

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

Notes on the quarterly report – 30 September 2024

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 2024.

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 2024.

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 2024 except for the adoption of MFRSs, amendments and interpretations that are effective for the financial year beginning on or after 1 July 2024 which are applicable to the Group. The initial adoption of these applicable MFRSs, amendments and interpretations do not have any material impact on the financial statements of the Group.

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 cyclical factors

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

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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 second interim single tier dividend of 3.0 sen per share amounting to RM16,753,345 in respect of financial year ended 30 June 2024 has been paid on 18 October 2024.

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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
Liabilities											
Segment liabilities	392,775	12,591	12,366	10,267	2,038	6,466	19,103	16,403	91,228	(189,292)	373,945
Deferred tax liabilities	36,492	-	-	-	-	2	-	29	-	-	36,523
Current tax liabilities	2,634	1,301	-	16	43	428	579	59	10	-	5,070
Total liabilities											<u>415,538</u>
Other segment information											
Capital expenditure - PPE	12,836	1	445	3	-	49	7	-	85	-	13,426
Capital expenditure – ROU assets (HP)	4,120	-	-	-	-	-	-	-	-	-	4,120
Depreciation on PPE	2,037	10	91	16	3	15	-	77	134	-	2,383
Depreciation on right-of-use assets	3,765	-	142	37	46	-	-	2,738	-	-	6,728
Amortization of Intangible assets	-	-	-	-	-	-	-	-	9	-	9

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A8. Segment information

Operating segments for the current financial period ended 30 September 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
Revenue										
Total revenue	136,621	17,474	15,593	6,575	3,621	7,407	10,091	580	(8,901)	189,061
Inter-segment revenue	(4,250)	(229)	(807)	(472)	(222)	(768)	(1,573)	(580)	8,901	-
Revenue from external customers	132,371	17,245	14,786	6,103	3,399	6,639	8,518	-	-	189,061
Results										
Segment results	11,243	708	1,261	6	17	209	323	(345)	(1,301)	12,121
Finance costs	(1,570)	(5)	(4)	(20)	(1)	(4)	-	-	17	(1,587)
Share of loss of associates	1	-	-	-	-	-	-	-	-	1
Share of profit of joint ventures	-	-	-	-	-	-	-	419	-	419
Profit before tax	9,674	703	1,257	(14)	16	205	323	74	(1,284)	10,954
Tax expense										(3,055)
Profit for the period										7,899
Assets										
Segment assets	588,290	25,418	34,132	14,182	7,171	9,241	23,223	95,871	(136,785)	660,743
Investments in associates	455	-	-	-	-	-	-	-	-	455
Investments in joint ventures	-	-	-	-	-	-	-	10,247	-	10,247
Deferred tax assets	-	-	1,357	-	-	31	-	-	-	1,388
Current tax assets	10	-	671	742	-	-	375	63	-	1,861
Total assets										674,694

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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
Liabilities										
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>
Other segment information										
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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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, USA and Singapore.
- 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:-

	RM'000
Guarantees given to third parties in respect of trade performance of subsidiaries	7,985
Guarantees given to financial institutions in respect of credit facilities granted	185,775
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	193,760

A13. Capital commitments

Contracted but not provided for :

	As at 30.09.24 RM'000
Land	60,462
Buildings	8,244
Prime movers	3,813
Warehouse equipment	2,826
Forklifts	1,402
Trailers	1,468
Motor vehicle and trucks	786
Office equipment	375
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	79,376

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

B1. Review of performance

Service Type	1QFY25	1QFY24	Changes	
			RM mil	% change
International freight	192.2	134.8	57.4	43%
Domestic Logistics	61.5	54.3	7.2	13%
TOTAL	253.7	189.1	64.6	34%

The Group's revenue for the current quarter of RM253.7 million was RM64.6 million or 34% higher than 1QFY24 mainly due to increase of business activities in this quarter.

The Group's Profit Before Tax ("PBT") increased from RM10.9 million to RM11.9 million or 8% higher as compared to 1QFY24. The increase of PBT is due to improved performance from both Malaysian and overseas operations in the current 1QFY25.

B2. Variation of results against preceding quarter

Service Type	1QFY25	4QFY24	Changes	
			RM mil	% change
International freight	192.2	158.4	33.8	21%
Domestic Logistics	61.5	63.1	-1.6	-3%
TOTAL	253.7	221.5	32.2	15%

The Group's revenue for the current quarter of RM253.7 million was RM32.2 million or 15% higher than 4QFY24 mainly due to increase of business activities in this quarter.

The Group's PBT for 1QFY25 increased from RM10.4 million to RM11.9 million or 14% higher due to increase of business activities.

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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	Preceding	Current	Preceding
	Quarter	Year	Year To	Year
	30.09.2024	Corresponding	Date	Corresponding
	30.09.2024	Quarter	30.09.2024	Quarter
	RM'000	30.09.2023	RM'000	30.09.2023
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
Income tax	3,676	3,449	3,676	3,449
Deferred tax	(122)	(394)	(122)	(394)
	3,554	3,055	3,554	3,055
In respect of prior years :				
Income tax	(1)	-	(1)	-
Deferred tax	-	-	-	-
	(1)	-	(1)	-
Total	3,553	3,055	3,553	3,055

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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:

	As at 30.09.2024 RM'000	As at 30.09.2023 RM'000
Payable within 12 months (secured)		
Term loans		
- Ringgit Malaysia	69,723	24,103
- India Dollar (- / INR1.6m)^	-	89
Lease liabilities (Hire-purchase)		
- Ringgit Malaysia	11,717	11,433
- Australian Dollar (AUD14k / AUD14k)^	40	42
- Indonesia Rupiah (IDR 891m / IDR 109m)^	242	33
- Thai Baht (THB739k / THB579k)^	95	74
- Indian Rupee (- / INR255k)^	-	15
Overdraft		
- Ringgit Malaysia	-	326
- Indian Rupee (INR5.5m / INR0.06m)^	272	3
	<u>82,089</u>	<u>36,118</u>
Payable after 12 months (secured)		
Term loans		
- Ringgit Malaysia	113,851	61,172
- Indian Rupee (- / INR1.0m)^	-	57
Lease liabilities (Hire-purchase)		
- Ringgit Malaysia	20,792	23,504
- Australian Dollar (AUD79k / AUD91k)^	226	276
- Indonesia Rupiah (IDR 1,406m / IDR 171m)^	382	52
- Thai Baht (THB2.4m / -)^	307	-
- Indian Rupee (- / -)^	-	-
	<u>135,558</u>	<u>85,061</u>
Total borrowings	<u>217,647</u>	<u>121,179</u>
^ Exchange rate		
- Australian Dollar	2.8551	3.041
- Indonesian Rupiah	0.000272	0.000304
- Thai Baht	12.80	12.86
- Indian Rupee	0.0492	0.0565

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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

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Year	Year	Year To	Year
	Quarter	Corresponding	Date	Corresponding
	30.09.2024	Quarter	30.09.2024	Quarter
	30.09.2023	30.09.2023	30.09.2023	30.09.2023
Profit attributable to equity holders of the parent (RM'000)	7,257	7,203	7,257	7,203
Weighted average number of ordinary shares in issue ('000)	558,445	558,445	558,445	558,445
Basic Earnings Per Ordinary Share (sen)	1.30	1.29	1.30	1.29

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B11. Additional Disclosures on Profit for the period

	Current Year Quarter 30.09.24 RM'000	Preceding Year Quarter 30.09.23 RM'000
Profit for the period is arrived at after charging/(crediting) :		
Interest income	(189)	(353)
Gain on disposal of property, plant and equipment	(329)	(74)
(Gain)/loss on foreign exchange	2,208	(56)
Depreciation of PPE	2,383	2,410
Depreciation of Right-of-use assets	6,728	5,004
Amortization of Intangible asset	9	28
(Reversal)Loss on Impairment/ write off of receivables	91	1,989
Interest expense	2,405	1,587

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 2024.