

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

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

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 2022.

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 2022 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 2022.

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 for the accounting period beginning 1 July 2022.

**A2. Qualification of Annual Financial Statements**

The audit report of the Group’s latest audited financial statements for the financial year ended 30 June 2022 was not qualified.

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**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 2.0 sen per share amounting to RM11,168,897 in respect of financial year ended 30 June 2022 has been paid on 7 October 2022.

The first interim single tier dividend of 1.0 sen per share amounting to RM5,584,448 in respect of financial year ending 30 June 2023 has been paid on 14 April 2023.

The second interim single tier dividend of 1.0 sen per share amounting to RM5,584,448 in respect of financial year ending 30 June 2023 has been paid on 28 July 2023.

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**A8. Segment information**

Operating segments for the current financial period ended 30 June 2023:

	←			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	655,851	115,279	60,694	34,925	19,484	37,025	59,257	2,103	(36,257)	948,361
Inter-segment revenue	(17,878)	(820)	(2,480)	(2,570)	(802)	(3,145)	(6,459)	(2,103)	36,257	-
Revenue from external customers	637,973	114,459	58,214	32,355	18,682	33,880	52,798	-	-	948,361
<b>Results</b>										
Segment results	48,318	6,155	5,728	1,179	959	2,084	1,396	3,017	(1,372)	67,464
Finance costs	(7,572)	(109)	(21)	(84)	(19)	(68)	-	-	65	(7,808)
Share of profit of associates	3	-	-	-	-	-	-	-	-	3
Share of profit of joint ventures	-	-	-	-	-	-	-	2,593	-	2,593
Profit before tax	40,749	6,046	5,707	1,095	940	2,016	1,396	5,610	(1,037)	62,252
Tax expense										(15,100)
Profit for the period										47,152
<b>Assets</b>										
Segment assets	572,335	26,690	33,854	13,848	7,073	8,588	23,115	98,867	(109,720)	674,650
Investments in associates	454	-	-	-	-	-	-	-	-	454
Investments in joint ventures	-	-	-	-	-	-	-	10,414	-	10,414
Deferred tax assets	-	-	1,196	-	-	32	-	-	-	1,228
Current tax assets	33	-	806	952	-	-	433	62	-	2,286
Total assets										689,032

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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	294,440	11,766	10,540	8,030	1,021	4,185	20,374	53,520	(153,841)	250,035
Deferred tax liabilities	31,108	-	-	-	-	1	-	29	350	31,488
Current tax liabilities	1,837	215	-	242	77	533	19	65	-	2,988
Total liabilities										<u>284,511</u>
<b>Other segment information</b>										
Capital expenditure - PPE	6,569	316	316	35	40	32	137	2,553	-	9,998
Capital expenditure – ROU assets (HP)	18,637	-	-	-	-	-	-	-	-	18,637
Depreciation on PPE	7,390	184	338	89	72	34	16	123	433	8,679
Depreciation on right-of-use assets	18,647	880	582	159	180	-	-	-	-	20,448
Amortization of Intangible assets	-	-	-	-	-	-	1	110	-	111

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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 profit 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	657,200	29,966	27,081	12,690	11,957	10,396	27,872	81,535	(116,167)	742,530
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										754,533

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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	382,969	18,631	8,298	8,492	2,585	7,984	25,048	48,725	(160,187)	342,545
Deferred tax liabilities	30,584	-	-	-	-	-	-	-	454	31,038
Current tax liabilities	1,909	300	614	-	401	328	661	-	-	4,213
Total liabilities										<u>377,796</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	7,613	117	334	77	85	63	9	71	433	8,802
Depreciation on right-of-use assets	12,847	901	528	185	170	-	-	-	-	14,631
Amortization of Intangible assets	-	-	-	-	-	-	-	265	-	265

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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	8,716
Guarantees given to financial institutions in respect of credit facilities granted	93,852
	<hr/>
	<u>102,568</u>

**A13. Capital commitments**

**Contracted but not provided for :**

	<b>As at 30.06.23 RM'000</b>
Prime Mover and Trailers	10,462
Forklifts	369
Motor Vehicle	267
Office equipment	<hr/> 150
	<u>11,248</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 RM136.4 million or approximately 41% in 4QFY23 compared to 4QFY22. Details of changes in each service type are as follows:-

Service Type	4QFY23	4QFY22	Changes	
			RM mil	% change
International freight	147.8	281.1	-133.3	-47%
Domestic Logistics	49.6	52.7	-3.1	-6%
<b>TOTAL</b>	<b>197.4</b>	<b>333.8</b>	<b>-136.4</b>	<b>-41%</b>

Compared to 4QFY22, the lower revenue in 4QFY23 was mainly due to lower freight rates and lower activities in international freight and domestic logistics services in the current quarter.

The Group's Profit Before Tax ("PBT") decreased from RM17.6 million to RM11.1 million or 37% lower as compared to 4QFY22. The decrease in PBT was mainly due to the lower business activities as mentioned above.

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

Service Type	4QFY23	3QFY23	Changes	
			RM mil	% change
International freight	147.8	145.0	2.8	2%
Domestic Logistics	49.6	57.0	-7.4	-13%
<b>TOTAL</b>	<b>197.4</b>	<b>202.0</b>	<b>-4.6</b>	<b>-2%</b>

The Group's revenue for the current quarter of RM197.4 million was RM4.6 million or 2% lower than 3QFY23.

The Group's PBT for 4QFY23 reported lower to RM11.2 million or 26% from RM15.0 million in 3QFY23.

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**B3. Prospects for Next Financial Year**

The Group expects the financial year ending 30 June 2024 to continue to be a challenging year with market conditions remaining uncertain. Nevertheless, the Group expects to maintain its positive performance in the current financial year and is well-positioned to take advantage of any recovery in the global economy.

**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**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Quarter
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
<b>In respect of current period:</b>				
Income tax	1,482	4,771	14,434	17,959
Deferred tax	603	47	524	(295)
	<u>2,084</u>	<u>4,818</u>	<u>14,958</u>	<u>11,664</u>
<b>In respect of prior years :</b>				
Income tax	-	(809)	83	(959)
Deferred tax	12	147	59	147
	<u>12</u>	<u>(662)</u>	<u>142</u>	<u>(812)</u>
<b>Total</b>	<u>2,097</u>	<u>4,156</u>	<u>15,100</u>	<u>16,852</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 30.06.2023 RM'000</b>	<b>As at 30.06.2022 RM'000</b>
<b>Payable within 12 months (secured)</b>		
Term loans		
- Ringgit Malaysia	27,593	73,471
- India Dollar (INR1.5m / INR4.6m)^	88	78
Lease liabilities (Hire-purchase)		
- Ringgit Malaysia	12,795	10,749
- Australian Dollar (AUD19k / AUD25k)^	57	74
- Indonesia Rupiah (IDR106m / -)^	33	-
- Thai Baht (THB553k / THB579k)^	74	68
- Indian Rupee (INR364k / INR343k)^	20	19
Overdraft		
- Ringgit Malaysia	3,483	1,547
- Indian Rupee (INR0.06k / INR18m)^	3	973
	<u>44,146</u>	<u>86,978</u>
<b>Payable after 12 months (secured)</b>		
Term loans		
- Ringgit Malaysia	64,060	73,150
- Indian Rupee (INR1.4m / INR3.0m)^	80	160
Lease liabilities (Hire-purchase)		
- Ringgit Malaysia	30,950	29,445
- Australian Dollar (AUD93k / AUD69k)^	285	205
- Indonesia Rupiah (IDR200m / -)^	62	-
- Thai Baht (THB150k / THB715k)^	20	84
- Indian Rupee (- / INR346m)^	-	19
	<u>95,457</u>	<u>103,063</u>
<b>Total borrowings</b>	<u><u>139,603</u></u>	<u><u>190,042</u></u>
<b>^ Exchange rate</b>		
- Australian Dollar	3.087	2.963
- Indonesian Rupiah	0.000311	-
- Thai Baht	13.14	11.74
- Indian Rupee	0.0569	0.0540

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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 2023. The dividend will be paid on 13 October 2023 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 29 September 2023.

**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>30.06.2023</b>	<b>Quarter</b>	<b>30.06.2023</b>	<b>Quarter</b>
		<b>30.06.2022</b>		<b>30.06.2022</b>
Profit attributable to equity holders of the parent (RM'000)	7,734	12,563	42,007	45,585
Weighted average number of ordinary shares in issue ('000)	558,445	558,445	558,445	558,445
Basic Earnings Per Ordinary Share (sen)	1.38	2.25	7.52	8.16

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

	<b>Current Year Quarter 30.06.23 RM'000</b>	<b>Preceding Year Quarter 30.06.22 RM'000</b>	<b>Current Year To Date 30.06.23 RM'000</b>	<b>Preceding Year To Date 30.06.22 RM'000</b>
<b>Profit for the period is arrived at after charging/(crediting) :</b>				
Interest income	(382)	(47)	(867)	(187)
Fair value loss/(gain) on other investment	(468)	310	(468)	310
Gain on disposal of property, plant and equipment	(314)	(149)	(414)	(319)
Gain on foreign exchange	(41)	(1,270)	(1,065)	(326)
Depreciation of PPE	2,390	2,275	8,679	8,802
Depreciation of Right-of-use assets	5,987	4,552	20,448	14,631
Amortization of Intangible asset	28	49	111	265
(Reversal)/Loss on Impairment/ write off of receivables	(204)	285	(1,730)	2,465
Impairment loss on PPE	-	-	-	917
Interest expense	1,935	1,954	7,808	5,675

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 2023.