share of profit of joint ventures	-	-	-	-	-	-	-	1,277	-	1,277
Profit before tax	27,497	2,246	3,192	1,873	2,656	1,019	(147)	(7,033)	11,193	42,496
Tax expense										(13,027)
Profit for the period										29,469
<b>Assets</b>										
Segment assets	549,572	18,097	20,333	8,699	5,277	5,666	2,372	67,177	(112,155)	565,038
Investments in associates	449	-	-	-	-	-	-	-	-	449
Investments in joint ventures	-	-	-	-	-	-	-	5,963	-	5,963
Deferred tax assets	-	-	611	-	-	306	-	-	-	917
Current tax assets	3	-	500	1,307	-	-	-	176	-	1,986
Total assets										574,353

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	←			Logistics	→					
	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	289,760	8,963	6,209	6,587	1,798	4,717	1,762	25,151	(147,527)	197,420
Deferred tax liabilities	30,231	-	-	-	-	-	-	-	558	30,789
Current tax liabilities	1,886	516	-	-	109	14	-	-	-	2,525
Total liabilities										<u>230,734</u>
<b>Other segment information</b>										
Capital expenditure - PPE	10,671	17	32	47	8	50	-	11	-	10,836
Capital expenditure – ROU assets (HP)	11,625	-	-	-	-	-	-	-	-	11,625
Depreciation on PPE	7,435	88	358	58	100	(51)	8	77	253	8,326
Depreciation on right-of-use assets	11,202	90	454	192	165	-	-	-	-	12,103
Amortization of Intangible assets	-	-	-	-	-	-	-	508	-	508

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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**

On 04 Oct 2021, the Company's indirect subsidiary, FM Global Logistics Venture Sdn Bhd ("FMGLV"), a wholly-owned subsidiary of the Company entered into a Stock Purchase Agreement with several independent third parties to acquire the entire issued and outstanding shares of capital stock of Inter-Orient Services, Inter-Orient Corporation and Noble Shipping Corporation ("IOS Group"), for a total cash consideration of USD2,200,000 (equivalent to approximately RM9,196,000 based on the exchange rate of USD1:RM4.18), subject to the terms and conditions as stipulated in the SPA (the "Acquisition"). The Acquisition of IOS Group was completed on 1 December 2021.

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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	7,619
Guarantees given to financial institutions in respect of credit facilities granted	144,621
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	<u>152,240</u>

**A13. Capital commitments**

**Contracted but not provided for :**

	<b>As at 30.06.22 RM'000</b>
Prime Movers and Trailers	20,168
Forklifts	1,282
Trucks	1,003
Motor vehicle	629
Plant and Machinery	886
Office equipment	449
Renovation (Prai 2 office)	124
Furniture and fittings	33
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	<u>24,574</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 registered revenue growth of RM105.5 million or approximately 46% higher than 4QFY21. Details of changes in each service type are as follows:-

Service Type	4QFY22	4QFY21	Changes	
			RM mil	% change
International freight	272.3	174.8	97.5	56%
Domestic Logistics	61.5	53.5	8.0	15%
<b>TOTAL</b>	<b>333.8</b>	<b>228.3</b>	<b>105.5</b>	<b>46%</b>

Compared to 4QFY21, the increased revenue in 4QFY2022 was mainly due to increase of freight rate and business activities in the current quarter.

The Group's Profit Before Tax ("PBT") increased from RM13.5 million to RM17.6 million or 30% higher as compared to 4QFY21. The increase of PBT are mainly due to the increase of business activities from both Malaysian and overseas operations in the current 4QFY22.

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

Service Type	4QFY22	3QFY22	Changes	
			RM mil	% change
International freight	272.3	274.7	-2.4	-1%
Domestic Logistics	61.5	49.9	11.6	23%
<b>TOTAL</b>	<b>333.8</b>	<b>324.6</b>	<b>9.2</b>	<b>3%</b>

The Group's revenue for the current quarter of RM333.8 million was RM9.2 million or 3% higher than 3QFY22 mainly due to higher freight rate and business activities.

The Group's PBT for 4QFY22 decreased to RM17.6 million or 4% from RM18.3 million in 3QFY22 mainly due to higher administrative and finance costs.

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**B3. Prospects for Next Financial Year**

For the financial year ending 30 June 2023, the Group is confident that its business activities will continue to be positive but is mindful of the challenges and potential risks of the uncertain global economic situation and the supply chain disruptions. The Group will continue to focus on expanding its customer base regionally and improve cost management via operational efficiencies.

**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>30.06.2022</b>	<b>Corresponding</b>	<b>Date</b>	<b>Corresponding</b>
	<b>RM'000</b>	<b>Quarter</b>	<b>30.06.2022</b>	<b>Quarter</b>
		<b>30.06.2021</b>	<b>RM'000</b>	<b>30.06.2021</b>
		<b>RM'000</b>		<b>RM'000</b>
<b>In respect of current period:</b>				
Income tax	4,771	3,533	17,959	12,615
Deferred tax	47	592	(295)	503
	<u>4,818</u>	<u>4,125</u>	<u>17,664</u>	<u>13,118</u>
<b>In respect of prior years :</b>				
Income tax	(809)	(21)	(959)	(91)
Deferred tax	147	-	147	-
	<u>(662)</u>	<u>(21)</u>	<u>(812)</u>	<u>(91)</u>
<b>Total</b>	<u>4,156</u>	<u>4,104</u>	<u>16,852</u>	<u>13,027</u>

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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 30.06.2022 RM'000</b>	<b>As at 30.06.2021 RM'000</b>
<b>Payable within 12 months (secured)</b>		
Term loans		
- Ringgit Malaysia	10,116	21,688
- India Dollar (INR1.4m / INR4.64m) <sup>^</sup>	78	251
Lease liabilities (Hire-purchase)		
- Ringgit Malaysia	10,749	7,663
- Australian Dollar (AUD25k / AUD23k) <sup>^</sup>	74	72
- Indonesia Dollar (- / IDR252m) <sup>^</sup>	-	69
- Thailand Dollar (THB579k / THB714k) <sup>^</sup>	68	87
- India Dollar (INR343k / INR310k) <sup>^</sup>	19	17
Overdraft		
- Ringgit Malaysia	1,547	1,969
- India Dollar (INR18m / INR26.6m) <sup>^</sup>	973	1,440
	<u>23,624</u>	<u>33,256</u>
<b>Payable after 12 months (secured)</b>		
Term loans		
- Ringgit Malaysia	73,150	39,468
- India Dollar (INR3.0m / -) <sup>^</sup>	160	-
Lease liabilities (Hire-purchase)		
- Ringgit Malaysia	29,445	17,850
- Australian Dollar (AUD69k / AUD94k) <sup>^</sup>	205	287
- Indonesia Dollar (- / -) <sup>^</sup>	-	-
- Thailand Dollar (THB715k / THB1,294k) <sup>^</sup>	84	158
- India Dollar (INR346m / INR690m) <sup>^</sup>	19	37
	<u>103,063</u>	<u>57,800</u>
<b>Total borrowings</b>	<u><u>126,687</u></u>	<u><u>91,056</u></u>
<sup>^</sup> Exchange rate		
- Australian Dollar	2.963	3.059
- Indonesian Rupiah	-	0.000272
- Thai Baht	11.74	12.17
- Indian Rupee	0.0540	0.0541

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**B8. Material Litigation**

Neither FMHB nor any of its subsidiaries in the Group 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 in the Group 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 in the Group.

**B9. Dividend**

The Board of Directors has declared a third interim single tier dividend of 2.0 sen per ordinary share, in respect of the financial year ending 30 June 2022. The dividend will be paid on 7 October 2022 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 30 September 2022.

**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>30.06.2022</b>	<b>Quarter</b>	<b>30.06.2022</b>	<b>Quarter</b>
	<b>30.06.2021</b>	<b>30.06.2021</b>	<b>30.06.2021</b>	<b>30.06.2021</b>
Profit attributable to equity holders of the parent (RM'000)	12,563	8,584	45,585	27,035
Weighted average number of ordinary shares in issue ('000)	558,445	558,445	558,445	558,445
Basic Earnings Per Ordinary Share (sen)	2.25	1.54	8.16	4.84

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

	<b>Current Year Quarter 30.06.22 RM'000</b>	<b>Preceding Year Quarter 30.06.21 RM'000</b>	<b>Current Year To Date 30.06.22 RM'000</b>	<b>Preceding Year To Date 30.06.21 RM'000</b>
<b>Profit for the period is arrived at after charging/(crediting) :</b>				
Interest income	(47)	(41)	(187)	(259)
Fair value loss/(gain) on other investment	310	(805)	310	(805)
Gain on disposal of property, plant and equipment	(149)	(274)	(319)	(216)
Gain on foreign exchange	(1,270)	(168)	(326)	1,598
Depreciation of PPE	2,141	2,262	8,668	8,326
Depreciation of Right-of-use assets	4,685	3,203	14,764	12,103
Amortization of Intangible asset	49	107	265	508
(Reversal)/loss on Impairment/ write off of receivables	285	(1,442)	2,465	3,388
Impairment loss on PPE	-	702	917	702
Impairment loss on advance in associate	-	486	-	1,717
Loss on disposal of investment in associate	-	-	-	152
Interest expense	1,954	972	5,675	3,278

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 30 June 2022.