

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

**Notes on the quarterly report – 30 September 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	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	303,362	10,008	10,429	8,314	1,297	4,894	20,141	62,038	(180,736)	239,747
Deferred tax liabilities	30,926	-	-	-	-	2	-	29	324	31,281
Current tax liabilities	2,151	422	-	236	29	347	124	156	-	3,465
Total liabilities										<u>274,493</u>
<b>Other segment information</b>										
Capital expenditure - PPE	1,667	-	17	2	1	26	5	-	-	1,718
Capital expenditure – ROU assets (HP)	2,235	-	-	-	-	-	-	-	-	2,235
Depreciation on PPE	1,999	47	85	17	8	12	1	133	108	2,410
Depreciation on right-of-use assets	4,757	-	160	41	46	-	-	-	-	5,004
Amortization of Intangible assets	-	-	-	-	-	-	-	28	-	28



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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	411,353	16,829	9,486	8,480	2,707	7,784	22,386	57,489	(207,662)	328,852
Deferred tax liabilities	30,441	-	-	-	-	-	-	-	428	30,869
Current tax liabilities	3,414	661	821	66	300	498	968	71	-	6,799
Total liabilities										<u>366,520</u>
<b>Other segment information</b>										
Capital expenditure - PPE	1,151	9	43	11	6	19	98	-	-	1,337
Capital expenditure – ROU assets (HP)	9,737	-	-	-	-	-	-	-	-	9,737
Depreciation on PPE	1,734	8	83	21	22	14	1	4	108	1,995
Depreciation on right-of-use assets	4,171	13	135	39	45	-	-	-	-	4,403
Amortization of Intangible assets	-	-	-	-	-	-	-	28	-	28

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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	8,736
Guarantees given to financial institutions in respect of credit facilities granted	87,474
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	<u>96,210</u>

**A13. Capital commitments**

**Contracted but not provided for :**

	<b>As at 30.09.23 RM'000</b>
Buildings	77,319
PM and Trailers	11,636
Trucks	689
Forklifts	369
Office equipment	150
Warehouse equipment	61
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	<u>90,224</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 RM114.1 million or approximately 38% lower than 1QFY23. Details of changes in each service type are as follows:-

<b>Service Type</b>	<b>1QFY24</b>	<b>1QFY23</b>	<b>Changes</b>	
			<b>RM mil</b>	<b>% change</b>
International freight	134.8	232.6	-97.8	-42%
Domestic Logistics	54.3	70.6	-16.3	-23%
<b>TOTAL</b>	<b>189.1</b>	<b>303.2</b>	<b>-114.1</b>	<b>-38%</b>

Compared to 1QFY23, the lower revenue in 1QFY2023 was mainly due to lower freight rates in the current quarter.

The Group's Profit Before Tax ("PBT") decreased from RM18.0 million to RM10.9 million or 39% lower as compared to 1QFY23. The decrease of PBT are mainly due to the lower revenue from both Malaysian and overseas operations in the current 1QFY24.

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

<b>Service Type</b>	<b>1QFY24</b>	<b>4QFY23</b>	<b>Changes</b>	
			<b>RM mil</b>	<b>% change</b>
International freight	134.8	147.8	-13.0	-9%
Domestic Logistics	54.3	49.6	4.7	9%
<b>TOTAL</b>	<b>189.1</b>	<b>197.4</b>	<b>-8.3</b>	<b>-4%</b>

The Group's revenue for the current quarter of RM189.1 million was RM8.3 million or 4% lower than 4QFY23 mainly due to lower freight rates.

The Group's PBT for 1QFY24 decreased slightly to RM7.2 million or 7% from RM7.7 million in 4QFY23 mainly due to higher operating expenses in the current quarter.

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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**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Quarter
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
<b>In respect of current period:</b>				
Income tax	3,449	4,822	3,449	4,822
ferred tax	(394)	(190)	(394)	(190)
	<u>3,055</u>	<u>4,632</u>	<u>3,055</u>	<u>4,632</u>
<b>In respect of prior years :</b>				
Income tax	-	-	-	-
Deferred tax	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u><u>3,055</u></u>	<u><u>4,632</u></u>	<u><u>3,055</u></u>	<u><u>4,632</u></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 30.09.2023 RM'000</b>	<b>As at 30.09.2022 RM'000</b>
<b>Payable within 12 months (secured)</b>		
Term loans		
- Ringgit Malaysia	24,103	52,445
- India Dollar (INR1.6m / INR1.5m)^	89	81
Lease liabilities (Hire-purchase)		
- Ringgit Malaysia	11,433	12,163
- Australian Dollar (AUD14k / AUD24k)^	42	70
- Indonesia Rupiah (IDR 109m / -)^	33	-
- Thai Baht (THB579k / THB529k)^	74	60
- Indian Rupee (INR255k / INR352k)^	15	19
Overdraft		
- Ringgit Malaysia	326	2,312
- Indian Rupee (INR0.06m / INR15.6m)^	3	861
	<u>36,118</u>	<u>68,011</u>
<b>Payable after 12 months (secured)</b>		
Term loans		
- Ringgit Malaysia	61,172	70,740
- Indian Rupee (INR1.0m / INR2.6m)^	57	143
Lease liabilities (Hire-purchase)		
- Ringgit Malaysia	23,504	33,183
- Australian Dollar (AUD91k / AUD64k)^	276	189
- Indonesia Rupiah (IDR 171m / -)^	52	-
- Thai Baht (- / THB579k)^	-	66
- Indian Rupee (- / INR255m)^	-	14
	<u>85,061</u>	<u>104,335</u>
<b>Total borrowings</b>	<u>121,179</u>	<u>172,346</u>
<b>^ Exchange rate</b>		
- Australian Dollar	3.041	2.946
- Indonesian Rupiah	0.000304	-
- Thai Baht	12.86	11.45
- Indian Rupee	0.0565	0.0550

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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 does not recommend any dividend for the current quarter under review.

**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>30.09.2023</b>	<b>Quarter</b>	<b>30.09.2023</b>	<b>Quarter</b>
	<b>30.09.2023</b>	<b>30.09.2022</b>	<b>30.09.2023</b>	<b>30.09.2022</b>
Profit attributable to equity holders of the parent (RM'000)	7,203	12,050	7,203	12,050
Weighted average number of ordinary shares in issue ('000)	558,445	558,445	558,445	558,445
Basic Earnings Per Ordinary Share (sen)	1.29	2.16	1.29	2.16

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

	<b>Current Year Quarter 30.09.23 RM'000</b>	<b>Preceding Year Quarter 30.09.22 RM'000</b>
<b>Profit for the period is arrived at after charging/(crediting) :</b>		
Interest income	(353)	(87)
Gain on disposal of property, plant and equipment	(74)	(29)
(Gain)/loss on foreign exchange	(56)	(1,595)
Depreciation of PPE	2,410	1,995
Depreciation of Right-of-use assets	5,004	4,403
Amortization of Intangible asset	28	28
(Reversal)/Loss on Impairment/ write off of receivables	1,989	(388)
Interest expense	1,587	1,973

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 September 2023.