

# ANCOM LOGISTICS BERHAD

## 59<sup>TH</sup> ANNUAL GENERAL MEETING

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Questions raised by  
Minority Shareholders Watch Group

# OPERATIONAL AND FINANCIAL MATTERS

## MSWG Question – Q1

For FY2025, the Group reported revenue of RM33.4 million, representing an increase of 6.4% from RM31.4 million in the preceding year. The growth was principally driven by sustained strong demand for spot tank rentals within the tank farm segment (page 12 of Annual Report 2025).

- a) What were the key catalysts behind the stronger demand for spot tank rentals in FY2025, and how sustainable is this trend going into FY2026?

How is the industry demand and supply dynamic for chemical tank farm?

In addition, what is the average utilisation rate of the expanded capacity of 54,100 cbm after the latest expansion?

- b) Between spot rental and long-term lease agreements, which segment delivers higher margins and is more strategically preferred by the Group?

What is the breakdown of ALB's long-term lease agreement by tenure?

Accordingly, what is the revenue ratio between long-term leasing and spot rental?

What is the optimal revenue ratio between spot rental and long-term leases?

## Company's response

The primary factors contributing to the growth in the Chemical Storage and Logistics industry are:

- Malaysia's strategic location in Southeast Asia, which offers cost advantages relative to Singapore.
- An expanding manufacturing sector.
- Government initiatives aimed at improving logistics infrastructure.

Based on these developments, we anticipate that industry growth will persist through FY2026, and this is especially relevant for our tank farms.

For ANT, the increase in spot tank utilisation during FY2025 was primarily attributed to port congestions i.e. Buffer inventories were needed due to delayed vessel turnaround.

At present, following the addition of 10,000 cbm to the tank farm, the average utilisation rate stands at 90%.

While spot rentals yield higher margins compared to long-term leases, long-term leases provide a stable revenue stream for the company. Striking an optimal balance between these two approaches is essential; currently, an 80:20 ratio between long-term lease and spot tank rentals is maintained and will continue into FY2026.

# OPERATIONAL AND FINANCIAL MATTERS

## MSWG Question – Q2

**Cogent's trucking operations recorded flat revenue growth in FY2025, with revenue marginally up to RM20.0 million from RM19.9 million a year ago, as demand from the chemical industry remained subdued. The Company also incurred notably higher truck maintenance expenses and unfavourable exchange rates against the Ringgit (page 13 of AR2025).**

- a) What is the current utilisation rate of the existing fleet of trucks?

Given the elevated maintenance expenses and currency pressures, how does Cogent manage its cost structure to preserve margins unless it revises its rates upwards?

- b) What is management's outlook for the trucking operations in FY2026?

## Company's response

The trucking division currently operates at a utilisation rate of approximately 80%.

In response to rising maintenance expenses and currency fluctuations, the Company is prioritising cost efficiency initiatives mainly via the optimisation of logistics routes and increase utilisation of the existing fleet.

In contrast to the tank farm operations, Cogent's trucking segment is subject to significant competitive pressures due to the large number of market participants.

To drive future performance improvements, Cogent intends to:

- broaden its customer base
- identify additional revenue opportunities
- deliver increased value-added services

to both existing and prospective clients.

# OPERATIONAL AND FINANCIAL MATTERS

## MSWG Question – Q3

Included in deposits of the Group and the Company is a refundable deposit owed by a third party amounting to RM4.81 million (FY2024: RM6.5 million. During FY2025, a net reversal of impairment of RM418,000 on the deposit was recognised, compared to impairment losses of RM1.87 million in FY2024 (page 88, Note 8 – Trade and other receivables, AR2025).

In ALB's response to MSWG at the 58th AGM, it was stated that the balance of the deposit is now the subject of legal action initiated on 23 October 2023.

What is the latest update on the legal action taken against S7 Holdings Sdn Bhd to recover the deposit?

Does the reversal of impairment reflect improved prospects of recovery?

What is management's confidence level in reclaiming the outstanding sum?

## Company's response

The updates on the outstanding balance are as follows:

On 24 December 2024, RM1.0 million was received from S7 Holdings Sdn. Bhd. ("S7").

Subsequently, on 13 February 2025, a Consent Judgement was obtained for the remaining balance of RM5.5 million, to be repaid in eight equal instalments of RM687,500, commencing 15 March 2025 and concluding on 15 December 2026.

To date, the first three instalments have been paid in full, totalling RM2,062,500, leaving an outstanding balance of RM3,437,500. The reversal of impairment reflects enhanced prospects of full recovery.

Please note that default on any single instalment will be regarded as default on the entire outstanding sum and ALB can proceed to recover the debts from the director personally.

Now that a Consent Judgement has been secured and S7 has consistently met its repayment obligations, our prospects for recovering the outstanding balance have improved.

# OPERATIONAL AND FINANCIAL MATTERS

## MSWG Question – Q4

**As at FY2025, ALB owed its holding company Ancom Nylex Berhad (ANB), a sum of RM5.52 million (FY2024: RM2.9 million).**

- a) What is the nature of the advances and expenses that ANB paid on behalf of ALB?
- b) The outstanding amount bears an effective annual interest rate of 5% (FY2024: 4.5%) per annum. What benchmarking or assessment processes were undertaken to ensure that the interest rate and terms of the intercompany advances are conducted on an arm-length basis and in the best interest of ALB's minority shareholders?

## Company's response

As a member of the Ancom Nylex Berhad Group ("ANB"), ALB benefits from centralised shared services provided at the group level, including the allocation of corporate and administrative support. In addition, as part of the ANB Group, ALB continues to receive financial assistance based on its cash flow status and operational needs.

The interest rate charged by ANB, set at 5% per annum, is aligned with the average lending rate published by Bank Negara, which was approximately 5% per annum for the period from June 2024 to May 2025.

The interest rate applied on inter-company advances reflects arm's length basis as the group also need to be mindful of transfer pricing rules.

# OPERATIONAL AND FINANCIAL MATTERS

## MSWG Question – Q5

In April 2024, ALB together with ANB, entered into a Heads of Agreement (HOA) with Greenheart Sdn. Bhd., Choong Wee Keong, and How Yoon For (the Vendors) for the proposed acquisition of the entire share capital of Green Lagoon Technology Sdn Bhd (GLT) by ALB. On 21 April 2025, ALB and ANB entered into a Supplemental Agreement (SA) to the HOA with the Vendors and GLT (pages 13 and 14 of AR 2025). Later on 22 October 2025, the parties involved entered into a 2nd SA to vary terms and conditions of the 1st SA to the HOA.

With 18 months having elapsed since the proposal was made, when is the transaction expected to be finalised? What key issues or regulatory matters are pending resolution among the parties involved?

## Company's response

The extended timeline is primarily due to the fact that GLT Group comprises twenty-one biogas plants, each established as a separate legal entity. As a result, additional time was necessary to enable comprehensive reviews and due diligence by advisors. Over the past eighteen months, we have made significant progress across key areas.

As referenced in our announcement dated 22 October 2025, the Heads of Agreement (“HOA”) has been extended until 31 December 2026. Consequently, we anticipate that the proposed reverse take-over exercise (“Proposed RTO”) will be completed within this revised period.

Furthermore, in the same announcement, ANB entered into a Share Subscription Agreement to invest RM22 million in GLT ahead of the completion of the Proposed RTO; this investment was initially intended to occur upon finalisation of the RTO.

At this stage, no major issues or regulatory compliance concerns have been identified during the due diligence process.

Our ongoing focus, in collaboration with all stakeholders in GLT, is to ensure successful completion of the Proposed RTO in 2026.

# SUSTAINABILITY MATTERS

## MSWG Question – Q1

***Scope 1 emissions declined by 23.8% y-o-y to 3,906.1 tCO<sub>2</sub>e in FY2025 from 5,128.6 tCO<sub>2</sub>e in FY2024. The reduction was attributed to ongoing fleet renewal to Euro-5-compliant trucks, wider adoption of anti-idling practices, preventive maintenance, route optimisation, and the use of B10 biodiesel, all of which lowered fuel consumption across logistics operations. Meanwhile, Scope 2 emissions recorded a decrease of 7.5% to 179.3 tCO<sub>2</sub>e in FY2025 compared to 193.9 tCO<sub>2</sub>e in FY2024 (page 23 of AR2025).***

*It is commendable that the Group managed to reduce its Scope 1 and Scope 2 emissions despite generating higher revenue in FY2025. Moving forward, what are the plans, measures, targets and timelines to further reduce ALB's GHG emissions?*

## Company's response

ALB will continue reducing emissions through ongoing fleet renewal to Euro-5-compliant trucks.

Other measures include route optimisation, anti-idling controls, and preventive maintenance to sustain annual fuel savings.

The numerical targets will be announced in the next reporting cycle, once validated across all divisions.